



FIJI INSTITUTE OF  
ACCOUNTANTS  
ANNUAL REPORT  
**2004**





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## PRESIDENT'S MESSAGE



SIKELI TUINAMUANA

*"Every day you may make progress. Every step may be fruitful. Yet there will stretch out before you an ever-lengthening, ever-ascending, ever-improving path. You know that you will never get to the end of the journey. But this, so far from discouraging, only adds to the joy and glory of the climb"***Sir Winston Churchill (1874 – 1965)**

The Institute continued to grow and progress in 2004. the advancement we achieved was the result of the combined effort of many people, who were each pleased to play, in their own way, a significant part in the continued success of our Institute.

## CONGRESS

Our annual Congress continues to be acknowledged as perhaps the most important gathering of private and public sector interests in Fiji. We continued to host the Congress as a means of generating dialogue between various interest groups, to enable the tough questions to be asked, and hopefully answered.

But we feel that, although the issues in the Congress Communiqué were subsequently formally presented to Government and its agencies, the issues were taken on board only if they met Government's overall objectives, whether economic, social or political. We therefore have to ensure that our presentation of the key issues in the Congress Communiqué directly relate to achievement of specific Government objectives and support of particular strategies, if we are to be successful in promoting issues that are of concern to the profession.

## ACT, RULES AND BY-LAWS

We continued with our major review of three major documents – the Act, Rules and By-Laws that govern the Institute. We have completed the review of the Act and the Rules. We have yet to commence the review of the By-Laws. It is necessary to consider all three documents simultaneously, as amendments to one are likely to affect either one or both of the other two documents.

The amended documents, once they have received the necessary approvals, will usher in a new era for the profession in Fiji. Major proposed changes include a more robust disciplinary process and the lifting of the restriction on advertising by members. There are many other structural changes to the governing of the profession –these will no doubt be fully explained at the appropriate time.

## IFRS

The Council recently decided that it would adopt International Financial Reporting Standards (IFRS) for reporting periods beginning on or after 1 January 2006. These would replace the current suite of Fiji Accounting Standards (FAS). Of the current FAS, 23 were effective for periods beginning on or after 1 July 2001 and 11 for periods beginning on or after 1 January 2005. The Council's policy of revising the FAS every three years effectively meant that the FASs, after adoption, were never aligned in full with IASs.

It was clear to the Council that the current revision policy was not satisfactory. The Council felt that the accounting standards applicable in Fiji should be continuously aligned with IAS, in accordance with the intentions of the Council's policy on accounting standards adopted in 1999. In addition, the Institute, as a full member of IFAC, also has certain obligations that it is required to fulfill. These obligations are set out in IFAC, Statement of Membership Obligations (SMO) launched in 2004. SMO 7 requires members, in summary, to encourage compliance.

For these reasons, the Council decided to adopt IFRS in its entirety for reporting periods beginning on or after 1 January 2006, replacing the current suite of Fiji Accounting Standards.

## PROFESSIONAL DEVELOPMENT

We continued to expand the scope of professional development for our members.

The Institute is moving towards holding an extra Technical Workshop each year. This means that there will be three Technical Workshops and our Annual Congress each year, together with regular seminars in Suva and the West.





## LAW REVIEW

Our Law Review committee has been quite active during the year. Numerous submissions were made to Government and FIRCA. These submissions included reviews of the Financial Transaction Reporting Bill, the Financial Management Bill and several amendments to the Income Tax Act. The Council made these submissions on behalf of the profession. In several cases, dialogue with Government and its agencies was held subsequently to clarify points of concern expressed in our submissions.

The Council is careful to ensure that our submissions are always constructive. However, at the end of the day, Government decides whether or not it will adopt our recommendations. But we will nevertheless continue to persevere with making the Institute's views known to Government on issues that we consider important for our members and, on a wider platform, for the nation.

I would like to take this opportunity to thank the Council and the members of the Institute who, without hesitation, continue to support the Institute in its many activities. The Institute's continued success is built on your encouragement and assistance.

The Institute likewise continues to support its members in important areas, including regulation of the profession, training of members and commenting on key legislation affecting the profession and the country. The Institute will continue to strive to maintain its good reputation, integrity and independence – qualities that are often in short supply in this ever-changing world.



**Sikeli Tuinamuana**  
**PRESIDENT**

## ANNUAL GENERAL MEETING

During the Annual General Meeting of 2002, a proposal was put forward that future Annual General meetings should be separated from the Congress, and held at a different time, to allow for greater participation by younger members.

In response to this suggestion, both the Thirty-Second and the Thirty-Third Annual General Meetings of the Institute were held in conjunction with Technical Workshops at the Warwick Fiji Resort in June 2003 and June 2004 respectively.

The Annual General Meeting for 2004 was held on 19th June and was attended by a total of ninety-two members, of whom fifty-eight were Chartered Accountant members, seventeen were Provisional Members and the remaining seventeen were Affiliate Accountants.

Since no contending nominations were received for Council positions, in categories A or B, against those whose terms of office were due to expire, in those categories, and the sole nominee for category C was unopposed, the following persons were elected unopposed: **Chirk Yam** in Category A, **Deepak Rathod** in Category B and **Pradeep Lal** in Category C, for a term of 3 years.

Council expresses sincere appreciation to **Ross McDonald**, who stepped down from the Council after serving on it for nearly nine years and served as President in 2002-2003.

**Gardiner Whiteside** was reelected for a second year as the Institute's Auditor.

One motion was introduced and passed at the meeting, to increase the annual subscription for all overseas members from \$50.00 + VAT to \$70.00 + VAT, to cover the additional cost of sending Journals and other publications by airmail rather than by surface mail. This was done in response to a complaint from overseas members that the news and other information contained in the journals and notices was out of date by the time that they received it.



During the latter part of 2003, a number of applications were received, in response to invitations issued by the Council for persons in Category B (members not holding a certificate of public

The Council decided in 2002 that, as an innovation and in the interests of transparency, a record should be kept of the attendance by members at Council meetings during each year. This is reproduced for 2004 in the following table:





## CONGRESS 2004

The Annual Congress for the year 2004 was held once again at the Sheraton Fiji Resorts over the two-day period from 21st to 22nd May 2004. The theme chosen for this year was **"Unlocking Fiji's Potential"**.

A total of 544 persons attended, comprising 250 resident delegates (of whom 126 were members and 124 non members), 118 partners, 77 children, 41 non resident day delegates (11 of them being members) and 57 non resident "session delegates" (of whom 19 were members).

