



FIJI INSTITUTE
OF ACCOUNTANTS

Annual Report 2005



President's Message



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On reflection, I feel that my time as President of the Institute has been rewarding. We have achieved much as an Institute in 2005. As in past years much of the work is conducted behind the scenes via the Council, Secretariat and Committees. I wish to start by thanking my fellow Council members, the Secretariat and the members of our Committees who have contributed tirelessly to the work of the Institute. My thanks also go to our members and others who continue to support our many activities through participation and sponsorship.

It was pleasing to see that the number of new members admitted to the Institute grew by ten percent in 2005 and has nearly doubled since 2002. One hundred and eighteen new members, of various categories, were admitted in 2005. The largest increase in membership was recorded in the Provisional Member category. In January 2005, the Institute also implemented the new membership category requirements which resulted from the review undertaken in 2004.

Amongst professionals and the business community, the Institute is renowned for its annual congress and professional development program. We continued to set high standards with both.

Our professional development program continued to focus on standards, and in particular IFRS, offering these at the technical workshops held in June and August. Shorter seminars were also offered in other months, both in the West and Suva. With the introduction of a mentoring requirement under the new graduate professional program to be introduced in 2006, the Institute held

a mentoring workshop in November.

Still considered to be the premier business gathering in the country our annual congress, held in late April, attracted a significant amount of interest in both attendance and news reporting. We were fortunate once again to attract distinguished speakers, with topics ranging from local industry to social issues. Having held an annual congress for more than 33 years, it is becoming increasingly difficult to be innovative and captivating to a repeat audience. The Council is keen to ensure that our forum continues to address topical and thought provoking topics using a good mix of interesting local and overseas speakers.

It is encouraging to see our members participating in the various CPE programs offered by the Institute. It is the desire of Council that the Institute grows and nurtures a membership that is abreast with changing technical and economic issues.

Having initially decided to adopt International Financial Reporting Standards (IFRS) for reporting periods commencing on or after 1 January 2006, the Council made a decision in late 2005 to defer this adoption for one year. This decision was driven largely as a result of Professor Michael White and my attendance at the London meeting of Standard Setters organised by IASB. The agenda included SME sessions and highlighted to us the need to consider and address SME issues and concerns before considering full adoption of IFRS. Based on this, the Council has decided that adoption of IFRS must come with some form of SME exception reporting and as a consequence the Standards Committee has been tasked with finding a way to



Annual General Meeting

resolve this issue. There is no doubt urgency to this work; however the enormity of the task may mean that a modified IFRS adoption is required during a transition period.

The Surveillance Panel continued to meet in 2005 and has compiled a report of its findings, which are highlighted in the main body of this Annual Report.

A significant achievement in 2005 was the completion of the review of the Institute's Act, Rules and By-Laws. In December 2005 the Council approved, with minor changes, the amendments recommended by the Act and Rules Committee. These amendments were being put to a Special General Meeting of the Institute that was to be held in late April 2006. The amendments if passed by the members will be the third overhaul of the Act since its enactment. The remaining area for review (scheduled for 2006) is the Code of Ethics, which was last reviewed in 1999.

The Institute's Business and Government Committee was merged with the Law Review Committee in 2005. The rationale for this merger arose from the similarity of the tasks undertaken by the two committees. The combined Committee continued dialogue with FIRCA on issues relating to taxation. As in the past, the Institute provided commentary on draft Practice Statements to FIRCA. The concerns of members continue to be our focus in such deliberations. During the year the Institute, on behalf of members, continued to make submissions to Government on proposed legislative changes (including the Promotion of Reconciliation, Tolerance and Unity Bill, amendments to the Fiji National

Provident Fund Act, Audit Act and Employment Relations Act), as well as an annual budget submission.

The Institute was represented on the Regulatory Reform Task Force (co-ordinated by the Ministry of Commerce) and the Joint Private Sector Consultative Group (co-ordinated by the Fiji Employers Federation). Both these working groups work with the private sector and government in addressing deficiencies and concerns relating to commerce and matters of national interest.

In 2005 we concluded the five years covered by our Corporate Plan which was developed in 2000. Our aim as a Council is to have an updated Corporate Plan developed which not only sets our goals and action plans for the next five years, but also takes into consideration our achievements in the past five years against our earlier Corporate Plan. Many of the targets set for the Institute have been achieved. There are, of course, some tasks yet to be completed and with a live Institute such as ours, many tasks are a "work in progress".

As we strive together as an Institute to reach the goals we set for ourselves, it is my desire that our Institute and the profession continue to be recognised as entities with integrity, independence and professionalism.

Lisa Apted
PRESIDENT

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 Annual General Meetings of the Institute in 2003, 2004 and 2005 were held in conjunction with the Technical Workshops at the Warwick Fiji Resort in June of each of those years.

Having reviewed the level of attendance by full chartered members at the annual general meetings in those 3 years – 50 in 2003, 66 in 2004 and 50 in 2005 – the Council has, reluctantly, come to the conclusion that in future annual general meetings will have to revert to being held at the same time as the annual Congress, which a greater number of chartered accountants attend.

The Annual General Meeting for 2005 was held on 18th June and it was attended by a total of eighty-three members, of whom fifty were Chartered Accountant members, seventeen were Provisional Members and the remaining sixteen were Affiliate Accountants.

Since no contending nominations were received for Council positions, in categories A or C, against those whose terms of office were due to expire, in those categories, and the sole nominee for category B was unopposed, the following persons were elected unopposed for a term of three years: **Anjnish Jokhan** in Category A, **Rajeshwar Sharma** in Category B and **Lisa Apted** in Category C.

Iowane Naiveli was elected as the Institute's Auditor for the ensuing year, with Council expressing appreciation to **Gardiner Whiteside** who served as Auditor for the previous two years.

The Council expresses its sincere appreciation to **Sikeli Tuinamua**, who completed his one year term as **President** in 2005.



The Council for 2005/2006



President	: Lisa Apted
Vice President & Treasurer	: Pradeep Patel
Members	: Deepak Rathod Anjnish Jokhan Deo Saran Sikeli Tuinamuana Pradeep Lal Nitin Gandhi Rajeshwar Sharma

As mentioned in the preceding section, both **Anjnish Jokhan** and **Lisa Apted** retired, having completed their three-year periods in office in 2005, and were re-elected, unopposed, for a further period of three years. Only one nomination was received for a vacancy under Category B and **Rajeshwar Sharma** was elected unopposed to fill the vacancy created by the resignation of Eroni Vatuloka.

