

SOCIAL DEMOCRATIC LIBERAL PARTY

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

Contents:

Statement by the Executive Committee

Independent Audit Report

Schedule 1: Statement of Income and Expenditure

Schedule 2: Statement of Financial Position

Schedule 3: Statement of Cash Flows

Schedule 4: Notes to and forming part of the Financial Statements

<p>Office of the SoE RECEIVED</p> <p>30 MAR 2022</p> <p>Name: <u>Mesake D.</u></p> <p>Sign: <u>[Signature]</u></p>
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Time: 4.55pm

SOCIAL DEMOCRATIC LIBERAL PARTY

EXECUTIVE COMMITTEE STATEMENT

In accordance with the resolution of the Executive Committee of the Social Democratic Liberal 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 for the year ended 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 Executive Committee and in accordance with a resolution of the Committee:



.....
Ratu Epenisa Cakobau
President



.....
Lenaitasi Duru
Assistant Secretary

Dated this day 31 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 SOCIAL DEMOCRATIC LIBERAL PARTY

Qualified Opinion

We have audited the financial statements of the Social Democratic Liberal 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 4 to 4/3.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, the accompanying financial statements present fairly, in all material aspects, of the financial position of the Party and the financial performance and cash flows of the Party as at 31 December 2021 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 fundraising and 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)
5-9 Victoria Parade
1st Floor Caines Jannif Building
Suva.

31 March 2022

**SOCIAL DEMOCRATIC LIBERAL PARTY
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 1

		2021	2020
		\$	\$
INCOME	Note		
Donation		61,253	32,891
Fundraising		250	43,416
Parliamentary grant		315,000	315,000
Membership fee - Constituency Council and Branches		1,322	7,425
MP Levy		33,500	77,213
Others		5,285	8,401
Sale of merchandize		10,082	1,635
TOTAL INCOME	(refer schedule 5)	<u>426,692</u>	<u>485,981</u>
Less: Expenditure	(refer schedule 5)	(575,952)	(461,235)
Net (Deficit)/Surplus	(refer schedule 2)	<u>(149,259)</u>	<u>24,746</u>

The accompanying notes should be read in conjunction with the notes to and forming part of the financial statements.

**SOCIAL DEMOCRATIC LIBERAL PARTY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 2

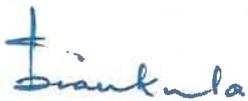
	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	2	86,380	264,755
Receivables	3	-	5,367
TOTAL CURRENT ASSETS		<u>86,380</u>	<u>270,122</u>
NON CURRENT ASSETS			
Inventory		9,198	-
Property, plant and equipment	4	61,951	57,362
TOTAL NON CURRENT ASSETS		<u>71,149</u>	<u>57,362</u>
TOTAL ASSETS		<u>157,529</u>	<u>327,484</u>
CURRENT LIABILITIES			
Creditors and Accruals	5	3,270	23,965
Women's and Youth		212	212
Candidate incentive		7,420	7,420
TOTAL CURRENT LIABILITIES		<u>10,902</u>	<u>31,597</u>
TOTAL LIABILITIES		<u>10,902</u>	<u>31,597</u>
NET ASSETS		<u>146,627</u>	<u>295,887</u>
ACCUMULATED FUNDS			
Opening balance		295,887	271,141
Add: Excess of expenditure over income	(refer schedule 1/2)	(149,259)	24,746
TOTAL ACCUMULATED FUNDS		<u>146,627</u>	<u>295,887</u>

The accompanying notes should be read in conjunction with the notes to and forming part of the 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:


.....
Ratu Epenisa Cakobau
President


.....
Lenaitasi Duru
Assistant Secretary

Dated this day 31 March, 2022.

**SOCIAL DEMOCRATIC LIBERAL PARTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 3

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts of grant, fundraising income		425,698	500,107
Payments to members, suppliers and employees		<u>(585,379)</u>	<u>(467,503)</u>
Net cash provided from operating activities	6(b)	<u>(159,681)</u>	<u>32,604</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(18,694)</u>	<u>-</u>
Net cash provided from investing activities		<u>(18,694)</u>	<u>-</u>
Net increase/(decrease) in cash held		(178,375)	32,604
Cash at the beginning of the year		<u>264,755</u>	<u>232,151</u>
Cash at the end of the year	6(a)	<u>86,380</u>	<u>264,755</u>

The accompanying notes should be read in conjunction with the notes to and forming part of the financial statements.

SOCIAL DEMOCRATIC LIBERAL PARTY
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 4

1. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

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

1.1 BASIS OF ACCOUNTING

The accounts have been prepared using the accrual basis of accounting. The financial statement have also been prepared under historical cost convention which permits revaluations of non-current assets but, otherwise, has no regard to changes in the levels of prices.

1.2 INCOME

Income is accounted for when received and candidate levy. Grant, Soli and other income categorized and accounted for when received.

1.3 UNUSUAL EVENTS DURING THE YEAR

On the 26 April 2021, the government declared a national lockdown in light of the pandemic breakdown within the Country. Consequently, the office of the Party remained close for most part of the year and Party activities were limited as a result of the strict COVID Protocols to limit the spread of the virus. Pandemic protocols became less restrictive as the Country achieved herd immunity status and activities of the party slowly transitioned to normalcy after September 2022.