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

The Organising Committee for the 2004 Congress adopted a more traditional programme of events, with four speakers and two panel discussions on the first day and another three speakers and a panel discussion on the second day.

The four speakers featured on the first day addressed a number of local and international topics as follows:

- **"Unlocking Fiji's Potential"**, the Keynote Address, by the Honourable Laisenia Qarase, Fiji's Prime Minister;
  - **"Success Stories in the South Pacific"**, by Mr. Greg Urwin, Secretary General of the Pacific Islands Forum Secretariat;
  - **"The Sky's the Limit"**, by Mr. Peter Lacaze, Chief Executive Officer of the Concorde International Travel Group; and
  - **"The Human Side of Business"**, by Ms Sue Wilkes, Regional Export Manager for Sebel Furniture Ltd of Australia.
- On the second day, three speakers were featured with very diverse topics:
- **"Making the Land Work"**, by Mr. Kalivati Bakani, the General Manager of the Native Land Trust Board;
  - **"Sports – The Power and the Potential"**, by Ms Debbie Watson, World Cup and Olympic Gold Medallist for Australia in Water Polo; and

- **"The Potential of the Movie Industry"**, by Mr. Josaia Mar, Chairman of the Fiji Audio Visual Commission.
- A Communiqué was issued at the end of the Congress, which concluded unanimously that:

**Fiji has vast untapped potential;**

**The full potential of resources and opportunities has not been achieved; and**

**There is a need to harness these to achieve the economic growth necessary for a stable and prosperous Fiji.**

## THE ACT, RULES AND BY-LAWS

During the latter part of 2003 and the early part of 2004 a number of detailed commentaries were compiled for the Council and the Committee charged with responsibility for examining the need for possible amendments to the Act, the Rules and the By-Laws.

The Committee held two extended meetings during the year: one in March to consider possible amendments to the Act, and one in July to consider amendments to the Rules. The final stage of this review will entail consideration of the five sets of By-Laws, including the Code of Ethics but excluding the Accounting Standards and Standards on Auditing (which are the responsibility of the Standards Committee).

During the Annual General Meeting in June, a motion was passed to increase the subscription payable by overseas members necessitating an amendment to the Admission Fees and Annual Subscriptions By-Laws.

## EDUCATION AND MEMBERSHIP

During the course of 2004, 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:





- **32 Chartered Accountants**  
(of whom 16 were transfers from other categories)
- **33 Provisional Members**  
(of whom 4 were previously Affiliate Accountants)
- **42 Affiliate Accountants**

In addition the Council granted one certificate of public practice to **Ms Fay Lan Yee**, who was previously employed with Ernst and Young.

The following table reflects the variations in the level of **new admissions** to membership in recent years:

Year	Chartered Accountants	Provisional Members	Affiliate Accountants	Total
2001	17	31	44	92
2002	13	24	27	64
2003	27	34	36	97
2004	32	33	42	107

During the course of the year, the Committee undertook a detailed review of the current requirements for admission to all three categories of membership.

For **Affiliate Accountants**, where previously only diplomas in Accounting Studies, issued by the USP, or diplomas in Accounting Studies (Accounting Option), issued by the Fiji Institute of Technology, had been accepted as the basic qualification, in future in the light of recommendations arising from Professor Roger Hopkins accreditation study, advanced TAFE diplomas in accounting issued through the Training and Productivity Authority of Fiji (TPAF) and the New Zealand Pacific Training Centre (NZPTC) are also considered acceptable. Students graduating with a degree majoring in accounting from either the USP, or CQU, but who have not completed the full set of 20 academic units required by the FIA for Provisional Members would also qualify for admission as Affiliate Accountants provided that they have completed at least the equivalent of the academic courses required for the recognised diplomas.

For **Provisional Members**, the basic requirement has been a BA degree from the USP, majoring in Accounting and the completion of 16 specified and 4 elective academic units in specific disciplines. This set of 20 academic units is to be modified slightly, with a reduction of two specified units and a consequential increase of two in the elective units. In addition, degrees in Accounting issued by CQU will also be accepted, subject to completion of the same minimum 20 academic units.

For full **Chartered Accountant** members, the minimum academic requirements have hitherto been the same as for Provisional Members. This will continue to be the case, but Chartered Accountants are likely to be required to complete an extra three additional units in a graduate professional programme, which is currently being finalised.

Applicants for admission as Chartered Accountants have in the past been required to complete three years' practical experience under the supervision and guidance of a full Chartered

Accountant member, after completing their 20 academic units. This will continue to be the case in the future, but the practical experience requirements will be more specific and a mentoring system is to be introduced for two of the three years' practical experience.

All of these modifications to the previous requirements have been made in the interests of raising the standards for the profession and of bringing the FIA's requirements closer into line with those of related sister accounting bodies in the region.

## 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 two of the main tertiary institutions in Fiji that provide courses in accounting.

The **University of the South Pacific** unusually made two awards of a gold medal for the most outstanding students graduating in Accounting and Financial Management, in respect of 2003.

The graduation ceremony took place in April 2004 and the gold medals were awarded to Narotam Solanki and Ronita Devi Singh.

No gold medal was however awarded for the best student in the Diploma in Business Studies (Accounting Option) for 2004 at the **Fiji Institute of Technology**. The award system has been changed at the Institute and a gold medal is now awarded to the best student overall – across the entire spectrum of courses provided at the Institute.

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 an alternative sponsor had to be sought for the award. A new three-year sponsorship has now been arranged with the firms of Pacsoft and Epicor. The award for the year 2003 was made to **Mr. Alipate Naiorosui**, Chief Executive of the Housing Authority, and was presented during the Technical Workshop held at the Warwick Fiji Resort in June 2003. A similar arrangement was planned for 2004 but unfortunately arrangements were not made in sufficient time for an award to be presented in June and, when applications were called for in September, only one application was received, which did not qualify under the conditions for the award.

## 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 20 hours annually or 60 hours over a three-year period, the Professional Development Committee organised a very varied



and comprehensive programme for the year 2004, comprising eight Seminars and two Technical Workshops.

