



**FIJI INSTITUTE OF
ACCOUNTANTS**

**ANNUAL REPORT
2001**

2001

F I A A N N U A L R E P O R T 2 0 0 1

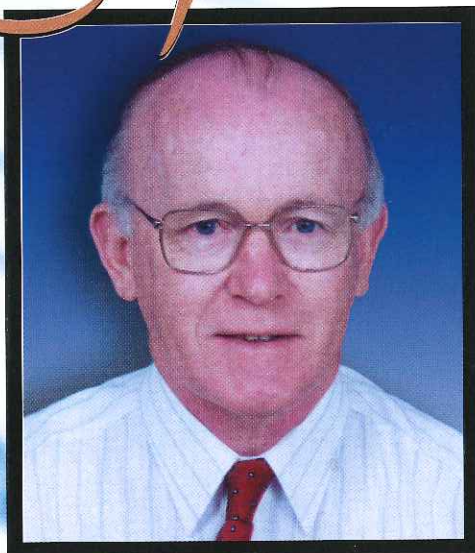
fiij institute of accountants



FIJI INSTITUTE OF
ACCOUNTANTS

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A Message from the President



Ross McDonald

Thirty Years On

The Institute was thirty years old on 11th February 2002. This date passed by without most of us noticing.

This is an important milestone in the life of the Institute and I think it is worth reflecting on what has been achieved by the Institute during this period and to acknowledge the hard work and effort of those who went before us.

I think we need to acknowledge the foresight of those in the profession as it was then in 1972, and the Government of the day which took the initiative to have the Institute formed. In reading the old literature on these events, much of the thinking appears to have been about controlling and improving standards as well as developing the longer term future of the profession. What has been achieved? Government and the community now see the Institute as a respected professional body in general and its membership has settled at around 500. We have with strong assistance from the University of the South Pacific developed programmes so that potential members can qualify locally in Fiji, rather than go abroad for their education. A Graduate Professional Programme is now being developed and we now have a requirement for members to complete continuing professional education.

We have moved through the era of Fiji Accounting and Auditing Standards to a point where we have adopted the international accounting standards and we are currently in the process of adopting international standards on auditing. We have, over

the years, contributed many papers to Government on a wide variety of issues such as the Budget, taxation, revenue and cost matters and proposed new legislation, to name a few.

We are self-disciplining and, from time to time, we have to discipline members for offences under our Rules and Ethics. Our Congress is seen as the annual high point and forum for professional and commercial comment on the economy, matters of topical interest and business problems of the day. The Institute has a sound financial base. This all represents considerable progress since 1972.

I think our founding fathers would be comfortable with this.

I mention all these points as just some of the achievements of the Institute over these years. It is for us now to go forward, on the strong base that has been passed to us, and continue to work for the further development of the profession. Much

of this thinking is encompassed in the Corporate Plan, which will form the basis of development over the next five to ten years.

The Plan needs your active support to be successful. I ask all members to participate in the future development of the Institute so that we leave a similar heritage to those who come after us.

I express my grateful thanks to Murray Mackenzie and to his staff for their ready and active support during the past year and to all members of the Council and its Committees who have given so generously of their time and their support during my term as President.

Ross McDonald

The New Accounting Standards



Helen and Kameel assembling the new Accounting Standards.

The Council for 2001/2002

<i>President</i>	: Ross McDonald
<i>Vice President</i>	: Anjnish Jokhan
<i>Treasurer</i>	: Inia Naiyaga
<i>Members</i>	: Vishnu Deo (to 26 September)
	Deepak Rathod
	Dhiraj Hemraj (to 23 November)
	Deo Saran
	Francis Chung
	Sikeli Tuinamuana
	Lisa Apted (from 26 September)
	Chirk Yam (from 23 November)

Annual General Meeting

The Thirtieth Annual General Meeting of the Institute was held in conjunction with the Annual Congress at the Sheraton Fiji Resort on 22nd June 2001 at 4.45 pm. The meeting was attended by fifty-eight members, fifty-six of whom were full Chartered Accountant members, one of whom was a Provisional Member and one of whom was an Affiliate Accountant.

Since no nominations were received for any other persons, all the three members whose terms of office were expiring, Dhiraj Hemraj in Category A, Deepak Rathod in Category B and Ross McDonald in Category C, were re-elected unopposed for a further three years.

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

The Council

As mentioned in the preceding section, Dhiraj Hemraj, Deepak Rathod and Ross McDonald all retired at the completion of their 3-year periods in office in 2001 but were re-elected for a further period of three years.

The Council expresses sincere appreciation to Dhiraj Hemraj who completed his one year term as President in 2001.

Following the Annual General Meeting, Ross McDonald and Anjnish Jokhan were elected by the Council as President and Vice President respectively for the year 2001/2002.

