# FIJI INSTITUTE OF ACCOUNTANTS ANNUAL REPORT 1998



### PRESIDENT'S MESSAGE - 1999



### **Dear Colleagues**

I am indeed deeply honoured to have served as your President for the year 1998/ 99.

When we convene our Annual General Meeting in June, the results of the National General Election under the new Constitution and

under the new voting system would have been known.

Because of the timing of the General Elections, we were unable to organise the Congress in May or June this year.

We had our 26<sup>th</sup> Annual Congress in May last year with the theme "Embracing Change now for Century 21." There were issues identified in our 1998 Communique' which you are all aware of. We have seen some progress over the year but I am sure you all agree with me that there is still a lot to be done.

This year 1999, we have seen a turn around in Fiji's economy following the negative growth in 1997 and 1998. However, it is crystal clear that investments remain subdued resulting in very weak employment growth.

The official forecast is that the economy will grow around 7% in 1999; however, the continuing low level of investment is of great concern and must be addressed.

We as individuals and as a profession should focus our collective efforts in ensuring that Fiji as a nation progresses. The agreed conclusion at last year's Congress is that "Fiji and its people need to embrace change now to be equipped for Century 21".

All your Committees have been active this year and their reports highlighting their achievements are included as part of this year's Annual Report. To all the Chairpersons and members of all the Committees, thank you for your dedication and contribution to the Institute during the year.

As I complete my term, I would like to thank the members of the Council and all the members for the trust and confidence placed on me to lead the Fiji Institute of Accountants. I would also like to thank the Executive Director, Murray Mackenzie and his staff for their commitment during the year.

I wish my successor well. I am confident that our Institute will continue to review its role and in particular the vital role it plays in nation building. Our professional contribution in creating business confidence and the right environment conducive to attracting new investment will, I am sure, be well received and appreciated.

# Inia R Naiyaga President

11 May 1999

### THE COUNCIL FOR 1998/1999

President

Vice President

Treasurer

Members

Inia Naiyaga

Deepak Rathod

: Anjnish Jokhan

Nalin Patel

Jenny Seeto Vishnu Deo

Ram Moosad (until 22<sup>nd</sup> July)

Dhiraj Hemraj Ross McDonald

Deo Saran (from 23rd July)

### THE COUNCIL

Dhiraj Hemraj, Deepak Rathod and Ross McDonald all retired at the completion of their 3-year periods in office in 1998. Being automatically re-nominated and being unopposed for re-election they rejoined the Council for a further 3-year period, following the Annual General Meeting held on 15<sup>th</sup> May 1998. Ram Moosad resigned from the Council in July 1998, and he was replaced by Deo Saran.

The Council expresses its sincere appreciation to **Vishnu Deo** who completed his 2-year term as **President** in 1998.

Following the Annual General Meeting in May, Inia Naiyaga and Deepak Rathod were elected by the Council as President and Vice President respectively for the year.

**Anjnish Jokhan** was elected by the Council to act as the Treasurer for the Institute for the year.

**Pran Rathod**, having been elected unopposed as Auditor at the Annual General Meeting, resigned in November and **Arun Narsey** was appointed by the Council to fill the vacancy.

The Council held 12 meetings during the year of which one was held in Lautoka and one at the Sheraton Resort, Nadi.

### 1998 CONGRESS

The 26<sup>th</sup> Annual Congress of the Institute was once again held at the Sheraton Fiji Resorts at Denarau, Nadi from the 14<sup>th</sup> to 16<sup>th</sup> May 1998 and attracted a total of 313 delegates, 109 people accompanying them and 41 children.

There were nine speakers to address the delegates of whom four were from overseas. Representatives from the sister accounting institutes in Australia and New Zealand also attended.

The theme for the Congress was "EMBRACING CHANGE NOW – FOR CENTURY 21".

### AN APPRECIATION

The Institute has seen many changes in 1998, not least in the retirement or resignation of many who have willingly given of their service and their time on the Council and Committees.

The council would particularly like to express appreciation

to **Mr Ram Moosad** for nearly 5 years service on the Council and on the Education Membership and Awards Committee and

to **Mr Pran Rathod** for his service as Auditor for four and a half years for the Institute

### FAREWELL TO ADAM DICKSON

The Institute also owes a special debt of gratitude to Adam Dickson who gave more than 26 years of service to the Institute and was one of its four remaining founder Chartered Accountant members, who died in September.