These ten activities, together with the five hours that could be earned by those attending the Annual Congress in May 2004, offered FIA members an opportunity to complete no less than a total of 37 hours of structured continuing professional education, as follows:

Seminar	February 17th / 24th	2 1/2 hours
Seminar	March 16th / 23rd	2 1/2 hours
Seminar	April 20th / 27th	2 1/2 hours
Congress	May 21st / 22nd	5 hours
Workshop	June 18th / 20th	6 1/2 hours
Seminar	July 26th / 27th	2 1/2 hours
Seminar	August 17th / 24th	2 1/2 hours
Seminar	September 21st / 28th	2 1/2 hours
Seminar	October 5th / 7th	2 1/2 hours
Workshop	November 5th / 7th	7 hours
Seminar	November 30th	1 hour

Once again for the year 2004, 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:

			Delegates	
			Members	Non Members
Seminar	Suva	February 17th	32	22
	Ltka	February 24th	8	10
Seminar	Suva	March 16th	60	42
	Ltka	March 23rd	41	3
Seminar	Suva	April 20th	42	23
	Ltka	April 27th	14	11
Congress	Nadi	May 21st/22nd	126	124
Workshop	Wrwk	June 18th/20th	86	49
Seminar	Suva	July 26th	20	20
	Ltka	July 27th	10	4
Seminar	Suva	August 17th	63	29
	Ltka	August 24th	11	19
Seminar	Suva	September 21st	32	37
	Ltka	September 28th	13	11
Seminar	Suva	October 7th	47	39
	Ltka	October 5th	15	23
Workshop	Wrwk	November 5th/7th	96	56
Seminar	Suva	November 30th	25	24

The Professional Development Programme for the year 2004 contained a substantial number of sessions on Accounting Standards. This was partly in response to the interest that had been expressed in reply to questionnaires that has been completed by delegates

at Technical Workshops, but it was also designed to prepare FIA members for the scheduled introduction of 11 Fiji Accounting Standards at the beginning of 2005.

## SEMINARS

The topics and presenters for the eight Seminars for 2004 (all except one of which were held in Suva and the Western Division) were as follows:

February 17th and 24th  
**"FAS 36 – Impairment of Assets"**  
 Presented by Mr. Wiliki Takiveikata of PricewaterhouseCoopers

March 16th and 23rd  
**"Taxation – FITS and Practice Statements"**  
 Presented by Mr. Pradeep Patel of Deloitte

April 20th and 27th  
**"FAS 37 – Provisions, Contingent Liabilities and Contingent Assets"**  
 Presented by Mr. Peni Tora of Ernst and Young

July 26th and 27th  
**"Accountants' Responsibilities under the Financial Transactions Reporting Bill"**  
 Presented by Mr. Razim Buksh of the Reserve Bank of Fiji

August 17th and 24th  
**"FAS 19 and FAS 26 – Accounting for Employee Benefits"**  
 Presented by Professor Michael White of the University of the South Pacific

September 21st and 28th  
**"New Requirements for Investors" and "Exchange Control Regulations in Fiji"**  
 Presented jointly by Mr. Viliame Volavola of the Fiji Islands Trade and Investment Bureau and Ms Motufaga Rigamoto of the Reserve Bank of Fiji

October 5th and 7th  
**"Forensic Accounting"**  
 Presented by Mr. Brett Warfield of Warfield and Associates

November 30th  
**"Fiji: Trends and Prospects"**  
 Presented by Mr. Filimone Waqabaca of the Reserve Bank of Fiji







and the three "Break-Out" sessions were:

**"Valuation of a Going Concern"**

by Mr. Bruce Sutton, Partner in KPMG

**"Capital Budgeting from the State's Perspective"**

by Mr. Fred Cilia of Australia

**"Bank Loan Applications; What Banks Look For"**

by Mr. David Evans, Chief Manager Fiji Islands of the Westpac Banking Corporation

The after dinner speaker on the first evening was **Mr. Greg Urwin**, Secretary General of the Pacific Islands Forum Secretariat, who spoke on the activities of the Forum

All the participants were once again asked to complete an evaluation of the workshop, through a questionnaire, and once again a preference expressed by a majority of those who responded was for more "interactive" sessions and for more sessions on accounting standards, though there were many other interesting topics suggested as well.

A total of 244 people attended of whom 158 were delegates, 47 were partners and 39 were children.

## JOURNAL

Three issues of the Institute's "Accountant" Journal were produced and distributed to members during 2004:

- The May 2004 issue was distributed in May 2004 in time for the 2004 Congress;
- The September 2004 issue which was distributed in September 2004; and
- The December issue which was distributed during December 2004, just prior to Christmas.

## DISCIPLINARY PROCEEDINGS

The **Investigation Committee** met on four occasions during 2004 – in February, July, September and November – and considered a total of eleven cases of which six had been outstanding from the previous year.

Of these 11 cases, one has so far been referred to the Disciplinary Committee, one is in abeyance, pending court action between the parties one is likely to be withdrawn and four have been dismissed. The remaining four are still under consideration.

The **Disciplinary Committee** met on only one occasion during the year, to consider the sole case referred to it, which had originated in the previous year. The decision reached in this case resulted in a censure, with fine and costs. A long outstanding appeal case was terminated following the death of the member concerned. One other case was under appeal to Council at the year's end.

## BUSINESS AND GOVERNMENT COMMITTEE

Following the presentation of the Budget to Parliament in November 2003, when it became apparent that several issues on which the Institute had expressed strong reservations had either not been addressed or had been disregarded, a further submission was addressed to the Minister of Finance, early in February, and a press release issued covering some areas which were of serious concern to the Institute and to the profession. A meeting was held with the Minister and representatives of FIRCA on 18th February 2004, to discuss these issues, but a Bill to amend the Income Tax Act that was introduced into Parliament in February 2004, addressed few, if any, of the areas of concern that had been raised. An opportunity was taken, when responding to an invitation from a Parliamentary Sector Committee to comment upon a second amending Bill in June 2004, to reiterate the concerns raised earlier.

The Business and Government Committee produced a detailed submission to the **Fiscal Review** Committee in June 2004, on general fiscal policies and on Government expenditure and policy issues, which was very well received.

In the same month, in response to a request from one of the Parliamentary Sector Committees to comment upon a Bill to amend the Income Tax Act, to honour a pledge to exempt **Fiji Television** from taxation, the Committee submitted that it was important for investors to believe that a Government would honour undertakings made in its name.

The Committee, at the request of the Ministry of Finance, also produced a detailed submission on the Government's **National Budget for 2005**, which was presented to the Chief Executive Officer in the Ministry of Finance on 29th July 2004.

The Committee also produced a formal submission on a new **Financial Transactions Reporting Bill** on 30th August 2004, to a Parliamentary Sector Committee, having earlier made a detailed submission on the same draft legislation to the Ministry of Justice. While recognising the need to counter money laundering and the financing of terrorist acts, the Institute has expressed reservations about the importation of legislative provisions from developed countries which have more sophisticated financial infrastructure.

