

**FIJI  
INSTITUTE  
OF  
ACCOUNTANTS**



**25 YEARS OF PROFESSIONAL SERVICE**

**ANNUAL REPORT  
1996**

# **FIJI INSTITUTE OF ACCOUNTANTS**

## **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER, 1996**

## NEW OFFICE PREMISES

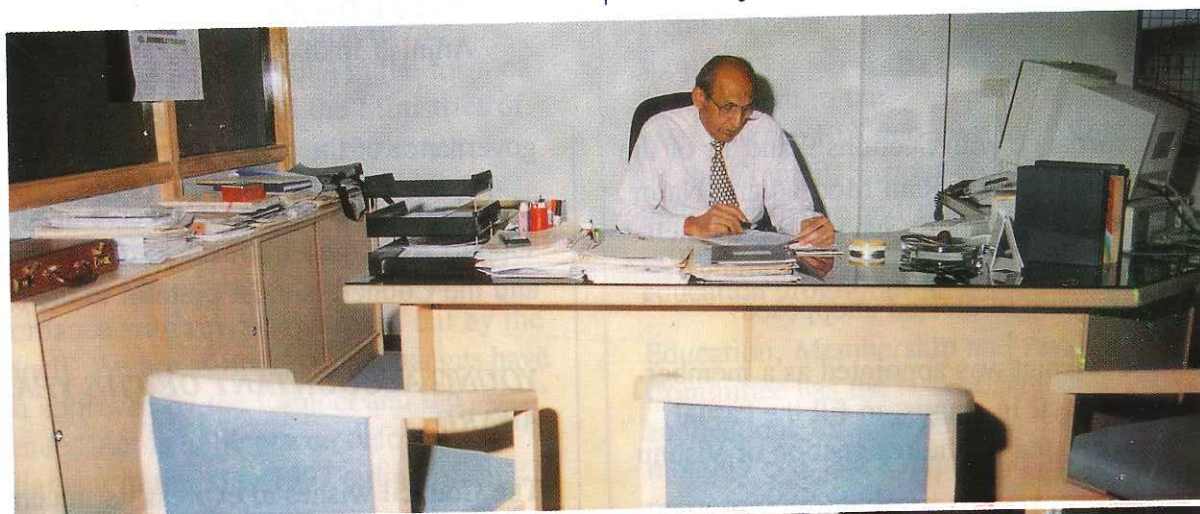
The Institute moved into office premises of its own in September, 1994. However, before long it became evident that we needed a bigger and better office to provide the service that members were beginning to expect.

It was therefore decided that we should move into a larger office not only to be able to provide better service to members but also to

appropriately reflect the professional status of our organisation.

The new office is located in the same building on 3 Berry Road but on the third floor and we now have a conference room for Council and Committee meetings as well as a reading room for members.

The reading room is open to members and it is hoped that this will become the nucleus for a library in the future.



# Membership Of Committees

## **Education, Membership and Awards Committee**

Ram Moosad (Chairman), Esala Kama, Michael Yee Joy, Arvind Patel, Anjnish Jokhan.

## **Accounting and Auditing Standards Committee**

Nalin Patel (Chairman), Dhiraj Hemraj, Ben Coutman, Bruce Sutton, Ram Moosad, Chirk Yam, Francis Chung, Mick White, Ioane Naiveli.

## **Investigation Committee**

Inia Naiyaga (Chairman), Jenny Seeto, Kikoo Kapadia, Brian Murphy.

## **Disciplinary Committee**

Vishnu Deo (Chairman), Don Aidney, Adam Dickson, Nalin Patel, Ross McDonald.

## **FIA Act and Rules Committee**

Don Aidney (Chairman), Jenny Seeto, Adam Dickson, Dhiraj Hemraj, Nalin Patel, Vishnu Prasad, Brian Murphy.

## **Professional Development Committee**

Deepak Rathod (Chairman), William Crosbie, Sikeli Tuinamuana, Mick White,

Andrew Davies, Pradeep Patel.

## **Western Division Committee**

Phil Taylor (Chairman), Narendra Kumar, Nitin Gandhi, Robert Cohen, Shalendra Kumar.

