



# *Fiji Institute of Accountants*

## *Annual Report*

1993

## **FLJI INSTITUTE OF ACCOUNTANTS**

### **ANNUAL REPORT FOR THE YEAR ENDING 31 DECEMBER, 1993.**

#### **COMPOSITION OF THE COUNCIL**

*The Council of the Institute at the beginning of the period consisted of the following:*

<i>President</i>	<i>- Mr Vishnu Prasad</i>
<i>Vice President</i>	<i>- Ms Jenny Seeto</i>
<i>Treasurer</i>	<i>- Mr Ranjit W. Singh</i>
<i>Members</i>	<i>- Mr Chris Jackman</i>
	<i>- Mr Deepak Rathod</i>
	<i>- Mr Inia Naiyaga</i>
	<i>- Mr Nalin K. Patel</i>
	<i>- Mr Anil Shandil</i>
	<i>- Mr Vishnu Deo.</i>

*In accordance with Section 11 (2) of the Act, the Council appointed Mr Ram Moosad to fill the vacancy when Mr Shandil migrated overseas.*

*Ms Jenny Seeto, Mr Ranjit Singh and Mr Ram Moosad retire by rotation and all three are seeking re-election.*

*The Council held ten meetings during the year.*

*One of the meetings was devoted solely to hearing the appeal of a member against the decision of the Disciplinary Committee.*

#### **APPOINTMENT OF A FULL TIME REGISTRAR**

*The Council and the various Committees established to promote the interests of the Institute and the welfare of its members, found it difficult to function effectively in the absence of proper support staff.*

*Earlier in the year the Council advertised the post of Registrar. None of the six people who applied was considered suitable for the job and the Council decided to approach suitable persons who might be interested. In this regard the Institute was fortunate in securing the services of Mr Raj Singh who had recently retired from the Fiji Public Service.*



*With the appointment of Mr Raj Singh as full time Registrar from 1 October, 1993, and Mr Virendra Prasad as Assistant to the Registrar, the Institute has become more active and it is hoped that members will receive improved services.*

*The Council wishes to record its thanks to Mr. Sultan Ali for having looked after the affairs of the Institute.*

## **AWARDS**

*The Council is grateful to CBA/FUJITSU for again sponsoring the "Young Accountant of the Year " award which was won last year by Mr Daniel Whippy of Carpenters Motors. This award does much towards inspiring young Accountants to strive for achievement and excellence in their chosen career.*

*The award of gold medals for top accounting students at the Fiji Institute of Technology and the University of the South Pacific is an ongoing project of the Institute as part of its programme to promote the accounting profession.*

## **MEMBERSHIP**

*Unfortunately, the records of the Institute are in somewhat of a disarray partly because of the fact that we have not had a full time Registrar for some years but more because members have not endeavoured to provide up to date information regarding change of address. Moreover, a large number of members have migrated and many of them have not advised whether they wished to remain on the Register as Overseas Members.*

*The new Registrar is in the process of updating the membership records but in the absence of information on address of members the task becomes somewhat daunting. Initial work on this exercise, however, shows that large number of members have not paid their annual subscription for two years or more. Once the exercise on membership records has been completed the Council will take measures to de-register those members whose subscriptions are in arrears.*

*The figures given below are based on the best possible analysis which could be made from the information available.*

*During the period covered by this report a total of sixty new members were registered. This was made up of sixteen Affiliate Accountants, five Provisional Members, thirty-five Chartered Accountants and four holders of Certificates of Public Practice.*

*As at 31 December, 1993, it is estimated that the paid membership stood at 380, made up as follows:*