The Committee also provided a submission to Parliament in September 2004, on a new **Financial Management Bill**, which is designed to replace the Finance Act of 1981.

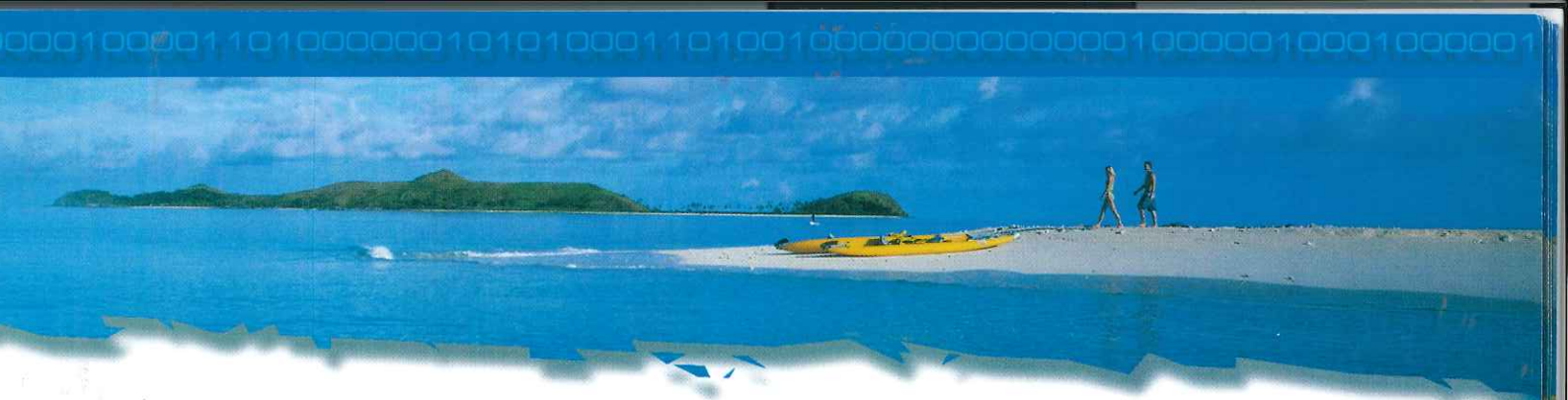
The Institute was also asked to comment by the Ministry of Commerce, Business Development and Investment on proposals to amend the Foreign Investment Act, to which it responded with a detailed commentary in February and with specific comments on reserved and restricted activities later in the year.

## LAW REVIEW COMMITTEE

The Institute was asked to provide comments upon a number of draft policies and legislative provisions produced by Government bodies – principally the Fiji Islands Revenue and Customs Authority – and other statutory institutions during 2004.

Mr. Pradeep Patel, as Chairman of the Law Review Committee,





also participated actively in preparing several of the submissions made by the Business and Government Committee, mentioned in the preceding section.

The South Pacific Stock Exchange sought comments from the Institute in February 2004 on a proposed amendment to the half yearly reporting format for companies that were listed on the Exchange, to which the Committee responded on 18th February.

However, as was the case in both 2002 and 2003, the primary focus of the Committee's activities during 2004 was in the field of developing its continuing relationship with FIRCA, through joint meetings, and in responding to requests from FIRCA for comments upon draft practice statements.

During the course of 2004, the Committee provided comments on a series of draft practice statements as follows:

- Practice Statement No 6, on Administration of Objections Made Against Vat and Tax Assessments – on 27th February;
- Practice Statement No 12, on Taxable Valuation of Benefits – on 27th September;
- Practice Statement No 16, on the Personal Responsibility of Directors for Unpaid Tax – on 19th July;
- Practice Statement No 17, on Distraint for Unpaid Tax – on 13th August;
- Practice Statement No 18, on Departure Prohibition Orders – on 11th June; and
- Practice Statement No 19, on Taxation of Trusts – on 18th August.

## 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** that was published

at the end of that year and a further set of 37 **Fiji Standards on Auditing** and 9 **Fiji Auditing Guidance Statements** by the end of the following year.

However, the Council had also decided that a comprehensive review of the new Fiji standards should be undertaken, at the end of three years, in order to determine what changes had occurred in the International Standards and which of those might need to be incorporated into Fiji Standards.

It should be noted that the Fiji Accounting Standards that were produced in 2001 were largely based upon the suite of International Accounting Standards existing in 1999, when the review started, and the Fiji Standards on Auditing were similarly based on the International Standards on Auditing that were current at the time when the review of the ISAs commenced.

During the three years since 2001, when the new set of Fiji Accounting Standards was produced, substantial changes have been made by the International Accounting Standards Board, as well as additions, to the suite of Accounting Standards published by the IASB, in 1999. Two additional Accounting Standards (IAS 40 and IAS 41) and five new International Financial Reporting Standards (IFRSs) have been issued, five of the International Accounting Standards existing in 1999 have been superseded and fifteen of the extant 2001 IASs have been revised.

It is clear that the revision of the existing standards as well as the production of new International Standards is very much of an ongoing phenomenon, and the concept of the Fiji Institute undertaking triennial reviews and publishing new sets of Fiji Standards at three yearly intervals is likely to result in Fiji Accountants being consistently out of step with international accounting and auditing practice.

Recognising this serious dilemma, and also the obligations which are placed upon it, as a member of the International Federation of Accountants, to promote the adoption of the International Standards on accounting and auditing the FIA Council has decided that the Fiji Institute should adopt the International Accounting Standards (including IFRSs) and International Standards on Auditing in their entirety with effect from 1st January 2006.

## *A Sincere Thank You*

After more than four years service with the Institute, we have said farewell to Ms Helen Heatley, who joined the FIA in October 2000 and has been the Assistant Registrar for the last two years. She has contributed greatly to all the Institute's activities, particularly in the organisation of the annual Congress and the Technical Workshops, and her organisational and personal skills will be greatly missed. We wish her, and her husband, Vinay, and the new member of the family, every success in the future in Australia.





