

NATIONAL FEDERATION PARTY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

Contents:

Statement by the Management Board

Independent Audit Report

Schedule 1: Statement of Income

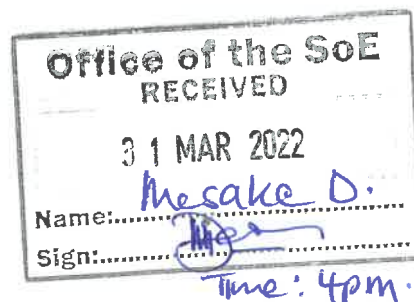
Schedule 2: Statement of Changes in Party Funds

Schedule 3: Statement of Financial Position

Schedule 4: Statement of Cashflows

Schedule 5: Notes to and forming part of the financial statements

Schedule 6: Detailed Income and Expenditure Statement



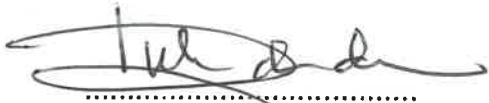
NATIONAL FEDERATION PARTY

MANAGEMENT BOARD STATEMENT

On behalf of the Management Board of the National Federation Party we state that in our opinion:

- (i) the accompanying statement of income and expenditure of the party is drawn up so as to give a true and fair view of the results of the party for the year ended 31 December 2021;
- (ii) the accompanying statement of financial position of the party is drawn up so as to give a true and fair view of the state of affairs of the party as at 31 December 2021;
- (iii) the accompanying statement of cash flows of the party is drawn up so as to give a true and fair view of the cash flows of the party for the year ended 31 December 2021;

On behalf of the Management Board of the National Federation Party:



.....
Pio Tikoduadua
President



.....
Chandrakant Lodhia
Treasurer

Dated this 31st day of March, 2022.



I. NAIVELI & CO.

Chartered Accountants and Business Advisors

Registered Tax Agent, Certified Public Practitioner (CPP), Fellow Member – Association of International Accountants (UK),
Member CPA Australia

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF THE NATIONAL FEDERATION PARTY

Qualified Opinion

We have audited the financial statements of the National Federation Party, which comprise the statement of financial position as at 31 December 2021, and the statement of income and expenditure, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on schedule 5 to 5/4.

In our opinion, except for the possible effects of the matter described in the basis of qualified opinion paragraph, the accompanying financial statements present fairly, in all material aspects, the financial position of the Party and the financial performance and cash flows of the Party for the year then ended in accordance with International Financial Reporting Standards for Small and Medium Enterprises.

Basis for Qualified Opinion

Due to the nature of the transactions inherent in any political party, the completeness of contributions and other income and expenses is not susceptible to satisfactory audit verification. Accordingly, the evidence available to us regarding income, our audit procedures with respect to income from donations, had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether income obtained from these sources is complete.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the party in accordance with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management for the Financial Statements

The management are responsible for the preparation of the financial statements in accordance with International Accounting Standards, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The management are responsible for overseeing the Party's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Party's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Party to cease to continue as a going concern
- We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
I. Naiveli & Co
Chartered Accountants and Business Advisors



.....
Ioane Naiveli
(Registered Auditor)
(Under Companies Act 2015)

Lot 4 Ratu Dovi Road
Bure Ni Dula
Nasinu

31 March 2022

**NATIONAL FEDERATION PARTY
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 1

		2021	2020
		\$	\$
INCOME	Note		
Donations		63,747	43,019
Fundraising		-	9,725
Parliamentary office resourcing		45,000	45,000
Other Income		5,413	3,850
Membership fees		89	174
Reimbursement		-	2,178
TOTAL INCOME		<u>114,249</u>	<u>103,946</u>
Less: Expenditure	(refer schedule 6)	<u>(111,427)</u>	<u>(104,744)</u>
Net (Deficit)/Surplus	(refer schedule 2)	<u>2,822</u>	<u>(797)</u>

To be read in conjunction with the notes to and forming part of this financial statements.

**NATIONAL FEDERATION PARTY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

Schedule 3

	Notes	2021 \$	2020 \$
ASSETS			
Cash and cash equivalents	2	10,227	3,530
Trade and other receivables	3	2,737	1,574
Amount owed by Relief and Welfare Fund	6	1,223	1,223
Property, plant and equipment	4	720,776	735,318
TOTAL ASSETS		<u>734,962</u>	<u>741,645</u>
LIABILITIES			
Creditors and Accruals	5	38,223	44,145
TOTAL LIABILITIES		<u>38,223</u>	<u>44,145</u>
NET ASSETS		<u>696,740</u>	<u>697,501</u>
ACCUMULATED FUNDS			
Party funds		300,000	300,000
Revaluation reserves		416,104	416,104
Accumulated surplus	(refer schedule 2)	(19,364)	(18,603)
TOTAL ACCUMULATED FUNDS		<u>696,740</u>	<u>697,501</u>

To be read in conjunction with the notes to and forming part of this financial statements.