Inia Nayaga was elected by the Council to act as Treasurer for the Institute for the ensuing year.

During the year, two Council members resigned, Mr Vishnu Deo from 26th September and Mr Dhiraj Hemraj from 23rd November. Ms Lisa Apted was appointed by the Council to replace Mr Vishnu Deo on 26th September and Mr Chirk Yam was invited to replace Mr Dhiraj Hemraj from 23rd November.

The Council held 14 meetings during the year of which 11 were regular monthly meetings and three were special - one being held to consider the Corporate Plan and the Annual Accounts for 2000, one to approve the award of a certificate of public practice and one to elect the President, the Vice President and Treasurer following the Annual General Meeting. Eleven of the fourteen meetings were held in Suva and the other three were held in Nadi.

Congress 2001

The Annual Congress for the year 2001 was held once again at the Sheraton Fiji Resorts over the two-day period from the 22nd to 23rd June 2001. The theme chosen for this year was "Face the Challenge, Fiji". Seven speakers were invited. The Keynote Address was given by Mr Gerald Barrack, a very well known personality in Fiji and long term Chairman of the Sugar Commission of Fiji and of Air Pacific. Six other speakers spoke on other related issues, as follows:

"Macro Economic Aspects of the Challenge"
by Mr Savenaca Siwatibau of the University of the South Pacific

"No Land is an Island"
by Mr Richard Naidu of Munro Leys

"Black Pearls - the Challenges for an Island Industry"
by Ms Vaine Wichman of Arama and Associates, Rarotonga

"E-Commerce - Opportunities and Issues"
by Mr Craig Elliffe of KPMG, Auckland

"The Challenges to Tourism and Investment"
by Mr Martin Darveniza of Tabua Investments

"Cultural Bonding and Nationhood"
by Mr Joni Madraiwiwi of Howards

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

- that all of us as individuals need to use the experience of the difficult times that Fiji has recently been through to determine our individual and therefore our collective destiny;
- that we should cease blaming one another and creating divisions and instead we should concentrate on rebuilding our multicultural nation and living our lives; and
- that we believe that we will not only survive but that we can achieve much more and can envision a flourishing emerging country taking its proper place in the family of nations.

A total of 505 persons attended, comprising 240 resident delegates, 137 partners, 74 children and 54 day delegates.

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

The Corporate Plan

The Institute's Corporate Planning Project commenced with the first workshop on 27th March 2001. The President, Dhiraj Hemraj, outlined to the participants the purpose of the process and introduced an AESOP volunteer, Mr Allan Cahill, who was appointed to "drive" the project. Participants at the workshop included Council members and other Institute members as well as invited guests, all of whom were considered to be stakeholders in the process.

Mr Cahill outlined the project and the three stages in the overall process:

Stage 1 To assess the present situation and to develop a strategic assessment of the future

Stage 2 The detailed development of a strategic direction, key objectives, priority activities and expected outcomes in a Business Plan for the period 2001 to 2005

Stage 3 The presentation of the Plan to members and other stakeholders

The participants at the first workshop proceeded to tackle the first stage - "The Present" and a second workshop was scheduled to be held on 2nd April to tackle the second stage "The Future".

From these two workshops, two sub-committees were formed to "brainstorm" ideas generated at the workshops and to build on these in detail in order to formulate the Corporate Plan. The sub-committees examined the issues raised, identified the impact on members, or the profession, developed ideas for the response or action required from the Institute, the priority of the action and a likely time frame for action.

During this process, Mr Cahill also sought opinions from and held discussions with Council members, with key employers and public sector representatives and the University of the South Pacific.

The ideas generated from the sub-committees and from various discussions were used to formulate a detailed corporate plan, as well as a summary document, for distribution to members. The process also looked at the development of "vision" and "mission" statements for the Institute.

The completed Plan incorporated six key result areas:

Institute Membership and Services;
Institute Support Activities, Image and the Act;
Professional Ethics and Discipline relating to Breaches of the Act, Rules, Standards and the Code of Ethics; Professional Education and Development;
Accounting and Auditing Standards, Quality Control and Benchmarking; and
Business and Government.

The first "unveiling" of the draft Corporate Plan took place at the Technical Workshop held at the Outrigger Reef Resort in late May and the authorised printed Plan was distributed to members with the May issue of the Institute's Journal, at the Annual Congress in June 2001.

The Interim Minister for Finance and National Planning, Ratu Jone Kubuabola,

officially launched the Corporate Plan on 4th July 2001.

Steady progress has been made in implementing the provisions of the Corporate Plan.