<i>Category</i>	<i>1993</i>	<i>1992</i>	<i>1991</i>	<i>1990</i>	<i>1989</i>
<i>Chartered Accountants in Public Practice</i>	35	38	35	32	32
<i>Chartered Accountants not in Public Practice</i>	212	163	171	185	230
<i>Provisional Members</i>	17	45	29	26	27
<i>Licensed Accountants</i>	20	30	30	34	38
<i>Affiliate Accountants</i>	96	144	135	145	155
<b>TOTALS:</b>	<b>380</b>	<b>420</b>	<b>400</b>	<b>422</b>	<b>482</b>

*According to records available forty-eight members were resident overseas.*

## **REPORTS OF COMMITTEES**

### **ACCOUNTING AND AUDITING STANDARDS COMMITTEE**

*Members: Messrs Nalin Patel (Chairman) Andrew Dickinson, Francis Chung, Chris Jackman, Gardiner Whiteside, Ram Moosad, Tom Patel, Dhiraj Hemraj, Chirk Yam and Ben Coutman.*

*The basic philosophy of the Institute has been to adapt and approve International Auditing and Accounting Standards for application in Fiji and at the same time ensuring that new standards are not hastily introduced only to find they require revision within a short time. The Committee has always been mindful of this when recommending new standards for approval by the Council.*

*Extensive changes have been taking place on the international scene in the field of Accountancy and the general objective is to have common standards worldwide, or to at least minimise the differences.*

*The Committee is working towards meeting these challenges and is currently engaged in reviewing the following Accounting Standards and Auditing Practice (guideline) for consideration and subsequent introduction in Fiji:*



### ***Accounting Standards:***

*	FAS 7	Statement of Cash Flow [To supersede statement of sources and application of Funds]
*	FAS 17	Accounting for Leases
*	FAS 24	Related Party Disclosures
*	FAS 25	Accounting for Investments
*	FAS 103	Accounting for Value Added Tax (VAT)

### ***Auditing Practice***

*	FAUP 2	Using the work of an Internal Auditor
*	FAUP 3	The Audit Report on General Purpose Financial Statements
	3.1	The Audit Report on Special Purpose Audit Engagements
*	FAUP 7	Going Concern
*	FAUP 13	Control of the Quality of Audit work
*	FAUP 24	Auditing Sampling
*	FAUP 25	Representations by Management
*	FAUP 27	Materiality and Audit Risk

*The Committee hopes to issue the Exposure Drafts for comments by members and it is anticipated that these standards will become operative in respect of the accounting period commencing on or after 1 July, 1994. The Drafts would be available shortly from the Registrar's office.*

### ***Surveillance Panel***

*The Committee has recommended that a Surveillance Panel should be established to ensure that Standards are being complied with and the Council is expected to appoint one in the near future.*

### ***Reprint of Standards***

*It has been decided that all reprints and new Standards should be in the same format as that used by the Australian and New Zealand Institutes.*

### ***Numbering of Standards***

*The Committee has decided that all Fiji Standards should be renumbered to coincide with IAS as against the current practice of having some in line with the Australian Standards.*

## **EDUCATION AND MEMBERSHIP COMMITTEE**

**Members:** Messrs Chris Jackman, (Chairman) Ram Moosad, H.N.Pande, Bruce Sutton and Ruvendra Nandan.

### **Registration of New Members**

During the year the Committee processed and recommended to the Council, 35 applications for registration as Chartered Accountants, 5 for Provisional Membership, 16 for Affiliate Membership and 4 for the issue of Certificates of Public Practice.

### **Criteria For Membership:**

#### **Persons With Qualifications From Australia and New Zealand**

The Committee recommended and the Council approved that in view of the provisions of Sections 20 (4) and 21 of the Act, persons holding Provisional Membership of the New Zealand Society of Accountants or Associate Membership of the Australian Society of Certified Practising Accountants should be eligible for registration as Provisional Members of the FIA.

In addition, the Council also accepted the Committee's recommendation that a letter from those Societies stating the category of membership a person was eligible for should be sufficient for registration at the same level of membership with FIA.

