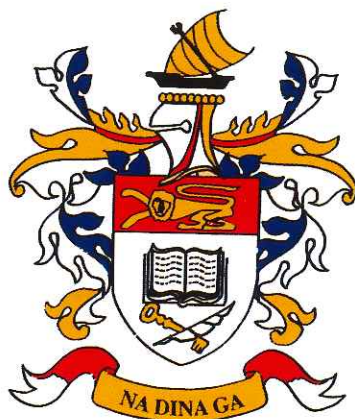




**FIJI INSTITUTE OF ACCOUNTANTS  
ANNUAL REPORT  
2000**



**FIJI INSTITUTE  
OF ACCOUNTANTS**

**A N N U A L  
R E P O R T  
2 0 0 0**



## REPORT OF THE PRESIDENT

If one will describe the recent times in Fiji it would be as a period of profound change. Politically there is a new platform that has been forced upon us and the immediate future will remain as unpredictable as it was some twelve months ago. On the economic front, Fiji continues to seek alternatives to fill the investment vacuum. It is obvious that the old ways will not work and there

is an urgent need for attracting the investment dollar. Fiji is not at the crossroads but driving in a never ending round about looking for a way out and in doing so hitting every pothole there is.



In one of my earlier messages I said that for accountants "The game has changed forever and will continue to change at a fast pace".

"The international community is demanding uniform set of rules. Service providers including accountants have to embrace the new technology and meet the demands of the people they serve. We need to look at our competencies as the advent of e-commerce, World Wide Web and Internet continues to impact the lives of all. On-line accounting and consultancy (and education) is increasingly common place"

"The changes have brought another platform for regulators and our profession. There is an increasing acceptance of International Accounting Standards and countries are working together to create a framework for reciprocity of all benefits and advantages including income and import duties to be shared equitably by all parties. There is a further demand for cross border recognition of accountants to remove all barriers to professional mobility".

"The challenge is for the profession to keep abreast of what is happening in the new world and retrain ourselves. We need to adopt new competencies and welcome these challenges and responsibilities. There are unlimited opportunities that the accountant might seize with confidence.



"The community will demand this of us. We cannot adopt a laid back attitude and think that it will not affect us here in Fiji."

There is the ever increasing expectation that a professional organisation like ours will look after the interest of the general public if there is an issue within the ambit of their expertise which needs to be addressed.

The profession in Fiji is at a crossroad but there are no arguments as to the direction we should be heading. The profession of the future will recognise no territorial boundaries and international expectation will dictate the standards we adopt.

The Institute has recognised these challenges - new ways of doing business, changing conditions and additional demands of local and overseas communities and of its members. Your council has taken the bold step to develop a 5-year Corporate Plan. The plans were developed by your Council after consultation with a wide cross section of the community, members and government institutions. Draft of the plan was circulated to all members for their review and comments. I thank all those including our past presidents and friends of the Institute who took part in numerous workshops, discussions and who contributed towards and gave their frank views during its development.

I acknowledge the contribution of AESOP and in particular Mr Allen Cahill an AESOP volunteer who assisted us in putting together this plan. Allen Cahill worked with the Council and the working committee over a period of three months and we were very fortunate to have a volunteer of the caliber of Mr Cahill as our facilitator.

The Institute is mindful of its role in the Fiji community. If we are to be the "leading professional" organisation in Fiji, there is no better opportunity to lead than by addressing our way forward with our Corporate Plan now. The plan is not a static thing but is to be a living document subject to review periodically to cater for changing circumstances, demands and needs.

Your Institute has come a long way since the Act came into force in 1972. From small beginnings where accounting firms provided registrars and administrative services we today have a fully-fledged administrative office with full time staff. The Institute needs now to move to a higher plane to meet new challenges that lie ahead.

I congratulate my Council members and thank them for their dedication and commitment during what can be described as a very difficult twelve months we all faced. Understandably a number of



projects undertaken were deferred as the events of 2000 made other demands and changing priorities took more of the Council's time and effort.

We have seen an increasing number of our members involved in committees at a national level. Our efforts in making submissions and advising government and statutory bodies on various issues have continued unabated and indeed we have had to adopt a more aggressive stance in some cases. Our contribution to the economic well being of the country culminates with our annual congress, which remains as the most important business conference in Fiji's calendar. Your Council recognises the need to provide a forum where issues are discussed in a open, frank and constructive manner with commitment particularly in the difficult times we face.

There is a lot of work ahead of us as a professional body and there are challenges for each and every one of us. We will need resources - manpower, technical and financial to help us to do what we set out to do. There is a realisation that we cannot continue to rely on part-timers to meet the needs to equip members to better face the challenges of the profession.

If I have a dream about our profession it would be that we are accepted as professional accountants anywhere in the world. I have maintained that our people are as good as if not better than any accountant in the region. This is borne out by those members who have emigrated and have made a successful career in the new countries of their choice.

My dream should be the dream of every one of you. Let us all strive for it. Our Corporate plan recognises the challenge and we need to be involved if we are to achieve our objectives.

