



FIJI
ANNUAL
INSTITUTE OF
REPORT
ACCOUNTANTS
2002



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A Message from the PRESIDENT



I am deeply honoured to have served as your President for the year 2002/2003. During this year, a lot of hard work has been done by the Council and many of the Institute's Committees, and the Institute has been the poorer for the passing of some of its members.

One of the central features of the activities of most of the Committees over the past twelve months has been the review of recommendations contained in the Corporate Plan which was adopted by the Institute in 2001. A summary of progress is contained in the latest issue of the Journal.

It should be stressed that this is a Plan designed to be implemented over a five-year period and quite a number of the recommendations will necessitate amendments to either the Act or the Rules. But progress is being made and the Council has already discussed proposals arising from four of the six "key result areas".

One of the most successful areas has been in the field of Standards, where the Institute, thanks to an immense lot of hard work by members of the Committee, has managed to produce a new set of Fiji Accounting Standards and Fiji Standards on Auditing.

Our Professional Development programme also continues to contain varied and interesting topics and speakers which attract a larger number of delegates, to the extent that we may soon outgrow our traditional venues for Technical Workshops.

And our Annual Congress is so popular that, this year, we sold all the accommodation within a week of opening the registration list and only managed to reduce the waiting list by having 62 non resident "session delegates".

The Council has also embarked upon a project to identify areas (and firms) from whom the Institute might be able to obtain financial and other benefits for members.

I am also pleased to report on the increasing assistance given by our two sister accounting bodies, CPA Australia and the Institute of Chartered Accountants of New Zealand, especially in the field of professional development.

I place on record my gratitude to fellow Council members and the members of Committees of the Council who give up so readily their valuable time and effort to contribute to the development and enhancement of the Institute.

Anjnish Jokhan

THE TECHNICAL WORKSHOP OCTOBER 2002

WARWICK FIJI RESORT A JOINT CPA/FIA PROJECT

THE VENUE AND THE ORGANISERS



THE COUNCIL FOR 2002/2003

President	: Anjnish Jokhan
Vice President	: Deo Saran
Treasurer	: Lisa Apted
Members	: Deepak Rathod Ross McDonald Francis Chung (to 22 May) Sikeli Tuinamuana Lisa Apted Chirk Yam Manoa Kamikamica Pradeep Patel (from 19 June)

ANNUAL GENERAL MEETING

The Thirty-First Annual General Meeting of the Institute was held in conjunction with the Annual Congress at the Sheraton Fiji Resort on 10th May 2002 at 4.50 pm. The meeting was attended by fifty-seven members, fifty-six of whom were full Chartered Accountant members and one of whom was an Affiliate Accountant.

Since no nominations were received for any other persons, in categories A or C, both the two members whose terms of office were expiring in those categories Anjnish Jokhan in Category A and Lisa Apted in Category C, were re-elected unopposed for a further three years.

Inia Naiyaga, who had served on the Council since April 1991, had advised the Executive Director he would not be seeking re-election and the sole nominee for Category B, Manoa Kamikamica, was therefore elected unopposed.

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

THE COUNCIL

As mentioned in the preceding section, Anjnish Jokhan, Inia Naiyaga and Lisa Apted retired, having completed their periods in office in 2002 but Anjnish Jokhan and Lisa Apted were both re-elected, and Manoa Kamikamica was elected, for a further period of three years.

Council expresses sincere appreciation to Ross McDonald who completed his one year term as President in 2002.

Following the Annual General Meeting, Anjnish Jokhan and Deo Saran were elected by the Council as President and Vice President respectively for the year 2002/2003.

Lisa Apted was elected by Council to act as Treasurer for the Institute for the ensuing year.

During the year, Mr Francis Chung resigned from Council, on 22nd May, to avoid there being two representatives on Council from the same firm, after Mr Sikeli Tuinamuana joined Ernst & Young. Mr Pradeep Patel was appointed by the Council to replace Mr Francis Chung from 19th June.

The Council held 12 meetings during the year of which 11 were regular monthly meetings and one was special - being to elect the President, the Vice President and Treasurer and to appoint the members of the Investigation and the Disciplinary Committees, following the Annual General Meeting. Ten of the twelve meetings were held in Suva and the other two in Nadi.

The Council decided that, as an innovation and in the interests of transparency, a record should be kept of the attendance by members at Council meetings during the year. This is reproduced in the following table:

Anjnish Jokhan	10 out of 12	83.3%
Deo Saran	12 out of 12	100.0%
Inia Naiyaga	4 out of 4	100.0%
Deepak Rathod	9 out of 12	75.0%
Ross McDonald	9 out of 12	75.0%
Francis Chung	6 out of 6	100.0%
Sikeli Tuinamuana	9 out of 12	75.0%
Lisa Apted	10 out of 12	83.3%
Chirk Yam	10 out of 12	83.3%
Manoa Kamikamica	3 out of 8	37.5%
Pradeep Patel	6 out of 6	100.0%

CONGRESS 2002

The Annual Congress for the year 2002 was held once again at the Sheraton Fiji Resorts over the two-day period from 10th to 12th May 2002. The theme chosen for this year was "Re-Building Fiji - The Way Forward".