#### **Persons With Qualifications From USP.**

There have been a number of complaints that changing FIA requirements over the years have placed many prospective applicants with USP degrees at a disadvantage, in that they are required to pass additional units even after graduating. There has also been considerable confusion as to what has been the actual FIA requirements over the years due to changes in USP courses. The Committee examined this at length and is now working in consultation with the USP to resolve the problem. The Council has decided that until this has been completed, each application should be dealt with on a case by case basis.

#### **Optional Courses for USP Graduates.**

On the recommendation of the Committee the Council approved that the 300 Level optional courses for USP graduates be increased from three to five and should consist of any one of the following:

- AF 300 - Accounting Research
- AF 307 - Public Sector Accounting
- AF 309 - Insolvency Law and Practice
- AF 311 - Financial Institutions and Investment Decision.
- AF 312 - Advanced Banking Management.



## **PROFESSIONAL DEVELOPMENT COMMITTEE**

**Members:** Messrs Deepak Rathod (Chairman), Andrew Dickinson,  
Ranjit William Singh, Sikeli Tuinamuana and Andrew Davies.

*The Committee was able to hold only two seminars during the year but since the appointment of a full time Registrar it is intended that seminars should be held on a more regular basis. Moreover, it is also hoped to organise seminars in the West and in this regard the Committee would appreciate assistance from members from the Western Division.*

## **INVESTIGATION COMMITTEE**

**Members:** Messrs Vishnu Prasad (Chairman), Adam Dickson,  
Chris Jackman, and Kikoo Kapadia.

*The Investigation Committee dealt with complaints against one member and referred it to the Disciplinary Committee.*

## **DISCIPLINARY COMMITTEE**

**Members:** Messrs Tam Bhim (Chairman), C.D. Aidney, Vishnu Deo, Nalin Patel and Ms Jenny Seeto.

*A Complaint against one member was referred to the Disciplinary Committee which decided that the offence was such that the name of the member should be removed from the Register.*

*This decision was set aside on appeal to the Council which decided that due to the changed circumstances relating to the case the member should be fined and ordered to pay costs incurred by the Institute.*

## **JOURNAL COMMITTEE**

**Members:** Messrs Inia Naiyaga (Chairman), Nalin Patel, Sultan Ali and Ms Linda Kang.

*Like most of the other Committees, the Journal Committee had its problems in the absence of staff support. Consequently the production of a Journal was delayed. The Council is pleased to state, however, that this has finally materialised and copies of the latest Journal are to be made available at this meeting.*

*It is hoped that future issues of the journal will be published on a regular quarterly basis.*

C/- KPMG Peat Marwick  
PO Box 32  
SUVA

4 May 1994

The Registrar  
Fiji Institute of Accountants  
21 Desvieux Road  
SUVA

Dear Sir

I attach herewith the original signed audited financial statements of the Fiji Institute of Accountants for the year ended 31 December 1993.

Should you require any further information please contact me.

Yours faithfully



BRUCE SUTTON



**FIJI INSTITUTE OF ACCOUNTANTS**

**STATEMENT BY COUNCIL OF  
FIJI INSTITUTE OF ACCOUNTANTS**

On behalf of the Council of the Fiji Institute of Accountants, we state that in our opinion the accompanying accounts of the Institute set out on pages 3 to 8 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 1993 and of its results for the year then ended.

Signed in accordance with a resolution of the Council

Dated at Suva this 4th day of May, 1994



.....  
**PRESIDENT**



.....  
**TREASURER**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
FIJI INSTITUTE OF ACCOUNTANTS**

**Scope**

I have audited the financial statements of the **Fiji Institute of Accountants** for the financial year ended 31 December 1993, consisting of the balance sheet, statement of income and expenditure, statement of sources and application of funds and accompanying notes, set out on pages 3 to 8. The Council members are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Institute.

My audit has been conducted in accordance with Fiji Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My 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 and significant accounting estimates. 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 Fiji Accounting Standards and statutory requirements so as to present a view which is consistent with my understanding of the Institute's financial position and the results of its operations.