In conclusion, I also place on record my gratitude to the staff members of the committees of the Council and those members of the Institute who give up their valuable time to contribute and to assist us in running the affairs of the Institute.



Dhiraj Hemraj





## THE COUNCIL FOR 2000/2001

President	:	Dhiraj Hemraj
Vice President	:	Ross McDonald
Treasurer	:	Anjnish Jokhan
Members	:	Vishnu Deo, Inia Naiyaga, Deepak Rathod, Deo Saran, Francis Chung, Sikeli Tuinamuana

## ANNUAL GENERAL MEETING

The Twenty-Ninth Annual General Meeting of the Institute was held in conjunction with the Annual Congress at the Sheraton Fiji Resort on 12th May 2000 at 5.15 pm. The meeting was attended by eighty-five members, eighty-three of whom were full Chartered Accountant members and two of whom were Provisional Members.

An election was held for two vacancies occurring on Council and two new members were elected to fill those positions - Deo Saran being re-elected unopposed to the third position.

Steven Pickering was elected as the Institute's Auditor for the ensuing year.

Members present approved a proposal put forward by Council to increase fees and annual subscriptions with effect from 1st January 2001. This was the first such increase since 1995.

## THE COUNCIL

Nalin Patel, Jenny Seeto and Deo Saran all retired at the completion of their 3-year periods in office in 2000. Both Jenny Seeto and Nalin Patel had indicated they would not be seeking re-election to Council and this created vacancies under categories (a) (members holding certificates of public practice only) and (c) (members whether or not they hold certificates of public practice) respectively. Deo Saran was automatically re-nominated under Rule 9.

An election was held for vacancies occurring in the (a) and (c) categories - Deo Saran in category (b) being returned unopposed. Two new Council members, Sikeli Tuinamuana and Francis Chung, were elected to the two vacant positions.

The Council expressed sincere appreciation to Deepak Rathod who completed his one year term as President in 2000.

The Council also acknowledges with sincere appreciation

the very substantial contribution made to the work of both the Council and Institute by two past Presidents, Nalin Patel and Jenny Seeto, both of whom served on the Council for many years - Nalin since 1982 and Jenny since 1989.

Following the Annual General Meeting, Dhiraj Hemraj and Ross McDonald were elected by the Council as President and Vice President respectively for the year.

Anjnish Jokhan was re-elected by the Council to act as the Treasurer for the Institute for the ensuing year.

The Council held 13 meetings during the year of which 10 were regular monthly meetings and three were special - one being held to consider the Annual Accounts for 1999, one to elect the President, Vice President and Treasurer following the Annual General Meeting and a third one to consider a submission to be made to the Military Council, following the "civilian coup" on 19th May 2000. Eleven out of the thirteen meetings were held in Suva.

## CONGRESS 2000

The Annual Congress for the year 2000 was held once again at the Sheraton Fiji Resorts over the two-day period from 12th to 13th May 2000. The theme chosen for this year was "Wealth and Investor Confidence".

Seven speakers were invited. The Keynote Address was given by His Excellency the Ambassador for the United States of America, Mr Osman Siddique, and six other speakers spoke on related issues, as follows:

### "Wealth Distribution: Cutting the Cake"

by Dato Jegathesan Jagadeesan

### "Finance Systems: Moving the Money Around"

by Mr Lionel Yee

### "Balancing Wealth and Lifestyle" by Mr Peter Jamieson

### "Partners for Development: the Role of Governments and the Private Sector" by Mr Hilarian Codipilly

### "Business Turn Around: Maximising Opportunities for Investment and Growth" by Mr Tom Vuetilovoni

### "Marketing Fiji: Global Attraction" by Mr Max Kruse

A Communique was issued at the end of the Congress, whose conclusions were threefold:

- that Government must be sincere in its consultation with the private sector;
- that all communities and stakeholders must learn to accept advice, recognising that longer term



benefits outweigh any temporary discomfort or embarrassments; and

- that all Fiji's people should choose the path that leads to wealth creation and investor confidence in our nation.

A total of 675 persons attended, comprising 355 resident delegates, 167 partners, 90 children and 63 day delegates.

Representatives from the sister accounting organisations in Australia and New Zealand also attended.

## **THE EVENTS OF MAY 19TH AND ITS AFTERMATH**

Just under a week after the conclusion of the Institute's Annual Congress, a group of armed men staged a "civilian coup" in Suva, taking hostage most members of Parliament. Ten days later the Fiji Military Forces Commander assumed power from the President and established a Military Council which later transferred power to an interim administration.

The Council of the Institute, responding to the emergency and foreseeing substantial damage to the country's economy, presented a submission to the Military Commander, offering suggestions for rebuilding confidence in the country.

## **GOVERNMENT POLICIES AND LEGISLATION**

The Institute was asked to provide comments upon a number of government policies and legislative provisions during the year 2000.

In February 2000, the Institute was invited by a Commission set up to review and assess the national education system and the quality of education to make a submission, and this was prepared and submitted to the Commission at the end of May 2000.