## **Law Review Committee**

Don Aidney (Chairman), Francis Chung, Adam Dickson, Nalin Patel, Ross McDonald.

## **Journal Committee**

Inia Naiyaga (Chairman), Arvind Patel, Foana Veikila, Neil Underhill, Jerome Kado.

## **Affiliate Accountants and Licensed Accountants Administration Committee**

Vishnu Prasad (Chairman), Sereana Qoro.

## **Sports and Social Committee**

Ajay Sharma (Chairman), Susan Arti Chand, Ashok Khatri, Eferemo Tovata, Esekaia Kamunaga, Roderick Kamleshwaran.

## **Representation on the Fiji Professional Centre Committee**

Nalin Patel, Raj Singh

## **Congress Committee**

Deepak Rathod (Chairman), Inia Naiyaga, Anjnish Jokhan, Raj Singh



# Membership Statistics

**T**he total number of members as at 31 December, 1996, was 449 compared to 405 at the end of 1995.

While seventy-one new members were admitted, the total does not reflect this owing to the fact that we continue to lose members who emigrate.

Out of the seventy-one new members, twenty-three were admitted as Chartered Accountants, twenty-nine as Provisional members and nineteen as Affiliate Accountants. Fifty-three of the new members were males and eighteen females.

## Chartered Accountants in

### Public Practice:

### Chartered Accountants not in

### Public Practice:

### Provisional Members:

### Affiliate Accountants:

### Student Members

	1996	1995
Chartered Accountants in Public Practice:	36	39
Chartered Accountants not in Public Practice:	252	241
Provisional Members:	59	47
Affiliate Accountants:	95	71
Student Members	7	7
	<b>449</b>	<b>405</b>

Sixty-five members were resident overseas and out of those, fifty-seven were Chartered Accountants, five Provisional Members and three Affiliate Accountants.

## MEMBERSHIP TOTALS : 1992 - 1996

YEAR	CPP	CA	P	A	S	TOTALS
1992	38	163	45	144	-	390
1993	35	212	17	96	-	360
1994	39	219	39	82	-	379
1995	39	241	47	71	7	405
1996	36	252	59	95	7	449