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

**Audit Opinion**

In my opinion the accompanying financial statements, which have been prepared under the historical cost convention stated in Note 1 thereto, have been drawn up so as to present fairly the state of affairs of the Institute as at 31 December 1993 and its results for the year ended on that date.

SUVA, FIJI  
4 May, 1994



**BRUCE SUTTON CA  
HONORARY AUDITOR**



**FIJI INSTITUTE OF ACCOUNTANTS**

**BALANCE SHEET  
AS AT 31 DECEMBER 1993**

	NOTE	1993 \$	1992 \$
<b>MEMBERS' FUNDS</b>			
Admission fees	2	11,932	11,252
General funds	2	91,744	68,896
<b>TOTAL MEMBERS' FUNDS</b>		<b>103,676</b>	<b>80,148</b>
<b>Represented by:</b>			
<b>CURRENT ASSETS</b>			
Cash on hand and at bank		45,207	30,967
Interest bearing deposits	3	52,613	51,872
Sundry debtors and prepayments		6,700	5,354
Interest receivable		9,032	4,973
Stock of publications		-	1,265
<b>TOTAL CURRENT ASSETS</b>		<b>113,552</b>	<b>94,431</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals		17,173	14,037
Subscriptions and fees received in advance		140	105
<b>TOTAL CURRENT LIABILITIES</b>		<b>17,313</b>	<b>14,142</b>
<b>SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>		<b>96,239</b>	<b>80,289</b>
<b>NON CURRENT ASSETS</b>			
Interest bearing deposits	3	21,570	15,624
Fixed assets	5	2,954	130
<b>TOTAL NON CURRENT ASSETS</b>		<b>24,524</b>	<b>15,754</b>
<b>NON CURRENT LIABILITY</b>			
Foundation Chair in Accounting	4	17,087	15,895
<b>NET ASSETS</b>		<b>103,676</b>	<b>80,148</b>

**CAPITAL COMMITMENTS**

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The balance sheet is to be read in conjunction with the notes to and forming part of the accounts set out on pages 5 to 7.

  
PRESIDENT

  
TREASURER

# **FIJI INSTITUTE OF ACCOUNTANTS**

## **STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 1993**

	NOTE	1993 \$	1992 \$
<b>INCOME</b>			
Admission fees		680	570
Members' subscriptions	6	13,693	12,244
Interest (including amount relating to prior years of \$5,333)		13,304	2,587
Special committees	7	20,736	26,290
Technical publications	8	1,829	335
Other		2,088	-
<b>TOTAL INCOME</b>		<b>52,330</b>	<b>42,026</b>
<b>EXPENDITURE</b>			
Administration			
Legal		2,475	-
Advertising		1,038	144
Bank charges		34	33
Consultancy		-	5,000
Depreciation		76	52
Entertainment		621	997
Gifts and awards		80	105
Travelling		290	302
Postage & telephone		2,562	581
Printing and stationery		2,759	324
		9,935	7,538
International activities	9	3,628	3,903
Professional Centre - rental		1,618	1,000
Hall hire		-	180
Registrar's office expenses		13,621	11,000
<b>TOTAL EXPENDITURE</b>		<b>28,802</b>	<b>23,621</b>
<b>NET SURPLUS</b>		<b>23,528</b>	<b>18,405</b>
<b>TRANSFER TO MEMBERS' FUNDS</b>			
Admission fees		680	570
General funds		22,848	17,835
		23,528	18,405

The statement of income and expenditure is to be read in conjunction with the notes to and forming part of the accounts set out on pages 5 to 7.



# FIJI INSTITUTE OF ACCOUNTANTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993

### 1. SIGNIFICANT ACCOUNTING POLICIES

The accounts have been prepared on the basis of historical costs and do not take into account changing money values or current valuations of non-current assets.