A total of 511 persons attended, comprising 267 resident delegates (of whom 115 were members and 152 non members), 138 partners, 62 children, 12 non resident day delegates (4 of them being members) and 32 non resident "session delegates" (of whom 14 were members).

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

Seven speakers were invited. The Keynote Address was given by Dato Jegathesan Jagadeesan, the Chief Executive of the firm of JJ International Consultants of Malaysia, who had previously been a speaker at the Congress in the year 2000.

Six other speakers spoke on related issues as follows:

"Rebuilding Fiji's Financial Structures" by Hon Laisenia Qarase, Fiji's Prime Minister

"A Success Story with a Positive Approach" by Mr Doug Carlson, President of Natural Waters of Viti Ltd

"The Choices for Economic Growth" by Mr Mark Johnson of the Macquarie Bank Ltd of Australia

"Good Governance and Ethical Standards" by Tunku Abdul Aziz a Vice President of Transparency International

"The Past is a Foreign Country" by Ms Imrana Jalal of the Pacific Regional Human Rights Education Resource Team

"The Rights and Wrongs of Fiji's Political System" by Dr Ahmed Ali, a Fiji Senator and Academic

A Communique was issued at the end of the Congress, which included 20 resolutions and the following conclusion :

"Fiji has high potential for better economic growth and progress, but only if there is a total national commitment to make the necessary changes. Half measures are not enough.

Conference presentations have highlighted sensitive and difficult issues of race, race relations and attitudes.

But the challenges presented are not insurmountable. In addition to visionary leadership, the way to overcome racial division will depend on good will, open mindedness and commitment from individual citizens in their everyday lives. This would lead to national unity and a sense of collective identity.

"The decline in investment and living standards, increases in poverty

and other serious problems, are all a sobering reminder that Fiji must act now. If it does not, then the country will sink into permanent third-world poverty. Fiji must therefore accept the challenge to change and to make the right choices. This country will be as great as we make it. We are committed, as professionals and citizens, to playing our full part in this."

Copies of the Congress Communique were presented to the Fiji Cabinet and tabled in the House of Representatives.

THE ACT, RULES AND BY-LAWS

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

EDUCATION AND MEMBERSHIP

During the course of 2002, the Education, Membership and Awards Committee, which is now also responsible for the development of a post Graduate Professional Programme, considered and recommended to Council the admission of the following, all of whom were approved by the Council:

- 13 Chartered Accountants (of whom 10 were transfers from other categories)
- 24 Provisional Members (of whom 1 was previously an Affiliate Accountant)
- 27 Affiliate Accountants

In addition, the Council granted one certificate of public practice to Mr Sunil Deo Sharma of BDO Zarin Ali

The following table reflects an interesting trend in the level of new admissions to membership:

Year	New Admissions			Total
	Chartered Accountants	Provisional Members	Affiliate Accountants	
1997	39	15	18	72
1998	36	29	18	83
1999	16	25	20	61
2000	22	55	41	118
2001	17	31	44	92
2002	13	24	27	64

with a substantial reduction for 2002, over recent years.

During the year, Committee members have reviewed in detail all aspects of membership, including the current categories of membership and the qualifications for admission to them, as well as recognition of additional overseas accounting bodies, with a view to submitting recommendations to the Council - and the membership - for changes to the FIA Act and Rules.

The Committee had previously reviewed a number of options for development of a post Graduate Professional Programme which had previously been considered and also developed a questionnaire which it circulated to potential employers - in an effort to determine the qualifications and aptitudes which employers consider to be the most important for new employees in the accounting field.

Regretably, the response from employers to whom copies of the questionnaire had been sent, was insufficient for the Committee to determine a common set of qualifications for new Chartered Accountant members. The Committee therefore has embarked upon a programme of detailed interviews with a selected list of employers covering all sectors.

AWARDS AND MEDALS

In the interests of promoting study of and the highest standards of excellence and achievement among students in accounting, the Institute offers sponsorship, by way of the award of gold medals, to students at the two main tertiary institutions in Fiji which provide courses in accounting. However the year's results, for 2002, were disappointing in this respect.

No award was made by the University of the South Pacific in respect of 2002 for a gold medal for an outstanding graduating student in Accounting and Financial Management.

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 2002.

After a lapse of three years the competition for the Young Accountant of the Year was revived in 2001. However, after this initial year, the sponsorship arrangement lapsed and alternative sponsors are to be sought for this award.