## NEW COMMITTEE MEMBERS (2004-2005)

### INVESTIGATION

Eroni Vatuloka (Chair), Deepak Rathod, Pradeep Patel, Kamlesh Tappoo, Regina Mar

### EMA

Deepak Rathod (Chair), H N Pande, Michael Yee-Joy, Michael White, Nitin Gandhi, Unise Cawaru

### ACCOUNTING & AUDITING STANDARDS

Chirk Yam (Chair), Bruce Sutton, Eroni Vatuloka, Rajeshwar Sharma, Nalin Patel

### BUSINESS & GOVERNMENT

Deo Saran (Chair), Lisa Apted, Ross McDonald, Malakai Naiyaga Meliki Tuinamuana

### DISCIPLINARY

Sikeli Tuinamuana (Chair), Chirk Yam, Lisa Apted, Ross McDonald Susan Kumar

### CONGRESS ORGANISING

Anjish Jokhan (Chair), Pradeep Lal, Runesh Roy, Daphne Fong Radhika Reddy

### PROFESSIONAL DEVELOPMENT

Lisa Apted (Chair), Kavin Rathod, Lorraine Seeto, Neil Underhill Sunil Deo Sharma, Freeman Gock, Lynette Simpson

### JOURNAL

Pradeep Lal (Chair), Beverly Seeto, Urmila Maharaj, John Yee-Chief, Grace King

### STAFF AND ADMINISTRATION

Sikeli Tuinamuana (Chair), Pradeep Patel

### TREASURER

Pradeep Patel

### WESTERN DIVISION

Robert Cohen (Chair), Ashwin Nandha,, Phil Taylor, Manoa Kamikamica, Susie King, Deo Saran

### LAW REVIEW

Pradeep Patel (Chair), Jerome Kado, Francis Chung, Shiu Maharaj Ravendran Achari

### ACT AND RULES

Sikeli Tuinamuana, Zarin Khan, Joseph Mow, Uday Sen

## MEMBERSHIP STATISTICS

The total number of members, of all categories, on the Institute's Register as at 31st December 2004 was 618 – an increase of nearly 100 on the total recorded for 2003.

During 2004, the names of 109 members and 36 students were removed from the Register in respect of 2004. Predominantly these were those members who had migrated and / or who had not paid subscriptions.

During the year a total of 107 new members were admitted, of whom 32 were admitted as Chartered Accountants (16 by transfer

from Provisional Membership), 33 as Provisional Members (four by transfer from Affiliate Accountant) and 42 as Affiliate Accountants. An additional 26 Students were also enrolled. As mentioned above, some of the "new" members were, in fact, transfers from other membership categories.

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

The comparative figures for 2003 and 2004 for the various categories were as follows:

	2003	2004
Chartered Accountants in Public Practice	40	39
Chartered Accountants not in Public Practice	213	249
Provisional Members	103	124
Affiliate Accountants	120	159
Licensed Accountants	4	4
Students	51	43
	<b>531</b>	<b>618</b>





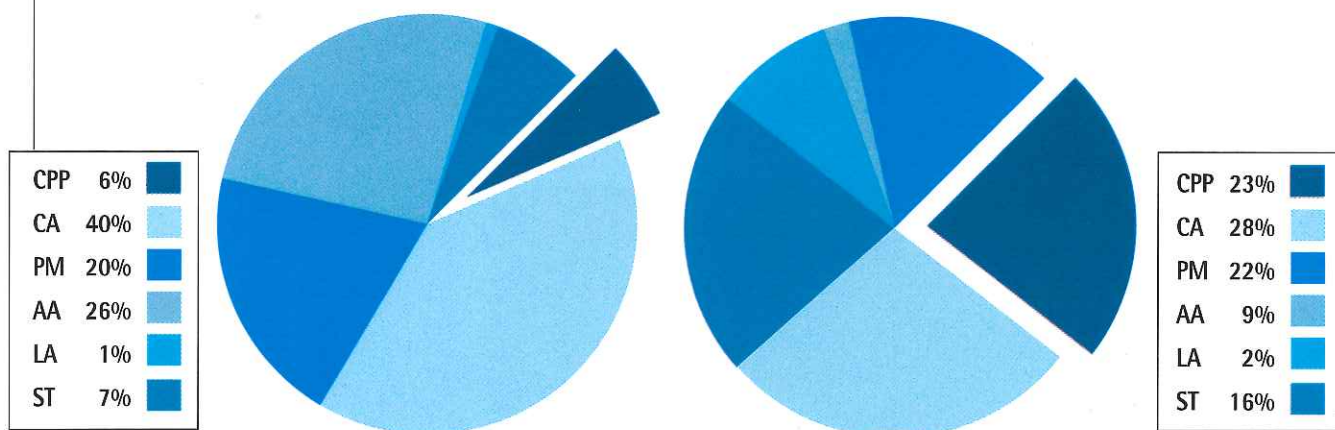
One hundred members were resident overseas of whom 82 were Chartered Accountants, 11 were Provisional Members and 7 were Affiliate Accountants.

Only four of the original 72 Licensed Accountants remain on the Register, two having passed away in 2002 and one in 2003.

## MEMBERSHIP STATISTICS

### A. MEMBERSHIP by Category 1999 - 2004)

	CPP	CA	PM	AA	LA	ST	TOTAL
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
2003	40	213	103	120	4	51	531
2004	39	249	124	159	4	43	618



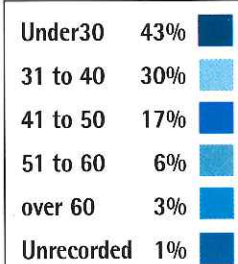
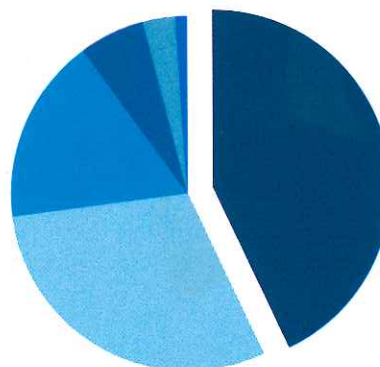
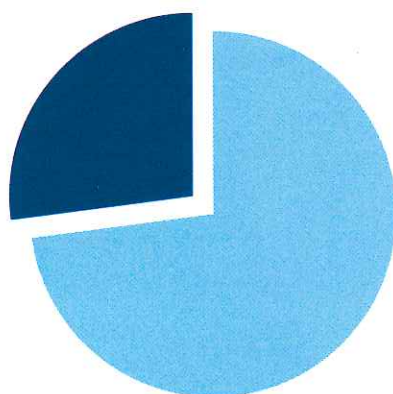
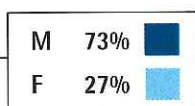
### B. MEMBERSHIP by Occupation (2004)