"We shall be the poorer for his passing"

### LEGISLATIVE CHANGES

The Fiji Institute of Accountants Act was amended by the Fiji Parliament in 1997, following amendments approved at the Annual General Meeting in 1996. Similarly the amended Rules, which were also approved at the 1996 Annual General Meeting, were approved by the Minister of Finance and were published on 2<sup>nd</sup> January 1998.

Among other changes introduced by these two legislative amendments several are particularly notable:

- \* the extended periods of practical experience now required for those applying for full membership and for certificates of public practice
- the reduced periods of office for President and Vice President from two years to one
- \* the transfer of responsibility for the setting of fees and subscriptions to the membership of the Institute in Annual General Meeting

The comprehensive review of the current Ethical Rulings and the production of a new Code of Ethics is still in progress, but a revised version of FER 3, dealing with advertising, publicity and solicitation, was published in December 1998, in response to pressure for a more liberal and modern approach to advertising and publicity.

### STAFF CHANGES

There have been changes also in the staffing of the FIA Office in 1998.

At the end of October, **Nellie Croker- Teremita**, who had been the Administrative Officer since July 1996, resigned to join a firm of engineering consultants.

And, in December 1998, **Poonam Maharaj**, who had been the Receptionist since January 1996, left to get married and to emigrate to New Zealand.

To replace these two members of staff, **Babita Kumar and Rachael Varea** have been appointed as the Administrative Officer and Receptionist respectively.

### GOLD MEDAL AWARDS

In the interests of promoting the highest standards of excellence and achievement among students, the Institute continues to offer sponsorship through the award of gold medals to students at the two main tertiary institutions offering courses in accounting.

In 1998, no award was made for a gold medal in Accounting for the outstanding graduating student in Accounting and Financial Management at the University of the South Pacific.

The gold medal for the best student in the Diploma in Business Studies (Accounting Option) at the Fiji Institute of Technology was awarded to **Mohammed Janif.** 

# YOUNG ACCOUNTANT OF THE YEAR

The Council wishes once again to express its sincere appreciation to DATEC (Fiji) Ltd for its very generous sponsorship of the Young Accountant of the Year Award.

The 1998 Young Accountant of the Year Award was won by **Rajendra Kumar** of Carpenters Shipping.

### PROFESSIONAL DEVELOPMENT

The Professional Development Committee held its largest programme in October. The Technical Conference, held over the weekend of 30<sup>th</sup> -31<sup>st</sup> October at the Warwick, Fiji, was a resounding success. A total of 186 delegates attended the Conference, which covered a wide range of topics. All those who attended will agree that it was a most enjoyable and fruitful conference.

On 15th September 1998 the Committee sent out a "Planning Guide" questionnaire for all members to complete, in order to enable the Committee to prepare a programme that suited the topics that members wished to have included in the 1999 plan. Regretably, the response was most disappointing, as no more than 27 members responded, from a total membership of more than 500.

We all agree that the speed at which the modern world is now witnessing changes makes it imperative that all members keep abreast of developments in competencies that are required of professional accountants in public practice, and industry, commerce, education and the public service. These fields were identified in the planning guide and members were asked to identify the two most favoured topics in each of six categories in which a professional accountant should be competent.

A further attempt has been made in 1999 to obtain responses from members of their preferences for topics to be covered in the 1999 programme.

The Council has now agreed to the concept of introducing a mandatory requirement for all members to complete a minimum number of hours of Continuing Professional Education.

This will include both structured and unstructured training and education. With this in mind, the Committee is looking at combining the resources of the major chartered accounting firms with those of the University of the South Pacific and other providers of training and educational programmes, to plan a balanced Continuing Professional Education programme.

### INVESTIGATION COMMITTEE

Nine complaints were referred to the Investigation Committee in 1998 and a further two were outstanding from 1997.

Of these eleven

- 2 were dismissed;
- 6 were referred to the Disciplinary Committee; and
- 3 were still under consideration at the end of the year.

### DISCIPLINARY COMMITTEE

Six complaints were referred to the Disciplinary Committee in 1998 and two additional complaints had been outstanding from 1997.

Of these eight

- 1 was dismissed:
- 2 resulted in censure of the member concerned, in one case with costs; and
- 5 were still ongoing at the end of the year.

# ACCOUNTING AND AUDITING STANDARDS

The Accounting and Auditing Standards
Committee is made up of representatives from
a cross-section of members from accounting
firms, the private and public sectors as well as
academia. This wide representation is
necessary to ensure that all points of view are
taken into account in the process of adopting
standards for application in Fiji.