Council had agreed, in 2000, to provide sponsorship for a new award for a Fiji Secondary Schools Form 6 student who gained the highest marks in Accounting. However, no single student qualified in respect of the year 2000, since six students gained equal highest marks (99

out of 100) and therefore certificates and cash prizes were awarded to all six. No award was made in respect of the year 2001 because although some 17 students were reported to have gained the same highest marks (100 out of 100) there were reservations expressed about the integrity of results, following claims that exam papers had been leaked.

PROFESSIONAL DEVELOPMENT

Probably the single most valuable service provided by the Institute for its members is the professional development programme, which offers members opportunities to update their professional skills and knowledge of developments in the international and local accounting field.

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 2002, comprising five Seminars and two Technical Workshops.

These seven activities, together with the five hours that could be earned by those attending the Annual Congress in May 2002, offered FIA members an opportunity to complete no less than 28 hours of structured continuing professional education, as follows:

Seminar	February 26th/28th	1½ hours
Seminar	March 26th/28th	1½ hours
Seminar	April 26th/30th	2½ hours
Congress	May 10th/11th	5 hours
Workshop	June 29th/30th	7 hours
Seminar	July 17th	1½ hours
Seminar	September 5th	2½ hours
Workshop	October 26th/27th	6½ hours

Once again for the year 2002, an interesting feature has been the fact that many of the programme activities have been patronised by people who were not registered members of the Institute, as the following table demonstrates:

			Members	Non Members	
Seminar	Suva	February 26th	44	38	March 26th and 28th
	Ltka	February 28th	8	16	"Update on Standards"
					Presented by Mr Chirk Yam of PricewaterhouseCoopers
Seminar	Suva	March 26th	48	54	April 26th and 30th
	Ltka	March 28th	12	21	"Key Performance Indicators - Developing and Applying Them for your Organisation"
Seminar	Ltka	April 26th	10	24	Presented by Mr Scott Hook (In conjunction with CPAA)
	Suva	April 30th	30	44	July 17th
Congress	Nadi	May 10th/11th	133	178	"Valuation of Public Companies - What Analysts Look For in Public Company Financial Statements"
Workshop	Wrwk	June 29th/30th	74	53	Presented by Dr Lindsay Stubbs (In conjunction with ICANZ)
Seminar	Suva	July 17th	25	27	September 5th
Seminar	Suva	September 5th	28	32	"Changes to Income Tax Legislation in 2001 and 2002 (With Special Emphasis on the Changes to Dividend Regulations)"
Workshop	Wrwk	October 26th/27th	47	73	Presented by Mr Madhu Sudhan of the FIRCA

Note. The figures recorded for attendance at Workshops and the Congress in the above table only include delegates and not partners or children.

A new feature introduced into the programme for 2002 has been the active involvement of the Fiji branches of both CPA Australia and ICANZ in the planning and operation of the annual programme. This has enhanced opportunities for attracting overseas speakers and has led, in 2002, to each of these sister organisations sponsoring one of the seminars (CPA Australia in April and ICANZ in September) and the second October Technical Workshop being jointly sponsored by CPA Australia and FIA.

SEMINARS

The topics and presenters for the five Seminars for 2002 were as follows:

February 26th and 28th

"National Budget 2002 - Tax and Investment Issues"

Presented by Representatives of the Fiji Islands Revenue and Customs Authority

TECHNICAL WORKSHOPS

The first Technical Workshop was held at the Warwick Fiji Resort on 29th and 30th June 2002, incorporating 3 plenary and 3 "break-out" sessions covering the following topics:

The three Plenary sessions were:

"Inland Revenue Structural Changes and the New Compliance and Penalties Regime"

by Mr Josefa Leano and Mr David Tansey

"Fiji Audio Visual Commission's Proposals for Development in Fiji"

by Mr Taniela Bolea

"Information Technology Security Issues"

by Mr Kelvin Andrews

and the three "Break-Out" sessions, all on Fiji Accounting Standards, were:

FAS 14 "Segment Reporting" and FAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

by Professor Mick White of the University of the S Pacific

FAS 22 "Business Combinations" and FAS 27

"Consolidated Financial Statements and Accounting for Investments in Subsidiaries"

by Mr Arvind Nigale of the University of the S Pacific

FAS 30 "Additional Disclosure by Financial Institutions" and FAS 32 "Financial Instruments: Disclosure & Presentation"

by Mr Rajesh Sharma of the Reserve Bank of Fiji

Participants were asked to complete an evaluation of the workshop by responding to a questionnaire distributed at the end. Interestingly, those who did respond expressed a preference for more "break-out" sessions involving discussion and solving practical case studies and, among topics requested for future workshops, a preference was expressed for Taxation matters and Accounting Standards.

A total of 204 people attended of whom 127 were delegates, 39 were partners and 38 were children.