A joint delegation, consisting of three representatives of the Institute and three from the Fiji Law Society, appeared before a Senate Select Committee to make submissions on the draft Income Tax legislation, which had by then been passed by the House of Representatives, on 15th May 2000 and was scheduled to make further submissions on 19th May.

The Institute was also asked by the Ministry of Finance in February to participate in a project designed to enhance

investment in Fiji through policy and legislative changes. Following a series of meetings and discussions, and after seeking comments from members, the Council presented the Institute's submission on 15th September 2000.

Towards the end of November 2000, the Institute was asked for its comments on a draft decree to amend the Trustee Act and a set of comments and recommendations was sent to the Attorney General's Office in early January 2001.

## **BUDGET COMMITTEE**

The Council's Budget Committee produced a set of comments, suggestions and recommendations for the Interim Minister of Finance and National Planning in connection with the Budget for the year 2001 on the 1st September 2000.

## **JOURNAL**

Three issues of the Institute's "Accountant" Journal were produced and distributed to members during 2000.

The February and May 2000 issues distributed in July and

The October issue distributed in December.

A fourth issue planned for distribution in December was produced in February 2001.

## **THE ACT, RULES AND BY-LAWS**

No amendments were made to the Act or Rules during the year.

The comprehensive review of the Fiji Ethical Rulings (FER) which had been in progress for a number of years previously was completed early in the year 2000 and the new Fiji Code of Ethics By-laws, based largely on the provisions of the International Federation of Accountants' (IFAC) Code of Ethics, was issued in July 2000.

In line with most other professional accounting bodies the Fiji Institute had introduced a requirement for its members to complete, from the 1st January 2000, a minimum number of hours of continuing professional education (CPE) previously described as Professional Development. The requirement has been set at 20 hours annually or 60 hours over a three-year period, of which not





less than half should be "structured".

These new requirements were incorporated in a new set of Continuing Professional Education By-Laws issued by the Council and distributed to all members in December 1999.

At the Annual General Meeting of the Institute held on 12th May 2000, a resolution was passed by the membership to increase admission fees and annual subscriptions, and the new rates were incorporated in the Admission Fees and Annual Subscriptions By-Laws, which were to take effect from 1st January 2001.

## EDUCATION AND MEMBERSHIP

During the course of 2000, the Education, Membership and Awards Committee considered and recommended the admission of the following:

- 22 Chartered Accountants
- 55 Provisional Members
- 41 Affiliate Accountants

all of whom were approved by the Council.

In addition, the Council granted two certificates of public practice to Ms Lisa Jane Apted and Mr Steven Munro Pickering.

The Committee also embarked upon a comprehensive review of all aspects of the criteria for admission to membership - covering academic and practical experience requirements and this is likely to be completed in the second half of 2001.

The Chairman of the Committee dealing with development of the Graduate Professional Programme had, during the year, looked at some of the options available in the Pacific region and produced an outline of costs for these options.

The Council also considered a brief proposal presented to it but was not convinced that the programme had been fully investigated and asked the incoming Committee to reconsider the various options and present a comprehensive programme.

The Chairman visited CPA Australia during May and had an opportunity to discuss the options that were available in so far as the CPA programme was considered. Unfortunately the events of May 19th changed the priorities and the matter rested there until later in the year when Council

decided to look at a Corporate Plan for the Institute.

Since the Graduate Professional Programme was considered an important integral part of this plan it was considered prudent that any decision on future progress should be made after the Corporate Plan project had commenced and provided some direction as to the nature and content of the Graduate Professional Programme.

## AWARDS AND MEDALS

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 providing courses in accounting.

In 2000, the award for a gold medal in accounting for the outstanding graduating student in Accounting and Financial Management at the University of the South Pacific was made to Ms Lei Zhang.

In 2000, no gold medal for the best student in the Diploma in Business Studies (Accounting Option) was awarded at the Fiji Institute of Technology.

Because of poor response received in the preceding years and the fact that other organisations were also sponsoring similar awards, the Council decided not to stage a Young Accountant of the Year award for 2000, though it has been decided to reintroduce this project in the year 2001.

The Council has also agreed to sponsor a new award for the Fiji Secondary Schools Form 6 student gaining the highest marks in Accounting.

## PROFESSIONAL DEVELOPMENT

Following the introduction of the requirement for members to complete a minimum number of hours of "structured" and "unstructured" Continuing Professional Education during a three year period, the Professional Development Committee arranged a comprehensive programme for the year 2000.

A first Technical Conference was held at the Warwick Fiji Resort on 29th and 30th July 2000 during which six topics were covered by various speakers:



**"An Update of Income Tax Provisions"**

by Mr Jerome Kado

**"An Introduction to Corporate Finance"**

by Mr John Courtney

**"Tax Planning"** by Mr Arun Dhir

**"Share/Business Valuations"** by Mr Bruce Sutton

**"Presentation of Cash Flows Statements"**

by Professor Mick White

**"Cases of Strategic Management"**

by Dr Ruvendra Nandan

A total of 152 people attended of whom 122 were delegates and 30 were partners.