During the year, the following Standards and Guidelines were recommended by the Committee for consideration and approval by Council:

### FIJI ACCOUNTING STANDARDS (FAS)

\* FAS 30 Additional Disclosure by Financial Institutions

### FIJI AUDITING GUIDELINES (FAG)

- \* FAG 3 Implications for Management and Auditors of the Year 2000 Issue
- \* FAG 15 Auditing in a Computer Information Systems Environment
- \* FAG 27 The Examination of Prospective Financial Information

The Committee also prepared the draft of a further standard:

\* FAS 104 Financial Reporting by Local Governments

which was to be discussed with local Government institutions

The Committee also recommended that consideration should be given to the replacement of the existing accounting and auditing Standards with a codified set of Fiji Accounting Standards, based on the International Accounting Standards issued by the International Accounting Standards Committee (IASC) and a set of Fiji Standards on Auditing, based on the International Standards on Auditing issued by the International Federation of Accountants (IFAC). In addition to the proposed codified auditing standards, consideration could also be given to codified audit guidance statements being issued.



### **Investigation Committee**

Jenny Seeto (Chairperson)

Deepak Rathod, Anjnish Jokhan, John Gaukrodger and Francis Chung

### **Disciplinary Committee**

Inia Naiyaga (Chairman)

Vishnu Deo, Ross McDonald, Don Aidney, Adam Dickson (to September) and Pradeep October)

# **Education, Membership & Awards Committee**

Ram Moosad (Chairman) (to July) Deo Saran (Chairman) (from August)

Michael Yee-Joy, Foana Tukana and Ruvendra Nandan

### **Act and Rules Committee**

Jenny Seeto (Chairperson)

Nalin Patel, Vishnu Deo, Don Aidney, Lionel Yee, Sailosi Soqo and Adam Dickson

## Accounting and Auditing Standards Committee

### Nalin Patel (Chairman)

Dhiraj Hemraj, Deo Saran, Bruce Sutton, Iowane Naiveli, Manoa Kamikamica, Michael Jacobs and Michael White

# Journal Committee Ross McDonald (Chairman)

Nur Bano Ali, Simon Seru, Ruvendra Nandan, Jerome Kado and Lisa Apted

### **Law Review Committee**

### Don Aidney (Chairman)

Inia Naiyaga, Nalin Patel, Francis Chung and Adam Dickson

### **Professional Development Committee**

### Deepak Rathod (Chairman)

Pradeep Patel, Sikeli Tuinamuana, William Crosbie, Michael White and Fay Yee

(Pradeep Patel resigned from the Committee in November)

### **Congress Organising Committee**

### Dhiraj Hemraj (Chairman)

Ross McDonald, Gardiner Whiteside, Arun Narsey and Alfred Chan

# **Graduate Professional Programme Committee**

### Dhiraj Hemraj (Chairman)

Jenny Seeto, Deo Saran and Michael White

# Affiliate and Licensed Accountants Administration Committee

Vishnu Deo (Chairman)

Vishnu Prasad and Sereana Qoro

**Professional Centre Committee** 

**Institute Representatives** 

Kikoo Kapadia Executive Director

**Staff and Administration Committee** 

Deepak Rathod (Chairman)

Anjnish Jokhan

**Western Division Committee** 

Vishnu Deo (Chairman)

Nitin Gandhi, Robert Cohen, Deo Saran, Manoa Kamikamica and Divendra Naicker (Treasurer)

### **Budget Committee**

Dhiraj Hemraj, Nalin Patel, Ross McDonald and Anjnish Jokhan

### **Sports and Social Committee**

Roderick Kamleshwaran (Chairman)

Sharma Balram, Dinesh Chand, Nilesh Kamal, Jiten Khatri, Pradeep Lal, Jaynesh Narsey, Prakash Patel, Herban Singh, Pravin Singh and Wayne Whiteside

### MEMBERSHIP STATISTICS

The total number of members, of all categories, on the Institute's Register on 31<sup>st</sup> December 1998 was 585 – a record number so far for the final decade of the 20<sup>th</sup> Century.

During the year a total of 83 new members were admitted of which 36 were admitted as Chartered Accountants, 29 as Provisional Members, 18 as Affiliate Accountants and an additional 27 Students were enrolled.

Three new certificates of public Practice were issued during the year one was surrendered one certificate holder migrated and one certificate holder passed away.