Council concentrated initially on incorporating requirements of the Plan into the current structure of the Institute, so that the Institute has Committees capable of implementing the strategies in the Plan, as well as attending to the existing work of the Institute. This will however place a considerable additional burden upon Committee members, who already give freely of their time.

After considerable deliberation it was decided that, as an interim measure, the existing Committee structure was to be retained, with the addition of a new Business and Government Committee to cover those activities which cannot be readily addressed by the existing Committees.

Law Review Committee

The Institute was asked to provide comments upon a number of draft policies and legislative provisions produced by the Government and by other statutory institutions in the final months of 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 on 15th January 2001.

On the 7th December 2000, the Capital Markets Development Authority issued a draft of its proposed CMDA (Securities) Regulations and sought comments upon them. The Institute responded, after obtaining an extension of time, with a set of detailed comments on 1st May 2001. The Authority again consulted the Institute on the related issue of according recognition to overseas qualified practitioners at the end of August 2001 and a response was provided on 26th November 2001.

And finally, a request was received on 20th December 2000 from the Reserve Bank of Fiji for comments upon a draft

policy on "The Role of External Auditors in the Supervision of Licensed Financial Institutions". The Institute provided an initial response to this request on 22nd February 2001 and a further detailed response to a revised draft of the policy document on 11th April 2001.

Journal

Three issues of the Institute's "Accountant" Journal were produced and distributed to members during 2001:

- *The December 2000 issue distributed in March 2001*
- *The June 2001 issue distributed in June and July*
- *The December 2001 issue distributed in December*

The Act, Rules and by Laws

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

Education and Membership

During the course of 2001, the Education, Membership and Awards Committee considered and recommended the admission of the following:

- *17 Chartered Accountants*
- *31 Provisional Members*
- *44 Affiliate Accountants*

all of whom were approved by the Council.

In addition, the Council granted two certificates of public practice to Mr Wayne Mervyn Whiteside of G H Whiteside & Co and to Mr Jerome Shiosaki Kado of PricewaterhouseCoopers.

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

In the second half of the year, following

the adoption of the new Corporate Plan for the Institute, the Graduate Professional Committee was merged with the Education and Membership Committee and reviewed all the options which had previously been considered, their costs and viability. It has also developed a questionnaire which it proposes to circulate to potential employers to determine which qualifications and aptitudes they consider to be the most important for future new employees in the accounting field.

Awards and Medals

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

However, the year's results for 2001 were disappointing in this respect. No award for a gold medal in accounting was made for 2001 for the outstanding graduating student in Accounting and Financial Management at the University of the South Pacific.

And no gold medal for the best student in the Diploma in Business Studies (Accounting Option) was awarded at the Fiji Institute of Technology for 2001.

After a lapse of three years the competition for the Young Accountant of the Year which is being sponsored for a period of three years by Eclipse Computing (Australia) Pty Ltd was revived in 2001. The award was presented during the Annual Congress to Mr Pradeep Lal of Vodafone.

The Council had also agreed to sponsor a new award for the Fiji Secondary Schools Form 6 student gaining the highest marks in Accounting. Six students qualified equally for the highest marks and certificates and cash prizes were awarded to the following:

Sangeeta Kumari Asre *Tilak High School*

Priti Ashika Chand *Tilak High School*

Deepika Ajeshni Devi *Suva Grammar School*

Recta Dhar *Mahatma Gandhi Memorial School*

Kong Jin Lee *Labasa College*

Shiu Sami Mudliar *Tilak High School*

The certificates and cash prizes were presented in October and November 2001 and in January 2002.

Professional Development

To enable members to complete the required minimum number of hours of "structured" Continuing Professional Education of either 10 hours annually or 30 hours over a three year period, the Professional Development Committee organised a very varied and comprehensive programme for the year 2001, comprising three Technical Workshops and six Seminars.

These nine activities offered members an opportunity to complete no less than 31 hours of structured continuing professional education, as follows:

<i>Seminar February 9th/14th</i>	<i>2 ½ hours</i>
<i>Seminar March 22nd</i>	<i>2 ½ hours</i>
<i>Seminar April 19th/26th</i>	<i>2 ½ hours</i>
<i>Workshop May 26th/27th</i>	<i>8 hours</i>
<i>Seminar July 19th</i>	<i>1 hour</i>
<i>Seminar July 2 6th/August 2nd</i>	<i>2 ½ hours</i>
<i>Seminar September 20th</i>	<i>2 hours</i>
<i>Workshop Oct 27th/Nov 3rd</i>	<i>3 ½ hours</i>
<i>Workshop November 23rd</i>	<i>7 hours</i>

-An interesting feature of the programme for 2001 has been the fact that many of the activities have been patronised by delegates who are not registered members of the Institute, as the following table demonstrates:

		Members	Non Members
Seminar	February 9th	12	36
	February 14th	37	46
Seminar	March 22nd	28	35
Seminar	April 19th	18	21
	April 26th	6	14
Workshop	May 26th/27th	86	51
Seminar	July 19th	23	24
Seminar	July 26th	14	30
	August 2nd	45	41
Seminar	September 20th	36	41
Workshop	October 27th	36	26
	November 3rd	18	17
Workshop	November 23rd	48	39

The first Seminar on the topic "Tax Compliance Issues" was given by Mr Chirk Yam in Lautoka on 9th February and in Suva on 14th February 2001. In Lautoka, it was attended by 48 people and in Suva by 83 people.