Following the Annual General Meeting, Lisa Apted and Pradeep Patel were elected by the Council, as President and Vice President respectively for the year 2005/2006.

Pradeep Patel was also elected by the Council to act as Treasurer for the Institute for the ensuing year.

The Council held 13 meetings during the year of which 11 were regular monthly meetings, one was a special one to elect the President, the Vice President and the Treasurer and also to appoint the members of the Investigation and the Disciplinary Committees, following the Annual General Meeting and one in December was a special one to consider proposed amendments to the Act and Rules. Eleven meetings were held in Suva, one at the Warwick Fiji Resort, on the Coral Coast and the other one at the Sheraton Fiji Resort in Nadi.

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 2005 in the following table:

Lisa Apted	11 out of 13	84.6%
Pradeep Patel	10 out of 13	76.9%
Deepak Rathod	9 out of 13	69.2%
Anjnish Jokhan	9 out of 13	69.2%
Deo Saran	8 out of 13	61.5%
Sikeli Tuinamuana	13 out of 13	100.0%
Pradeep Lal	9 out of 13	69.2%
Nitin Gandhi	7 out of 11	63.6%
Rajeshwar Sharma	6 out of 8	75.0%
Chirk Yam	1 out of 1	100.0%
Eroni Vatuloka	2 out of 5	40.0%



CONGRESS 2005

The Annual Congress for the year 2005 was held once again at the Sheraton Fiji Resorts over the two-day period from 29th to 30th April 2005. The theme chosen for the year was **"Towards a Bright and Prosperous Fiji"**.

A total of 553 persons attended, comprising 257 resident delegates (of whom 125 were members and 132 non members), 122 partners, 85 children, 17 non resident day delegates (2 of them being members) and 72 non resident "session delegates" (of whom 38 were members).

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

The Organising Committee for the 2005 Congress adopted a slightly different programme of events – the normal four speakers and two panel discussions on the first day and another four speakers (two of them being

small business operators) 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:

"Towards a Bright and Prosperous Fiji" the Keynote Address, by Ratu Epeli Ganilau, former Chairman of the Great Council of Chiefs and Army Commander;

"What is Prosperity?" by Dr Susan Boyd, former Australian High Commissioner to Fiji;

"A New Vision for Sugar" by Ross McDonald, Chairman of the Fiji Sugar Corporation; and

"Law, Order and Justice" by Justice Nazhat Shameem, Judge of Fiji's High Court.

On the second day, four speakers were featured with very diverse topics:

"Corruption – A Cancer in Society" by Mr. Paul Miklejohn, the Deputy National President of CPA Australia;

"Training Youth for Success" by Mr. Cavin Barker, Youth Worker and Director of Really MAD (Make a Difference) in Fiji;

"The Fascination of Precious Metal" by Albrecht Stuehle Master Engraver and Owner of Precious Metal Designs; and

"Xivine Studio : A Family of Traditional & Modern Artists" by Delia Xie, Graphic Artist and Director of Xivine Studio

A Communiqué was issued at the end of the Congress, which concluded unanimously that investment and exports growth need to be further increased if the economy is to sustain higher growth in the medium to long term. The Congress concluded that a number of opportunities exist for improving the performance of the economy through agriculture and agro based industries, the sugar industry, productive use of land resources, youth development, micro finance and improved public services.





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 2004 and a further four in 2005, in March, July, August and October, to consider possible amendments to the Act, the Rules and the By-Laws. By mid October, it had completed its review and submitted its recommendations on the Act and Rules to the Council.

The Council held a special meeting, in early December, to consider the recommendations and will be seeking comments from the Institute membership, with a view to presenting the proposed amendments to members at a General Meeting, during the first half of 2006.

The only remaining area still remaining to be reviewed by the Committee is the Code of Ethics, progress on which has been hampered by a recent extensive revision of the IFAC International Code of Ethics.

EDUCATION AND MEMBERSHIP

During the course of 2005, the Education, Membership and Awards Committee, which is now also responsible for the development of the post Graduate Professional Programme, considered and recommended to Council the admission of the following, all of whom were approved by the Council:

36 Chartered Accountants (of whom 15 were transfers from other categories)

42 Provisional Members (of whom 1 was previously an Affiliate Accountant)

30 Affiliate Accountants

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

Years	Chartered Accountants	Provisional Members	Affiliate Accountants	Total
2002	13	24	27	64
2003	27	34	36	97
2004	32	33	42	107
2005	36	42	30	118

During 2004, the Institute undertook a detailed review of requirements for admission to all categories of membership and introduced the following requirements with effect from 1st January 2005:

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

For **Provisional Members**, the

previous basic requirement had 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 requirement has been modified slightly to 14 specified and 6 elective units – (the electives in any discipline); in addition, degrees in Accounting issued by the CQU will also be accepted, subject to completion of the minimum 20 academic units.

For full **Chartered Accountant** members, the minimum academic requirements will continue to be the same as for Provisional Members, but Chartered Accountants will also be required to complete an extra three additional core post graduate units from the CPA Programme.

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 applicants will be required to demonstrate a proficiency in at least three out of six specified



areas of practical experience and, out of the minimum period of three years practical experience, two years at least will need to be served under a mentor.

All of these modifications to the previous requirements have been made in the interest 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 had, in the past, offered sponsorship by way of cash awards to students attending two tertiary institutions in Fiji that provided courses in accounting. Awards for those students attending the University of the South Pacific accompanied gold medals awarded by the University itself.

The University of the South Pacific awarded no gold medal for the most outstanding student graduating in Accounting and Financial Management, in respect of 2004, in 2005.

No cash award or gold medal was awarded for the best student in the Diploma in Business Studies (Accounting Option) for 2005 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.

The competition for the Young Accountant of the Year has had a checkered history. Having lapsed after 1998, it was revived and run in 2001 and 2003. However, there

have been problems with sponsorship arrangements and an alternative long term sponsor is being sought 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 2005, comprising six Seminars and no less than three Technical Workshops, one of which unfortunately had to be cancelled because the hotel had mislaid the Institute's booking.

In place of this, an additional Workshop was organised to provide members with information on the finer details of the new system for mentoring applicants for full chartered accountant membership undertaking the required 3 years of

practical experience.