### KEY

CPP : Certificate of Public Practice

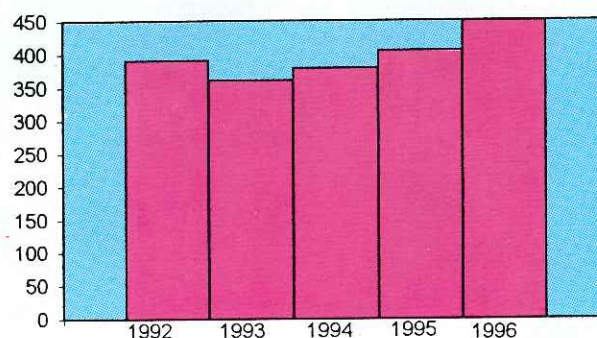
CA : Chartered Accountants

P : Provisional Members

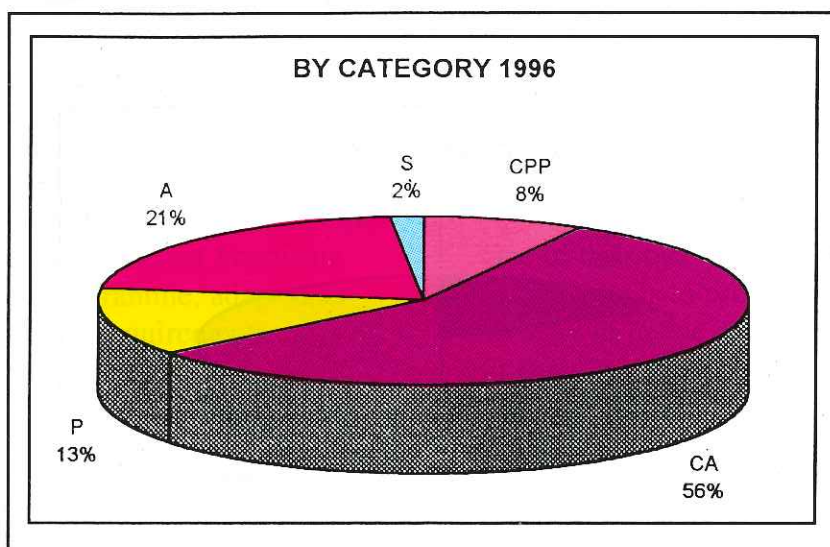
A : Affiliate Accountants

S : Student Members

## TOTALS BY YEAR

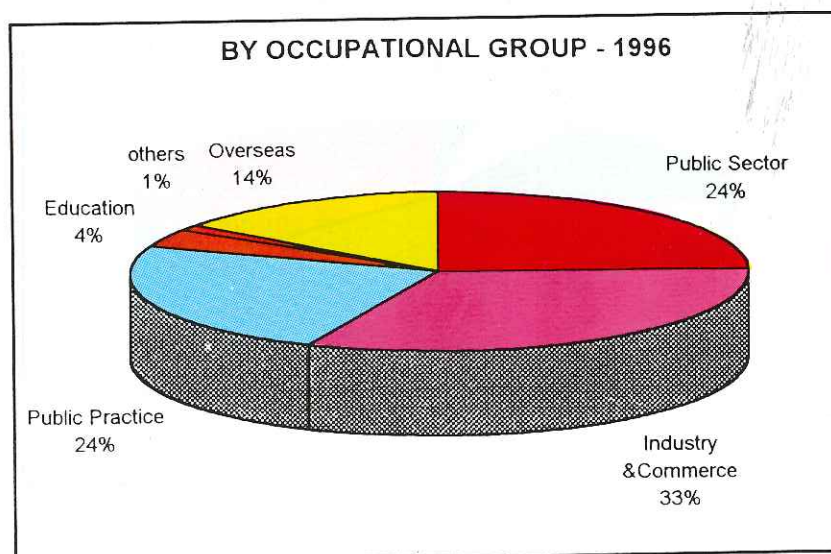


## MEMBERSHIP BY CATEGORY



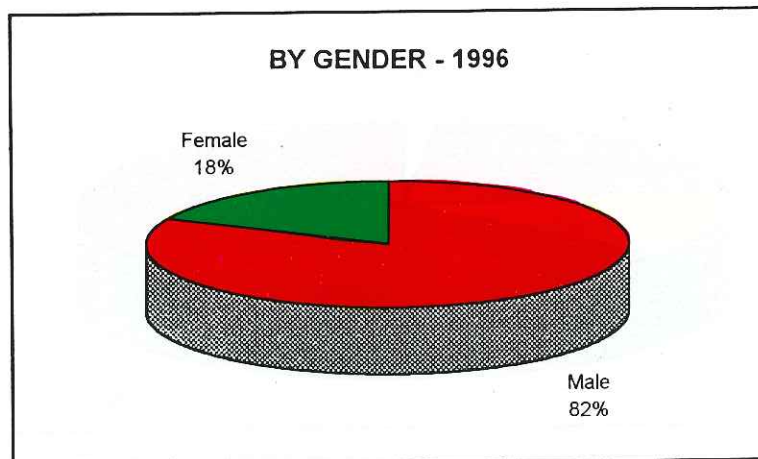
## MEMBERSHIP BY OCCUPATIONAL GROUP

			CPP	CA	P	A	S	TOTALS
Public Practice			36	39	25	10	-	110
Industry & Commerce			-	91	17	38	-	146
Public Sector			-	59	10	38	-	107
Education/Training			-	4	2	3	7	16
Others			-	2	-	3	-	5
Overseas			-	57	5	3	-	65
<b>TOTALS</b>			36	252	59	95	7	449