A second Technical Workshop was also held at the Warwick Fiji Resort on 26th and 27th October 2002 incorporating 3 Plenary and 3 "Break-Out" sessions:

The three Plenary sessions were:

"RBF's Outlook for Fiji's Economy"

by Mr Savenaca Narube, Governor of the Reserve Bank

"Professional and Technical Communications Skills"

by Dr Nick Szorenyi of the Central Queensland University

"Corporate Governance: Lessons from Enron and HIH Insurance"

by Mr Ron Switzer, Director of the NSW Division of CPAA and the three "Break-Out" sessions were:

"Foreign Exchange and Impacts on Your Business"

by Mr Daryl Jarrett of the Westpac Banking Corporation

"Credit Assessments of Loan Applications by Trading Banks"

by Mr Ray Carter of the Westpac Banking Corporation

"Business Interruption Insurance"

by Mr Asim Mohammed of Aon Risk Services Fiji

The participants were once again asked to complete an evaluation of the workshop through a questionnaire and once again the preference expressed by a majority of those who responded was for more "break-out" sessions and more Technical Workshops.

A total of 192 people attended of whom 120 were delegates, 42 were partners and 30 were children.

JOURNAL

Three issues of the Institute's "Accountant" Journal were produced and distributed to members during 2002: The March 2002 issue which was distributed in April 2002;

The May 2002 issue which was distributed in May (during the Congress) and in July 2002;

The September issue which was distributed during November 2002; and

The December 2002 issue which was published late in December and distributed in January 2003.

DISCIPLINARY PROCEEDINGS

The Investigation Committee met on five occasions during 2002 - in January, March, June, August and November - and considered a total of ten cases, of which seven had been outstanding from the previous year.

Of these 10 cases, two have so far been referred to the Disciplinary Committee, two have been withdrawn by the complainants, two have been dismissed and four are still current.

The Disciplinary Committee had been unable to finalise a number of complaints referred to it earlier, because it had needed to obtain legal advice on certain procedural matters. These were largely resolved by the end of 2001 and the Committee met on 7 occasions during 2002 to deal with 9 outstanding cases and 2 new ones referred to it during 2002.

Decisions were reached on five cases and the remaining six were still outstanding at the year's end; however, it is hoped that five of these six will be resolved in the early part of 2003. Of the cases so far determined, one has resulted in a censure, one a censure with costs and the other three censure, a fine and costs. One case was currently under appeal to the Council at year's end.

BUSINESS AND GOVERNMENT COMMITTEE

The Business and Government Committee, at the request of the Ministry of Finance, produced a detailed submission on the Government's National Budget for 2003, which was presented to the Permanent Secretary for Finance on 8th August 2002. A copy of the submission was included in the September issue of the Institute's Journal.

Two representatives from the Institute, Ms Anjnish Jokhan and Mr Deo Saran, also attended the National Economic Summit in September 2002.

Two members of the Committee also appeared before the Parliamentary Sub Committee hearing submissions on a draft Bill to amend the Public Enterprise Act on 24th October 2002, to present the Institute's comments on the Bill.

The Institute has also been asked to participate in a number of meetings to discuss negotiations with the European Union on the Cotonou Agreement (the successor to the Lome Aid and Trade Agreement) and these have been attended by the President and Mr Ross McDonald.

LAW REVIEW COMMITTEE

The Institute was asked to provide comments upon a number of draft policies and legislative provisions produced by Government and other statutory institutions during 2002.

The first matter referred to the Committee, in January, was a request by the Reserve Bank of Fiji for comments on a draft policy on "The Role of External Auditors in the supervision of Licensed Insurance Companies". A response was sent to the Reserve Bank on 11th April 2002.

In March, a request was received from the consultancy firm Rawlinsons Management Services, on behalf of the Ministry of Commerce, Business Development and Industry, for comments in connection with a review of the Foreign Investment Act. A response was provided on 4th April 2002.

However, the majority of the Committee's time was

spent on providing comments and suggestions to the Fiji Islands Revenue and Customs Authority on a number of draft new "Practice Statements" and functional requirement specifications of a new Fiji Integrated Tax System (FITS) and the lodgement programme for tax returns for the Inland Revenue Service (response dates are shown in square brackets) as follows:

16th May

Draft Practice Statement No 1 "Imposition and Remission of Penalties under the Income Tax Act and VAT Decree" [11th June]

22nd July

Draft Practice Statement No 2 "IRS Practice on the Granting and Revocation of Extension of Time to Lodge Documents" [12 August]

Draft Practice Statement No 3 "Policy Guidelines for Export Income Deduction" [12 August]

Draft Fiji Integrated Tax System modules:

Registration and Deregistration [30 August]

Returns and Lodgement [30 August]

Debt Management [1 October]

Audit [1 October]

Income Matching [1 October]

29th September

A Draft Practice Statement (arising from Practice Statement No 2) on a "Tax Agents Lodgement Programme" [4 December]

A Revised Practice Statement No 3 on the "Administration of Export Income Deduction" [5 November]

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 2001 and was able to produce a set of 34 Fiji Accounting Standards at the end of that year.