A second Technical Workshop was held at the Warwick Fiji Resort on 14th and 15th October 2000 during which a total of eight topics were covered by various speakers:

**"The New Fiji Code of Ethics"** by Mr Vishnu Deo

**"Transfer Pricing"** by Mr Damien Norris

**"E Commerce"** by Mr Mark Railston

**"Telecommunications"** by Mr Eric Yee

**"Economic Value-Added Accounting"**

by Mr Wayne Madden

**"Presentation of Financial Statements (FAS 1)"**

by Mr Sikeli Tuinamuna

**"Income Taxes - Tax Effect Accounting (FAS 12)"**

by Professor Mick White

**"Leases - Accounting for Leases (FAS 17)"**

by Mr Manoa Kamikamica

A total of 176 people attended of whom 143 were delegates and 33 were partners.

Seminars on the topic "Coming to Terms with International Accounting" were given by Professor Mick White in Lautoka on 9th March and 6th April and in Suva on 16th March and 13th April 2000. They were attended, in Lautoka, by 43 and 41 people respectively and, in Suva, by 71 and 84.

A Seminar on the topic "Control IT and Secure IT" was given by Mr Lawrence Mohanraj in Suva on 5th September and Lautoka on 7th September 2000. It was attended by 60 people in Suva and by 29 in Lautoka.

## 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.

The Council agreed in principle, at its meeting in January 1999, that the International Accounting Standards prescribed by the International Accounting Standards Committee (IASC) and the International Standards on Auditing prescribed by the International Federation of Accountants (IFAC) should be adopted as the basis for a completely new revised set of Fiji accounting and auditing standards.

A thorough review of the International Accounting Standards and the current comparative Fiji Accounting Standards was in progress throughout the year 2000 and it is hoped that a new set of Fiji Accounting Standards will be available in the second half of 2001.

## DISCIPLINARY PROCEEDINGS

The Investigation Committee met on three occasions during the second half of 2000 in the months of August, November and December.

It considered thirteen complaints lodged against members - the majority of which were lodged during the second half of the year. None has so far been referred to the Disciplinary Committee.

The Disciplinary Committee held one meeting in March 2000, to consider five complaints (four concerning one member) referred to it by the Investigation Committee in 1999. It was unable to finalise these complaints because it needed to obtain legal advice on procedural matters.

## REVIEW OF THE INSTITUTE'S MISSION

The Council had decided in 1999 that it was important for the Institute to develop a Corporate Plan and a request was submitted in April 2000 to Australian Expert Service Overseas Programme Volunteers (AESOP) for a Facilitator. This was approved in May but progress on recruitment was disrupted by the events of 19th May.

A number of other options were considered, including an approach to the University of the South Pacific as well as the possibility of recruiting a member of staff from one of the accounting firms in Fiji but, towards the end of the year, when it became apparent that assistance from Australia might again be available, a renewed approach was made to AESOP for the services of a volunteer.





## A FORGOTTEN GROUP OF FOUNDER MEMBERS

In 1972, when the Fiji Institute of Accountants first came into existence, the first published register of members showed a total membership of 123.

Of this total number of "founder members", the majority (71) were chartered accountants, but a substantial (52) minority were licensed accountants.

Of the 52 founding licensed accountants, only 8 remain on the current register:

Mr Ellugan Chinnana  
Mr Jai Narayan Jokhan  
Mr Hargovind Mavji Lodhia  
Mr Jag Narayan  
Mr Vallabhbhai Madhubhai Patel  
Mr Chandrika Prasad  
Mr Natwar Lal Sundarji  
Mr Narotam Kanji Umaria

They are a comparatively young group of veterans with an average age of only 70.



MR HARGOVIND MAVJI LODHIA



MR NATWAR LAL SUNDARJI



MR CHANDRIKA PRASAD



MR NAROTAM KANJI UMARIA



MR ELLUGAN CHINNANA



MR VALLABHBHAI  
MADHUBHAI PATEL



MR JAG NARAYAN



MR JAI NARAYAN JOKHAN



## MEMBERSHIP STATISTICS

The total number of members, of all categories, on the Institute's Register on 31st December 2000 was 515 - a reduction of fifteen on the figure recorded for 1999. It should be noted that 1998 and previous year totals had included members whose subscriptions were not up to date and therefore comparisons will be misleading.

During 2000, the names of 82 members were removed from the Register and 48 students from the Roll in respect of 2000. Predominantly, these were members who had migrated and had discontinued their subscriptions.

During the year a total of 118 new members were admitted of which 22 were admitted as Chartered Accountants, 55 as Provisional Members, 41 as Affiliate Accountants and an additional 15 Students were enrolled. Some of these "new" members were transfers from other membership categories.

Two new certificates of Public Practice were issued during 2000.

While the number of new members admitted is encouraging, the Institute continues to lose members - principally through migration - and this has particularly been the case for the year 2000, following the "civilian coup" on 19th May 2000. It is difficult to gauge with any precision the exact number of members who have migrated permanently; Seventy two are known to have migrated.