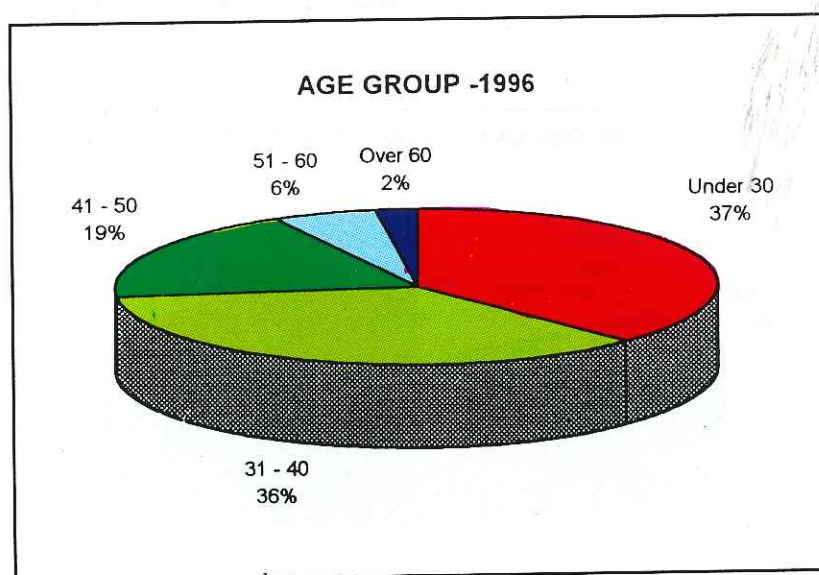
## MEMBERSHIP BY GENDER

	<u>1996</u>	<u>1995</u>
Male	367	338
Female	82	67
<b>TOTAL</b>	<u>449</u>	<u>405</u>



## MEMBERSHIP BY AGE

	<u>1996</u>	<u>1995</u>
Under 30 years	169	139
31 - 40 years	160	140
41 - 50 years	85	84
51 - 60 years	25	29
Over 60 years	10	13
<b>TOTAL</b>	<u>449</u>	<u>405</u>



# Professional Development and Continuing Education

**T**he Council is committed to maintaining high professional standards among its members, to keep abreast with the rapid pace of change in the accounting profession.

As part of this endeavour, the Council is working towards introducing a Fourth Year Programme for new members, based on the Australian Society of Certified Practising Accountants CPA programme, adapted as necessary to meet our requirements.

The programme will be offered by distance education and it is likely that the Department of Accounting and Financial Management of the University of the South Pacific would assist with such matters as setting and marking examinations.

The Council has had discussions with both the ASCPA and the Head of the accounting and Financial Management Department of the University of the South Pacific regarding the introduction of the new programme and, if all goes according to plan, the new programme will be introduced early in 1998.

One of the objectives behind the proposed programme is to provide a course of study which will better enable accounting graduates to apply in the workplace the knowledge acquired at tertiary institutions. The programme would take into account developments taking place in accounting practice and the fact that it is not possible for students to acquire all the necessary withing the USP programme specified by the Institute for prospective members.

## Development and Adoption of New Standards

**T**he Accounting and Auditing Standards Committee has been continuing its work on the development of new Standards for adoption by the Council and their application in Fiji.

In the 1995 Annual Report it was mentioned that the Accounting and Auditing Standards Committee was looking at the following Standards for adoption:

### *Proposed New Fiji Accounting Standards:*

- \* FAS 18 Revenue Recognition;
- \* FAS 27 Consolidated Financial Statements and Accounting for Investments in Subsidiaries;
- \* FAS 28 Accounting for Investments in Associates; and
- \* FAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions.

### *Proposed New Fiji Standards on Auditing:*

- \* FSA 12 Analytical Procedures

- \* FSA 15 Auditing in a Computer Information Systems Environment;
- \* FSA 17 Related Parties; and
- \* FSA 21 Subsequent Events.

In the process of examining the eight Standards under consideration, particularly FAS 27, "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" and FAS 28, "Accounting for Investments in Associates", the Committee realised that in order to ensure consistency and facilitate cross-referencing with other relevant standards, two additional standards should also be considered. The two additional standards are FAS 22, "Accounting for the acquisition of Assets (including Business Entities)" and FAS 31 "Financial Reporting of Interests in Joint Ventures".

Work on all the ten Standards has been progressing well and it is hoped that all of them will be issued as Exposure Drafts in the very near future.