Set out below is a summary of the significant accounting policies adopted by the Institute in the preparation of the accounts. The accounting policies have been consistently applied.

#### (a) Depreciation

Depreciation of the fixed assets is calculated at 7 per cent per annum on a straight line basis so as to write off the cost of the assets over their expected useful lives. Education video tapes are written off in the year of acquisition.

#### (b) Stock

Stock of publications is stated at the lower of cost and net realisable value.

#### (c) Subscription

Subscriptions in arrears are not brought to account.

### 2. MEMBERS' FUNDS

	1993 \$	1992 \$
<b>Admission fees</b>		
Balance at beginning of year	11,252	10,682
Amounts received during the year	680	570
Balance at end of year	11,932	11,252
<b>General funds</b>		
Balance at beginning of year	68,896	51,061
Surplus for the year	22,848	17,835
Balance at end of year	91,744	68,896

### 3. INTEREST BEARING DEPOSITS

Term	Due Date	Rate	1993 \$	1992 \$
<b>Current</b>				
1 year	19/01/94	6.5%	10,613	9,872
6 months	11/02/94	4.75%	2,000	2,000
6 months	18/02/94	4.75%	10,000	10,000
1 year	18/02/94	6.5%	10,000	10,000
3 years	18/02/94	10.6%	20,000	20,000
			52,613	51,872
<b>Non current</b>				
2 years	09/03/95	8%	21,570	15,624

**FJI INSTITUTE OF ACCOUNTANTS**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1993**

	1993 \$	1992 \$
<b>4. FOUNDATION CHAIR IN ACCOUNTING</b>		
Balance at beginning of year	15,895	14,786
Add Bank interest	1,192	1,109
	<u>17,087</u>	<u>15,895</u>

It is not expected that the above amount will become payable in the current year.

**5. FIXED ASSETS**

Office equipment - at cost	3,827	927
Less Accumulated depreciation	873	797
	<u>2,954</u>	<u>130</u>

**6. MEMBERS' SUBSCRIPTIONS**

Members in public practice	2,363	2,650
Members not in public practice	8,801	7,334
Provisional members	568	665
Licensed accountants	863	550
Affiliate members	1,098	1,045
	<u>13,693</u>	<u>12,244</u>

**7. SPECIAL COMMITTEES**

(a) <b>Annual Congress</b>		
Registration fees and social activities	120,458	121,372
Sponsorships	19,636	22,215
Other	-	255
	<u>140,094</u>	<u>143,842</u>
<b>Expenses</b>		
Accommodation	46,272	46,494
Food and beverage	53,405	41,566
Advertisements	13,029	7,478
Band	350	500
Donations	-	500
Entertainment	1,732	500
Gifts and prizes	501	342
Speaker's fee	-	2,094
Stationery, telephone and facsimile	2,235	2,208
Travelling	323	7,956
T-shirts	-	1,880
Miscellaneous	99	587
	<u>117,946</u>	<u>112,105</u>
<b>Surplus</b>	<u>22,148</u>	<u>31,737</u>



# FIJI INSTITUTE OF ACCOUNTANTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993

	1993 \$	1992 \$
<b>7. SPECIAL COMMITTEES</b>		
(b) <b>Continuing Education Courses</b>		
Income		
Registration fees and levies	2,275	-
Expenses		
Venue costs and refreshments	66	-
Printing, stationery, promotion & telephone	1,555	-
	1,621	-
<b>Surplus</b>	654	-
(c) <b>Fiji Accountant</b>		
Income	-	-
Expenses		
Printing and artwork	-	2,367
Postage and envelope	-	286
	-	(2,653)
<b>(Deficit)</b>	-	(2,653)
(d) <b>Careers Expo</b>		
Income	-	-
Expenses		
Booth rental	750	750
Printing and publishing	941	1,165
Travelling, transport & accommodation	375	879
	2,066	2,794
<b>(Deficit)</b>	(2,066)	(2,794)
<b>NET SURPLUS - SPECIAL COMMITTEES</b>	20,736	26,290
<b>8. TECHNICAL PUBLICATIONS</b>		
Sale of handbook covers and forms	1,829	335
<b>9. INTERNATIONAL ACTIVITIES</b>		
International Federation of Accountants-Subscriptions	1,533	1,488
CAPA - subscriptions	2,095	2,415
	3,628	3,903
<b>10. CAPITAL COMMITMENTS</b>		