A second Seminar on the topic "Annual Report Presentation" was given by representatives from KPMG, Kontiki Capital and the Ministry of Public Enterprises in Suva on the 22nd March 2001. It was attended by 63 people.

In the following month, a third Seminar on the topic of "Superannuation" was given by representatives of the Fiji National Provident Fund in Suva on the 19th April and in Lautoka on 26th April 2001. These were attended in Suva by 39 people and in Lautoka by 20 people.

The next Seminar on the topic "Contracting Out of Auditing of Public Sector Organisations" was given by Professor Keith Houghton and was held only in Suva. It was attended by 47 people.

Another Seminar on the topic "Emerging Tax Issues" was given by Mr Damien Norris in Lautoka on 26th July and in Suva on 2nd August. It was attended by 44 people in Lautoka and 86 people in Suva.

The final Seminar on the topic "FAS 30: Financial Reporting for Banks and Similar Financial Institutions" was given by representatives of the Reserve Bank of Fiji and Professor Mick White. It was held only in Suva and was attended by 77 people.

The first Technical Workshop was held at the Outrigger Reef Resort - a new venue for workshops - on 26th and 27th May 2001, during which seven topics were covered by various speakers.

The three plenary sessions were:

"The Financial Reporting Framework"

by Professor Mick White

"The Corporate Plan"

by Mr Alan Cahill and Mr Dhiraj Hemraj

"Aspects of the Code of Ethics"

by Mr Inia Naiyaga, Mr Deo Saran and Ms Lisa Apted

Four "break-out" sessions were also organised:

"The Role and Responsibilities of a Chartered Accountant"

by Professor Mick White and Mr Deepak Rathod

"Developing Comprehensive Performance Indicators"

by Dr Ruvendra Nandan

"FAS 16: Accounting for Property, Plant and Equipment and FAS 20: Accounting for Government Grants & Disclosure of Government Assistance"

by Mr Arvind Nigale

"FAS 23: Capitalisation of Borrowing Costs and FAS 24: Related Party Disclosures"

by Mr Robert Cohen

A total of 208 people attended of whom 137 were delegates, 40 were partners and 31 were children.

A second half day Workshop was held at the University of the South Pacific on 27th October 2001 and in Lautoka on the 3rd November 2001 covering two topics:

"Deferred Tax"

by Mr Chirk Yam *and*

"Statutory Requirements of the Companies Act"

by Mr Zarin Khan

A total of 62 delegates attended this half day workshop in Suva and 35 in Lautoka.

A final full day Workshop was held at the Sheraton Fiji Resort on 23rd November 2001, on the overall theme of "Risk Management", comprising five sessions presented by Dr Patrick Caragata, Managing Director of Rapid Ratings Pty Ltd:

- *"Negative Branding and Positive Aspirations: The Accounting Profession at the Crossroads"*
- *"Four Generations of Risk Management Paradigms and the Key Rules of Risk Management"*
- *"Corporate Cliffhanging: Living on the Edge of Failure"*
- *"An Overview of Global Corporate Governance: Transparency Accountability and Performance Measurement"*
- *"The New World of Corporate Credit Rating: A Software Based Approach"*

A total of 87 delegates attended.

Standards

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.

The Accounting and Auditing Standards Committee completed its review of the accounting standards during the year and produced a set of 34 Fiji Accounting

Standards comprising:

- 24 which are virtually identical to the International Accounting Standards produced by the International Accounting Standards Board (IASB) [FAS 7, 10, 11, 14, 16, 18, 20, 22, 23, 24, 27, 28, 31 and 34, and FAS 15, 19, 26, 29, 32, 35, 36, 37, 38 and 39 - of which the last ten will not become effective until 2005]
- 6 which are also virtually identical to the relevant International Accounting Standards, but with minor amendments [FAS 1, 2, 8, 17, 21 and 33] and
- 4 which are existing Fiji accounting Standards which are being retained for the time being [FAS 12, 30, 101 and 103]

These were all approved for issue by the Council in 2001.