The nine activities, together with the five hours that could be earned by those attending the Annual Congress in April 2005, offered FIA members an opportunity to complete no less than a total of 43 hours of structured continuing professional education, as follows:

Seminar	February 15 th /22 nd	2 ½ hours
Seminar	March 22 nd / April 5 th	2 ½ hours
Congress	April 29 th /30 th	5 hours
Seminar	May 17 th	2 ½ hours
Workshop	June 17 th /19 th	8 ½ hours
Seminar	July 19 th	2 ½ hours
Workshop	August 19 th /21 st	6 ½ hours
Seminar	September 24 th	5 ½ hours
Workshop	October 21 st /23 rd	Cancelled
Seminar	November 7 th	1 hour
Workshop	November 19 th	6 ½ hours

Once again for the year 2005, an interesting feature had 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	Feb 15 th		32	22
	Ltka	Feb 22 nd		8	10
Seminar	Suva	Mar 22 nd		60	42
	Ltka	Apr 5 th		41	3
Congress	Nadi	Apr 29 th /30 th		126	124
Seminar	Suva	May 17 th			
Workshop	Wrwk	Jun 17 th /19 th		86	49
Seminar	Suva	Jul 19 th		20	20
Workshop	Wrwk	Aug 19 th /21 st		63	29
Seminar	Suva	Sep 24 th		32	37
Seminar	Suva	Nov 7 th		23	14
Workshop	Fjan	Nov 19 th		96	56



The Technical Workshop Programme for the year contained a substantial number of sessions on Accounting Standards. This was partly in response to the interest expressed in reply to the questionnaires that had been completed by delegates at Technical Workshops, but was also designed to prepare FIA members for the scheduled introduction of full International Accounting Standards from the beginning of 2007.

The five Seminars, in contrast, focused on a variety of topics other than accounting standards.

Only two out of the six Seminars organised were repeated for the Western Division. However a substantial number of Western-based members attended the Technical and Mentoring Workshops.

SEMINARS

The topics and presenters for the six Seminars for 2005 (two of which were held in Suva and the Western Division) were as follows:

February 15th and 22nd

“Internal Audit and Control”

Presented by Ms Keva Robarobalevu from the Fiji National Provident Fund and Mr. Alok Mishra of Vinod Patel and Co.

March 22nd and April 5th

“Recent Tax Developments”

Presented by Mr. Pradeep Patel of Deloitte

May 17th

“An Economic Review of Fiji”

Presented by Mr. Filimone Waqabaca of the Reserve Bank of Fiji

July 19th

“Recommendations for the Private Sector”

Presented by Ms. Siripa Jarvenpa of the Regional Office of the Asian Development Bank in Fiji

September 24th

“Business Writing Skills”

Presented by Ms Mere Tuisawau and Mr. Epi Gonewai of the Training and Productivity Authority of Fiji

7th November

“Public Enterprise and Public Sector Reforms”

Presented by Mr. Parmesh Chand, Chief Executive Officer for the Ministry of Public Enterprises and Public Sector Reforms



TECHNICAL WORKSHOPS

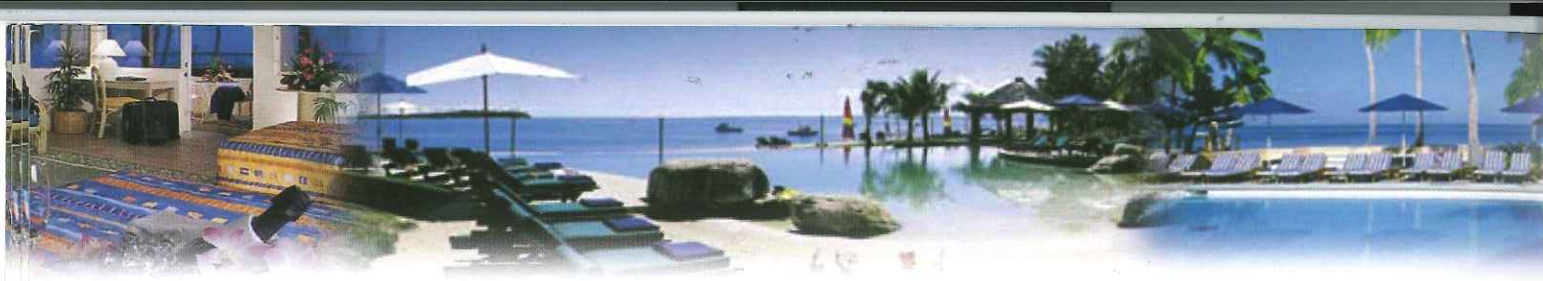
Because of the increasing demand experienced for bookings for the two Technical Workshops during the past five years it was decided that a third Workshop should be included in 2005, resulting in a programme incorporating Workshops in June,

August and October. Unfortunately, as recorded above the Workshop planned for October (which was to have been jointly sponsored by CPA Australia and the FIA) had to be cancelled.

The practice which was introduced for the second Workshop in 2003, of making all the delegates who attended

various sessions sign an attendance register was repeated for both the Technical Workshops held at the Warwick Fiji Resort in 2005. This has resulted, in the past two years, in rather better attendance, particularly for the later sessions.

The first Technical Workshop was



held at the Warwick Fiji Resort on 17th to 19th June 2005, incorporating 2 plenary and 3 “break-out” sessions covering the following topics:

The two Plenary sessions were:

“IFRSs – An Introduction and Overview on International Accounting Standards”

Presented by Mr. Robert Cohen, Partner in KPMG

“IFRS – Their Relevance to Fiji and the FIA”

Presented by Ms Lisa Apted, Partner in KPMG

And the three “Break-Out” sessions, all of which were on International Accounting Standards, were:

“IAS 16 and IAS 40 – Property, Plant and Equipment and Investment Property”

Presented by Mr. Sikeli Tuinamuana, Partner of Ernst & Young

“IAS 24 – Related Party Disclosures”

Presented by Professor Michael White of the University of the South Pacific

“IAS 27 – Consolidated and Separate Financial Statements”

Presented by Mr. Pradeep Patel, Partner in Deloitte

The after dinner speaker on the first evening was Dr. Biman Prasad, of the University of the South Pacific who spoke on **“Fiji’s Future in the Global Economy – Our Prospects and How We Will Get There.”**

A total of 226 people attended of whom 156 were delegates, 48 were partners and 22 were children.

A second Technical Workshop was

held at the Warwick Fiji Resort on 19th to 21st August 2005 also incorporating 2 Plenary and 3 “Break-Out” sessions:

Although the Break-Out Sessions again mainly concentrated upon International Accounting Standards, the two Plenary Sessions were more widely focused.