The Committee started work in September 2001 on a similar review of the International Standards on Auditing and it was able to complete the review and present a new set of Fiji Standards on Auditing to the Council by the end of October, comprising:

A Glossary of Terms

- 37 Fiji Standards on Auditing (all of which were based on, and in most cases identical to, the International Standards on Auditing) and
- 9 Fiji Auditing Guidance Statements (based on and in most cases identical to International Auditing Practice Statements)

These were approved by Council in November and published by the end of the year.

THE CORPORATE PLAN

Progress made on implementing recommendations contained in the Institute's Corporate Plan, adopted in 2001, will be covered in a separate report.

All Committees have been active during the year reviewing and implementing the various recommendations. However, a number of the recommendations can only be implemented if amendments are made to the Act, Rules and Bylaws of the Institute.

MEMBERSHIP OF COMMITTEES 2002/2003

Investigation Committee

Anjnish Jokhan (Chairperson)

Deepak Rathod, Chirk Yam, Bruce Sutton and Regina Mar.

Education, Membership & Awards Committee and Graduate Professional Programme Committee

Deepak Rathod (Chairman)

Foana Nemani, Michael Yee-Joy, Michael White, Godfrey Scoullar and Meliki Tuinamuana.

Accounting and Auditing Standards Committee

Sikeli Tuinamuana (Chairman)

Pradeep Patel, Bruce Sutton, Eroni Vatuloka and Indravadan Hasji

Congress Organising Committee 2003

Lisa Apted (Chairperson)

Chirk Yam, Kee Fong and Pradeep Lal

Journal Committee

Ross McDonald (Chairman)

Simon Seru, Vinay Prakash, Beverly Seeto, Sarita Sharma and Urmila Maharaj

Disciplinary Committee

Deo Saran (Chairman)

Ross McDonald, Francis Chung, (to 22 May), Lisa Apted (from 22 May), Nalin Patel, and Foana Nemani

Act and Rules Committee

Manoa Kamikamica (Chairman)

Nalin Patel, Vishnu Deo, John Yee Chief and Wiliki Takiveikata

Professional Development Committee

Chirk Yam (Chairman)

Shailendra Prasad, Lorraine Seeto, Sheila Bhola, Beverly Janson Ho and Neil Underhill

Law Review Committee

Pradeep Patel (Chairman)

Francis Chung, Jerome Kado, Roderick Harm Nam and Arun Mishra

Business and Government Committee

Deo Saran (Chairman)

Ross McDonald, Jenny Seeto and Nalin Patel

Professional Centre Committee

Institute Representatives

Deepak Rathod, Executive Director.

Affiliate Accountants Administration Committee

Manoa Kamikamica (Chairman)

Sereana Qoro

Staff and Administration Committee

Anjnish Jokhan (Chairperson)

Lisa Apted

Treasurer, Lisa Apted

Western Division Committee

Manoa Kamikamica (Chairman)

Phil Taylor, Robert Cohen, Deo Saran and Susie King

MEMBERSHIP STATISTICS

The total number of members, of all categories, on the Institute's Register as at 31st December 2002 was 504 – a slight decrease of 12 on the total recorded for 2001. In drawing comparisons with statistics for the 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 the comparisons will be misleading.

During 2002, the names of 90 members and 31 students were removed from the Register in respect of 2001. Predominantly these were those members who had migrated and/ or who had discontinued subscriptions.

During the year a total of 64 new members were admitted, of whom 13 were admitted as Chartered Accountants (6 by transfer from Provisional Member and 4 by transfer from Affiliate Accountant), 24 Provisional Members (one by transfer from Affiliate Accountant) and 27 as Affiliate Accountants. An additional 49 Students were also enrolled. As mentioned above, some of these "new" members were, in fact, transfers from other membership categories.

One new certificate of Public Practice was issued during 2002.

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

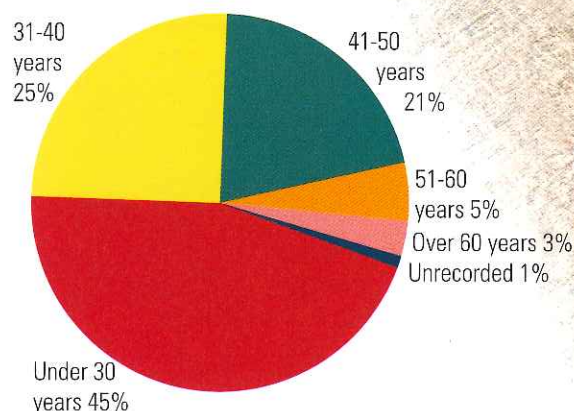
Seventy-eight members were resident overseas of whom 66 were Chartered Accountants 8 were Provisional Members and 4 were Affiliate Accountants.