# Fiji Institute of Accountants Act, Rules and Ethical Rulings

**T**he Annual General Meeting in March 1996 approved the proposed amendments to the Fiji Institute of Accountants Act. The amended Act was submitted to the Ministry of Finance in April, 1996 and the Institute has been advised the amendments will go before Parliament in May.

Meanwhile, the Act and Rules Committee has

completed work on amendments to the Rules which will be submitted to the Minister of Finance for his approval after amendments to the Act have been approved by Parliament.

The Committee has also revised the Ethical Rulings which have been renamed Code of Ethics. The amended Code of Ethics has been circulated to members and will come into effect after amendments to the Act have been approved.

**FIJI INSTITUTE OF ACCOUNTANTS**

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

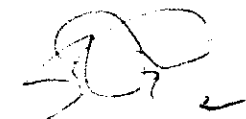
On behalf of the Council of the Fiji Institute of Accountants, we state that in our opinion the accompanying accounts of the Institute set out on pages 13 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Institute at 31 December 1996 and of its results and cashflows for the year then ended.

Signed in accordance with a resolution of the Council.

Dated at Suva this 11<sup>th</sup> day of April, 1997.



PRESIDENT



TREASURER

## **INDEPENDENT AUDITOR'S 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 1996, consisting of the balance sheet, statement of income and expenditure, statement of cash flows and accompanying notes, set out on pages 13 to 20. 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, the results of its operations and its cashflows.

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 at 31 December 1996 and of its results and cashflows for the year ended on that date.

SUVA, FIJI  
11 APRIL 1997



PRAN RATHOD CA  
HONORARY AUDITOR

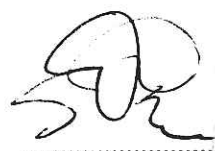
# FIJI INSTITUTE OF ACCOUNTANTS

## BALANCE SHEET AT 31 DECEMBER 1996

	NOTE	1996 \$	1995 \$
<b>MEMBERS' FUNDS</b>			
Retained surplus	2	109,767	117,472
<b>TOTAL MEMBERS' FUNDS</b>		<b>109,767</b>	<b>117,472</b>
<b>Represented by:</b>			
<b>CURRENT ASSETS</b>			
Cash on hand and at bank		15,256	38,178
Interest bearing deposits		79,841	34,037
Inventories - hand books		13,528	18,958
Sundry debtors and prepayments	3	13,153	1,887
Interest receivable		3,389	3,180
<b>TOTAL CURRENT ASSETS</b>		<b>125,167</b>	<b>96,240</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals		14,445	12,060
Subscriptions and fees received in advance		5,426	1,134
<b>TOTAL CURRENT LIABILITIES</b>		<b>19,871</b>	<b>13,194</b>
<b>SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES</b>		<b>105,296</b>	<b>83,046</b>
<b>NON CURRENT ASSETS</b>			
Interest bearing deposits		-	45,021
Fixed assets	4	25,208	8,876
<b>TOTAL NON CURRENT ASSETS</b>		<b>25,208</b>	<b>53,897</b>
<b>NON CURRENT LIABILITY</b>			
Foundation Chair in Accounting	5	20,737	19,471
<b>NET ASSETS</b>		<b>109,767</b>	<b>117,472</b>

The balance sheet is to be read in conjunction with the notes to and forming part of the accounts set out on pages 15 to 18.

