



Fiji Institute of Accountants

Annual Report 2007

Vision Statement

To be the leading professional body in Fiji, promoting the Accounting Profession and providing business leadership.

Mission Statement

- We will encourage and expect of our members high ethical standards and delivery of quality services in their respective fields
- We will provide high quality continuing education and services to our members to enhance their skills, knowledge and working opportunities
- We will actively contribute to the communities in which we live and work representing the views of our members to the governmental, regulatory and other bodies, while accepting our public interest role in society
- We will create an awareness of the role of accountants and promote the profession in Fiji.

President's Report



The year 2007 has been a busy and rewarding year for the Fiji Institute of Accountants.

As President, I have met with many members and have been also privileged to interact with several counterpart overseas professional bodies on various occasions. There is one clear message coming out from my meetings with members and that is our uncompromising commitment in raising the profession and building public trust.

During the year (2007) the Institute has taken several initiatives and provided a valuable support to its members. The Institute will continue to meet its challenges in ensuring its compliance with Global Developments in the profession and play an active role to ensure the integrity and expertise of our members are reflected at the very highest levels.

Let me comment briefly on some of the highlights of 2007.

• Adoption of IFRS

The International Financial Reporting Standards (IFRS) came into effect for financial periods commencing 1 January 2007 for qualifying entities. There is also an urgent need to have accounting standards for Small and Medium Entities (SMEs) and the Institute is closely following up on this with IFAC and overseas accounting bodies.

• Corporate Plan

Our Corporate Plan 2007-2012 was completed and is now in place for action. Individual Committees are tasked with meeting out their key objectives with a view to take the Institute to the next level. Our vision is to be the leading professional body in Fiji, promoting the Accounting Profession and providing business leadership.

• Communications and Web Site Development

Significant progress have been made in developing our new look FIA website and ensuring it remains updated regularly. Members will find useful materials posted from time to time including our submissions

to Government and I believe you will find the site beneficial for your purposes. It is the intention of the Institute to use technology as a means of communication and members are urged to ensure their email addresses are current with FIA

• FIA Submissions

The Institute has been busy during 2007

*As a full member of
the global accounting
body IFAC we are
constantly challenged
to comply with
their promulgations
and membership
obligations*

in providing responses to Government on various matters pertaining to our economy. Our Business and Government Committee has been active in the pursuance of issues of National Interests. Our submission/representations included responses to the People's Charter, National Budget 2008, tax issues with FIRCA from time to time,

Employment Relations Bill and continuous dialogue with a number of Ministries.

Whilst our submissions and consultations have been welcomed, the Institute would like to see a greater commitment on the part of the Government in accepting and following up on our recommendations.

• Congress 2007

As a premier business forum we continue to draw wider participation and interest at our Congress. Our 2007 Congress was a tremendous success with high quality international and local speakers providing useful input on topical issues.

• Professional Development

The Institute held a number of seminars and workshops during the year including our two technical workshops. These are well attended and attract private and public sector participants. Members should take full advantage of these courses for their personal development and in meeting the required hours for CPE. Further training on IFRS and Mentoring Programme will be continued with.

In addition to the above our committees continue to address matters as they arise. The Surveillance Panel continues to bring out issues in improving quality in our reporting in published financial statements.

One area of our business that needs to be formalised is the proposed amendments to the FIA Act and Rules. Whilst this was approved at a Special General Meeting held in April 2006,

Annual General Meeting

political developments have somewhat derailed the process of obtaining parliamentary approval to effect the same.

As a full member of the global accounting body IFAC we are constantly challenged to comply with their promulgations and membership obligations. It must be said that these obligations are regularly reviewed by IFAC and we are committed to keep abreast of developments and their initiatives. We also have a very close working relationship with the Confederation of Asian and Pacific Accountants (CAPA) as a member.

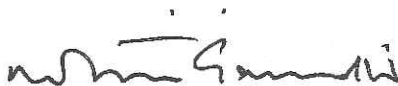
The Institute is grateful to CPA Australia and the New Zealand Institute of Chartered Accountants for their continued support. Our arrangement with CPA Australia in allowing us to adopt part of their Graduate Professional Programme is appreciated.

Our beloved nation is going through challenging times and at times all news is not good news. The Institute strongly believes that confidence in our economy needs to be restored as soon as possible and return to parliamentary democracy is fundamental for stability, promotion of investments and growth.

We are faced with "brain loss" as many of our colleagues and skilled professional tradesmen are leaving the shores. The

Institute will do whatever it can to provide guidance and promote an environment that our members can personally and professionally develop their careers in Fiji. I encourage all members to take active participation in our Institute activities.

I wish to thank my fellow Council Members, Committee Members the Executive Director and FIA staff for their commitment and dedication in providing valuable support to me and to the activities of the Institute.



Nitin Gandhi

The Annual General Meeting for 2007 was held on 15th June at the Shangri-la Fijian Resort on Yanuca Island near Sigatoka and it was attended by a total of ninety-four members of whom eighty-seven were full Chartered Accountant members, five were Provisional Members and the remaining two were Affiliate Accountants.

Two serving members of the previous Council, Deepak Rathod (who had served on Council since 1991) and Pradeep Lal (who had been elected to Council in 2004) had formally advised that they would not be standing for re-election and this created vacancies under categories (b) (chartered accountants not holding certificates of public practice) and (c) (those who could, but did not necessarily, hold certificates of public practice).

Since three nominations were received from chartered accountants seeking election, an election was organised, but one of the candidates withdrew at the last moment, leaving the two vacancies uncontested. Accordingly, Uday Sen was elected unopposed to the category (b) vacancy and Susan Kumar to the category (c) vacancy. No nominations were received for the category (a) (holders of certificates of public practice) vacancy and Nitin Gandhi was therefore re-elected unopposed.

Iowane Naiveli, who had served as the Institute's Auditor for the previous two years, indicated that he was standing down and Rana Pratap Singh was nominated and elected to replace him as the Institute's Auditor, for the following year. Council expressed appreciation to Iowane Naiveli for his services in the past years.

The Council expressed sincere appreciation to Pradeep Patel who completed his one year term as President in 2007.

The Council for 2007/2008

President	: Nitin Gandhi
Vice President	: Rajeshwar Sharma
Treasurer	: Sikeli Tuinamuana
Members	: Deo Saran Lisa Apted Pradeep Patel Susan Kumar Uday Sen Iowane Naiveli Anjnish Jokhan (for June)

The Council

As mentioned in the preceding section, Nitin Gandhi, Deepak Rathod and Pradeep Lal all retired, having completed their three-year periods in office in 2007, and the latter two members confirmed that they would not be seeking re-election. Nitin Gandhi was re-elected, unopposed, for a further period of three years.