While the number of new members admitted is encouraging, the Institute continues to lose members, principally through migration.

Comparative figures for 1998 and 1997 for the various categories were as follows:

	1997	1998
Chartered Accountants in Public Practice	35	35
Chartered Accountants not in Public Practice	269	310
Provisional Members	48	68
Affiliate Accountants	98	121
Licensed Accountants	14	11
Students	14	40
	478	585

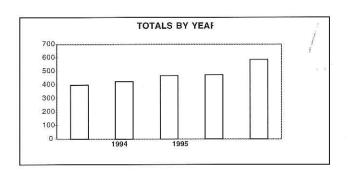
Seventy- nine members were resident overseas of whom 73 were Chartered Accountants, 2 Provisional Members, 3 Affiliate Accountants and one a Licensed Accountant.

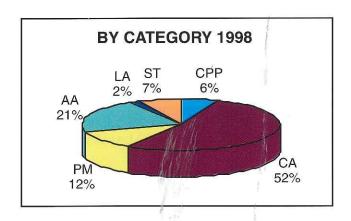
Only 11 of the original 72 Licensed Accountants remain on the Register.

### FIJI INSTITUTE OF ACCOUNTANTS MEMBERSHIP TOTALS: 1994 - 1998

YEAR	CPP	CA	PM
1994	39	219	39
1995	39	241	47
1996	36	252	59
1997	35	269	48
1998	35	310	68

KEY
CPP Chartered Accountants in Public Practice
CA Chartered Accountants not in Public Practice
PM Provisional Member
AA Affiliate Accountant
LA Licensed Accountant
S Student

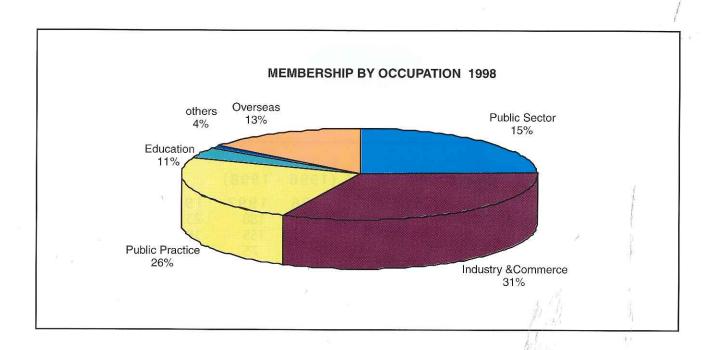




			11
AA	LA	ST	TOTAL
82	19	-	398
71	19	7	424
95	19	7	468
98	14	14	478
121	11	40	585

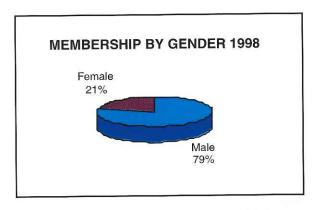
### **MEMBERSHIP BY OCCUPATION 1998**

	CPP	CA	PM	AA	LA	S	TOTAL
Public Practice	35	62	33	14	10	0	154
Industry & Commerce	0	111	19	52	0	0	182
Public Sector	0	46	6	34	0	0	86
Education/Training	0	8	6	8	0	40	62
Others	0	10	2	10	0	0	22
Overseas	0	73	2	3	1	0	79
TOTALS	35	310	68	121	11	40	585



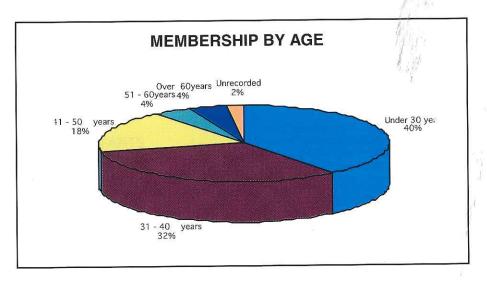
### MEMBERSHIP BY GENDER (1996 - 1998)

	1996	1997	1998
Male Female	386 82	387 91	464 121
Tomaio	468	478	585



### MEMBERSHIP BY AGE (1996 - 1998)

	1996	1997	1998
Under 30 years	169	188	233
31 - 40 years	160	155	188
41 - 50 years	87	75	104
51 - 60 years	25	22	24
Over 60 years	18	23	25
Unrecorded	9	15	11/
TOTAL	468	478	585
i sea tribita			46.00



# 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 1998 and of its results and cash flows for the year then ended.

Signed in accordance with a resolution of the Council.