The two Plenary sessions were:

“Developing a Corporate Risk Framework”

by Mr. Robert Barnes of the Westpac Banking Corporation

“A Practical approach to Accountants in Implementing the Financial Transactions Reporting Act”

by Mr. Razim Buksh of the Reserve Bank of Fiji

and the three “Break-Out” sessions were:

“IAS 39 – Financial Instruments: Recognition and Measurement”

by Mr. Pradeep Patel, Partner in Deloitte

“IAS 36 – Impairment of Assets”

by Professor Michael White of the University of the South Pacific

“Instruments on the Bond Market”

by Mr. Sanjiv Rajappa, from the Colonial National Bank

The after dinner speaker on the first evening was Mr. Ikbāl Jannif, of Transparency International in Fiji, who spoke on the subject of **“Corporate Governance: Where Do We Start?”**

A total of 229 people attended of whom 157 were delegates, 47 were partners and 25 were children.

The final, one-day, Workshop was held at the Shangri-la Fijian Resort – a new venue for such Technical Workshops – on 19th November 2005. This was focused solely upon the subject of Mentoring and the Presenter was Mr. Peter Kappert, the Manager for Admissions with the New Zealand Institute of Chartered Accountants in Wellington, whose services had kindly been made available through the New Zealand Institute.

Mr. Kappert presented three sessions covering the whole NZICA admissions process, the principles of mentoring and concluded with an interactive, question and answer session in the afternoon.

A total of 63 people attended of whom 40 were delegates, 13 were partners and 10 were children.





JOURNAL

Three issues of the Institute's "Accountant" Journal were produced and distributed to members during 2005:

A 66-page April 2005 issue which was distributed in April 2005 in time for the Congress;

A 54-page September 2005 issue which was distributed in September; and
The December issue which was distributed during December 2005, just prior to Christmas.

DISCIPLINARY PROCEEDINGS

Investigation Committee met on three occasions during 2005 – on 16th February, 4th May and 24th August – and considered a total of ten cases of which eight had been outstanding from the previous year.

Of the 10 cases, two have been referred to Disciplinary Committee, one is in abeyance, in view of an outstanding court action between the parties, one has been withdrawn by the complainant, one had to be discontinued because the individual against whom the complaint had been lodged has not renewed his membership and the remaining five have been dismissed. At the end of the year only one case remained to be determined.

Disciplinary Committee met on two occasions during 2005 – on 31st March and 6th October – to consider the only two cases referred to it during the year, there having been no outstanding cases from the previous year. In one case, the decision reached resulted in a censure only, as the Committee took into account a financial penalty and costs imposed previously in connection with related events. In the second case,

the Committee awarded a censure with a financial penalty and costs.

An appeal was lodged with the Council in connection with the second of the two cases mentioned in the preceding paragraph, which resulted in the financial penalty and award of costs being withdrawn. One other appeal which had been outstanding from the previous year was finally resolved in May.

BUSINESS AND GOVERNMENT COMMITTEE

The roles of the Business and Government and Law Review Committees were merged from May 2005 in view of the fact that their areas of interest and responsibility often overlapped, especially in the area of draft legislative proposals.

Following the presentation of the Budget to Parliament in November 2004, the Institute expressed reservations on a number of issues which were proposed to be incorporated in an **Income Tax (Budget Amendment) Bill 2004**, in a letter addressed to the Fiji Islands Revenue and Customs Authority in January. However, from the response it received, it became apparent that the Authority did not propose to entertain amendments to three key areas of its draft Bill – the imposition of personal responsibility upon company directors for the tax liabilities of the company; the extension of the Departure Prohibition Orders (which the Institute has consistently opposed as arguably unconstitutional); and the abrogation of legal professional privilege.

When the Income Tax (Budget Amendment) Bill 2004 was introduced into Parliament in February, a local newspaper source reported that the

Minister for Finance had stated that there had been wide consultations with key stakeholders during the preparation of the Bill, both before and after the Budget announcement.

The Institute was concerned that this statement could give the impression that it was either involved in the drafting of, or concurred with, all proposed measures incorporated in the Bill. It therefore issued a Press Release outlining its strong opposition to the three measures mentioned in the preceding paragraph, which drew a swift response from the Chief Executive of the Authority, that addressed only one of the three major issues highlighted in the Press Release.

The Institute was also asked to comment upon a number of other draft legislative proposals, as follows.

The Institute was asked to comment upon a Bill to amend the **Fiji National Provident Fund Act**, on which a submission was sent to Parliament on the 9th May; and a delegation comprising Ms Lisa Apted and Mr. Pradeep Patel appeared before a Sector Standing Committee on 11th May.

A Bill titled the **Promotion of Reconciliation, Tolerance and Unity Bill** was introduced into Parliament at short notice in May 2005, which provoked strong opposition in many quarters, in view of its questionable conformity with the Constitution, the Judiciary and both civil and legal process and the measures it sought to introduce. Several professional and non government organisations expressed opposition to the proposed measures and the Institute issued a public statement to the media on the Bill on the 25th May, sent a letter to Ms Helen Clark, the Prime Minister



of New Zealand, on the 8th June and a submission to Parliament on the 21st July, in addition to a delegation comprising Mr. Sikeli Tuinamuaana, Ms Lisa Apted and Mr. Pradeep Patel that appeared before a Sector Standing Committee on the 24th August.

The Institute also presented a submission on a Bill to amend the **Audit Act** on 12th September and a delegation consisting of Mr. Pradeep Patel and Mr. Deepak Rathod appeared before a Sector Standing Committee on the 13th September.

At the request of the Ministry of Commerce, Business Development and Investment, the Institute also made a submission on amendments being proposed to **Regulations governing Foreign Investment** on 20th September.

And finally, in relation to legislative proposals and amendments, the Institute provided a submission on the **Employment Relations Bill 2005**, containing controversial provisions relating to maternity leave, on 29th November.

The Business and Government Committee submitted in May, at the request of the Ministry of Finance, a series of recommendations for incorporation into the Government Budget for 2006.

The Committee also followed up several recommendations which had been contained in the 2005 Congress Communiqué with both the Ministry of Finance and the Public Service Commission.

During the year, the members of the Law Review and the Business and Government Committee held a number of meetings with representatives from the Fiji Islands Revenue and Customs

Authority on issues relating to taxation. Discussions also took place on a proposed simplified tax system.

Comments were also provided to the Authority on two draft Practice Statements concerning the Deductibility of Entertainment Expenses (No 22) and Registration (No 23) on 18th May and 15th July respectively.

And lastly, the Committee sought, during 2005, to bring to fruition one of the objectives outlined in the FIA's Corporate Plan of mounting, or at least facilitating, a workshop for small enterprises to familiarise them with the basic elements and concepts of accounting, seeking the assistance of the larger chartered accounting firms in producing five modules for presentation to groups of small enterprises, as follows:

- Basic Record Keeping;
- Understanding Accounts;
- Cash Flow;
- Stock Control; and
- Taxation and VAT.