Two new members, Susan Kumar and Uday Sen, were elected unopposed to the Council at the Annual General Meeting for a period of three years.

Following the Annual General Meeting, at a special Council Meeting, Nitin Gandhi and Rajeshwar Sharma were elected, as President and Vice President respectively for the year 2007/2008. Sikeli Tuinamuana was elected as Treasurer for the same period.

Anjnish Jokhan (who had served on Council since 1996) had advised Council that she would be resigning from Council after the meeting on 21st June and Council appointed Iowane Naiveli to replace her on the Council at the following meeting.

The Council held 12 meetings during the year of which 11 were regular monthly meetings and one was a special one, to elect the President, Vice President and the Treasurer and also to appoint the members of the Investigation and the Disciplinary Committees, following the Annual General Meeting. Of the twelve meetings, ten were held in Suva, one at the Shangri-la Fijian Resort on Yanuca Island and the other one at the Tanoa International Hotel in Nadi.

The Council decided in 2002 that a record should be kept of the attendance by members at Council meetings during each year. This is reproduced for 2007 in the following table:

Nitin Gandhi	11 out of 12	91.7%
Rajeshwar Sharma	10 out of 12	83.3%
Sikeli Tuinamuana	10 out of 12	83.3%
Deepak Rathod	4 out of 5	80.0%
Anjnish Jokhan	6 out of 7	85.7%
Deo Saran	11 out of 12	91.7%
Lisa Apted	11 out of 12	91.7%
Pradeep Patel	12 out of 12	100.0%
Pradeep Lal	4 out of 5	80.0%
Susan Kumar	6 out of 7	85.7%
Uday Sen	4 out of 7	57.2%
Iowane Naiveli	3 out of 5	60.0%

The Congress 2007

The Annual Congress for the year 2007 was held, over the two-day period 15th - 16th June at the Shangri-la

Fijian Resort, on Yanuca Island near Sigatoka. This was only the second time since 1997 that the Congress had not been held at the Sheraton Fiji Resorts, which, in large measure, had been governed by the fact that only the Sheraton Fiji possessed a conference hall large enough to accommodate the total numbers of those attending Congress.

The Fijian Resort has, in recent years, greatly expanded its conference facilities and refurbished all its residential accommodation. It currently boasts a Conference Hall, the Ratu Makutu Convention Centre, capable of holding 500 delegates and a fixed location marquee, The Pavillion, capable of holding 700 delegates.

The theme chosen by the Council and the Organising Committee for the 2007 Congress was **"New Climate: New Choices"** and featured four speakers, and two panel discussions, on the first day and 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:

"Stimulating the Growth of the Private Sector in a Small Economy" the Keynote Address, by Mr Ajit Cabraal, Governor of the Central Bank of Sri Lanka;

"Doing Business in the South Pacific: Its Risks and Rewards" by Ms Jane Kittel, General Manager Pacific Banking for Westpac;

"Micro Finance: Lending at the Bottom of the Pyramid" by Mr Jonathan Hartley, Director of Vision Fund Cambodia; and

"The Need for Cottage Industries in Fiji" by Ms Sashi Kiran, Foundation for Rural Integrated Enterprises and Development (FRIEND).

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

"Sports Men and Women: Role Models, Ambassadors and Nation Builders" by Mr

Brad Johnstone, ex All Blacks Rugby Star and now with Dover Ltd;

"Putting a Film on the Screen Puts a Country on the Map" by Mr Simon Rabbitt of Granada Productions Pty Ltd; and

"Building Fiji's Agricultural Sector" by Mr Yee Wah Sing, General Manager of Marco Polo Holdings and Developer of Garden City.

A total of 596 persons attended, comprising 329 delegates (of whom 168 were members and 161 non members), 152 partners and 115 children.

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

A Communique was issued at the end of the Congress recommending that all sectors of the community should combine to maintain integrity and high standards of social behaviour through the development of a Code of Conduct, to encourage a "Hand Up", not a "Hand Out" mentality, and to transform the approach to agriculture and the Government's support for it by identifying products suitable for niche markets.

THE ACT, RULES AND BY-LAWS

The Committee held extended meetings during 2004, 2005 and 2006 to review a considerable number of proposals for possible amendments to the FIA Act, the Rules and the By-Laws, and a Special General Meeting to consider the proposed amendments was held on 27th April 2006. By a large majority (85%) of the

chartered accountants present, the proposed amendments to the Act previously circulated were passed (together with one additional amendment introduced at the meeting). The proposed amendments to the FIA Rules were also passed by a similar (83%) majority with two additional amendments introduced at the meeting, including one to reduce the required quorum for general meetings from 50 to 30 full chartered accountant members.

The significant amendments proposed for the Act include:

- changes to the membership category titles for Provisional and Affiliate members;

- removal of distinctions between the different categories of members and deletion of the separate provisions for Affiliate and Licensed Accountants;

- changes to the disciplinary procedures to make them both simpler and more transparent;

- changes to attendance requirements for Council members;

- increases in the quantum of the financial penalties for breaches of the Act;

- widening the scope for investment of Institute funds; and

- a proposal for the Institute to have power to amend the FIA Rules without first having to obtain Ministerial approval.



The significant amendments proposed for the FIA Rules include the following:

provision for the specific academic and other practical experience requirements for admission to membership to be prescribed under By-Laws;

provision for taxation services provided by registered Tax Agents not to be regarded as being "accounting services to the public" (reserved for holders of certificates of public practice);

changes to voting procedures for general meetings (and a reduction of the quorum, to 30 full chartered accountant members);

amendment to the current Fundamental prescription of the role of the FIA Treasurer.

Copies of the revised annotated versions of the FIA Act and Rules, together with an introductory summary and a detailed commentary on all the proposed amendments, were submitted to the Ministry of Finance on 21st June 2006, with a covering letter from the FIA President. This was followed by a meeting held at the Ministry of Finance on 25th July 2006, to brief the Minister, his Chief Executive Officer and the Solicitor General on the proposed amendments and, at a subsequent meeting in November 2006 with the Minister, the FIA representatives were informed that a Cabinet Paper was to be submitted to Cabinet the following week endorsing the proposed amendments to the Act. Subsequent developments in Fiji place the future of the proposed amendments in some doubt.