The Institute had a capital expenditure commitment at balance date not otherwise recognised in the accounts, amounting to \$6,270 for the purchase of a computer and printer for the Registrar's office.

**FIJI INSTITUTE OF ACCOUNTANTS**

**STATEMENT OF SOURCES AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 1993**

	<b>1993</b>	<b>1992</b>
	<b>\$</b>	<b>\$</b>
<b>SOURCES OF FUNDS</b>		
Foundation Chair in Accounting	1,192	1,109
Net surplus for the year	23,528	18,405
Add Non-cash item - depreciation	76	52
	<u>24,796</u>	<u>19,566</u>
<b>APPLICATION OF FUNDS</b>		
Interest bearing deposits	5,946	-
Purchase of fixed assets	2,900	-
Net increase in working capital	15,950	19,566
	<u>24,796</u>	<u>19,566</u>
<b>MOVEMENT IN WORKING CAPITAL</b>		
<b>Increase/(decrease)</b>		
Cash on hand and at bank	14,240	24,721
Interest bearing deposits	741	690
Sundry debtors and prepayments	1,346	2,967
Interest receivable	4,059	419
Stock	(1,265)	(334)
Creditors and accruals	(3,136)	(8,937)
Subscriptions received in advance	(35)	40
<b>NET INCREASE/(DECREASE) IN WORKING CAPITAL</b>	<u>15,950</u>	<u>19,566</u>

The statement of sources and application of funds is to be read in conjunction with the notes to and forming part of the accounts set out on pages 5 to 7.



## **FIJI PROFESSIONAL CENTRE**

*Members will be aware that the Institute has interests in the Fiji Professional Centre property and our representatives on the Fiji Professional Centre Committee are Ms Jenny Seeto and Mr Nalin Patel.*

*After a lapse of many years an Annual General Meeting of the Fiji Professional Centre was convened on 6 July, 1993.*

*The Annual General Meeting dealt with the Constitution, Trustees, Election of Officials, Accounts and Audit, Management of the Centre, Redevelopment of the Property and Subscriptions.*

*Two representatives from each of the six Professional Member organisations were elected as Committee Members.*

*Draft accounts for the years 1982-1992 were presented at the Annual General Meeting and it was resolved that the accounts be audited. The Annual General Meeting was therefore adjourned from 06 July, 1993 to 17 August, 1993 for presentation of the Audited Accounts. The Auditor has since informed that he has had difficulty in obtaining all the information relating to the accounts to assist him in his audit. Consequently he has not been able to conclude the required audit.*

*The Annual General Meeting remains adjourned pending the submission of Audited Accounts.*

*The valuation carried out on the property assessed it to be worth \$200, 000. Based on this valuation, rental was reassessed to a commercial level.*

*The Committee is working towards the redevelopment of the property at 21 Des Vouex Road so as to enable members to use the Centre as a Secretariat and for the conduct of meetings.*

## **CONCLUSION**

*The Council and I would like to extend our thanks and appreciation to all the Members for the support they have given to us and urge the younger and new Members to take a more active part in the affairs of the Institute. We invite you to offer yourselves to serve on the various Committees and come forward with ideas and suggestions to help us provide improved services to the Members.*

*Mr Raj Singh, the Registrar, is always available to respond to any inquiries or assistance that may be required and members are urged to use his services.*

  
**Vishnu Prasad**  
**PRESIDENT.**