Only four of the original 72 Licensed Accountants remain on the Register, two having passed away in 2002 and one having ceased subscribing.

The comparative figures for 2001 and 2002 for the various categories were as follows:

	2001	2002
Chartered Accountants in Public Practice	37	36
Chartered Accountants not in Public Practice	217	202
Provisional Members	97	93
Affiliate Accountants	113	103
Licensed Accountants	7	4
Students	45	66
	516	504

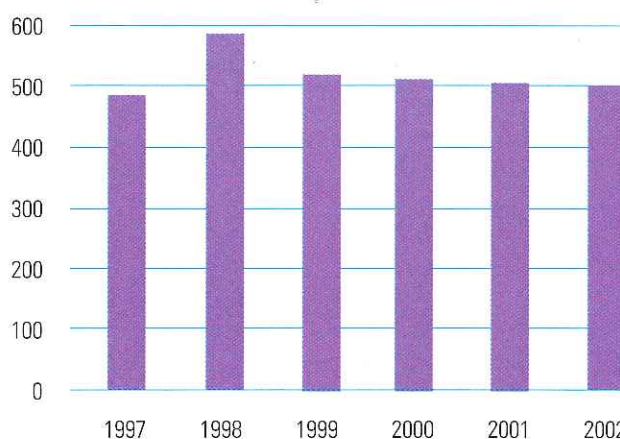
MEMBERSHIP BY AGE 2002



MEMBERSHIP BY AGE (2000 - 2002)

	2000	2001	2002
Under 30 years	217	231	232
31 - 40 years	142	137	125
41 - 50 years	102	100	104
51 - 60 years	28	26	24
Over 60 years	17	17	14
Unrecorded	9	5	5
TOTAL	515	516	504

TOTALS BY YEAR



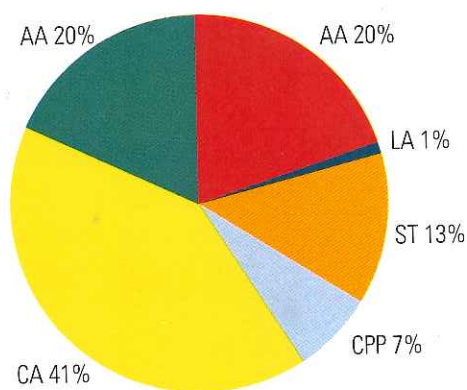
MEMBERSHIP TOTALS : 1997 - 2002

YEAR	CPP	CA	PM	AA	LA	ST	TOTAL
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
2002	36	202	93	103	4	66	504

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

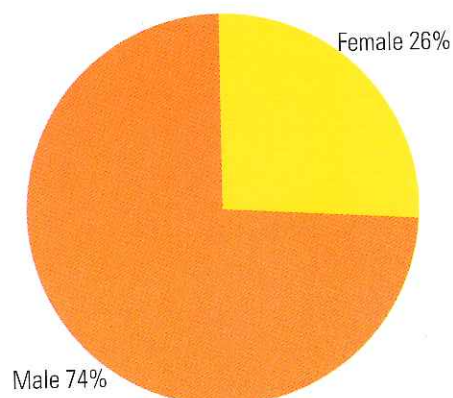
TOTALS BY YEAR 2002



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

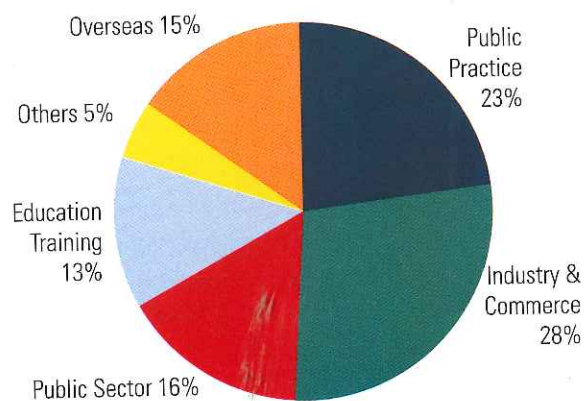
MEMBERSHIP BY GENDER 2002



MEMBERSHIP BY GENDER (2000 - 2002)

	2000	2001	2002
Male	391	388	373
Female	124	128	131
	515	516	504

MEMBERSHIP BY OCCUPATION 2002



MEMBERSHIP BY OCCUPATION 2002

	CPP	CA	PM	AA	LA	S	TOTAL
Public Practice	36	19	42	14	4		115
Industry & Commerce	-	67	19	50	-	1	137
Public Sector	-	36	16	26	-	5	83
Education/Training	-	6	3	2	-	56	67
Others	-	8	5	7	-	4	24
Overseas	-	66	8	4	-	-	78
TOTALS	36	202	93	103	4	66	504

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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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 15 to 24 for the year ended 31 December 2002 are drawn up so as to give a true and fair view of the state of affairs of the Institute at 31 December 2002 and of its results and cash flows for the year then ended.