The Council has also considered and endorsed amendments to most of the By-Laws other than the Code of Ethics. The Council has agreed in principle to adopt the international Code of Ethics produced by IFAC by mid 2008, together with a supplement containing material from the FIA Code that is not currently included in the IFAC Code.

EDUCATION AND MEMBERSHIP

During the course of 2007, the Education, Membership and Admission 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:

- 37 Chartered Accountants (of whom 19 were transfers from other categories)
- 66 Provisional Members (of whom 9 were previously Affiliate Accountants)
- 34 Affiliate Accountants

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
2002	13	24	27	64
2003	27	34	36	97
2004	32	33	42	107
2005	36	42	30	118
2006	24	47	29	100
2007	37	66	34	137

It is encouraging to note that the number of new chartered accountants and provisional members admitted in 2007 has increased by approximately 50%, although affiliate accountant numbers have remained virtually unchanged.

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 (although the mentoring requirements for chartered accountants have been deferred to 2007):

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 the USP but who have not completed the full set of 20 academic units required by FIA for its Provisional

Members, would also qualify for admission as Affiliate Accountants provided that they have substantially completed at least the equivalent of those academic courses required for recognised diplomas.

Professional Development

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).

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:

Reporting and Professional Practice;
Corporate Governance and Accountability; and
Business Strategy and Leadership.

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 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 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.

Subject to the proposed amendments to the Act and Rules being approved by the government, these new requirements will be incorporated in a set of Admission By-Laws.

AWARDS AND MEDALS

In the interests of promoting the study of, and the highest standards of excellence and achievement among students in accounting, the Institute has, 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 students attending the University of the South Pacific accompanied gold medals awarded by the University itself. An award was made in respect of 2006, in 2007, for the most outstanding student graduating in Accounting and Financial Management: Mr Pranil Prasad.

No cash award or gold medal is awarded specifically for the Diploma in Business Studies (Accounting Option) by the Fiji Institute of Technology. The award system has been changed and a gold medal is now awarded to a best student overall - across the entire spectrum of courses.

After a lapse of three years, the award for the Young Accountant of the Year was re-introduced in 2007 and the maximum age limit was reduced to 35 years. Six candidates applied, all of whom were interviewed. The prize was awarded to Mr Ravendran Achari of Williams & Gosling.

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 all 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 had planned a very varied and comprehensive programme for the year 2007 comprising seven Seminars and two Technical Workshops. One of the Seminars was converted into a full day workshop on IFRS Standards and another had to be re-scheduled.

No professional development activities were organised for the months of January, August or December in Suva and the one planned for November was re-scheduled. Only

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three of the activities organised for Suva were repeated in the West.

The eight successful activities, together with the five hours that could be earned by those attending the Annual Congress in June 2006, offered FIA members the opportunity to complete no less than a total of 38½ hours of structured continuing professional education, as follows:

Seminar	February 20th & April 12th	2½
Workshop	March 23rd-25th	7½
Seminar	April 17th & August 7th	2½
Seminar	April 26th & August 7th	2½
Seminar	May 22nd	2½
Congress	June 15th-16th	5
Seminar	July 24th	2½
Workshop	September 21st-23rd	7½
Workshop	October 20th	6
Total		38½



The pattern established in previous years reflecting the fact that the Institute's professional development programme appeals to a wider audience than just its own members is evident from the record of participation at the various activities demonstrated in the following table:

			Delegates	
			Members	Non Members
Seminar	Suva	February 20th	55	30
Workshop	Wrwk	March 23rd-25th	81	66
Seminar	Nadi	April 12th	n/a	n/a
Seminar	Suva	April 17th	37	23
Seminar	Suva	April 26th	23	-
Seminar	Suva	May 22nd	16	20
Congress	Fijian	June 15th-16th	168	161
Seminar	Suva	July 24th	24	19
Seminar	Ltka	August 7th	11	5
Workshop	Wrwk	September 21st-23rd	86	48
Workshop	Suva	October 20th	38	31

It is disappointing to note that one of the six planned seminars for Suva had to be rescheduled due to a lack of support, and that for 2007 only three professional development activities were mounted in the West – a very different record than the one for 2006.

Once again, the seminars and workshops programme featured a substantial number of sessions on accounting standards, and this is reflective of the popularity expressed by the majority of delegates attending technical workshops in the choice of topics for any future sessions. The Institute is also the only organisation in Fiji providing for specialist training in this field.

Seminars

The topics and presenters for the five Seminars for 2007 (three of which were held in Suva and the Western Division) were as follows:

February 20th

"Tax Changes and Developments"

Presented by Mr Pradeep Patel, Partner in G Lal & Co

[This was repeated in the West at the Tokatoka Hotel on 12th April.]

April 17th

"The Economy" and "The Financial Transactions Reporting Act"

Presented respectively by Mr Filimone Waqabaca and Mr

Razim Buksh of the Reserve Bank of Fiji

[The presentation on the Financial Transactions Reporting Act was repeated at the Waterfront Hotel in Lautoka on 7th August.]

April 26th

A Mentoring Workshop presented by Mr Nitin Gandhi, Partner in PricewaterhouseCoopers [This workshop was repeated at the Waterfront Hotel in Lautoka on 7th August in conjunction with the presentation on the Financial Transactions Reporting Act.]

May 22nd

"Issues in Environmental and Corporate Social Reporting"

Presented by Professor Keith Maunders from the University of the South Pacific

July 24th

"Divergence from Standards; A Cross Sectoral Study of Annual Reports"

Presented by Ms Asha Shyreen Lata and Mr Nacanieli Rika of the University of the South Pacific

A half day Seminar to be addressed by Mr Peter Sheahan, 2006 Keynote Speaker of the Year from Australia, who was to address a number of topics, was originally planned for November but has now been rescheduled for July 2008.

Workshops

Only two one and a half day Technical Workshops and one full day Standards Workshop were arranged for 2007, both the two Technical Workshops being held at the Warwick Fiji Resort in March and September and the full day Standards one in October, at the Southern Cross Hotel in Suva.

The first Technical Workshop was held at the Warwick Fiji Resort on 24th to 25th March 2007, incorporating 3 plenary and 2 "break-out" sessions covering the following topics:

The three Plenary sessions were:

"Due Diligence"

Presented by Mr Geoffrey Applegate of Gadens Lawyers in Australia;

"Inventory Management"

Presented by Mr Marc Rocard of Telecom Fiji Ltd; and

"The World Trade Organisation"

Presented by Ms Yolinda Chan of the Fiji Ministry of Foreign Affairs



and the two "Break-Out" sessions, both of which were on international standards, were:

"IAS 12 - Income Taxes"

Presented by Mr Parmod Chand of Macquarie University in Australia; and

"IAS 19 - Employee Benefits"

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

A total of 238 people attended of whom 147 were delegates, 50 were partners and 41 were children.