The new set of Fiji Accounting Standards will also include a Framework, which is virtually identical to the Framework for Preparation and Presentation of Financial Statements produced by the IASB.

The Committee has now started work on a similar review of the Fiji Standards on Auditing and hopes to complete this review and produce a new set of auditing standards by the end of 2002.

Disciplinary Proceedings

The Investigation Committee met on three occasions during 2001 - twice in the first half, in January and May, and once in the second half, in October.

It considered twenty-one complaints lodged against members - the majority of which were lodged during the second half of the previous year. Of these, five have so far been referred to the Disciplinary Committee, seven have been withdrawn by complainants, three have been dismissed and six are still current.

The Disciplinary Committee was unable to finalise several complaints referred to it in 2000 because it still needed to obtain legal advice on certain procedural matters. No meetings were held in the first half of the year and the five additional cases were referred to the Committee in October 2001.

Membership of Committees 2001/2002

Investigation Committee

Anjish Jokhan (Chairperson)
Inia Naiyaga, Deepak Rathod,
John Gaukrodger and Cema
Logavata (to November 2001)
Regina Mar (from November)

Education, Membership & Awards Committee and Graduate Professional Programme Committee

Deepak Rathod (Chairman)
Foana Nemani, Ilaitia Boila,
Michael Yee Joy, and Godfrey
Scoullar

Accounting and Auditing Standards Committee

Sikeli Tuinamuana (Chairman)
Bruce Sutton, Jenny Seeto,
Steven Pickering, Eroni Vatuloka,
Indravadan Hasji, Nalin Patel and Michael
White (the latter two only until completion
of the review of the accounting standards)

Congress Organising Committee 2002

Francis Chung (Chairman)
Lisa Apted, Gardiner Whiteside and
Kee Fong

Professional Centre Committee Institute Representatives

Deepak Rathod
Executive Director

Staff and Administration Committee

Ross McDonald (Chairman)
Inia Naiyaga

Disciplinary Committee

Ross McDonald (Chairman)
Vishnu Deo (to September 2001),
Deo Saran (from September), Francis
Chung, Nalin Patel, and Foana Nemani

Act and Rules Committee

Vishnu Deo (Chairman)
Nalin Patel, Nur Bano Ali, John Yee Chief,
Vinay Prakash and Wiliki Takiveikata

Professional Development Committee

Deo Saran (Chairman)
Chirk Yam, Kee Fong, Lorraine Seeto,
Shailendra Prasad and Barry Leong

Journal Committee

Ross McDonald (Chairman)
Lisa Apted, Nur Bano Ali, Simon Seru,
Rajendra Prasad and Vivian Nainoca

Law Review Committee

Anjish Jokhan (Chairperson)
Pradeep Patel, Jerome Kado, Pradeep Lal
and Roderick Harm Nam

Budget Committee

Ross McDonald (Chairman)
Nalin Patel and Jenny Seeto

Affiliate Accountants

Administration Committee

Sikeli Tuinamuana (Chairman)
Sereana Qoro

Business and Government Committee

Lisa Apted (Chairperson)
Ross McDonald
Anjish Jokhan
Francis Chung
Nalin Patel
Jenny Seeto

Treasurer

Inia Naiyaga

Western Division Committee

Deo Saran (Chairman)
Nitin Gandhi, Robert Cohen,
Manoa Kamikamica
and Bruce Sutton

Membership Statistics

The total number of members, of all categories, on the Institute's Register as at 31st December 2001 was 516 – a marginal increase of one on the total recorded for 2000.

In drawing comparisons with statistics for previous years, It should be noted that total figures for 1998 and earlier years included members whose subscriptions were not current at the end of those years and therefore comparisons will be misleading.

During 2001, the names of 132 members and 15 students were removed from the

Register in respect of 2001. Predominantly these were those members who had migrated and discontinued subscriptions.

During the year a total of 92 new members were admitted, of whom 17 were admitted as Chartered Accountants (5 Provisional Members and 3 Affiliate Accountants by transfer), 31 were admitted as Provisional Members (1 Affiliate Accountant by transfer) and 44 as Affiliate Accountants. An additional 38 Students were also enrolled. As mentioned above, some of these "new" members were, in fact, just transfers from other membership categories.

Two new certificates of public practice were issued during 2001.

While the number of new members admitted is encouraging, the Institute continues to lose members – principally through migration – and this was particularly the case for the year 2000, following the "civilian coup" on 19th May 2000. The number lost to emigration during 2001 appears substantially lower and is

estimated to be about 30.

The comparative figures for 2000 and 2001 for the various categories were as follows:

	2000	2001
Chartered Accountants in Public Practice	37	37
Chartered Accountants not in Public Practice	236	217
Provisional Members	104	97
Affiliate Accountants	107	113
Licensed Accountants	10	7
Students	21	45
	515	516

Seventy-three members were resident overseas of whom 64 were Chartered Accountants, three were Provisional Members and six were Affiliate Accountants.