 PRESIDENT
 Suva, Fiji


 TREASURER
 28th May 2003

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 2002 as set out on pages 15 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 flow.

Audit Opinion

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

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 2002 and the results of its operations and its cash flows for the year then ended.

29th May 2003
 Suva, Fiji


 Steven Pickering
 Chartered Accountant

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002	2001
INCOME			
Admission fees		\$ 1,869	8,001
Members' subscription	2	49,801	53,800
Interest		6,710	6,432
Dividend		2,193	-
Special committees (net surplus)	3	59,966	36,884
Technical publications	4	10,565	524
CPA Australia	5	-	2,559
Other		1,513	1,710
TOTAL INCOME		132,617	109,910
EXPENDITURE			
Advertising		3,791	2,896
Bank charges		949	502
Council and committee expenses		2,737	2,652
Depreciation		4,775	4,244
Electricity		1,922	2,063
Entertainment		727	-
General expenses		777	2,327
Handbook to members		3,724	949
Insurance		4,326	3,246
International activities	6	15,071	8,084
Legal and professional expenses		1,364	8,681
Postage and telephone		4,673	4,097
Printing and stationery		12,987	9,309
Rental		12,000	12,000
Repairs and maintenance		935	1,040
Salaries and wages & associated costs		39,848	35,162
Travelling and Conferences		809	2,139
TOTAL EXPENDITURE		111,415	99,391
NET SURPLUS CARRIED FORWARD TO MEMBERS' FUNDS		\$ 21,202	10,519

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 18 to 24.

BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002	2001
CURRENT ASSETS			
Cash at bank and on hand		\$ 32,732	20,521
Cash on deposit		93,625	28,835
Interest receivable		2,115	1,266
Inventories	7	15,794	24,902
Other assets	8	17,234	21,951
TOTAL CURRENT ASSETS		161,500	97,475
NON-CURRENT ASSETS			
Cash on deposit		65,000	106,216
Investments	9	45,320	45,320
Plant and equipment	10	24,042	17,577
TOTAL NON-CURRENT ASSETS		134,362	169,113
TOTAL ASSETS		295,862	266,588
CURRENT LIABILITIES			
Creditors and accruals		16,783	18,178
Provisions	11	6,400	-
Subscriptions and fees received in advance		6,446	3,379
TOTAL CURRENT LIABILITIES		29,629	21,557
TOTAL LIABILITIES		29,629	21,557
NET ASSETS		266,233	245,031
MEMBERS' FUNDS			
Balance brought forward		245,031	234,512
Surplus for the year		21,202	10,519
TOTAL MEMBERS' FUNDS		\$ 266,233	245,031

The Balance Sheet is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 18 to 24 .



PRESIDENT



TREASURER

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and others		\$ 51,670	66,151
Receipts from special committees and technical publications		367,469	296,841
Interest received		5,861	6,432
Dividend received		2,193	-
Payment to suppliers and employees		(382,213)	(360,453)
Bank charges		(1,099)	(713)
Net VAT received		3,144	10,498
Net cash flows from Operating Activities	13(a)	47,025	18,756
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(11,240)	(3,121)
Net cash flows (used in) Investing Activities	13(a)	(11,240)	(3,121)
Net increase/(decrease) in cash held		35,785	15,635
Cash at the beginning of the financial year		155,572	139,937
Net cash at the end of the financial year	13(b)	\$ 191,357	155,572

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 18 to 24.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 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 realizable 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 into 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 2.	MEMBERS SUBSCRIPTION	2002	2001
	Members holding a certificate of public practice	\$ 10,230	10,700
	Members not holding a certificate of public practice	22,332	25,644
	Provisional members	5,816	6,262
	Licensed accountants	660	881
	Affiliate members	6,365	7,036
	Overseas members	3,728	2,747
	Student members	670	530
		49,801	53,800

NOTE 3. SPECIAL COMMITTEES

(a) Annual Congress

Income

Registration fees	209,253	178,097
Sponsorship	50,909	41,818
Other	1,893	-
	262,055	219,915

Expenses

Accommodation, food and beverage	184,818	172,625
Advertising	304	569
Bank charges	150	211
Entertainment	3,483	3,159
Donation and gifts	1,646	332
Satchels	7,364	9,187
Publicity	3,100	-
Stationery, telephone and facsimile	5,440	6,668
Travelling	11,494	2,858
	217,799	195,609