A second Technical Workshop was held at the Warwick Fiji Resort on 21st to 23rd September 2007, run in conjunction with CPA Australia, also incorporating 4 Plenary and 2 "Break-Out" sessions:

The four Plenary sessions were:

"Fiji's Tourism Industry - Economic Drivers and Tourism Action Group Update"

Presented by Mr Dixon Seeto, Chairman of the Fiji Islands Hotel and Tourism Association;

"IAS 32 - Financial Instruments - Presentation", and

"IAS 39 - Financial Instruments - Recognition and Measurement"

Presented by Ms Janice Loftus of the University of Sydney in Australia; and

"Australian Update on IFRS Implementation"

Presented by Mr Ron Switzer, New South Wales Director for CPA Australia

and the two "Break-Out" sessions were:

"IAS 21 - The Effects of Changes in Foreign Exchange Rates"

Presented by Ms Janice Loftus; and

"Valuation of Businesses as a Going Concern"

Presented by Mr Ron Switzer

The after dinner speaker on the first evening was H.E. Mr James Battley, High Commissioner for Australia in Fiji, who spoke on the subject of "RAMSI - Its History and Workings"

A total of 188 people attended of whom 134 were delegates, 35 were partners and 19 were children.

JOURNAL

Four issues of the Institute's "Accountant" Journal were produced and distributed to members during 2007:

A 42-page January-March 2007 issue which was distributed by mail in March 2007;

A 42-page June-August 2007 issue which was distributed at the time of the Congress; and

A 50-page September issue, distributed in September at the Technical Workshop and by mail; and

A 36-page October-December issue which was distributed by mail in December.

DISCIPLINARY PROCEEDINGS

The Investigation Committee met on four occasions during 2007: on 12th July, 16th August, 14th September and 15th November - to consider a total of eight cases. One of these cases was, however, more in the nature of an investigation into the status of a new accounting firm than a complaint.

Of the four cases which had been outstanding from the previous year, one had been withdrawn and three were dismissed because of a lack of response from the original complainants. Two of the new cases were addressed to other authorities, and merely copied to the Institute, and these were therefore kept under review, pending receipt of a formal complaint to the Institute itself. A generalised complaint that was received from an untraceable facsimile address is likewise being kept under review while efforts are made to trace the complainants and obtain specifics of their complaints. The remaining case was referred to the Disciplinary Committee in late November.

Disciplinary Committee did not meet during the year since no cases had been referred to it for consideration until late November.

Business and Government Committee

BUSINESS AND GOVERNMENT COMMITTEE

The Business and Government and Law Review Committees, merged from May 2005 in view of the fact that their areas of interest and responsibility frequently overlapped, had a very active and busy year in 2007.

In response to an invitation published in the newspapers, the Institute submitted its comments and recommendations to the Ministry of Finance, on the revised government Budget for 2007 issued by the interim government shortly after it took office, on 26th January 2007. These comments largely mirrored the submission made to the Ministry of Finance in June of the previous year, upon the original Budget for 2007.

During 2006, submissions were made to Fiji Islands Revenue and Customs Authority (FIRCA) with regard to the draft Inland Revenue Practice Statement No 25 – Application of Income Tax Act Section 11(a) to Profits from Property Sales. This became a contentious issue in the media, and the Institute was also concerned with the general principles involved. During 2007, the Institute made further representations and submissions on the same matter, seeking an updated Practice Statement, which would be in line with FIRCA's undertaking given in a letter dated 29th November 2006.

The Pacific Islands Forum Secretariat in January 2007 engaged a group of three consultants to undertake a stocktaking study on Services in the region in connection with a proposed Economic Partnership Agreement with the European Union and the Institute was asked to comment upon a section dealing with the accounting profession – particularly in relation to a perceived "barrier" to the trade in services in the Pacific arising from a requirement for those chartered accountants in public practice who wished to practise in Fiji to be resident in Fiji. The responses from all the organisations that featured in the report (including the FIA) were coordinated through the Fiji Ministry of Foreign Affairs.

The Ministry of Commerce and Industry also sought comments from the Institute in

February 2007 upon a proposal to review and revise the list of Reserved and Restricted Activities under the Foreign Investment Regulations, to which the Institute responded on 16th February.

The Institute also received an invitation from the interim Prime Minister's Office in May 2007 to provide input and suggestions on the proposal to formulate a "People's Charter for Change and Progress", to which the Institute's President responded on 12th June.

The Institute presented a detailed submission to the Ministry of Finance, for consideration in relation to the proposed national Budget for 2008 on 3rd July. Subsequently, a further briefing was provided to representatives of the Ministry of Finance and FIRCA, and this submission also featured, later, in a presentation made to the interim Prime Minister by the Institute President at a meeting organised by the Fiji Employers Federation and the Joint Private Sector Consultative Group, with representatives from various private sector organisations.

The Ministry of Finance also sought comments from the Institute on 21st August on the interim Government's proposed "Strategic Development Plan" for the years 2008-2010, to which the Institute responded on 20th September.

The Council was disturbed to learn, in October, that the provisions of the Hotels Aid Act were repealed and replaced by new investment tax incentives under the Eleventh Schedule of the Income Tax Act. The Income Tax (Hotel Incentives Amendment) Promulgation 2007 adversely affected Fiji's tourism industry in many ways and the Institute had a number of concerns about the new legislation. There had been little or no prior consultation with either the representatives of the tourism industry or the owners of any hotels that were likely to be affected. The Institute made strong representations to the interim Minister of Finance and the interim Prime Minister on this issue in a letter dated 1st November.

FIRCA sought comments from the Institute on proposed revisions to the basis of calculating

the taxable values of employee benefits. A comprehensive submission was made by the Institute to FIRCA on 8th November, which was followed by further meetings with FIRCA and submissions during December.

FIRCA also invited two representatives of the Institute to a meeting on 13th December, seeking views and comments on draft promulgations designed to give effect to the taxation measures announced in the 2008 National Budget. A written submission on certain critical matters was made on 17th December and a further one two days later.