Dated at Suva this 7th day of June 1999.

**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 1998, 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 1998 and of its results and cashflows for the year ended on that date.

SUVA, FIJI 7th June 1999 ARUN NARSEY BA, CA, ACA(Aust)
HONORARY AUDITOR

# FIJI INSTITUTE OF ACCOUNTANTS BALANCE SHEET

### BALANCE SHEET AT 31 DECEMBER 1998

	NOTE	1998 \$	1997 \$
MEMBERS' FUNDS		*	•
Retained surplus	2	146,193	121,511
TOTAL MEMBERS' FUNDS Represented by:		146,193	121,511
CURRENT ASSETS			
Cash on hand and at bank Interest bearing deposits Inventories - hand books Sundry debtors and prepayments Interest receivable	3	52,150 64,468 5,448 11,239 2,709	23,473 35,655 9,395 5,977 2,780
TOTAL CURRENT ASSETS		136,014	77,280
CURRENT LIABILITIES			
Creditors and accruals Subscriptions and fees received in advance		3,639 5,733	3,710 1,048
TOTAL CURRENT LIABILITIES		9,372	4,758
SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES		126,642	72,522
NON CURRENT ASSETS		,	The state of the s
Interest bearing deposits Fixed assets	4	20,000 22,192	48,028 22,898
TOTAL NON CURRENT ASSETS		42,192	70,926
NON CURRENT LIABILITY		K in hi	- V1
Foundation Chair in Accounting	5	22,641	21,937
NET ASSETS		146,193	121,511
		S	

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 20.

8 Waiyaya PRESIDENT

TREASURER

# STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 1998

	NOTE	1998	1997
e e		\$	\$
INCOME			
Admission fees		4,300	3,900
Members' subscriptions	6	50,833	51,777
Interest		2,712	4,865
Special committees	7	43,732	36,332
Technical publications	8	1,891	2,460
Service and administrative fee -			
-Australian Society of CPA's	9	5,000	2,500
-Annual congress		7,000	7,000
Other		-	. 8
TOTAL INCOME		115,468	108,834
EXPENDITURE			i
Advertising		2,242	1,062
Bank charges		53	84
Council and committee meeting expenses		2,499	2,242
Depreciation		3,193	4,239
Electricity		2,679	2,410
Entertainment		455	1,061
General expenses		1,961	2,542
Gifts and awards		776	504
Handbook to members		2,442	2,630
Insurance		1,436	390
International activities	10	4,855	4,080
Legal		5,600	3,220
Postage and telephone		3,871	6,413
Printing and stationery		6,329	8,939
Rental		12,000	12,000
Repairs and maintenance		772	993
Salaries, wages and associated costs		36,259	31,603
Subscription - Fiji Professional Centre		2,165	1,677
Travelling and Conferences		1,199	11,001
TOTAL EXPENDITURE		90,786	97,090
NET SURPLUS TRANSFERRED TO			
MEMBERS' FUNDS		24,682	11,744

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 20.

### NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

### 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 financial statements.

2. MEMBERS' FUNDS	1998	1997 \$
Retained Surplus Balance at beginning of the year Surplus for the year	121,511 24,682	109,767
	146,193	11,744

# NOTES TO AND FORMING PART OF THE ACCOUNTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 1998

3. SUNDRY DEBTORS AND PREPAYMENTS	1998 \$	1997 \$
Deposit - Congress 1998	-	2,000 3,977
Other debtors and prepayments	11,239	5,977
4. FIXED ASSETS		
Office equipment and furniture and fittings - at cost Less accumulated depreciation	31,853 9,661	35,066 12,168
	22,192	22,898
5. FOUNDATION CHAIR IN ACCOUNTING Balance at beginning of the year Add bank interest	21,937 704	20,737 1,200
	22,641	21,937
6. MEMBERS' SUBSCRIPTIONS	1 ,	The state of the s
Members in public practice Members not in public practice Provisional members Licensed accountants Affiliate accountants Overseas members Student members	9,004 27,467 3,175 1,200 5,065 4,572 350	9,250 28,150 2,933 1,450 5,775 4,079 140
	50,833	51,777