The financial statements are approved in accordance with a resolution of the Management Board.

For and on behalf of the Executive Committee and Management Board:



.....
Pio Tikoduadua
President



.....
Chandrakant Lodhia
Treasurer

Dated..... 31stof..... March2022

**NATIONAL FEDERATION PARTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 4

		2021	2020
		\$	\$
Cash flows from operating activities	Note		
Receipt from donors and members		116,087	104,455
Payments to suppliers and employees		<u>(108,290)</u>	<u>(109,490)</u>
Net cash provided by operating activities	7(b)	<u>7,797</u>	<u>(5,035)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(1,100)</u>	<u>-</u>
Net cash (used in) investing activities		<u>(1,100)</u>	<u>-</u>
Net increase in cash held		6,697	(5,035)
Cash/(overdraft) at the beginning of the financial year		<u>3,530</u>	<u>8,565</u>
Cash at the end of the financial year	7(a)	<u>10,227</u>	<u>3,530</u>

To be read in conjunction with the notes to and forming part of this financial statements.

**NATIONAL FEDERATION PARTY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 5

1. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted by the National Federation Party are set out to assist in the general understanding of these financial statements. These policies have been consistently applied except as otherwise indicated.

1.1 PRESENTATION OF FINANCIAL STATEMENTS

Subject to note 1.2, these accounts have been prepared on the basis of accrual accounting. The financial statements are prepared to reflect the transactions and movements within the Party Funds. The nature and purpose of the Relief and Welfare Fund transactions are separate and distinct from the function of the Party Funds. All transactions pertaining to the movement of Relief and Welfare Fund have since been separately presented.

1.2 Income

Income is accounted for when received which includes Subscription, Parliamentary office resourcing, donations and fundraising.

1.3 Receivables

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

1.4 Property, plant and equipment

Property, plant and equipment are stated at cost. All pre-operating setting up costs relating to acquisition of leasehold, land and construction of building have been capitalized to the relevant assets. Fixed assets are depreciated on a straight line basis so as to write off the cost of each fixed asset over its estimated useful life. Depreciation rate is as follows:

Building	- <i>Straight Line Method 1.25%</i>
Furniture and fittings	- <i>Straight Line Method 20%</i>

1.5 Trade and other payables

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

NATIONAL FEDERATION PARTY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 5/2

1.5 Trade and other payables cont'd

Relief and welfare funds

Donations and funds given to the Party for the purpose of relief and rehabilitation do not constitute Party income but are recognised as liabilities upon receipt until the funds are disbursed to cater for Relief, Welfare and Rehabilitation purposes.

1.6 Employees and related liabilities

Staff at the headquarters of the Party office work on voluntary basis or are paid allowances or remunerated at average rates depending on funding. The General Secretary is entitled to an honorarium and is also part of the key official at the Party headquarters and is paid allowances and remunerated.

Assistance

Party office bearers and staff are assisted by the Party for medical and education purposes only.

1.7 Comparative figures

No changes were made to the comparative figures pertaining to the movement in Relief and Welfare Funds as disclosed in Note 2 and note 6 respectively.

2. CASH AND CASH EQUIVALENTS	2021	2020
This represents:	\$	\$
Bank of the South Pacific - Suva	9,994	3,297
Bank of Baroda - Nadi	233	233
	<u>10,227</u>	<u>3,530</u>

3. TRADE AND OTHER RECEIVABLES

This represents amount by :

Suva City Council	463	-
Rent prepaid	700	-
Other receivable	1,574	1,574
	<u>2,737</u>	<u>1,574</u>

NATIONAL FEDERATION PARTY
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 5/3

	2021	2020
	\$	\$
4. PROPERTY, PLANT AND EQUIPMENT		
Land & building	730,000	730,000
Less: Accumulated depreciation	<u>(18,250)</u>	<u>(9,125)</u>
	<u>711,750</u>	<u>720,875</u>
Furniture & fittings	13,576	13,679
Addition	1,100	3,500
Less: Accumulated depreciation	<u>(5,650)</u>	<u>(2,736)</u>
	<u>9,026</u>	<u>14,443</u>
Total Fixed assets at fair value	744,676	747,179
Less: Accumulated depreciation	<u>(23,900)</u>	<u>(11,861)</u>
Total fixed assets at written down value	<u>720,776</u>	<u>735,318</u>

5. TRADE AND OTHER PAYABLES

This represents:

Accruals	4,848	3,770
Creditors	18,375	25,375
Loan	<u>15,000</u>	<u>15,000</u>
	<u>38,223</u>	<u>44,145</u>

6. AMOUNT OWED BY RELIEF AND WELFARE FUNDS	<u>1,223</u>	<u>1,223</u>
---	--------------	--------------

These funds represent the net effect of withdrawals and deposits into the Bank of the South Pacific account NFP Relief and Welfare Fund 80519102 in the previous years to Party Fund transactions.