By the end of the year, all but one of the modules had been produced, but it is unlikely that courses can be mounted until sometime in 2006.

STANDARDS

The Accounting and Auditing Standards Committee completed a review of the previous Fiji Accounting Standards and of the Fiji Standards on Auditing and of their comparability with the then current International Accounting Standards (IASs) and the International Standards on Auditing (ISAs) during the three years 1999 to 2001 and was able to produce a set of 34 Fiji Accounting Standards and a set of 37 Fiji Standards on Auditing and 9 Fiji Auditing Guidance Statements by

the end of 2001.

However the Fiji Institute, as a member body of IFAC (the International Federation of Accountants) is obligated to use its best endeavours to take steps to adopt in full the International Accounting and Financial Reporting Standards (now referred to as "IFRS") published by the International Accounting Standards Board and the International Standards on Auditing produced by IFAC. Council accordingly decided that the Institute should adopt the full suite of IFRSs – initially planning for their introduction for accounting periods commencing on 1st January 2006. However, having subsequently recognised the complexity of some of the new standards and the time needed to familiarise members with them, the Council agreed to defer the introduction of the full suite of IFRSs by twelve months.

As can be seen from an earlier section of this Report the Professional Development Programme in the past two years had focused heavily on accounting standards, especially in Technical Workshops, and the Accounting and Auditing Standards Committee has helped to identify the standards that should receive priority attention.

Internationally, there has also been some attention given to addressing the needs of small and medium enterprises ("SMEs"), whose reporting needs are somewhat different from those of the larger commercial and multi national enterprises. The President, Ms Lisa Apted and Professor Michael White, of the University of the South Pacific, attended a meeting of Standard Setters organised by the IASB in London in September, since part of the agenda



appeared to be concerned with problems facing SMEs.

No significant priority appears to be given by either the IASB or IFAC to the production of a standard or standards designed to be used by SMEs and the earliest date forecast for the production of such standards is 2010. The Council is therefore planning to produce a Fiji Standard listing provisions in the IFRSs which would not need to apply to SMEs in Fiji.

SURVEILLANCE PANEL

The Surveillance Panel, which is appointed to examine the annual financial reports of statutory bodies and entities listed on the South Pacific Stock Exchange, met on a total of eight occasions during 2005, reviewing three sets of financial reports on each occasion. It proved necessary to write to 23 out of the 24 entities to bring to their attention various shortcomings in the reports.

The Panel found that almost all entities failed to comply with paragraphs 29 and 34 of FAS 16, Property, Plant and Equipment, which requires that, if a revaluation is made it must be applied to a whole class of assets; subsequent revaluations being made with sufficient regularity that the reported value never differs materially from fair value at balance sheet date. The widespread failure to meet these requirements suggests that high compliance costs exist. It is both expensive to secure independent valuation, and difficult, with licensed valuers being so few in number in Fiji.

The Panel encountered shortcomings in the area of accounting for investments – although the previous FIA FAS 25 and IAS 39 both require

quoted investments to be reported at fair values – and difficulties faced by some entities in reporting VAT balances because of the unusual provisions of FAS 103.

And finally, the Panel found it discouraging to note that although entities and their auditors were invited to respond to the Panel's letters and observations, hardly any did so.

CORPORATE PLAN

The Institute continued to make progress during 2005 on various initiatives and plans outlined in its Corporate Plan, which was adopted in 2001. Activities during the year, including the Professional Development Programme, the Annual Congress, submissions and dialogue with the government and regulatory authorities, were guided by the Corporate Plan – a major initiative undertaken in 2005 being the review of the FIA Act and Rules, which was aimed at aligning the governance of the Institute with international best practices.

A number of options were also explored as to how best to review the existing Corporate Plan, so as to set a strategic direction for the Institute and embrace the challenges presented by developments within the global accounting profession.

MEMBERSHIP STATISTICS

The total number of members, of all categories, on the Institute's Register as at 31st December 2005 was

589 a decrease of nearly 30 on the total recorded for 2004

During 2005, the names of 95 members and 27 students were removed from the Register in respect of 2005. Predominantly these were those members who had migrated and/or who had not paid their membership subscriptions.

During the year a total of 118 new members were admitted, of whom 36 were admitted as Chartered Accountants (15 by transfer from Provisional Membership), 42 as Provisional Members (one by transfer from Affiliate Accountant) and 30 as Affiliate Accountants. As additional 28 Students were also enrolled. As mentioned above, some of the "new" members were, in fact, transfers from the 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 2004 and 2005 for the various categories were as follows:

	2004	2005
Chartered Accountants in Public Practice	39	37
Chartered Accountants not in Public Practice	249	243
Provisional Members	124	111
Affiliate Accountants	159	142
Licensed Accountants	4	3
Students	43	53

Eighty-one members were resident overseas of whom 71 were Chartered Accountants, 6 were Provisional Members and 4 were Affiliate Accountants.

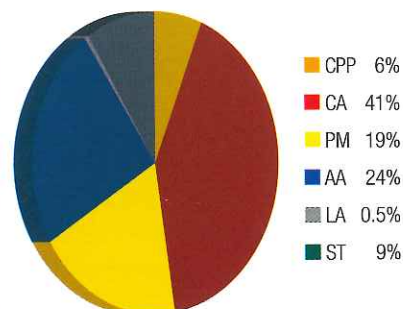
Only three of the original 72 Licensed Accountants remain on the Register, two having passed away in 2002 and one in 2003 and one having migrated in 2005.