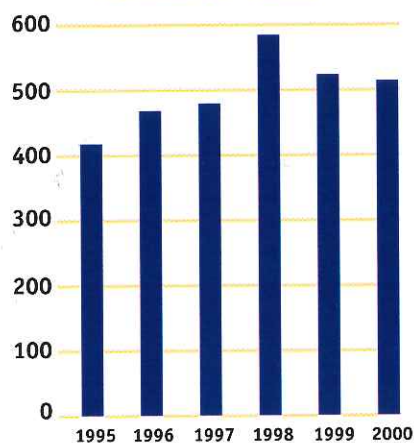
The comparative figures for 1999 and 2000 for the various categories were as follows:

	1999	2000
Chartered Accountants in Public Practice	35	37
Chartered Accountants not in Public Practice	263	236
Provisional Members	78	104
Affiliate Accountants	93	107
Licensed Accountants	10	10
Students	51	21
	<b>530</b>	<b>515</b>

Seventy-one members were resident overseas of whom 62 were Chartered Accountants, five were Provisional Members, three were Affiliate Accountants and one a Licensed Accountant.

Only 10 of the original 52 Licensed Accountants remained on the Register.

### TOTALS BY YEAR



### Membership Totals 1995-2000

YEAR	CPP	CA	PM	AA	LA	ST	TOTAL
1995	39	241	47	71	19	7	424
1996	36	252	59	95	19	7	468
1997	35	269	48	98	14	14	478
1998	35	310	68	121	11	40	585
1999	35	263	78	93	10	51	530
2000	37	236	104	107	10	21	515

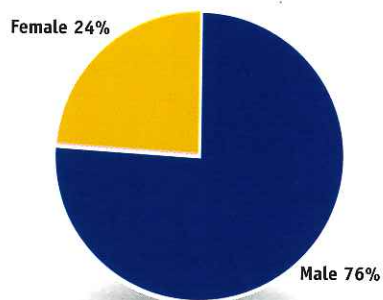
#### KEY

CPP-Chartered Accountants in Public Practice. CA-Chartered Accountants not in Public Practice. PM-Provisional Member. AA-Affiliate Accountant. LA-Licensed Accountant. ST-Student.

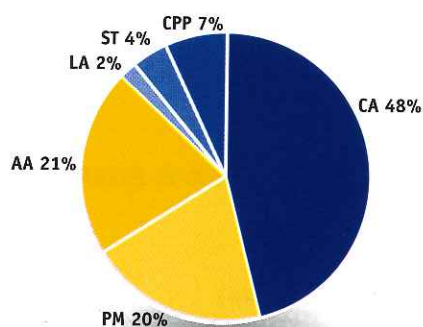




**MEMBERSHIP BY GENDER  
2000**



**MEMBERSHIP BY CATEGORY  
2000**



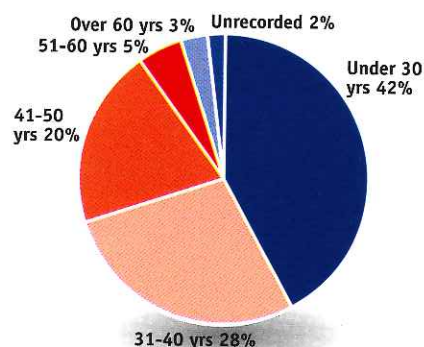
**KEY**

CPP-Chartered Accountants in Public Practice.  
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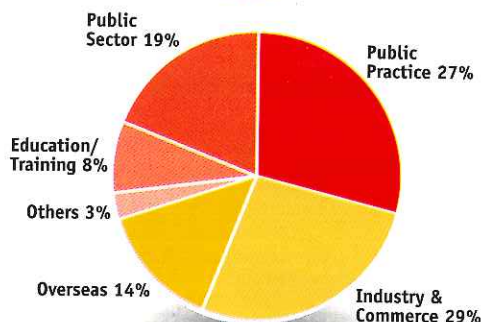
**MEMBERSHIP BY GENDER (1998 - 2000)**

	1998	1999	2000
Male	464	406	391
Female	121	124	124
	585	530	515

**MEMBERSHIP BY AGE  
2000**



**MEMBERSHIP BY OCCUPATION  
2000**



**MEMBERSHIP BY AGE (1998 - 2000)**

	1998	1999	2000
Under 30 years	233	233	217
31 - 40 years	188	160	142
41 - 50 years	104	95	102
51 - 60 years	24	27	28
Over 60 years	25	19	17
Unrecorded	11	9	9
<b>TOTAL</b>	<b>585</b>	<b>543</b>	<b>515</b>

**MEMBERSHIP BY OCCUPATION 2000**

	CPP	CA	PM	AA	LA	ST	TOTAL
Public Practice	37	43	40	11	9	-	140
Industry & Commerce	-	82	23	47	-	-	152
Public Sector	-	37	29	32	-	-	98
Education/Training	-	6	3	10	-	21	40
Others	-	6	4	4	-	-	14
Overseas	-	62	5	3	1	-	71
<b>TOTALS</b>	<b>37</b>	<b>236</b>	<b>104</b>	<b>107</b>	<b>10</b>	<b>21</b>	<b>515</b>



**Investigation Committee**

**Anjnish Jokhan (Chairperson)**

Inia Naiyaga, Deepak Rathod, John Gaukrodger  
& Cema Logavatu.