The Business and Government Committee acted as the channel of communication between the Institute and FIRCA throughout the year and, although there have been differing views held on a number of important issues, relations have on the whole been cordial and two FIA/FIRCA joint meetings were held to exchange views on technical issues and in an effort to resolve differences. The Committee has also been able to provide advice and training on the implications of the new IFRS standards, for both FIRCA and the Reserve Bank of Fiji representatives.

STANDARDS

The Council, in honouring the Institute's obligation as a member body of the International Federation of Accountants (IFAC) to introduce international financial and reporting standards, and in the interests of the members of the Institute, decided that the Institute should adopt the full suite of the international financial accounting and reporting standards (IFRSs) – initially planning for their introduction for accounting periods commencing on the 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 to 1st January 2007.

The Council has, however, recognised that the international reporting and accounting standards are far too complex for adoption for smaller enterprises and they should only

Standards

become mandatory for entities falling within the following categories (the smaller entities will, for the time being, need to comply with the current Fiji Accounting Standards):

Public companies, as defined in the Companies Act;

Government majority owned companies;

Banking and financial institutions;

Superannuation, insurance and insurance broking entities;

Government entities established under their own statute with annual turnover of at least \$5m;

Entities with annual group turnover of at least F\$20M or with assets exceeding F\$20M;

Entities that are publicly accountable with annual turnover of at least \$5m (which have debt or equity instruments on public issue or have coercive power to tax, rate or levy to obtain public funds); or

Entities where any of the above listed entities have a significant influence (through more than 20 percent ownership), provided the turnover of such entities exceeds \$5m, as equity accounting would be applicable for the parent company reporting.

Internationally there has been some attention given to addressing the needs of small and medium enterprises ("SMEs"), whose reporting needs are significantly different from those of the larger commercial and multi national enterprises. In March, the International Accounting Standards Board (IASB) produced a proposed (450 page) draft set of international accounting standards for SMEs. These were examined by the Committee, and a detailed response was submitted to IASB in September – two principal comments being that substantially more work was needed to make the standards simpler and that the standards should be contained within a standalone document, rather than including,

by reference, the provisions of the IFRS standards.

The Institute had also decided in principle to adopt international standards on auditing issued by IFAC and the Committee had completed a review of the IFAC suite of audit related standards in December 2006. The suite comprises International Standards on Auditing (ISAs), International Audit Practice Statements (IAPs), International Standards on Assurance Engagements (ISAEs), International Standards on Review Engagements (ISREs), International Standards on Related Services (ISRSs) and International Standards on Quality Control (ISQCs). These are scheduled to be adopted from 1st July 2008, in conjunction with the IFAC's international Code of Ethics.

A provisional assessment indicates that the majority of these audit-related standards should be capable of being adopted without modification. The majority are little different from existing Fiji Standards on Auditing (FSAs).

In a genuine effort to assist its regional member bodies, the Confederation of Asian and Pacific Accountants (CAPA) arranged to make a bulk purchase of the bound volume of IASB's IFRS Standards for supply to individual members of member bodies at a heavily discounted cost of \$US43 per copy instead of the normal retail price of £60 charged to individual purchasers of the bound volume. The Institute ordered 83 copies to meet orders placed by FIA members.

The Committee has also recommended three Interpretation Statements which have subsequently been approved by Council and published in the Journal and on the Institute website:

FIS 1 Valuation of Securities with a Specified Maturity Date Held by Retirement Benefit Plans;

FIS 2 Measuring and Reporting of Unquoted Financial Securities, deemed to be Held as Available for Sale; and

FIS 3 Employee Benefits – Maternity Leave.

SURVEILLANCE PANEL

The Surveillance Panel, which is appointed by the Standards Committee and tasked with the responsibility to review the published annual financial reports of statutory bodies and entities listed on the South Pacific Stock Exchange, with the objective of improving compliance with quality standards in reporting, continued to provide excellent work during 2007.

The Panel met on a total of nine occasions in 2007 and reviewed the reports prepared by a total of twenty-seven entities. In twenty-six cases the entities concerned were contacted, identifying instances of non compliance with the accounting standards and/or providing suggestions for further improvements in reporting.

The most common issue continues to be in the area of fair value accounting with regard to property, plant and equipment which requires revaluation at regular frequency and covering the entire class of asset. Application of IFRS 1 for financial reports commencing on or after 1st January 2007 allows all carrying amounts to be deemed as "cost", and therefore provides some relief from this issue.

The adoption of the full suite of IFRSs can be expected to raise a new set of challenges both for reporting entities and the Surveillance Panel, and, in particular, the requirements under IFRS 1- First-time Adoption of International Financial Reporting Standards

The response from reporting entities to the Panel's letters has shown some improvement from that experienced in 2006 - due, in part, to the prompting given by two audit agencies to their clients, which was appreciated by the Panel. The Panel has also begun following up with those entities where there has been no response after three months from the dispatch of the initial letter. This too has elicited additional responses. The Panel, and Council, have sought support from the accounting firms and the Panel hopes that this will lead in future to stronger lines of communication between the Institute and reporting entities in the field

Corporate Plan

of compliance and to improved reporting in the public domain.

CORPORATE PLAN

The Council, after exploring a number of possible options, decided to approach an overseas consultant who had had prior experience with reviewing the corporate plans of a number of organisations in Fiji, to review the first corporate plan produced for the Institute in 2001. The consultant in question, Ms Lois Dickinson from New Zealand, arrived in Fiji for an initial visit in March 2007.

At an initial meeting held on 8th March with members of the Planning Committee, chaired by Mr Deepak Rathod and including Ms Lisa Apted and Mr Pradeep Patel, an outline programme for the review was discussed and agreed. This was to include a survey of the membership, to be conducted on line, seeking views on the success or otherwise of the first Corporate Plan together with suggestions for inclusion in the new Plan. Simultaneously, all the chairpersons of Institute Committees were asked to conduct similar consultative surveys with their Committee members. The Membership Survey, conducted between 10th June and 13th July, attracted 81 responses, out of a then total membership of 647 members (approximately 12½%). By FIA standards, this was a good level of response even if the numbers were comparatively small.

A number of issues featured fairly prominently among the comments and recommendations put forward by those who responded to the survey, including:

- a need for the Institute to be more visible and to speak out on important issues;

- a need for the Institute to collaborate with other professional and other organisations, particularly in the field of training seminars and workshops;

- a need for greater emphasis to be placed on break-out (interactive) sessions at technical workshops, for them to feature more on accounting standards and for the sessions to be longer; and

a need to provide for the mentoring requirements of applicants for full chartered accountant membership.