Membership Statistics

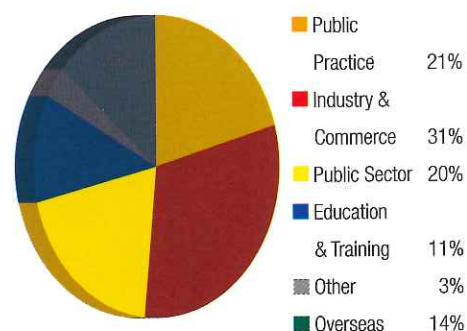
A. MEMBERSHIP by Category (1999 - 2005)

	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
2005	37	243	111	142	3	53	589



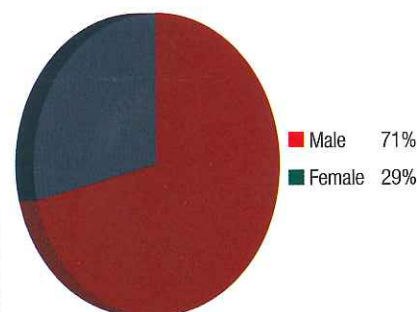
B. MEMBERSHIP by Occupation (2005)

	CPP	CA	PM	AA	LA	ST	TOTAL
Public Practice	37	36	34	12	3	0	122
Industry and Commerce	0	80	30	72	0	0	182
Public Sector	0	38	36	42	0	0	116
Education and Training	0	9	2	4	0	53	68
Other	0	9	3	8	0	0	20
Overseas	0	71	6	4	0	0	81
Total	37	243	111	142	3	53	589



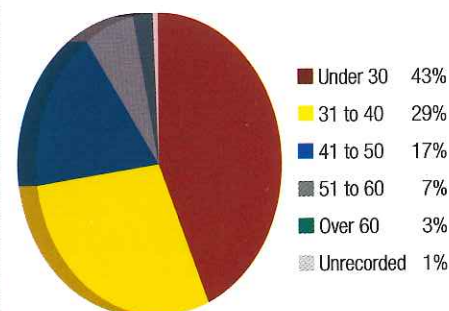
C. MEMBERSHIP by Gender (2002 - 2005)

	2002	2003	2004	2005
Male	373	392	449	420
Female	131	139	169	169
Total	504	531	618	589



D. MEMBERSHIP by Age (2002 - 2005)

	2002	2003	2004	2005
Under 30	232	223	265	256
31 to 40	125	155	188	173
41 to 50	104	101	107	102
51 to 60	24	30	36	39
over 60	14	17	18	15
Unrecorded	5	5	4	4
Total	504	531	618	589





New Committee Members (2005-2006)

Investigation

Anjnish Jokhan (Chair)
Deepak Rathod
Rajeshwar Sharma
Kamlesh Tappoo
Regina Mar

EMA

Anjnish Jokhan (Chair)
H N Pande
Michael Yee-Joy
Michael White
Jenny Yuen
Archana Kumar

Accounting & Auditing Standards

Nitin Gandhi (Chair)
Bruce Sutton
Eroni Vatuloka
Iowane Naiveli
Ben Coutman
Peni Tora

Business & Government Law Review

Pradeep Patel (Chair)
Jerome Kado
Francis Chung
Annie Yuen
Ravendran Achari
Deo Saran
Fay Yee
Sunil Deo Sharma

Disciplinary

Lisa Apted (Chair)
Sikeli Tuinamuana
Nitin Gandhi
Rajesh Lal
Susan Kumar

Congress Organising

Pradeep Lal (Chair)
Freeman Gock
Lai Yee-Joy
Daphne Fong
Indravadan Hasji
Radhika Reddy

Professional Development

Deepak Rathod (Chair)
Kavin Rathod
Lorraine Seeto
Neil Underhill
Ashwin Nandha
Anjesh Shankar
Sholeen Nair

Journal

Rajeshwar Sharma (Chair)
Pradeep Lal
Beverly Seeto
Radhika Reddy
Joshita Kumar
Grace King

Western Division

Deo Saran (Chair)
Robert Cohen
Susie King
Vijay Naidu
Yatish Sharma
Manoa Kamikamica

Act and Rules

Sikeli Tuinamuana
Zarin Khan
Joseph Mow
Uday Sen
Joveci Tuinamuana

Staff and Administration

Lisa Apted (Chair)
Pradeep Patel

Treasurer

Pradeep Patel



A Brief Commentary on the Financial Statements for 2005

NET SURPLUS

- FIA's net surplus for the year was \$37,335 compared to \$70,550 achieved in the previous year 2004.

REVENUE

- Members' subscriptions amounted to \$58,442 (2004 : \$56,639), an increase of \$1,803 from the previous year, representing a growth of 3.2%.
- Total income from special committees increased to \$590,112 (2004 : \$498,316), an increase of \$91,796 from the previous year, representing a growth of 18.4%. A significant increase amounting to \$109,158 was recorded under continuing education courses principally resulting from three, rather than two, technical conferences during the year, although this was matched by an increase of \$108,920 in expenditure.
- However, net surplus from special committees amounted to \$94,621 (2004 : \$107,309), a decrease of \$12,688 from the previous year, representing a decline of 11.8% largely due to a reduced surplus of \$4,834 from Annual Congress and \$3,237 reduction in surplus from Western Division operations.

EXPENDITURE

- Total expenditure amounted to \$136,275 (2004 : \$122,307), an increase of \$13,968 from the previous year.
- Major items contributing to the increase in expenditure were advertising, council and committee expenses, salaries, wages, gratuity and associated costs, and travelling. Increase in salaries, wages and associated costs was a result of the review of salaries and wages during the year which also covered review adjustment for prior years. Furthermore, during the year, the council approved payment of an audit fee of \$1,000 (VAT inclusive) to the auditors for audit services.

BALANCE SHEET

- The balance sheet has continued to strengthen, with year end cash holdings of \$255,828 (2004 : \$232,022), and investments of \$200,509 (2004 : \$185,317). In accordance with FAS 39, listed/quoted securities were re-measured at fair value and the increment arising thereon amounting to \$7,104 has been credited to investment revaluation reserve.
- Members' funds amounted to \$496,443 (2004 : \$443,916), comprising accumulated surplus of \$481,251 (2004 : \$443,916) and investment valuation reserve of \$15,192.



FIJI INSTITUTE OF ACCOUNTANTS

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2005

CONTENTS

Statement by the Council of Fiji Institute of Accountants	16
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Income and expenditure statement	18
Statement of changes in members' funds	19
Balance sheet	20
Statement of cash flows	21
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Statement by the Council of the 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 18 to 28 for the year ended 31 December 2005 are drawn up so as to give a true and fair view of the state of affairs of the Institute at 31 December 2005 and the results of its operations, its cash flows and changes in members' funds for the year then ended.

PRESIDENT

Dated this 27th day of April 2006.

TREASURER



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 2005 as set out on pages 18 to 28. The Institute's council members are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Institute.

My audit has been conducted in accordance with Fiji 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, its cash flows and changes in members' funds.

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

Audit Opinion

In my opinion, the financial statements present fairly in accordance with Fiji Accounting Standards the financial position of the Fiji Institute of Accountants as at 31 December 2005 and the results of its operations, its cash flows and changes in members' funds for the year then ended.

Suva, Fiji
27 April 2006

Ioane Naiveli
Chartered Accountant



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 2005 as set out on pages 18 to 28. The Institute's council members are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Institute.