**Education, Membership & Awards Committee**

**Deo Saran (Chairman)**

Francis Chung, Foana Nemani, Ruvendra Nandan  
& Ilaitia Boila

**Accounting & Auditing Standards Committee**

**Francis Chung (Chairman)**

Nalin Patel, Bruce Sutton, Chirk Yam, Iowane  
Naiveli, Nur Bano Ali, Paresh Hari, Eroni Vatuloka  
& Michael White

**Congress Organising Committee 2001**

**Sikeli Tuinamuana (Chairman)**

Anjnish Jokhan, Kee Fong & Atma Maharaj

**Journal Committee**

**Ross McDonald (Chairman)**

Nur Bano Ali, Simon Seru, Ruvendra Nandan,  
Lisa Apted & Steven Pickering

**Professional Centre Committee Institute Representatives**

**Deepak Rathod**  
Executive Director

**Disciplinary Committee**

**Dhiraj Hemraj (Chairman)**

Francis Chung, Nalin Patel, Sikeli Tuinamuana  
& Gardiner Whiteside

**Act & Rules Committee**

**Vishnu Deo (Chairman)**

Deepak Rathod, Nalin Patel, Jenny Seeto  
& Gardiner Whiteside

**Graduate Professional Programme Committee**

**Deepak Rathod (Chairman)**

Deo Saran, Nur Bano Ali, Sikeli Tuinamuana, Foana  
Nemani, Manoa Kamikamica & Michael White

**Professional Development Committee**

**Deo Saran (Chairman)**

Fay Yee, Chirk Yam, Lisa Apted, Kee Fong  
& Michael White

**Law Review Committee**

**Ross McDonald (Chairman)**

Inia Naiyaga, Francis Chung, Pradeep Patel  
& Jerome Kado

**Staff & Administration Committee**

**Dhiraj Hemraj (Chairman)**

Anjnish Jokhan

**Western Division Committee**

**Deo Saran (Chairman)**

Nitin Gandhi, Robert Cohen, Manoa Kamikamica  
& Divendra Naicker (Treasurer)  
(Replaced by Bruce Suttton)





**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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## **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 financial statements of the Institute set out on pages 16 to 24 for the year ended 31 December 2000 are drawn up so as to give a true and fair view of the state of affairs of the Institute at 31 December 2000 and of its results and cash flows for the year then ended.



PRESIDENT



TREASURER

Suva, Fiji

16th May, 2001





## INDEPENDENT AUDIT REPORT

### *To the members of the Fiji Institute of Accountants*

#### SCOPE

We have audited the Financial Statements of the Fiji Institute of Accountants for the year ended 31 December 2000 as set out on pages 16 to 24. The Institute's committee members are responsible for the preparation and presentation of the Financial Statements and the information they contain. We have conducted an independent audit of these Financial Statements in order to express an opinion on them to the members of the Institute.

Our audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. Our 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 our understanding of the Institute's financial position, the results of its operations and its cash flows.

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

#### AUDIT OPINION

In our opinion, the financial statements present fairly in accordance with Fiji Accounting Standards the financial position of the Fiji Institute of Accountants as at 31 December 2000 and the results of its operations and its cash flows for the year then ended.

Suva, Fiji

16th May, 2001



Steven Pickering  
Chartered Accountant

# INCOME AND EXPENDITURE STATEMENT

## YEAR ENDED 31 DECEMBER 2000

	Notes	2000	1999
<b>INCOME</b>		\$	\$
Admission fees		5,550	3,100
Members' subscription	2	48,344	48,265
Interest		3,753	3,378
Special committees	3	65,356	70,012
Technical publications	4	786	2,130
Service and administrative fee			
- Australian Society of CPA's	5	5,000	5,000
Other		241	969
<b>TOTAL INCOME</b>		<b>129,030</b>	<b>132,854</b>
<b>EXPENDITURE</b>			
Advertising		1,951	703
Bank charges		2,332	139
Council and committee expenses		4,484	3,475
Depreciation		3,467	3,155
Electricity		2,100	2,125
Entertainment		770	-
General expenses		418	1,095
Handbook to members		1,252	1,065
Insurance		1,517	1,424
International activities	6	11,009	6,378
Legal expenses		631	2,027
Postage and telephone		2,716	3,405
Printing and stationery		6,294	7,134
Rental		12,000	12,000
Repairs and maintenance		1,156	779
Salaries and wages & associated costs		33,818	33,218
Sports and Social Committee		-	292
Subscription - Fiji Professional Centre		2,480	4,033
Travelling and Conferences		1,434	1,289
<b>TOTAL EXPENDITURE</b>		<b>89,829</b>	<b>83,736</b>
<b>NET SURPLUS CARRIED FORWARD TO MEMBERS' FUNDS</b>		<b>39,201</b>	<b>49,118</b>

The Income and Expenditure Statement is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 19 to 24.