	CPP	CA	PM	AA	LA	ST	TOTAL
Public Practice	39	34	48	17	4	0	142
Industry and Commerce	0	77	26	67	0	0	170
Public Sector	0	42	35	58	0	0	135
Education and Training	0	7	2	4	0	43	56
Other	0	7	2	6	0	0	15
Overseas	0	82	11	7	0	0	100
	<b>39</b>	<b>249</b>	<b>124</b>	<b>159</b>	<b>4</b>	<b>43</b>	<b>618</b>



### C. MEMBERSHIP by Gender (2002 - 2004)

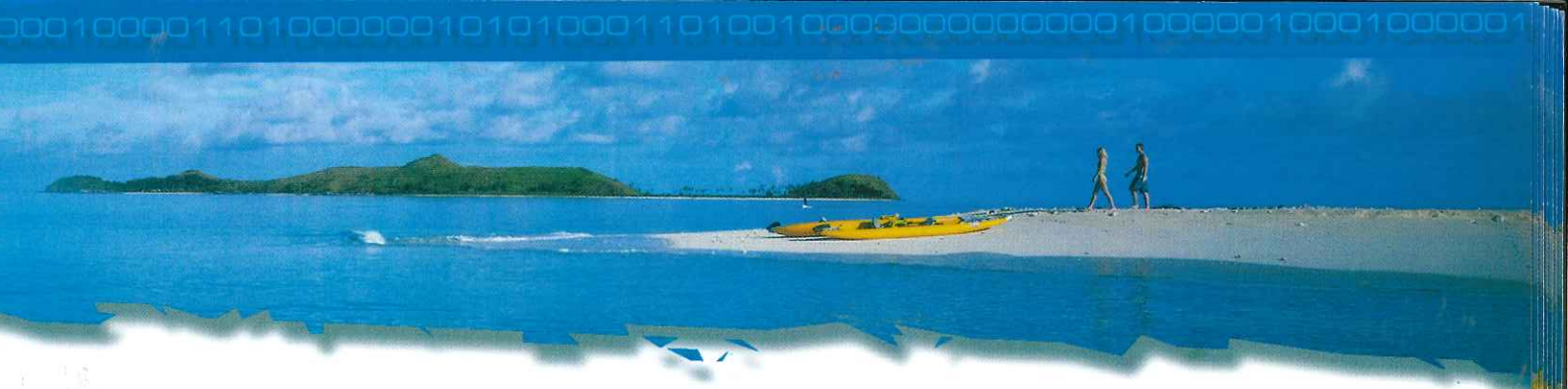
	2002	2003	2004
Male	373	392	449
Female	131	139	169
	504	531	618



### D. MEMBERSHIP by Age (2002 - 2004)

	2002	2003	2004
Under 30	232	223	265
31 to 40	125	155	188
41 to 50	104	101	107
51 to 60	24	30	36
over 60	14	17	18
Unrecorded	5	5	4
	504	531	618





## A BRIEF COMMENTARY ON THE FINANCIAL STATEMENTS FOR 2004

### NET SURPLUS

FIA's net surplus for the year was \$70,550 compared to \$107,133 achieved in the previous year 2003. However, income and net surplus in the previous year 2003 included the gain on dissolution of the Professional Centre amounting to \$78,789.

### REVENUE

Members' subscriptions amounted to \$56,639 (2003 : \$51,798), an increase of \$4,841 from the previous year, representing a growth of 9.3%.

Total income from special committees increased to \$498,316 (2003 : \$416,675), an increase of \$81,641 from the previous year, representing a growth of 19.6%.

Net surplus from special committees increased to \$107,309 (2003 : \$83,285), an increase of \$24,024 from the previous year, representing a growth of 28.8%.

### EXPENDITURE

Total expenditure amounted to \$122,307 (2003 : \$129,820), a reduction of \$7,513 from the previous year.

The level of expenditure in 2004 was generally in line with the previous year, and the reduction in expenditure was generally from international activities, legal and professional expenses and printing and stationery.

### BALANCE SHEET

The balance sheet has continued to strengthen, with year end cash holdings of \$232,022 (2003 : \$204,661), and investments of \$185,317 (2003 : \$135,316).

The retained surplus at the end of 2004 was \$443,916 (2003 : \$373,366).

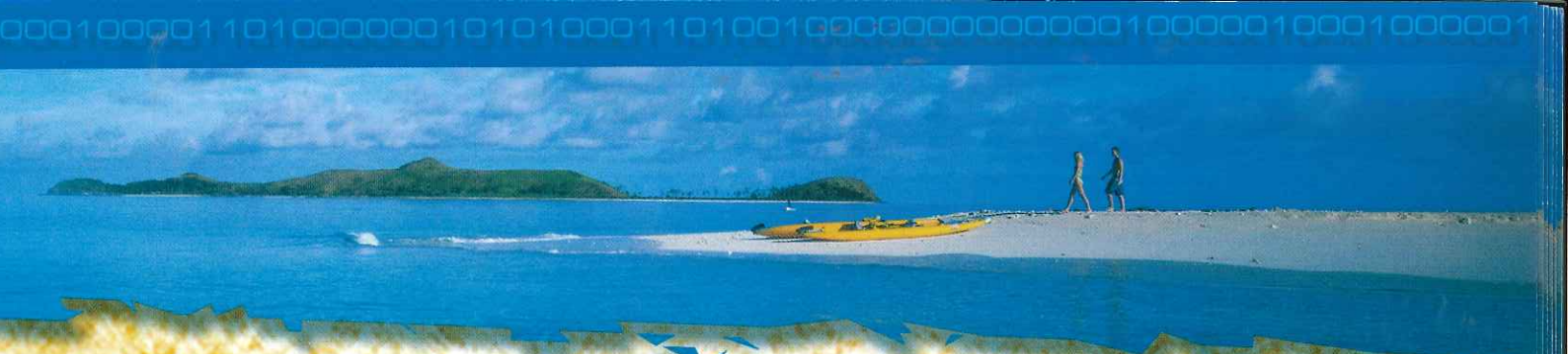




# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

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Independent Audit 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 - 25





## STATEMENT BY THE COUNCIL OF FIJI INSTITUTE OF ACCOUNTANTS

On behalf of the Council of Fiji Institute of Accountants, we state that in our opinion the accompanying financial statements of the Institute set out on pages 16 to 25 for the year ended 31 December 2004 are drawn up so as to give a true and fair view of the state of affairs of the Institute at 31 December 2004 and of its results and cash flows for the year then ended.