  
.....  
PRESIDENT

  
.....  
TREASURER

# FIJI INSTITUTE OF ACCOUNTANTS

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 1996

	NOTE	1996 \$	1995 \$
<b>INCOME</b>			
Admission fees		4,600	4,623
Members' subscriptions	6	48,310	42,852
Interest		3,221	4,066
Special committees	7	18,369	42,258
Technical publications	8	2,519	3,302
Other		639	-
<b>TOTAL INCOME</b>		<b>77,658</b>	<b>97,101</b>
<b>EXPENDITURE</b>			
Advertising		1,199	981
Bank charges		52	32
Council and committee meeting expenses		716	-
Depreciation		2,944	2,227
Electricity		2,617	1,833
Entertainment		897	712
General expenses		1,392	681
Gifts and awards		300	164
Handbook to members		3,749	-
Insurance		369	320
International activities	9	3,910	3,638
Legal		7,282	-
Postage and telephone		4,614	3,071
Printing and stationery		8,803	8,890
Rental		8,168	6,252
Repairs and maintenance		1,250	1,262
Salaries and wages		28,186	25,888
Sports and Social Committee		510	300
Subscription - Fiji Professional Centre		1,960	1,738
Travelling and Conferences		12,445	8,160
<b>TOTAL EXPENDITURE</b>		<b>91,363</b>	<b>66,149</b>
<b>NET (DEFICIT)/ SURPLUS BEFORE ABNORMAL ITEM</b>		<b>(13,705)</b>	<b>30,952</b>
Abnormal item - Prior years' excess accruals		6,000	-
<b>NET (DEFICIT)/ SURPLUS TRANSFERRED TO MEMBERS' FUNDS</b>		<b>(7,705)</b>	<b>30,952</b>

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 15 to 18.

## FIJI INSTITUTE OF ACCOUNTANTS

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

#### 1. STATEMENT OF 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**

Fixed assets are depreciated on a straight line basis so as to write-off the cost of the assets over their expected useful lives. The rates in use are:

Computer equipment	25% per annum
Other assets	10% per annum

(b) **Subscription**

Subscriptions in arrears are not brought to account.

(c) **Income Tax**

Under section 17, clause 24 of the Income Tax Act, the Institute's net income is exempt from taxation.

(d) **Inventories**

Inventories are valued at the lower of cost and net realisable value on a first-in first-out basis.

(e) **Donated Goods and Services**

Goods and services donated to the Institute are not recognised in these statements.

#### 2. MEMBERS' FUNDS

**Retained Surplus**

Balance at beginning of the year  
(Deficit)/ Surplus for the year

	1996 \$	1995 \$
Balance at beginning of the year	117,472	86,520
(Deficit)/ Surplus for the year	(7,705)	30,952
	<u>109,767</u>	<u>117,472</u>

# FIJI INSTITUTE OF ACCOUNTANTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 1996

### 3. SUNDRY DEBTORS AND PREPAYMENTS

	1996 \$	1995 \$
Deposit - Congress 1997	9,000	-
Other debtors and prepayments	4,153	1,887
	<u>13,153</u>	<u>1,887</u>

### 4. FIXED ASSETS

Office equipment and furniture and fittings - at cost	33,137	14,159
<u>Less accumulated depreciation</u>	<u>7,929</u>	<u>5,283</u>
	<u>25,208</u>	<u>8,876</u>

### 5. FOUNDATION CHAIR IN ACCOUNTING

Balance at beginning of the year	19,471	18,283
<u>Add bank interest</u>	<u>1,266</u>	<u>1,188</u>
	<u>20,737</u>	<u>19,471</u>

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

### 6. MEMBERS' SUBSCRIPTIONS

Members in public practice	9,962	9,341
Members not in public practice	24,627	22,052
Provisional members	3,325	2,726
Licensed accountants	1,250	1,609
Affiliate members	5,406	4,118
Overseas members	3,650	2,936
Student members	90	70
	<u>48,310</u>	<u>42,852</u>

# FIJI INSTITUTE OF ACCOUNTANTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 1996

	1996 \$	1995 \$
<b>7. SPECIAL COMMITTEES</b>		
<b>(a) Annual Congress</b>		
<b>Income</b>		
Registration fees	159,382	152,105
Sponsorships	11,091	17,458
	<hr/>	<hr/>
	170,473	169,563
<b>Expenses</b>		
Accommodation, food and beverage	138,220	121,342
Advertising	1,127	271
Bank charges	69	100
Band and fashion show	1,745	-
Donation	200	-
Entertainment	-	180
General expense	656	147
Postage, freight and cartage	218	163
Stationery, telephone and facsimile	6,510	8,657
Overseas speakers	4,412	2,841
	<hr/>	<hr/>
	153,157	133,701
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<b>Surplus</b>	17,316	35,862
	<hr/>	<hr/>
<b>(b) Continuing Education Courses</b>		
<b>Income</b>		
Registration fees and levies	4,823	5,846
	<hr/>	<hr/>
<b>Expenses</b>		
Venue costs and refreshments	3,155	1,520
	<hr/>	<hr/>
<b>Surplus</b>	1,668	4,326
	<hr/>	<hr/>
<b>(c) Careers Expo</b>		
<b>Income</b>	-	-
	<hr/>	<hr/>
<b>Expenses</b>		
Booth rental and travel	663	300
	<hr/>	<hr/>
<b>(Deficit)</b>	(663)	(300)
	<hr/>	<hr/>