Following the conclusion of the membership survey and the collation of responses from each of the Committee chairpersons, a series of interviews were arranged for Ms Lois Dickinson to meet with a number of selected stakeholders, primarily in the financial field, to solicit their views on the effectiveness of the Institute and its success, or otherwise in achieving the various objectives of the previous Corporate Plan together with their suggestions for inclusion in the new Plan. The interviews were conducted in the week beginning 6th August and were followed

by a meeting of the Planning Committee on 11th August and of the full Council with Ms Lois Dickinson on 13th August to summarise the proposals to be included in the new Corporate Plan – this draft being circulated to the FIA membership for comment.

The final version of the new Corporate Plan was published in booklet form and distributed to all members of the Institute.

MEMBERSHIP STATISTICS

The total number of members, of all categories, listed on the Institute's Register, as at the 31st December 2007, was 597 – reflecting an increase of more than 30 on the total for 2006. This is a welcome change, after two years of declining numbers.

During 2007, the names of 92 members and 21 students were removed from the Register for failing to pay their membership subscriptions before 30th June 2007. However, 12 members subsequently paid their arrears and so had their names restored to the Register. A majority of those who fail to pay their subscriptions are usually those who have migrated.

During the year, a total of 137 new members were admitted to membership, of whom 37 were admitted as Chartered Accountants, 66 as Provisional Members and the other 34 as Affiliate Accountants.

The comparative figures for 2006 and 2007 for each of the various categories were as follows:

	2006	2007
Chartered Accountants in Public Practice	35	36
Chartered Accounts not in Public Practice	248	251
Provisional Members	121	166
Affiliate Accountants	132	128
Licensed Accountants	2	1
Students	27	14
Total	565	596

Seventy-nine members were resident overseas of whom 64 were Chartered Accountants, 8 were Provisional members and 7 were Affiliate Accountants.

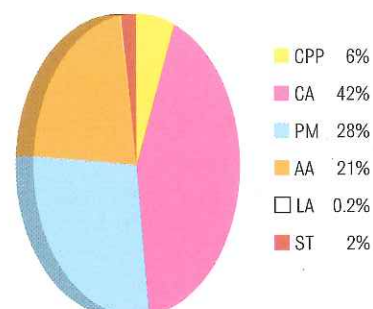
Only one of the original 72 Licensed Accountants remains on the Register. We have to record, with regret, that Mr Narwar Lal Sundarji, who was registered as a Licensed Accountant on 13th March 1972, passed away on 24th November 2007.

We record also with sincere regret the passing away of **Mr Lyle Norman Cupit** in Sigatoka on 5th April 2007, who was admitted to the FIA as a Chartered Accountant on 31st May 1972, and **Mr Cyril Donald Aidney** in Suva on 8th July 2007, who was admitted to the FIA as a Chartered Accountant on 13th March 1972. Both men were founder members of the Institute. Mr Aidney served on the Council for ten years, from 1972 to 1982, was Vice President in the first two years of the Institute's existence and served as President from 1976 to 1978.

Membership Statistics

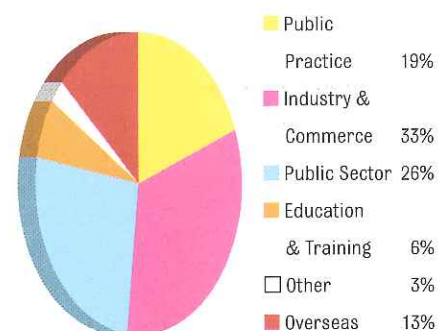
A. MEMBERSHIP by Category (1999 – 2007)

	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
2006	35	248	121	132	2	27	565
2007	36	251	166	128	1	14	596



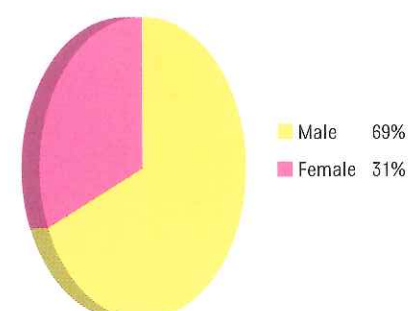
B. MEMBERSHIP by Occupation (2007)

	CPP	CA	PM	AA	LA	ST	TOTAL
Public Practice	36	28	41	9	1	-	115
Industry & Commerce	-	88	54	52	-	-	194
Public Sector	-	55	53	47	-	-	155
Education & Training	-	12	6	6	-	14	38
Others	-	4	4	7	-	-	15
Overseas	-	64	8	7	-	-	79
Total	36	251	166	128	1	14	596



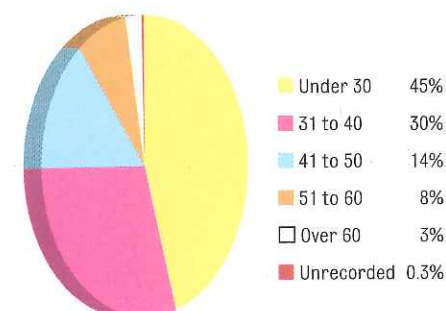
C. MEMBERSHIP by Gender (2002 – 2007)

	2002	2003	2004	2005	2006	2007
Male	373	392	449	420	400	409
Female	131	139	169	169	165	187
Total	504	531	618	589	565	596



D. MEMBERSHIP by Age (2002 - 2006)

	2002	2003	2004	2005	2006	2007
Under 30	232	223	265	256	232	269
31 to 40	125	155	188	173	169	177
41 to 50	104	101	107	102	94	86
51 to 60	24	30	36	39	47	47
Over 60	14	17	18	15	18	15
Unrecorded	5	5	4	4	5	2
Total	504	531	618	589	565	596



New Committee Members 2007 - 2008

Investigation Committee

Rajeshwar Sharma (Chair)
Iowane Naiveli
Susan Kumar
Kamlesh Tappoo
Regina Mar

Membership and Admissions Committee

Susan Kumar (Chair)
Deepak Rathod
Michael Yee-Joy
Divik Deo
Nacanieli Rika
Stella Tiko

Business and Government Committee

Lisa Apted (Chair)
Pradeep Patel
Ross McDonald
Jerome Kado
Francis Chung
Sunil Deo Sharma

Act & Rules Committee

Sikeli Tuinamuana (Chair)
Uday Sen
Zarin Khan
Joveci Tuinamuana
Caroline Pickering