  
PRESIDENT  
7 April 2005  
Suva, Fiji

  
TREASURER

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF FIJI INSTITUTE OF ACCOUNTANTS

### Scope

I have audited the financial statements of the Fiji Institute of Accountants for the year ended 31 December 2004 as set out on pages 16 to 25. The Institute's Council is 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.

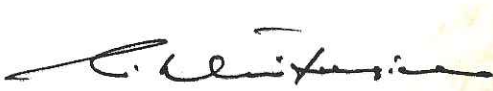
My audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the Financial Statements are free of material misstatement. My procedures included examination on a test basis, of evidence supporting the amounts and other disclosures in the Financial 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.

### 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 2004 and the results of its operations and its cash flows for the year then ended.

7 April 2005  
Suva, Fiji

  
Gardiner Whiteside  
Chartered Accountant

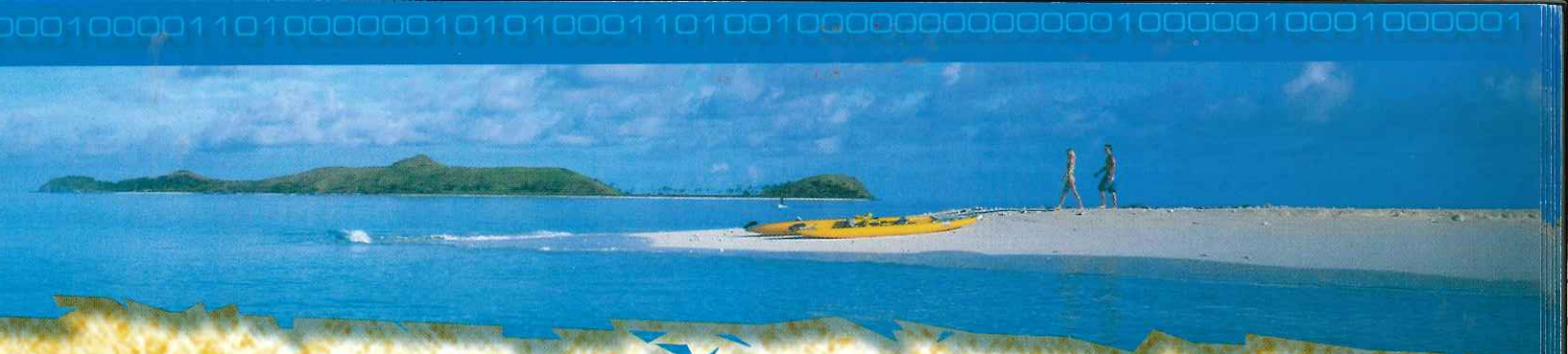


## INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	NOTES	2004	2003
<b>INCOME</b>			
Admission fees	\$	6,360	6,060
Members' subscription	2	56,639	51,798
Interest		7,503	4,216
Dividend		7,222	1,654
Special committees (net surplus)	3	107,309	83,285
Technical publications	4	2,732	9,009
Gain on dissolution of Professional Centre	5	-	78,789
Other		5,092	2,142
<b>TOTAL INCOME</b>		<b>192,857</b>	<b>236,953</b>
<b>EXPENDITURE</b>			
Advertising		651	1,305
Bank charges		743	2,188
Council and committee expenses		5,126	4,685
Depreciation		5,301	5,744
Electricity		2,227	1,752
General expenses		2,549	1,364
Gifts and awards		700	594
Handbook to members		3,267	6,730
Insurance		7,204	5,552
International activities	6	9,181	13,111
Legal and professional expenses		3,529	6,902
Loss on retirement of fixed assets		-	2,838
Postage, telephone and internet		6,242	4,484
Printing and stationery		7,723	12,416
Rental		13,800	13,050
Repairs and maintenance		872	378
Salaries and wages and associated costs		48,065	45,007
Travelling and conferences		1,038	1,720
Website		4,089	-
<b>TOTAL EXPENDITURE</b>		<b>122,307</b>	<b>129,820</b>
<b>NET SURPLUS CARRIED FORWARD TO MEMBERS' FUNDS</b>	\$	<b>70,550</b>	<b>107,133</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 page 16 to 25.






## BALANCE SHEET AT 31 DECEMBER 2004

	NOTES	2004	2003
<b>CURRENT ASSETS</b>			
Cash at bank and on hand		\$ 48,997	26,570
Cash on deposit		68,250	55,919
Interest receivable		3,364	1,858
Inventories	7	5,797	9,064
Other assets	8	22,097	23,858
<b>TOTAL CURRENT ASSETS</b>		<b>148,505</b>	<b>117,269</b>
<b>NON-CURRENT ASSETS</b>			
Cash on deposit		114,775	122,172
Investments	9	185,317	135,316
Plant and equipment	10	20,478	20,904
<b>TOTAL NON-CURRENT ASSETS</b>		<b>320,570</b>	<b>278,392</b>
<b>TOTAL ASSETS</b>		<b>469,075</b>	<b>395,661</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals		17,321	12,648
Provisions	11	1,479	6,825
Subscriptions and fees received in advance		6,359	2,822
<b>TOTAL CURRENT LIABILITIES</b>		<b>25,159</b>	<b>22,295</b>
<b>TOTAL LIABILITIES</b>		<b>25,159</b>	<b>22,295</b>
<b>NET ASSETS</b>		<b>443,916</b>	<b>373,366</b>
<b>MEMBERS' FUNDS</b>			
Balance brought forward		373,366	266,233
Surplus for the year		70,550	107,133
<b>TOTAL MEMBERS' FUNDS</b>		<b>\$ 443,916</b>	<b>373,366</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 16 to 25.

  
\_\_\_\_\_  
PRESIDENT

  
\_\_\_\_\_  
TREASURER



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2004

	NOTES	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and others		\$ 70,711	65,870
Receipts from special committees and technical publications		501,161	415,553
Interest received		5,997	4,216
Dividend received		7,222	1,654
Payment to suppliers and employees		(499,098)	(453,318)
Bank charges		(743)	(2,188)
Net VAT		(3,013)	(1,832)
<b>Net cash flows from Operating Activities</b>	13(a)	<u>82,237</u>	<u>29,955</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(4,875)	(5,444)
Proceeds on sale of interest in FPC		-	78,790
Investments, net		(50,001)	(89,997)
<b>Net cash flows (used in) Investing Activities</b>		<u>(54,876)</u>	<u>(16,651)</u>
Net increase in cash held		27,361	13,304
Cash at the beginning of the financial year		204,661	191,357
<b>Net cash at the end of the financial year</b>	13(b)	<u>\$ 232,022</u>	<u>204,661</u>

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 16 to 25.