**BALANCE SHEET**  
**AT 31 DECEMBER 2000**

	Notes	2000 \$	1999 \$
<b>CURRENT ASSETS</b>			
Cash at bank and on hand		6,115	49,233
Cash on deposit		43,822	102,054
Inventories	7	19,518	2,881
Other current Assets	8	17,022	26,133
Interest Receivable		2,497	1,553
<b>TOTAL CURRENT ASSETS</b>		<b>88,974</b>	<b>181,854</b>
<b>NON-CURRENT ASSETS</b>			
Cash on deposit		90,000	10,123
Investments	9	45,320	-
Property, plant and equipment	10	18,700	19,627
<b>TOTAL NON-CURRENT ASSETS</b>		<b>154,020</b>	<b>29,750</b>
<b>TOTAL ASSETS</b>		<b>242,994</b>	<b>211,604</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals		3,429	9,437
Subscriptions and fees received in advance		5,053	6,856
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,482</b>	<b>16,293</b>
<b>TOTAL LIABILITIES</b>		<b>8,482</b>	<b>16,293</b>
<b>NET ASSETS</b>		<b>234,512</b>	<b>195,311</b>
<b>MEMBERS' FUNDS</b>			
Balance brought forward		195,311	146,193
Surplus for the year		39,201	49,118
<b>TOTAL MEMBERS' FUNDS</b>		<b>234,512</b>	<b>195,311</b>

The Balance Sheet is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 19 to 24.



President



Treasurer

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 \$	1999 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and others		60,664	55,559
Receipts from special committee and technical publication		356,693	248,254
Interest received		2,809	4,534
Payment to suppliers and employees		(397,332)	(248,189)
Bank charges		(2,332)	(139)
Net VAT received / (paid)		5,884	(11,996)
<b>Net cash flows from Operating Activities</b>	<b>12(a)</b>	<b>26,386</b>	<b>48,023</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Acquisition of plant and equipment		(2,540)	(590)
Purchase of unit trust investments		(45,319)	-
<b>Net cash flows (used in) Investing Activities</b>		<b>(47,859)</b>	<b>(590)</b>
<b>Net (decrease)/increase in cash held</b>		<b>(21,473)</b>	<b>47,433</b>
Cash at the beginning of the financial year		161,410	113,977
<b>Net cash at the end of the financial year</b>	<b>12(b)</b>	<b>139,937</b>	<b>161,410</b>

The Statement of cash flows is to be read in conjunction with the notes to forming part of the Financial Statements set out on pages 19 to 24.





**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS  
31 DECEMBER 2000**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies adopted by the institute is set out in this note. The policies adopted are in accordance with the accounting principles generally accepted in Fiji, and unless stated otherwise are consistent with those applied in the prior year.

- a) **Basis of preparation of the financial statements**  
These financial statements have been prepared under the convention of historical cost accounting and do not take into account changing money values or current valuations of non-current assets.
- b) **Inventories**  
Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out.
- c) **Property, plant and equipment**  
Property, plant and equipment are depreciated on a straight line basis at rates calculated to write off each asset over its estimated useful life. The principal rates in use are:

Computer equipment	25%
Office furniture and equipment	10%

Profit and losses on disposal of property, plant and equipment are taken into account in determining profit for the year.

- d) **Income tax**  
In accordance with the provisions of the Income Tax Act, the Institute is exempt from income tax.
- e) **Subscriptions**  
Subscriptions in arrears are not brought to account.
- f) **Investments**  
Investments are recorded at the original cost of investment.
- g) **Comparative figures**  
Comparative figures have been amended where necessary, for changes in presentation in the current year.

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2000** (continued)

	<b>2000</b>	<b>1999</b>
	\$	\$
<b>2. MEMBERS SUBSCRIPTION</b>		
Members in public practice	9,200	8,750
Members not in public practice	24,232	26,750
Provisional members	5,675	3,700
Licensed accountants	900	900
Affiliate members	5,295	4,775
Overseas members	2,832	2,770
Student members	210	620
	<b>48,344</b>	<b>48,265</b>

**3. SPECIAL COMMITTEES**

**(a) Annual Congress**

<b>Income</b>		
Registration fees	234,156	173,054
Sponsorship	49,504	50,455
Interest	-	230
	<b>283,660</b>	<b>223,739</b>

<b>Expenses</b>		
Accommodation, food and beverage	203,125	153,623
Advertising	2,222	298
Bank charges	95	50
Entertainment	1,773	1,081
Donation and gifts	200	200
Satchels	2,864	618
General expense	97	537
Stationery, telephone and facsimile	7,266	2,391
Travelling	6,581	-
	<b>224,223</b>	<b>158,798</b>

<b>Surplus</b>	<b>59,437</b>	<b>64,941</b>
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**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2000** (continued)