Journal & Website Committee

Uday Sen (Chair)
Rajeshwar Sharma
Beverly Seeto
Morgan Pillay
Daphne Vadiga
Finau Nagera
Ritesh Mistry

Staff & Administration Committee

Nitin Gandhi (Chair)
Sikeli Tuinamuana

Disciplinary Committee

Nitin Gandhi (Chair)
Lisa Apted
Deo Saran
Tomasi Vakatora
Ravendran Achari

Congress Organising Committee

Deo Saran (Chair)
Nitin Gandhi
Robert Cohen
Vijay Naidu
Shaneel Nandan
Ashwin Singh
Ashvin Nandha
Carol Watkins

Professional Development Committee

Iowane Naiveli (Chair)
Pradeep Lal
Lorraine Seeto
Kavin Rathod
Neil Underhill
Arvindbhai Patel
Renu Chand
Rajeshwar Sharma

Standards Committee

Pradeep Patel (Chair)
Sikeli Tuinamuana
Bruce Sutton
Eroni Vatuloka
Mick White
Urmila Maharaj

Western Division Committee

Nitin Gandhi (Chair)
Deo Saran
Robert Cohen
Vijay Naidu
Shaneel Nandan
Ashwin Singh
Ashvin Nandha
Carol Watkins

Awards Committee

Deo Saran (Chair)
Atma Maharaj
Sushil Narayan

A Brief Commentary on the Financial Statement for 2007

Net Surplus

FIA's net surplus for the year was \$31,203 compared to \$6,241 in the previous year. The significant increase in net surplus was mainly due to Special Committee net surplus arising from the Annual Congress.

Revenue

Members' subscriptions amounted to \$63,512 (2006 - \$59,520), a marginal increase of \$3,992 from the previous year.

Total income from special committees increased to \$604,152 (2006 - \$562,821) an increase of \$41,331 from the previous year, representing a marginal growth of 7.4%. An increase in the surplus amounting to \$25,040 was recorded under the Annual Congress, a further \$2,482 in Educational Courses \$3,360 in Journal Committee and a \$130 increase in the Western Division Committee.

The net surplus from Special Committees amounted to \$79,880 (2006- \$48,868) an increase of \$31,012 or 63.4% from the previous year largely due to a greater number of those attending the annual congress.

Expenditure

Total expenditure amounted to \$141,662 (2006 - \$122,846), an increase of \$18,816 from the previous year.

Major items contributing to the overall increase in expenditure were advertising, council and committee expenses, International activities, legal and professional expenses, printing & stationery and travel.

Balance Sheet

The year-end balances under Other Assets was \$89,804 (2006 - \$43,006). The increase was due to prepaid presentation fee to Peter Sheahan of \$14,302, VAT refund of \$14,525 and prepayments to Oceania Printers of \$9,266.67.

Members' funds amounted to \$522,893 (2006 - \$486,014) comprising accumulated surplus of \$518,695 (2006 - \$487,492) and investment valuation reserve of \$4,198 (2006 - (\$1,478)).

Financial Statements

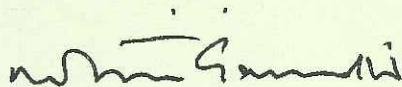
Contents

Statement by the Council of Fiji Institute of Accountants	16
Independent Audit Report	17
Income and Expenditure statement	18
Statement of Changes in Members' Funds	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to and Forming Part of the Financial Statements	22-28

Statement by the Council of the Fiji Institute of Accountants

FOR THE YEAR ENDED 31 DECEMBER 2007

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 18 to 28 for the year ended 31 December 2007 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2007 and the results of its operations, its cash flows and changes in members' funds for the year then ended.



PRESIDENT

Dated this 7th day of May 2008.


TREASURER

Independent Audit Report to the members of Fiji Institute of Accountants

FOR THE YEAR ENDED 31 DECEMBER 2007

Scope

I have audited the financial statements of the Fiji Institute of Accountants for the year ended 31 December 2007 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 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 2007 and the results of its operations, its cash flows and changes in members' funds for the year then ended.



Rana Pratap Singh
Chartered Accountant

Suva, Fiji
This 23rd day of May 2008

Income and Expenditure Statement

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 \$	2006 \$
INCOME			
Admission fees		7,680	6,000
Members' subscription	2	63,512	59,520
Interest		9,596	4,725
Dividend		6,454	9,146
Special Committees (net surplus)	3	79,880	48,868
Technical publications	4	(542)	176
Other		6,285	652
TOTAL INCOME		172,865	129,087
EXPENDITURE			
Audit fees		889	889
Advertising		3,817	1,452
Bank Charges		807	434
Council & committee expenses		10,139	7,811
Depreciation		5,875	7,370
Electricity		2,976	2,104
General expenses		1,446	1,237
Gifts and awards		774	1,200
Handbook to members		1,266	840
Insurance		5,186	5,684
International activities	5	5,512	3,503
Legal and professional expenses		8,413	5,061
Postage, telephone, internet and website		7,711	8,458
Printing and stationery		11,846	6,893
Rental		13,800	13,800
Repairs and maintenance		1,291	1,145
Salaries, wages, gratuity and associated costs		55,837	53,730
Travelling		4,077	1,235
TOTAL EXPENDITURE		141,662	122,846
NET SURPLUS FOR THE YEAR		\$ 31,203	6,241

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

Statement of Changes in Members' Funds

FOR THE YEAR ENDED 31 DECEMBER 2007

	Accumulated Surplus \$	Investment Valuation Reserve \$	Total \$
Balance as at 31 December 2006	481,251	15,192	496,443
Net surplus for the year	6,241	-	6,241
Loss on re-measurement of available –for –sale financial assets to fair value	-	(16,670)	(16,670)
Balance as at 31 December 2007	487,492	(1,478)	486,014
Net surplus for the year	31,203	-	31,203
Gain on re-measurement of available –for –sale financial assets to fair value	-	5,676	5,676
	\$ 518,695	4,198	522,893