7. NOTES TO STATEMENT OF CASH FLOWS

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, investments in money markets, net of outstanding bank overdrafts. Cash at the end of the reporting year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	<u>10,227</u>	<u>3,530</u>
--------------	---------------	--------------

NATIONAL FEDERATION PARTY
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 5/4

	2021	2020
7. NOTES TO STATEMENT OF CASH FLOWS	\$	\$
(b) Reconciliation of net cash provided by operating activities to operating profit		
Operating (loss)/profit	2,822	(2,527)
Add: Non-cash items		
<i>Depreciation</i>	12,060	-
	<u>14,882</u>	<u>(2,527)</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivable	(1,163)	2,122
Increase/(decrease) in trade and other payables	(5,922)	(4,630)
	<u>7,797</u>	<u>(5,035)</u>
8 FIJI NATIONAL PROVIDENT FUND	<u>-</u>	<u>861</u>
2020 payments relate to 2019 superannuation that was cleared but unaccounted for previously.		
9 PRIOR YEAR ADJUSTMENT	<u>3,583</u>	<u>-</u>

This amount represents the adjustments for differences in the fixed assets schedule and balance sheet for the year ended 31 December 2020.

10. CONTINGENT LIABILITIES

At the date of this report, there are pending litigation cases that the Party may incur (2020 - \$Nil).

11. CAPITAL COMMITMENTS

There were no capital commitments at balance date (2020 - \$Nil).

12. UNUSUAL EVENTS

During the year, the World Health Organisation declared the COVID19 virus a pandemic. The impact of the global COVID19 pandemic amounts and estimates reported in the preparation of the financial statements are not expected to be material. No adjustments have been reported on the financial statements to reflect the impact.

**NATIONAL FEDERATION PARTY
 NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 5/5

13. RELATED PARTIES

(a) *National Executives*

Leader	–	Professor Biman Prasad
President	–	Pio Tikoduadua
Vice Presidents	–	Parmod Chand Lenora Qereqeretabua Davedra Naidu Kamla Lajendra Sila Balawa (Resigned 16 July 2021) Subrail Narayan (Resigned 15 February 2022)
General Secretary	–	Leba Seni Nabou
Assistant General Secretary-		Ansu Lata
Treasurer	–	Chandrakant Lodhia
Registered Officer	–	Dalip Kumar

	2021	2020
(b) <i>Remuneration</i>	\$	\$
Honorarium & Allowance	<u>49,000</u>	<u>56,095</u>

DISCLAIMER

FINANCIAL INFORMATION

FOR MANAGEMENT PURPOSES ONLY

The additional financial data presented on schedule 6 are in accordance with the books and records of the Party, which have been subjected to normal auditing procedures applied in audit of the Party for the year ended 31 December 2021. It will be appreciated that our audit did not cover all details of the additional data. Accordingly we do not express an opinion on this financial information and no warranty of accuracy or reliability is given.

**NATIONAL FEDERATION PARTY
 DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 6

INCOME	Notes	2021 \$	2020 \$
Donations		63,747	43,019
Fundraising		-	9,725
Parliamentary office resourcing		45,000	45,000
Sundry		5,413	3,850
Membership fees		89	174
Reimbursement		-	2,178
TOTAL INCOME		<u>114,249</u>	<u>103,946</u>
 EXPENDITURE			
Audit fees		3,270	3,270
Accounting fees		-	1,000
Advertisement		8,715	-
Bank Charges		166	276
Depreciation		12,060	11,840
Electricity and water		2,565	2,723
FNPF		-	861
Fundraising expenses		-	200
General expenses		-	5,591
Insurance		1,034	2,183
Land rent		300	-
Meeting expenses		8,750	12,131
Motor vehicle expenses		-	4,186
Printing and stationery		1,978	728
Rent and rates		2,431	1,674
Promotion		-	1,500
Refreshments		2,093	-
Repairs and maintenance		3,256	5,186
Transport		292	-
Volunteers allowances		42,275	44,255
Sundry expenses		11,881	-
Telephone		10,360	7,140
TOTAL EXPENDITURE		<u>111,427</u>	<u>104,744</u>
 EXCESS OF INCOME OVER EXPENDITURE	 (refer schedule 2)	 <u>2,822</u>	 <u>(797)</u>

**NATIONAL FEDERATION PARTY
STATEMENT OF CHANGES IN PARTY FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 2

	Note	Party fund \$	Revaluation reserve \$	Accumulated surplus \$	Total \$
Opening balance		300,000	416,104	(17,806)	698,298
Excess of income over expenditure		-	-	(797)	(797)
Balance as at 31/12/2020		<u>300,000</u>	<u>416,104</u>	<u>(18,603)</u>	<u>697,501</u>
Excess of income over expenditure		-	-	2,822	2,822
Prior Year adjustment		-	-	(3,583)	(3,583)
Balance as at 31/12/2021		<u>300,000</u>	<u>416,104</u>	<u>(19,364)</u>	<u>696,740</u>

To be read in conjunction with the notes to and forming part of this financial statements.