Only seven of the original 72 Licensed Accountants remain on the Register, two having passed away in 2001 and one having ceased subscribing.

The Last of the Founder Members

As the Institute completes its thirtieth year it may be a good opportunity to pay tribute to the last of the few Founder Chartered Accountant Members.

In 1972, when the Fiji Institute of Accountants was founded the first published register showed a total membership of 123, of whom the majority (71) were chartered accountants. Of these 71 founding chartered accountant members, only five remain on the current Register:

- *Mr Don Aidney*
- *Mr Ross McDonald*
- *Mr Vishnu Prasad*
- *Mr Lyle Cupit*
- *Mr Chhaganlal Kanji Nandha*

Two of them have been past Presidents and Ross McDonald is the current President.

2001

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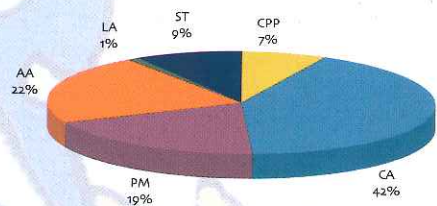
TOTALS BY YEAR 1996-2001



MEMBERSHIP TOTALS 1996-2001

YEAR	CPP	CA	PM	AA	LA	ST	TOTAL
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
2001	37	217	97	113	7	45	516

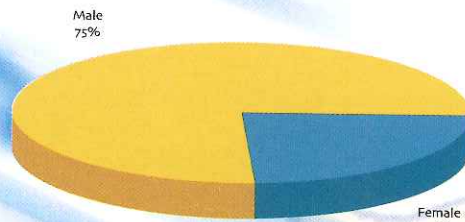
MEMBERSHIP BY CATEGORY 2001



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

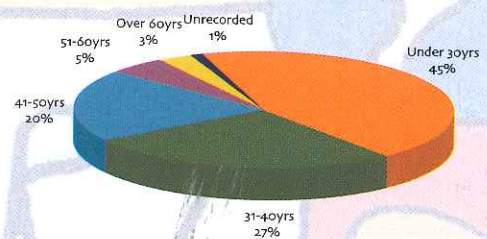
MEMBERSHIP BY GENDER 2001



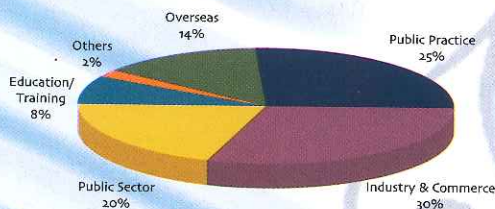
MEMBERSHIP BY GENDER (1999 - 2001)

	1999	2000	2001
MALE	406	391	388
FEMALE	124	124	128
	530	515	516

MEMBERSHIP BY AGE 2001



MEMBERSHIP BY OCCUPATION 2001



MEMBERSHIP BY AGE (1999 - 2001)

	1999	2000	2001
UNDER 30 YEARS	220	217	231
31-40 YEARS	160	142	137
41-50 YEARS	95	102	100
51-60 YEARS	27	28	26
OVER 60 YEARS	19	17	17
UNRECORDED	9	9	5
TOTAL	530	515	516

MEMBERSHIP BY OCCUPATION 2001

	CPP	CA	PM	AA	LA	ST	TOTAL
Public Practice	37	29	36	20	7	1	130
Industry & Commerce	-	76	24	46	-	6	152
Public Sector	-	37	24	36	-	7	104
Education/Training	-	5	6	3	-	31	45
Others	-	6	4	2	-	-	12
Overseas	-	64	3	6	-	-	73
TOTALS	37	217	97	113	7	45	516

2001

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

Contents

Statement by Council members	14
Auditor's report	15
Income and expenditure statement	16
Balance sheet	17
Statement of cash flows	18
Notes to and forming part of the financial statements	19-24

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 2001 are drawn up so as to give a true and fair view of the state of affairs of the Institute at 31 December 2001 and of its results and cash flows for the year then ended.



PRESIDENT

Suva, Fiji



TREASURER

26 April, 2002

INDEPENDENT AUDIT REPORT

To the members of the Fiji Institute of Accountants

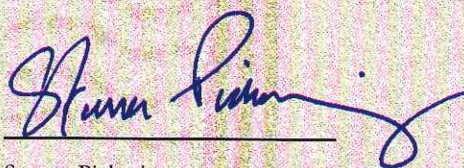
Scope

I have audited the Financial Statements of the Fiji Institute of Accountants for the year ended 31 December 2001 as set out on pages 1 to 6 to 24. The Institute's committee 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 Standards on Auditing 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 cash flows. The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my 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 2001 and the results of its operations and its cash flows for the year then ended.