My audit has been conducted in accordance with Fiji 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, its cash flows and changes in members' funds.

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

Audit Opinion

In my opinion, the financial statements present fairly in accordance with Fiji Accounting Standards the financial position of the Fiji Institute of Accountants as at 31 December 2005 and the results of its operations, its cash flows and changes in members' funds for the year then ended.

Suva, Fiji
27 April 2006

Ioane Naiveli
Chartered Accountant



FIJI INSTITUTE OF ACCOUNTANTS

Income and Expenditure Statement

FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005	2004
INCOME			
Admission fees		\$ 6,180	6,360
Members' subscription	2	58,442	56,639
Interest		5,279	7,503
Dividend		7,765	7,222
Special committees (net surplus)	3	94,621	107,309
Technical publications	4	456	2,732
Other		867	5,092
TOTAL INCOME		173,610	192,857
EXPENDITURE			
Audit fees		889	-
Advertising		2,233	651
Bank charges		623	743
Council and committee expenses		8,159	5,126
Depreciation		6,239	5,301
Electricity		2,156	2,227
General expenses		1,712	2,549
Gifts and awards		-	700
Handbook to members		1,743	3,267
Insurance		5,635	7,204
International activities	5	10,789	10,095
Legal and professional expenses		1,334	3,529
Loss on retirement of fixed assets		62	-
Postage, telephone and internet		7,331	6,242
Printing and stationery		7,724	7,723
Rental		13,800	13,800
Repairs and maintenance		963	872
Salaries, wages, gratuity and associated costs		62,280	48,065
Travelling		2,004	124
Website		599	4,089
TOTAL EXPENDITURE		136,275	122,307
NET SURPLUS FOR THE YEAR		\$ 37,335	70,550

The income and expenditure statement is to be read in conjunction with the notes to and forming part of the financial statements.



FIJI INSTITUTE OF ACCOUNTANTS

Statement of Changes in Members' Funds

FOR THE YEAR ENDED 31 DECEMBER 2005

	Accumulated Surplus	Investment Valuation Reserve	Total
	\$	\$	\$
Balance as at 31 December 2003	373,366	-	373,366
Net surplus for the year	70,550	-	70,550
Balance as at 31 December 2004	443,916	-	443,916
Adjustment on adoption of Fiji Accounting Standard FAS 39 in relation to financial assets	-	8,088	8,088
Net surplus for the year	37,335	-	37,335
Gains on re-measurement of available – for – sale financial assets to fair value	-	7,104	7,104
Balance as at 31 December 2005	481,251	15,192	496,443

The statement of changes in members' funds is to be read in conjunction with the notes to and forming part of the financial statements.



FIJI INSTITUTE OF ACCOUNTANTS

Balance Sheet

AT 31 DECEMBER 2005

	Notes	2005	2004
CURRENT ASSETS			
Cash at bank and on hand	\$	71,788	48,997
Interest receivable		1,510	3,364
Inventories	6	4,054	5,797
Other assets	7	35,713	22,097
Financial assets	8	26,357	68,250
TOTAL CURRENT ASSETS		139,422	148,505
NON-CURRENT ASSETS			
Financial Assets	8	358,182	300,092
Plant and equipment	9	24,021	20,478
TOTAL NON-CURRENT ASSETS		382,203	320,570
TOTAL ASSETS		521,625	469,075
CURRENT LIABILITIES			
Creditors and accruals		15,177	17,321
Provisions	10	3,607	1,479
Subscriptions received in advance		6,398	6,359
TOTAL CURRENT LIABILITIES		25,182	25,159
TOTAL LIABILITIES		25,182	25,159
NET ASSETS		496,443	443,916
MEMBERS' FUNDS			
Accumulated surplus		481,251	443,916
Investment valuation reserve		15,192	-
TOTAL MEMBERS' FUNDS	\$	496,443	443,916

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements.

PRESIDENT

TREASURER



FIJI INSTITUTE OF ACCOUNTANTS

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, special committees and technical publications		\$ 65,984	70,711
Receipts from special committees and technical publications		590,112	501,161
Payment to suppliers and employees		(637,354)	(502,854)
Interest received		7,133	5,997
Dividend received		7,765	7,222
Net cash flows from Operating Activities	12(a)	33,640	82,237
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(9,844)	(4,875)
Investments, net		-	(50,001)
Net cash flows (used in) Investing Activities		(9,844)	(54,876)
Net increase in cash held		23,796	27,361
Cash at the beginning of the financial year		232,022	204,661
Net cash at the end of the financial year	12(b)	\$ 255,818	232,022

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2005

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

The financial statements have been drawn up in accordance with Fiji Accounting Standards. They have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied.

b) Inventories

Inventories are valued at the lower of cost or net realizable value.
Cost is determined on a first-in first-out basis.

c) Plant and equipment

Plant and equipment is 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%

Profits and losses on disposal of plant and equipment are taken into account in determining the surplus for the year.

d) Income tax

In accordance with the provisions of the Income Tax Act and the Fiji Institute of Accountants Act the Institute is exempt from income tax.

e) Financial assets

Investments are recognised and de-recognised on trade where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Financial assets are classified as either held-for-trading or held-to-maturity or available-for-sale. Held-for-trading and available for sale financial assets are measured at subsequent reporting dates at fair value. Held to maturity investments are measured at subsequent reporting dates at amortised cost. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net surplus or deficit for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the income and expenditure for the period.

Changes in Accounting Policy

In 2005, the Institute adopted FAS 39 – Financial Instruments: Recognition and Measurement. The impact of adoption of this standard has resulted in a change in the accounting policy relating to the classification and measurement of financial assets. The financial impact on this change in policy is reflected in the investment valuation reserve.

f) Donations and contributions in kind

Donations and contributions in kind received are accounted for at estimated fair values.

g) Website costs

Costs in relation to the Institute's website development, maintenance and operations have been treated as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised as equipment and depreciated over their period of expected benefit.