**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of preparation of the financial statements**

### b) Inventories

c) **Plant and equipment**

Office furniture and equipment – 10% and 25%

d) Income tax

### e) Subscriptions

### f) Investments

#### h) Donations in kind

### i) Website Costs

### j) Comparative figures

FIA ANNUAL REPORT 2004



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2004

### NOTE 2. MEMBERS SUBSCRIPTION

	2004	2003
Members holding a certificate of public practice	\$ 11,004	11,017
Members not holding a certificate of public practice	25,611	23,537
Provisional members	6,120	6,241
Licensed accountants	440	440
Affiliate members	8,280	7,152
Overseas members	4,734	2,876
Student members	450	535
	<u>\$ 56,639</u>	<u>51,798</u>

### NOTE 3. SPECIAL COMMITTEES

#### (a) Annual Congress

##### Income

Registration fees	\$ 266,318	239,049
Sponsorship	45,333	51,778
Other	205	737

\$ 311,856 291,564

##### Expenses

Accommodation, food and beverage	\$ 204,391	200,479
Advertising and publicity	2,340	672
Bank charges	171	270
Donation and gifts	513	636
Entertainment	4,622	7,971
Satchels	8,400	6,951
Stationery, telephone and facsimile	5,199	5,886
Travelling	8,776	7,974

234,412 230,839

##### Surplus

\$ 77,444 60,725

#### (b) Continuing Education Courses

##### Income

Registration fees and levies	\$ 155,492	105,477
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##### Expenses

Venue costs, refreshments, fees, travelling, printing and other costs	134,660	84,586
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##### Surplus

\$ 20,832 20,891







## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2004

### NOTE 8. OTHER ASSETS

	2004	2003
Deposit – Congress	\$ 11,556	11,660
Other debtors and prepayments	10,541	12,198
	<u>22,097</u>	<u>23,858</u>

### NOTE 9. INVESTMENTS

Units in Colonial First State Managed Funds	85,319	85,319
Units in Unit Trust of Fiji	99,998	49,997
	<u>\$ 185,317</u>	<u>135,316</u>

At 31 December 2004, the units held in Colonial First State Managed Funds and Unit Trust of Fiji respectively, were valued at \$91,151 (2003: \$89,784) and \$107,890, (2003: \$47,931). However, the change in value over prior years has not been brought to account in accordance with note 1 (f).

### NOTE 10. PLANT AND EQUIPMENT

Office furniture and equipment – at cost	\$ 51,128	46,253
Less: provision for depreciation	(30,650)	(25,349)
Total written down value	<u>\$ 20,478</u>	<u>20,904</u>

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the financial year are as follows:

Office furniture and equipment		
Carrying amount at beginning	\$ 20,904	24,042
Additions	4,875	5,444
Loss on retirement of assets	-	(2,838)
Depreciation expense	(5,301)	(5,744)
Total written down value	<u>20,478</u>	<u>20,904</u>

### NOTE 11. PROVISIONS

Annual leave entitlements	\$ 1,479	6,825
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#### Employee Numbers

Average number of employees during the financial year	<u>4</u>	<u>4</u>
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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2004

### NOTE 12. FUNDS HELD IN TRUST

2004

2003

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	\$	23,647	23,001
Add: dividends		691	712
Less: bank charges		(101)	(66)
		<u>24,237</u>	<u>23,647</u>
Represented by:			
Cash at bank		4,237	3,647
Investments at cost		<u>20,000</u>	<u>20,000</u>
	\$	<u>24,237</u>	<u>23,647</u>

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. At 31 December 2004, the units held at Colonial First State Investments were valued at \$21,677 (2003: \$21,352). However, the change in value over prior years has not been brought to account.

#### ADAM DICKSON MEMORIAL FUND

Balance at the beginning of the year	\$	23,464	22,405
Add: interest		1,421	1,123
Less: bank charges		(102)	(64)
		<u>24,783</u>	<u>23,464</u>
Represented by:			
Cash at bank	\$	3,656	3,190
Interest receivable		1,127	274
Cash on deposit		<u>20,000</u>	<u>20,000</u>
	\$	<u>24,783</u>	<u>23,464</u>

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.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2004

### NOTE 13. NOTES TO THE STATEMENT OF CASH FLOWS

2004

2003

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

Net surplus for the year	\$	70,550	107,133
Adjustment for items classified as investing activities:		-	(78,789)
Adjustment for non-cash item:			
Loss on disposal of assets		-	2,838
Depreciation		5,301	5,744
<b>Net cash provided by operating activities before change in assets and liabilities</b>		<b>75,851</b>	<b>36,926</b>
Change in assets and liabilities:			
(increase) / decrease in inventories		3,267	6,730
(increase) / decrease in sundry debtors and prepayments		1,761	(6,625)
(increase) / decrease in interest receivable		(1,506)	257
Increase / (decrease) in creditors and accruals		4,673	(4,134)
Increase / (decrease) in provision for leave entitlements		(5,346)	425
Increase / (decrease) in subscriptions and fees in advance		3,537	(3,624)
<b>Net Cash Flows from Operating Activities</b>	<b>\$</b>	<b>82,237</b>	<b>29,955</b>

#### b) Reconciliation of Cash

For the purpose of statement of cash flows, cash includes cash at bank and on hand. 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	\$	48,997	26,570
Term deposits: Current		68,250	55,919
Term deposits: Non-current		114,775	122,172
	<b>\$</b>	<b>232,022</b>	<b>204,661</b>



## NOTES AND FORMING PART OF THE FINANCIAL STATEMENTS [CONT'D] FOR THE YEAR ENDED 31 DECEMBER 2004

### NOTE 14. EXPENDITURE COMMITMENTS

	2004	2003
a) Capital commitments at balance date	\$ -	-
b) Operating lease commitments are as follows:		
- not later than one year	13,800	13,800
- later than one year but not later than two years	5,750	13,800
- later than two years but not later than five years	-	6,900
	<b>19,550</b>	<b>34,500</b>
Minimum lease rental payments Analysed as:		
Current Liability	13,800	13,800
Non-Current Liability	5,750	20,700
	<b>\$ 19,550</b>	<b>34,500</b>

### NOTE 15. PRINCIPAL ACTIVITIES

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.