2. CASH AND CASH EQUIVALENTS

The amount represents:

	2021	2020
	\$	\$
Cash on hand	445	-
Cash at bank ANZ # 11720039	76,019	256,813
Cash at bank ANZ # 12647841	9,916	7,942
	<u>86,380</u>	<u>264,755</u>

3. RECEIVABLES

Sale of Ford Vehicle	-	1,000
Salary advance	-	1,482
Prepayment	-	2,885
	<u>-</u>	<u>5,367</u>

SOCIAL DEMOCRATIC LIBERAL PARTY
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 4/2

	2021	2020
	\$	\$
4. PROPERTY, PLANT AND EQUIPMENT		
Motor Vehicle	47,400	47,400
Addition	-	-
Less: Accumulated depreciation	<u>(26,392)</u>	<u>(20,704)</u>
	<u>21,008</u>	<u>26,696</u>
Equipment's	56,353	56,353
Addition	18,694	-
Less: Accumulated depreciation	<u>(34,104)</u>	<u>(25,687)</u>
	<u>40,943</u>	<u>30,666</u>
Total Fixed assets at fair value	122,447	103,753
Less: Accumulated depreciation	<u>(60,496)</u>	<u>(46,391)</u>
Total fixed assets at written down value	<u>61,951</u>	<u>57,362</u>
5. CREDITORS AND ACCRUALS		
Arbiter	-	2,500
Bondwell	-	237
Emele Duituturaga	-	5,460
Energy Fiji Limited	-	76
I Naiveli & Company	3,270	2,725
Josaia Tokoni	-	1,496
Postal Box Hire	-	39
Rent	-	1,500
Ro Ilisoni Vuidreketi	-	5,700
Ro Teimumu Kepa	-	1,975
Telecom	-	156
Zenith Marketing	-	2,101
	<u>3,270</u>	<u>23,965</u>

SOCIAL DEMOCRATIC LIBERAL PARTY
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Schedule 4/3

6.	NOTES TO STATEMENT OF CASH FLOWS	2021	2020
(a)	Reconciliation of cash	\$	\$

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>86,380</u>	<u>264,755</u>
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(b) **Reconciliation of net cash provided by operating activities to operating profit**

Operating profit/(loss)	(149,259)	24,746
Adjustment for non-cash items		
Depreciation	14,106	(7,824)
Change in assets and liabilities:		
(Increase)/decrease in assets	3,684	-
Increase/(decrease) in liabilities	-	15,682
Net cash provided by operating activities	<u>(159,681)</u>	<u>32,604</u>

7. **RELATED PARTIES**

The Social Democratic Liberal Party has a related party relationship with its Committee Members.

(a)	Management Board Members	<u>26,107</u>	<u>23,500</u>
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(b) **Executive Committee:**

Ratu Epenisa Cakobau - President
 Ro Teimumu Kepa - Vice President
 George Shiu Raj - Vice President
 Honourable Viliame Gavoka - Party Leader

8. **CONTINGENT LIABILITIES**

There were no contingent liabilities at balance date (2020 - \$Nil).

10. **CAPITAL COMMITMENTS**

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

DISCLAIMER

FINANCIAL INFORMATION

FOR MANAGEMENT PURPOSES ONLY

The additional financial data presented on schedule 5 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.

**SOCIAL DEMOCRATIC LIBERAL PARTY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 5

INCOME	Notes	2021 \$	2020 \$
Donation		61,253	32,891
Fundraising		250	43,416
Parliamentary grant		315,000	315,000
Membership fee - Constituency Council and Branches		1,322	7,425
MP Levy		33,500	77,213
Others		5,285	8,401
Sale of merchandize		10,082	1,635
TOTAL INCOME		<u>426,692</u>	<u>485,981</u>
 EXPENDITURE			
Awareness team		51,264	5,396
Advertising		5,848	6,306
Annual general meeting		-	14,581
Audit fees		3,270	3,270
Accounting fees		3,039	4,455
Bad debts		1,482	-
Bank Charges		316	412
Box rental		42	180
Cost of Goods sold		6,302	-
Depreciation		14,106	14,416
Electricity		2,243	1,847
FNPF		11,729	18,081
Fundraising expenses		-	21,298
General expenses		550	-
Human resources		4,306	4,605
Loss on Trade in		-	4,788
Legal fees		59,503	2,000
Meetings - Management Board/ Working Committee		26,107	24,822
Merchandise		40	1,782
		<u>190,148</u>	<u>128,239</u>

**SOCIAL DEMOCRATIC LIBERAL PARTY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2021**

Schedule 5/2

	2021	2020
	\$	\$
EXPENDITURE CONT'D	190,148	128,239
Motor vehicle repairs and maintenance	15,223	4,061
MP's Parliamentary advocacy allowance	10,000	40,748
Other expenses	1,264	500
Office Supplies	8,134	1,137
PAYE	4,379	4,137
Printing and stationaries	4,305	8,002
Refund of candidate levies to objected candidates	7,000	-
Reguregu	4,250	18,113
Rent	27,000	18,167
Salaries and allowances	291,532	228,320
Social media	9,470	721
Secretariat support staff and allowance	495	-
Telephone	2,065	1,154
Travelling	40	3,271
Water bill	521	831
Workshop expenses	125	3,834
TOTAL EXPENDITURE	<u>575,952</u>	<u>461,235</u>
EXCESS OF EXPENDITURE OVER INCOME	(149,259)	24,746
	(refer schedule 1)	

To be read in conjunction to the disclaimer on page 12.