# FIJI INSTITUTE OF ACCOUNTANTS

## NOTES TO AND FORMING PART OF THE ACCOUNTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 1996

	1996 \$	1995 \$
<b>7. SPECIAL COMMITTEES [CONT'D]</b>		
(d) Journal Committee		
Income	-	750
Expenses	-	-
Surplus	-	750
(e) Disciplinary Committee		
Fines and legal costs recovery	48	1,620
<b>NET SURPLUS - SPECIAL COMMITTEES</b>	<b>18,369</b>	<b>42,258</b>
<b>8. TECHNICAL PUBLICATIONS</b>		
Profit from sale of handbooks	2,519	3,302
<b>9. INTERNATIONAL ACTIVITIES</b>		
Subscription to:		
International Federation of Accountants	3,120	2,882
Confederation of Asian and Pacific Accountants	790	756
	<b>3,910</b>	<b>3,638</b>
<b>10. CAPITAL EXPENDITURE COMMITMENTS</b>		
There were no capital expenditure commitments at 31 December 1996. (1995 - \$Nil).		
<b>11. CONTINGENT LIABILITIES</b>		
There were no contingent liabilities at 31 December 1996. (1995 - \$Nil).		
<b>12. INTEREST IN FIJI PROFESSIONAL CENTRE</b>		
The Institute has a 1/7 interest in the property known as the Fiji Professional Centre. Harrison Grierson valued this property at \$200,000 in 1993.		
<b>13. COMPARATIVE FIGURES</b>		
Comparative figures have been regrouped where considered necessary.		

# FIJI INSTITUTE OF ACCOUNTANTS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 1996

	1996 \$ Inflows/ (Outflows)	1995 \$ Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from members	57,540	48,051
Receipts from special committees and technical publications	181,024	181,081
Payment to suppliers and employees	(246,005)	(214,261)
Interest received	4,278	5,988
Net cash (used in)/ provided by operating activities (Note 2)	(3,163)	20,859
Cash flows from investing activities		
Proceeds from sale of fixed assets	1,500	-
Payment for fixed assets	(20,476)	(882)
Net cash (used in) investing activities	(18,976)	(882)
Net (decrease)/ increase in cash held	(22,139)	19,977
Cash at the beginning of the year	117,236	97,259
Cash at the end of the year (Note 1)	95,097	117,236

The accompanying notes form an integral part of this statement of cash flows.

**FIJI INSTITUTE OF ACCOUNTANTS**  
**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

**1. Reconciliation of Cash**

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

	1996 \$	1995 \$
Cash	15,256	38,178
Interest bearing deposits	79,841	79,058
	<u>95,097</u>	<u>117,236</u>

**2. Reconciliation of Net Cash provided by/(used in) Operating Activities to Net (Deficit)/ Surplus**

	1996 \$	1995 \$
Net (Deficit)/ Surplus for the year	(7,705)	30,952
Depreciation	2,944	2,227
Profit on sale of fixed assets	(300)	-
Change in assets and liabilities:		
Decrease/ (Increase) in inventories	5,430	(18,958)
(Increase)/ Decrease in sundry debtors and prepayments	(11,266)	1,273
(Increase)/ Decrease in interest receivable	(209)	1,922
Increase in creditors and accruals	2,385	1,679
Increase in subscriptions and fees in advance	4,292	576
Increase in non-current liability	1,266	1,188
Net cash (used in)/ provided by operating activities	<u>(3,163)</u>	<u>20,859</u>