Suva, Fiji



Steven Pickering
Chartered Accountant
26 April, 2002

INCOME AND EXPENDITURE STATEMENT YEAR ENDED 31 DECEMBER 2001

INCOME	Notes	2001	2000
		\$	\$
Admission fees		8,001	5,550
Members' subscription	2	53,800	48,344
Interest		6,432	3,753
Special committees (net surplus)	3	36,884	65,356
Technical publications	4	524	786
Service and administrative fee CPA Australia	5	2,559	5,000
Other		1,710	241
TOTAL INCOME		109,910	129,030
EXPENDITURE			
Advertising		2,896	1,951
Bank charges		502	2,332
Council and committee expenses		2,652	4,484
Depreciation		4,244	3,467
Electricity		2,063	2,100
Entertainment		-	770
General expenses		2,327	418
Handbook to members		949	1,252
Insurance		3,246	1,517
International activities	6	8,084	11,009
Legal and professional expenses		8,681	631
Postage and telephone		4,097	2,716
Printing and stationery		9,309	6,294
Rental		12,000	12,000
Repairs and maintenance		1,040	1,156
Salaries and wages & associated costs		35,162	33,818
Subscription - Fiji Professional Centre		-	2,480
Travelling and Conferences		2,139	1,434
TOTAL EXPENDITURE		99,391	89,829
NET SURPLUS CARRIED FORWARD TO MEMBERS' FUNDS		10,519	39,201

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.

2001

F I A A N N U A L R E P O R T 2 0 0 1

BALANCE SHEET AT 31 DECEMBER 2001

	<i>Notes</i>	<i>2001</i>	<i>2000</i>
		\$	\$
CURRENT ASSETS			
Cash at bank and on hand		20,521	6,115
Cash on deposit		28,835	43,822
Inventories	7	24,902	19,518
Other assets	8	21,951	17,022
Interest Receivable		1,266	2,497
TOTAL CURRENT ASSETS		97,475	88,974
NON-CURRENT ASSETS			
Cash on deposit		106,216	90,000
Investments	9	45,320	45,320
Plant and equipment	10	17,577	18,700
TOTAL NON-CURRENT ASSETS		169,113	154,020
TOTAL ASSETS		266,588	242,994
CURRENT LIABILITIES			
Creditors and accruals		18,178	3,429
Subscriptions and fees received in advance		3,379	5,053
TOTAL CURRENT LIABILITIES		21,557	8,482
TOTAL LIABILITIES		21,557	8,482
NET ASSETS		245,031	234,512
MEMBERS' FUNDS			
Balance brought forward		234,512	195,311
Surplus for the year		10,519	39,201
TOTAL MEMBERS' FUNDS		245,031	234,512

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 2001

	<i>Notes</i>	2001 \$	2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		66,151	60,664
Receipts from special committee and technical publications		296,841	356,693
Interest received		6,432	2,809
Payment to suppliers and employees		(360,453)	(397,332)
Bank charges		(713)	(2,332)
Net VAT received		10,498	5,884
Net cash flows from Operating Activities	12(a)	18,756	26,386
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of plant and equipment		(3,121)	(2,540)
Purchase of unit trust investments		-	(45,319)
Net cash flows (used in) Investing Activities		(3,121)	(47,859)
Net increase/(decrease) in cash held		15,635	(21,473)
Cash at the beginning of the financial year		139,937	161,410
Net cash at the end of the financial year	12(b)	155,572	139,937

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 2001

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 basis.

c) *Plant and equipment*

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:

Office furniture and equipment 10% and 25%

Profit and losses on disposal of plant and equipment are taken into account in determining surplus 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 (Continued) 31 DECEMBER 2001

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) *Donations in kind*

Donations in kind are not separately recorded in the financial statements and have no effect on the results of the Institute for the year.

2. MEMBERS SUBSCRIPTION

	2001 \$	2000 \$
Members holding a certificate of public practice	10,700	9,200
Members not holding a certificate of public practice	25,644	24,232
Provisional members	6,262	5,675
Licensed accountants	881	900
Affiliate members	7,036	5,295
Overseas members	2,747	2,832
Student members	530	210
	<u>53,800</u>	<u>48,344</u>

3. SPECIAL COMMITTEES

a) *Annual Congress*

Income

Registration fees	178,097	234,156
Sponsorship	41,818	49,504
	<u>219,915</u>	<u>283,660</u>