Surplus

	44,256	24,306
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(b) Continuing Education Courses

Income

Registration fees and levies	82,127	64,211
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Expenses

Venue costs and refreshments	67,311	52,362
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Surplus

	\$ 14,816	11,849
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 3.	SPECIAL COMMITTEES (CONT'D)	2002	2001
(c)	Journal Committee		
	Income	\$ 9,922	6,076
	Expenses	9,753	9,500
	(Deficit)	169	(3,424)
(d)	Western Division Committee		
	Income	2,800	6,639
	Expenses	2,075	2,486
	Surplus	725	4,153
	Net surplus special committees	59,966	36,884
NOTE 4.	TECHNICAL PUBLICATIONS		
	Sale of handbooks	10,565	524
NOTE 5.	CPA AUSTRALIA		
<p>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.</p> <p>The agreement was terminated, with effect from 31 December 2001, by mutual consent.</p>			
NOTE 6.	INTERNATIONAL ACTIVITIES		
	Subscription to:		
	- International Federation of Accountants	8,147	6,492
	- Confederation of Asian and Pacific Accountants	1,515	1,592
	- International Accounting Standards Board	5,409	-
		\$ 15,071	8,084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 7.	INVENTORIES	2002	2001
	Binders	\$ 10,234	15,618
	Hand books	5,560	9,284
		15,794	24,902
NOTE 8.	OTHER ASSETS		
	Deposit – Congress	7,273	7,273
	Other debtors and prepayments	9,961	14,678
		17,234	21,951
NOTE 9.	INVESTMENTS		
	Interest in the Fiji Professional Centre	1	1
	Unit fund investments	45,319	45,319
		45,320	45,320

The Institute has a 1/7th interest in the property known as the Fiji Professional Centre. The property was sold in 2002 however; the net return to the Institute will be recorded as income upon dissolution of the Fiji Professional Centre.

At 31 December 2002, the units held at Colonial First State Investments were valued at \$47,101. However, the change in value over prior year has not been brought to account in accordance with note 1 (f).

NOTE 10.	PLANT AND EQUIPMENT		
	Office furniture and equipment – at cost	49,344	38,104
	Less: provision for depreciation	25,302	20,527
	Total written down value	\$ 24,042	17,577

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 10.	PLANT AND EQUIPMENT (CONT'D)	2002	2001
	Reconciliations of the carrying amounts of property, plant and equipment by class at the beginning and end of the financial year.		
	Office furniture and equipment		
	Carrying amount at beginning	\$ 17,577	18,700
	Additions	11,240	3,121
	Depreciation expense	(4,775)	(4,244)
	Total written down value	24,042	17,577
NOTE 11.	PROVISIONS		
	Annual leave entitlements	6,400	-

NOTE 12. 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	23,880	23,486
Add: bank interest	-	394
Less: bank charges	(79)	-
Less: investment fees	(800)	-
	23,001	23,880
Represented by:		
Cash at bank	3,001	23,880
Cash on deposit	20,000	-
	\$ 23,001	23,880

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 12.	FUNDS HELD IN TRUST (CONT'D)	2002	2001
ADAM DICKSON MEMORIAL FUND			
Balance at the beginning of the year	\$	22,108	21,059
Add: bank interest		901	1,049
Less: bank charges		(67)	-
Less: student assistance		(537)	-
		22,405	22,108
Represented by:			
Cash at bank		2,405	2,108
Cash on deposit		20,000	20,000
		22,405	22,108

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 Financial Management.

NOTE 13. 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	21,202	10,519
Adjustment for non-cash item:		
Depreciation	4,775	4,244
Net cash provided by operating activities before change in assets and liabilities	25,977	14,763
Change in assets and liabilities:		
Decrease/(increase) in inventories	9,108	(5,384)
Decrease/(increase) in other assets	4,717	(1,416)
(Increase)/decrease in interest receivable	(849)	1,231
(Decrease)/increase in creditors and accruals	(1,395)	11,236
Increase in provision for leave entitlements	6,400	-
Increase/(decrease) in subscriptions and fees in advance	3,067	(1,674)
Net Cash Flows from Operating Activities	\$ 47,025	18,756

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE 13.

NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

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:

	2002	2001
Cash at bank and on hand	\$ 32,732	20,521
Term deposits: Current	93,625	28,835
Non-current	65,000	106,216
	191,357	155,572

NOTE 14.

EXPENDITURE COMMITMENTS

a) Capital commitments at balance date: Nil (2001: Nil)

b) Operating lease commitments are as follows:

- not later than one year	12,000	12,000
- later than one year but not later than two years	-	12,000
	12,000	24,000
Minimum lease rental payments		
Analysed as:		
Current Liability	12,000	12,000
Non – Current Liability	-	12,000
	\$ 12,000	24,000

NOTE 15.

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.