# NOTES TO AND FORMING PART OF THE ACCOUNTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 1998

	1998	1997
7. SPECIAL COMMITTEES	\$	\$
7. SPECIAL COMMITTEES		
(a) Annual Congress		
Income		
Registration fees	186,393	213,268
Sponsorships	42,182	31,091
Interest	134	
interest:	134	1,096
	228,709	245,455
Francisco		210,100
Expenses Accommodation, food and beverage	174,686	183,992
Advertising		
Bank charges	997	1,765
Band and fashion show	104	91
Donation & gifts	2,503	1,909
Satchels	200	876
General expense	1,182	3,332
Postage, freight and cartage	669	689
Stationery, telephone and facsimile	184	324
Overseas speakers	7,217	8,190
Administration fee	8,180	490
Administration lee	7,000	7,000
	202,922	208,658
Cumplus		1
Surplus	25,787	36,797
(h) Continuing Education Courses	Policies.	
(b) Continuing Education Courses Income		į.
Registration fees and levies	40.004	0 00 1
riegistration lees and levies	43,004	6,624
Expenses		
Venue costs and refreshments	27,338	5,377
Surplus	15,666	1,247
(a) Cavaava Franci	N	
(c) Careers Expo Income	~	<i>j'</i> -
Expenses		F.4.
Booth rental and travel	2,265	497
(Deficit)	40	13
(Deficit)	(2,265)	(497)

### NOTES TO AND FORMING PART OF THE ACCOUNTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 1998

7. SPE	CIAL COMMITTEES [CONT'D]	1998 \$	1997 \$
	(d) Journal Committee	1,973	-
	Expenses	1,509	1,309
	Surplus	464	(1,309)
	(e) Disciplinary Committee Fines and legal costs recovery	113	94
	(f) Western Division Committee Income including prior year net income Expenses	5,811 1,844 3,967	-
	NET SURPLUS - SPECIAL COMMITTEES	43,732	36,332
8.	TECHNICAL PUBLICATIONS Profit from sale of handbooks	1,891	2,460
9	AUSTRALIAN SOCIETY OF CPAs		

The Institute entered into an agreement, effective 1 July 1997, with the ASCPA under which an annual fee for services of \$5,000 is paid to the Institute.

### INTERNATIONAL ACTIVITIES 10.

Subscription to: International Federation of Accountants Confederation of Asian and Pacific Accountants

11 //	
3,674	3,240
1,181	840
4,855	4,080

### CAPITAL EXPENDITURE COMMITMENTS 11.

There were no capital expenditure commitments at 31 December 1998. (1997 - \$Nil).

### **CONTINGENT LIABILITIES** 12.

There were no contingent liabilities at 31 December 1998 (1997- \$Nil).

### INTEREST IN FIJI PROFESSIONAL CENTRE 13.

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.

### **COMPARATIVE FIGURES** 14.

Comparative figures have been regrouped where considered necessary.

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 1998

	1998 \$ Inflows/ (Outflows)	1997 \$ Inflows/ (Outflows)
Cash flows from operating activities Receipts from members and other Receipts from special committees and technical publications Payment to suppliers and employees Interest received	59,818 317,827 (349,183) 3,487	53,799 255,012 (301,497) 6,674
Net cash provided by/ (used in) operating activities (Note 2)	31,949	13,988
Cash flows from investing activities Payment for fixed assets	(2,487)	(1,929)
Net cash (used in) investing activities	(2,487)	(1,929)
Net increase/ (decrease) in cash held Cash at the beginning of the year	29,462 107,156	12,059 95,097
Cash at the end of the year (Note 1)	136,618	107,156
		1

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

# FIJI INSTITUTE OF ACCOUNTANTS NOTES TO AND FORMING PART OF THE ACCOUNTS [CONT'D] FIJI INSTITUTE OF ACCOUNTANTS NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 1998

### 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:

	1998	1997
	\$	\$
Cash	52,150	23,473
Interest bearing deposits	84,468	83,683
	136,618	107,156

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

	1998 \$	1997
	1	į
Net Surplus for the year	24,682	11,744
Depreciation	3,193	4,239
Change in assets and liabilities:	1 1	
Decrease in inventories	3,947	4,133
Decrease/ (Increase) in sundry debtors and prepayments	(5,262)	7,176
Decrease/ (Increase) in interest receivable	<i>(</i> ∤/)./ <b>71</b>	609
(Decrease)/ Increase in creditors and accruals	(71)	(10,735)
(Decrease)/ Increase in subscriptions and fees in advance	4,685	(4,378)
Increase in non-current liability	704	1,200
Net cash provided by/ (used in) operating activities	31,949	13,988
	9	