Expenses

Accommodation, food and beverage	172,625	203,125
Advertising	569	2,222
Bank charges	211	95
Entertainment	3,159	1,773
Donation and gifts	332	200
Satchels	9,187	2,864
General expense	-	97
Stationery, telephone and facsimile	6,668	7,266
Travelling	2,858	6,581
	<u>195,609</u>	<u>224,223</u>

Surplus

	<u>24,306</u>	<u>59,437</u>
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2001

F I A A N N U A L R E P O R T 2 0 0 1

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued) 31 DECEMBER 2001

	2001 \$	2000 \$
3. SPECIAL COMMITTEES (continued)		
b) <i>Continuing Education Courses</i>		
Income		
Registration fees and levies	64,211	62,559
<i>Expenses</i>		
Venue costs and refreshments	52,362	56,409
<i>Surplus</i>	11,849	6,150
c) <i>Journal Committee</i>		
Income	6,076	8,818
Expenses	9,500	10,406
<i>(Deficit)</i>	(3,424)	(1,588)
d) <i>Western Division Committee</i>		
Income	6,639	2,551
Expenses	2,486	1,194
<i>Surplus</i>	4,153	1,357
Net Surplus Special Committees	36,884	65,356
4. TECHNICAL PUBLICATIONS		
Sale of handbooks	524	786

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.

The agreement was terminated, with effect from 31 December 2001, by mutual consent.

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS(Continued)
31 DECEMBER 2001

	2001	2000
	\$	\$
6. INTERNATIONAL ACTIVITIES		
Subscription to:		
- International Federation of Accountants	6,492	4,898
- Confederation of Asian and Pacific Accountants	1,592	1,379
- International Accounting Standards	402	
CAPA Conference	4,330	
	<u>8,084</u>	<u>11,009</u>
7. INVENTORIES		
Binders	15,618	18,453
Hand books	9,284	1,065
	<u>24,902</u>	<u>19,518</u>
8. OTHER ASSETS		
Deposit - Congress	7,273	
Other debtors and prepayments	17,022	17,022
	<u>21,951</u>	<u>17,022</u>
9. INVESTMENTS		
Interest in the Fiji Professional Centre	1	1
Unit fund investments	45,319	45,319
	<u>45,320</u>	<u>45,320</u>

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. The property has been sold in 2002.

At 31 December 2001, the units held at Colonial First State Investments were valued at \$46,367. However, the change in value over prior year has not been brought to account in accordance with note 1(f).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued) 31 DECEMBER 2001

10. PLANT AND EQUIPMENT

	2001 \$	2000 \$
Office furniture and equipment - at cost	38,104	34,983
Less: provision for depreciation	20,527	16,283
Total written down value	17,577	18,700

11. FUNDS HELD IN TRUST

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

CHAIR IN ACCOUNTING

Balance at the beginning of the year	23,486	23,045
Add: bank interest	394	441
	23,880	23,486
Represented by:		
Cash on deposit	23,880	23,486

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	21,059	20,605
Add: bank interest	1,049	1,275
Less: expenses	-	(821)
	22,108	21,059
Represented by:		
Cash at bank	2,108	921
Cash on deposit	20,000	20,138
	22,108	21,059

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.

12. NOTES TO THE STATEMENT OF CASH FLOWS

- a) Reconciliation of the net cash provided by operating activities to the net surplus for the year

Net Surplus for the year	10,519	39,201
Adjustment for non-cash item:		
Depreciation	4,244	3,467
Net cash provided by operating activities before change in assets and liabilities	14,763	42,668

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS(Continued) 31 DECEMBER 2001

	2001 \$	2000 \$
Net cash provided by operating activities before change in assets and liabilities	14,763	42,668
Changes in assets and liabilities:		
(Increase) in inventories	(5,384)	(16,637)
(Increase) / (decrease) in sundry debtors and prepayments	(1,416)	9,111
(Decrease) / (increase) in interest receivable	1,231	(944)
(Increase) / (decrease) in creditors and accruals	11,236	(6,009)
(Decrease) in subscriptions and fees in advance	(1,674)	(1,803)
Net Cash Flows from Operating Activities	18,756	26,386

- 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	20,521	6,115
Term deposits: Current	28,835	43,822
Non-current	106,216	90,000
	155,572	139,937

13. EXPENDITURE COMMITMENTS

- a) Capital commitments at balance date: Nil (2000: Nil).

- b) Operating lease commitments are as follows:
- not later than one year
 - later than one year but not later than two years

Minimum lease rental payments	12,000	12,000
Analysed as:	12,000	24,000
Current liability	12,000	24,000
Non-current liability	24,000	36,000

14. PRINCIPAL ACTIVITY

The principal activities and functions of the Institute during the course of the financial year were those set out in section 6 of the Fiji Institute of Accountants Act (Cap. 259) 1971. There were no significant changes in the nature of activities during the year.