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

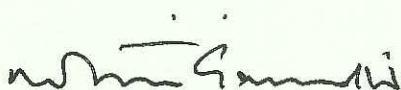
FIJI INSTITUTE OF ACCOUNTANTS

Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash at bank and on hand		54,177	74,771
Interest receivable		1,854	1,346
Inventories	6	1,785	3,051
Other assets	7	89,804	43,006
Financial assets	8	105,210	149,080
TOTAL CURRENT ASSETS		252,830	271,254
NON CURRENT ASSETS			
Financial assets	8	269,515	218,789
Plant and equipment	9	19,813	17,398
TOTAL NON-CURRENT ASSETS		289,328	236,187
TOTAL ASSETS		542,158	507,441
CURRENT LIABILITIES			
Creditors and accruals		9,708	14,364
Provisions	10	4,038	3,332
Subscriptions received in advance		5,519	3,731
TOTAL CURRENT LIABILITIES		19,265	21,427
TOTAL LIABILITIES		19,265	21,427
NET ASSETS		522,893	486,014
MEMBERS' FUNDS			
Accumulated surplus		518,695	487,492
Investment valuation reserve		4,198	(1,478)
TOTAL MEMBERS' FUNDS		\$ 522,893	486,014

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



PRESIDENT



TREASURER

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING EXPENSES			
Receipts from members		71,192	66,665
Receipts from special committees and technical publications		616,619	559,837
Payment to suppliers and employees		(714,986)	(636,807)
Interest received		9,596	4,889
Dividend received		6,454	9,146
Net cash flows from/(used in) Operating Activities	12(a)	(11,125)	3,730
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of plant and equipment		(8,289)	(747)
Net cash flows (used in) Investing Activities		(8,289)	(747)
Net increase/(Decrease) in cash held		(19,414)	2,983
Cash at the beginning of the financial year		258,801	255,818
Net cash at the end of the financial year	12(b)	\$ 239,387	258,801

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 2007

NOTE 3. SPECIAL COMMITTEES (cont'd)**b) Education Courses**

	2007 \$	2006 \$
Income		
Registration fees and levies	201,299	201,556
Expenses		
Accommodation, food and beverage	178,129	177,285
Advertising, publicity and other costs	3,648	7,231
	181,777	184,516
Surplus	19,522	17,040

(c) Journal Committee

Income		
Advertising revenue	12,544	8,872
Expenses		
Production and other costs	11,099	10,787
Surplus/(Deficit)	1,445	(1,915)

(d) Western Division Committee

Income		
Registration fees and levies	2,380	3,595
Expenses		
Venue and refreshments	1,198	2,076
Bank charges	70	76
General	-	266
Travelling	-	195
	1,268	2,613
Surplus	1,112	982
Net surplus special committees	79,880	48,868

NOTE 4. TECHNICAL PUBLICATIONS

Net proceeds of handbooks	(542)	176
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Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 5. INTERNATIONAL ACTIVITIES

	2007	2006
	\$	\$
Subscription to:		
-International Federation of Accountants	1,859	1,751
-Confederation of Asia and Pacific Accountants	1,354	1,372
-International Accounting Standards Board	-	380
	3,213	3,503
Conference		
- Attendance at CAPA conference in Osaka	2,299	-
	2,299	-
Total international activities	5,512	3,503

NOTE 6. INVENTORIES

Hand books	1,785	3,051
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NOTE 7. OTHER ASSETS

Deposit – Congress and Technical Workshops	56,598	35,556
VAT receivable	14,526	-
Printing deposit – Fiji Accounting Standards	9,267	-
Other receivables and prepayments	9,413	7,450
	89,804	43,006

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

Short term deposits with financial institutions	105,210	149,080
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Non – Current**Held – to – maturity investments**

Long term deposits with financial institutions	80,000	34,950
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Financial assets held to maturity attract interest ranging from 1.25 percent per annum to 8.50 percent per annum and have maturities ranging from January 2008 to December 2010.

Notes to and Forming Part of the
Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 8. FINANCIAL ASSETS (cont'd)**Available – For – Sale Financial Assets****Listed / quoted securities**

Colonial First State Managed Funds

Unit Trust of Fiji

	2007	2006
	83,235	78,364
	106,280	105,475
	189,515	183,839
Total non-current financial assets	269,515	218,789

Reconciliation of available – for – sale financial assets

Opening balance

Gain / (loss) on re-measurement to fair value

Total available –for –sale financial assets

	183,839	200,509
	5,676	(16,670)
Total available –for –sale financial assets	189,515	183,839

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

NOTE 9. PLANT AND EQUIPMENT

Office furniture and equipment – at cost

Less: provision for depreciation

Total written down value

	69,927	61,633
	(50,114)	(44,235)
	19,813	17,398

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

Additions

Disposals

Depreciation expense

Total written down value

	17,398	24,021
	8,289	747
	-	-
	(5,874)	(7,370)
	19,813	17,398

NOTE 10. PROVISIONS

Annual leave entitlements

Employee Numbers

Average number of employees during the financial year

	4,038	3,332
	4	4

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 11. FUNDS HELD IN TRUST

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

CHAIR IN ACCOUNTING

	2007 \$	2006 \$
Balance at the beginning of the year	25,807	24,911
Add: dividends	405	959
Less: bank charges	(61)	(63)
	26,151	25,807
Represented by:		
Cash at bank	6,151	5,807
Investments at cost	20,000	20,000
	26,151	25,807

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 2007, the units held at Colonial First State Managed Funds were valued at \$19,794 (2006: \$18,636). 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	26,009	25,586
Add: interest	950	850
Less: bank charges	(62)	(68)
Plus: prior year adjustments	164	(359)
	27,061	26,009
Represented by:		
Cash at bank	6,111	5,404
Interest receivable	950	605
Cash on deposit	20,000	20,000
	27,061	26,009

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

FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 12. NOTES TO THE STATEMENT OF CASH FLOWS**a) Reconciliation of the net cash provided by operating activities to the net surplus for the year**

	2007	2006
Net surplus for the year	\$ 31,203	6,241
Depreciation	5,875	7,370
Net cash provided by operating activities before change in assets and liabilities	37,078	13,611
Change in assets and liabilities:		
Decrease in inventories	1,265	1,003
(Increase) in sundry debtors and prepayments	(46,798)	(7,293)
(Increase)/decrease in interest receivable	(508)	164
(Decrease) in creditors and accruals	(4,656)	(813)
Increase/(decrease) in provision for leave entitlements	706	(275)
Increase/(decrease) in subscriptions and fees in advance	1,788	(2,667)
Net cash flows from/(used in) operating activities	(11,125)	3,730

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	54,177	74,771
Term deposits: Current	105,210	149,080
Term deposits: Non-current	80,000	34,950
	239,387	258,801

NOTE 13. EXPENDITURE COMMITMENTS

a) Capital commitments at balance date	-	7,000
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
	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

The Institute has a commercial lease for its office in Berry Road, Suva, which ends in May 2008. The lease has a renewal option.

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.