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2005

h) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

NOTE 2. MEMBERS SUBSCRIPTION

	2005	2004
Members holding a certificate of public practice	\$ 10,454	11,004
Members not holding a certificate of public practice	27,274	25,611
Provisional members	7,047	6,120
Licensed accountants	330	440
Affiliate members	7,814	8,280
Overseas members	5,233	4,734
Student members	290	450
	<hr/> 58,442	<hr/> 56,639

NOTE 3. SPECIAL COMMITTEES**(a) Annual Congress****Income**

Registration fees	260,246	266,318
Sponsorship	52,069	45,333
Other	53	205
	<hr/> 312,368	<hr/> 311,856

Expenses

Accommodation, food and beverage	208,092	204,391
Advertising and publicity	4,481	2,340
Bank charges	207	171
Donations and gifts	1,564	513
Entertainment	6,269	4,622
Satchels	11,378	8,400
Stationery, telephone and facsimile	902	5,199
Travelling	6,865	8,776
	<hr/> 239,758	<hr/> 234,412

Surplus

\$	<hr/> 72,610	<hr/> 77,444
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Notes to and Forming Part of the Financial Statements (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 3. SPECIAL COMMITTEES (CONT'D)

	2005	2004
(b) Continuing Education Courses		
Income		
Registration fees and levies	\$ 264,650	155,492
Expenses		
Venue costs, refreshments, fees, travelling, printing and other costs	243,580	134,660
Surplus	21,070	20,832
(c) Journal Committee		
Income		
Advertising revenue	10,289	15,108
Expenses		
Production and other costs	12,153	12,117
Surplus / (Loss)	(1,864)	2,991
(d) Western Division Committee		
Income		
Registration fees and levies	2,805	15,860
Expenses		
Venue, refreshments, travelling and other costs	-	9,818
Surplus	2,805	6,042
Net surplus special committees	94,621	107,309

NOTE 4. TECHNICAL PUBLICATIONS

Sale of handbooks	\$ 456	2,732
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Notes to and Forming Part of the Financial Statements (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 5. INTERNATIONAL ACTIVITIES

	2005	2004
Subscription to:		
- International Federation of Accountants	\$ 1,708	5,976
- Confederation of Asia and Pacific Accountants	1,314	1,365
- International Accounting Standards Board	383	1,840
	<hr/> 3,405	<hr/> 9,181
Conference:		
- International Accounting Standards Board conference, United Kingdom	6,210	-
- CPA conference, Australia	1,174	914
	<hr/> 7,384	<hr/> 914
Total international activities	<hr/> 10,789	<hr/> 10,095

NOTE 6. INVENTORIES

Binders	93	93
Hand books	3,961	5,704
	<hr/> 4,054	<hr/> 5,797

NOTE 7. OTHER ASSETS

Deposit – Congress	27,920	11,556
Other receivables and prepayments	7,793	10,541
	<hr/> 35,713	<hr/> 22,097

NOTE 8. FINANCIAL ASSETS**Current****Held-to-maturity investments**

Short term deposits with financial institutions	26,357	68,250
	<hr/> 26,357	<hr/> 68,250

Total current financial assets**Non-Current****Held-to-maturity investments**

Long term deposits with financial institutions	157,673	114,775
	<hr/> 157,673	<hr/> 114,775

\$

Notes to and Forming Part of the Financial Statements (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 8. FINANCIAL ASSETS (CONT'D)**Available-For-Sale Financial Assets****Listed / quoted securities**

	2005	2004
Colonial First State Managed Funds	\$ 92,619	85,319
Unit Trust of Fiji	107,890	99,998
	<hr/> 200,509	<hr/> 185,317
Total non-current financial assets	<hr/> 358,182	<hr/> 300,092

Reconciliation of available-for-sale financial assets

Opening balance	185,317	185,317
Additions	-	-
Adjustment on adoption of FAS 39	8,088	-
Gain on re-measurement to fair value	7,104	-
	<hr/> 200,509	<hr/> 185,317

Total available-for-sale assets

During the year, listed or quoted securities were valued at fair value. The valuation increment arising thereon has been credited to investment valuation reserve.

NOTE 9. PLANT AND EQUIPMENT

Office furniture and equipment – at cost	60,887	51,128
Less: provision for depreciation	(36,866)	(30,650)
	<hr/> 24,021	<hr/> 20,478

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

Office furniture and equipment		
Carrying amount at beginning	20,478	20,904
Additions	9,844	4,875
Disposals	(62)	-
Depreciation expense	(6,239)	(5,301)
	<hr/> 24,021	<hr/> 20,478

Total written down value**NOTE 10. PROVISIONS**

Annual leave entitlements	\$ 3,607	1,479
Employee Numbers		
Average number of employees during the financial year	<hr/> 4	<hr/> 4

Notes to and Forming Part of the Financial Statements (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 11. FUNDS HELD IN TRUST**2005****2004**

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	\$	24,237	23,647
Add: dividends		736	691
Less: bank charges		(62)	(101)
		<hr/> 24,911	<hr/> 24,237
Represented by:			
Cash at bank		4,911	4,237
Investments at cost		20,000	20,000
		<hr/> 24,911	<hr/> 24,237

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 2005, the units held at Colonial First State Investments were valued at \$22,026 (2004: \$21,677). 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	24,783	23,464
Add: interest	870	1,421
Less: bank charges	(67)	(102)
	<hr/> 25,586	<hr/> 24,783
Represented by:		
Cash at bank	4,459	3,656
Interest receivable	1,127	1,127
Cash on deposit	20,000	20,000
	<hr/> \$ 25,586	<hr/> 24,783

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 2005

NOTE 12. NOTES TO THE STATEMENT OF CASH FLOWS

	2005	2004
a) Reconciliation of the net cash provided by operating activities to the net surplus for the year.		
Net surplus for the year	\$ 37,335	70,550
Adjustment for non-cash item:		
Loss on disposal of assets	62	-
Depreciation	6,239	5,301
Net cash provided by operating activities before change in assets and liabilities	43,636	75,851
Change in assets and liabilities:		
(Increase) / decrease in inventories	1,743	3,267
(Increase) / decrease in sundry debtors and prepayments	(13,616)	1,761
(Increase) / decrease in interest receivable	1,854	(1,506)
Increase / (decrease) in creditors and accruals	(2,144)	4,673
Increase / (decrease) in provision for leave entitlements	2,128	(5,346)
Increase / (decrease) in subscriptions and fees in advance	39	3,537
Net Cash Flows from Operating Activities	33,640	82,237
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	71,788	48,997
Term deposits: Current	26,357	68,250
Term deposits: Non-current	157,673	114,775
	\$ 255,818	232,022

NOTE 13. EXPENDITURE COMMITMENTS

a) Capital commitments at balance date	\$ -	-
b) Operating lease commitments are as follows:		
- not later than one year	5,750	13,800
- later than one year but not later than two years	-	5,750
- later than two years but not later than five years	-	-
	5,750	19,550
Minimum lease rental payments		
Analysed as:		
Current Liability	5,750	13,800
Non-Current Liability	-	5,750
	\$ 5,750	19,550

NOTE 14. 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.