	<b>2000</b>	<b>1999</b>
	\$	\$
<b>3. SPECIAL COMMITTEES</b> (continued)		
<b>b) Continuing Education Courses</b>		
<b>Income</b>		
Registration fees and levies	62,559	36,252
<b>Expenses</b>		
Venues costs and refreshments	56,409	27,850
<b>Surplus</b>	<b>6,150</b>	<b>8,402</b>
<b>c) Journal Committee</b>		
Income	8,818	4,316
Expenses	10,406	8,000
<b>(Deficit)</b>	<b>(1,588)</b>	<b>(3,684)</b>
<b>d) Disciplinary Committee</b>		
Fines and legal costs recovery	-	423
<b>e) Western Division Committee</b>		
Income	2,551	900
Expenses	1,194	970
<b>Surplus/(Deficit)</b>	<b>1,357</b>	<b>(70)</b>
<b>Net Surplus Special Committees</b>	<b>65,356</b>	<b>70,012</b>
<b>4. TECHNICAL PUBLICATIONS</b>		
Profit from sale of handbooks	786	2,130

**5. CPA AUSTRALIA**

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

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2000** (continued)

	2000 \$	1999 \$
<b>6. INTERNATIONAL ACTIVITIES</b>		
Subscription to:		
International Federation of Accountants	4,898	5,097
Confederation of Asian and Pacific Accountants	1,379	1,281
International Accounting Standards	402	-
CAPA Conference	4,330	-
	<b>11,009</b>	<b>6,378</b>

**7. INVENTORIES**

Binders	18,453	-
Hand books	1,065	2,881
	<b>19,518</b>	<b>2,881</b>

**8. SUNDRY DEBTORS AND PREPAYMENTS**

Deposit - Congress	-	5,000
Other debtors and prepayments	17,022	21,133
	<b>17,022</b>	<b>26,133</b>

**9. INVESTMENTS**

Interest in the Fiji Professional Centre	1	-
Unit fund investments	45,319	-
	<b>45,320</b>	<b>-</b>

The Institute has a 1/7 interest in the property known as the Fiji Professional Centre. This property was valued in 1993 by Harrison Grierson at \$200,000.

**10. PROPERTY, PLANT AND EQUIPMENT**

Office furniture and equipment - at cost	34,983	32,443
Less Provision for depreciation	16,283	12,816
<b>Total written down value</b>	<b>18,700</b>	<b>19,627</b>





**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2000** (continued)

**11. FUNDS HELD IN TRUST**

The Institute holds the following funds in trust which are not reflected in the financial statements of the Fiji Institute of Accountants.

	<b>2000</b>	<b>1999</b>
<b>CHAIR IN ACCOUNTING</b>	\$	\$
Balance at the beginning of the year	23,045	22,641
Add bank interest	441	404
	<b>23,486</b>	<b>23,045</b>

Represented by:

Cash on deposit	23,486	23,045
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The fund was set up from the money collected by the Institute to support the Chair in accounting at USP. It is not expected that the above amount will become payable in the current year.

**ADAM DICKSON MEMORIAL FUND**

Balance at the beginning of the year	20,605	-
Cash Donation	-	20,605
Add bank interest	1,275	-
Less expenses	(821)	-
	<b>21,059</b>	<b>20,605</b>

Represented by:

Cash at bank	921	605
Cash on deposit	20,138	20,000
	<b>21,059</b>	<b>20,605</b>

This fund, in memory of the Late Adam Dickson was set up in 1999 and is to be used to assist students at USP in the discipline of Accounting and Finance Management.

**NOTES TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS  
31 DECEMBER 2000** (continued)

	2000	1999
	\$	\$
<b>12. NOTES TO THE STATEMENT OF CASH FLOWS</b>		
<b>a) Reconciliation of the net cash provided by operating activities to the net surplus for the year</b>		
Net Surplus for the year	39,201	49,118
Adjustment for non-cash items:		
Depreciation	3,467	3,155
Net cash provided by operating activities before change in assets and liabilities	42,668	52,273
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in inventories	(16,637)	2,567
Decrease / (increase) in sundry debtors and prepayments	9,111	(14,894)
(Increase) / decrease in interest receivable	(944)	1,156
(Decrease) / increase in creditors and accruals	(6,009)	5,798
(Decrease)/increase in subscriptions and fees in advance	(1,803)	1,123
<b>Net Cash Flows from Operating Activities</b>	<b>26,386</b>	<b>48,023</b>

**b) Reconciliation of cash**

For the purpose of statement of cash flows, cash includes cash at bank and on hand net of outstanding bank overdraft. Cash at end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank and on hand	6,115	49,233
Term deposits	133,822	112,177
	<b>139,937</b>	<b>161,410</b>

**13. EXPENDITURE COMMITMENTS**

a) Capital commitments at balance date - Nil (1999 - Nil).

b) Operating lease commitments

The commitments in respect of rental lease are as follows:

- not later than one year	12,000	-
- later than one year but not later than two years	24,000	-
	36,000	-
<b>Minimum Lease Payments</b>		
Analysed as :		
Current liability	12,000	-
Non-current liability	24,000	-
	<b>36,000</b>	<b>-</b>

