



*Fiji Institute  
of Accountants*

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Annual Report 2008



## *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.





**Rajeshwar Sharma**

*Whilst we all are currently coming to terms with the challenges of the global financial meltdown we are hopeful that we as a profession will be able to withstand the difficulties and at the same time will be able to provide leadership to other stakeholders in overcoming the downturn.*

## President's Message

The year 2008 has been a busy and rewarding year for the Fiji Institute of Accountants despite the unfolding of the global financial crisis and the continuing political and economic problems facing our island nation. There is no doubt that the accounting profession continued to live up to expectations, as our members are in the forefront in helping the business world steer a safe path through the testing current circumstances. History reveals that the accounting profession is looked to in times of such financial and economic crises for answers, guidance, advice and leadership towards assisting in resolving matters impacting not only businesses but all other stakeholders, including individuals. We are hopeful that the profession in the global environment, including our Institute, will come out stronger and better through optimism and encouraging prospects that may emerge in the current interesting times.

I took up the role of the President from Nitin Gandhi in June 2008 and would like to thank him for his accomplishments during his term as President. I am also grateful and somewhat humbled that the Council had the confidence in appointing me as the President for the ensuing twelve months.

During the year 2008 the Institute has taken several initiatives towards enhancing the membership value while meeting the challenges of all stakeholders in respect to the role of the accounting profession and the Institute. Our Institute is no doubt considered to be a premier Institute.

Some of the highlights of 2008 have been as follows:

### Membership

We are pleased to advise that the number of new admissions to membership was a record for recent years with a total of 161 new members being admitted, including 42 Chartered Accountants. This has now increased our total membership to 662 out of which we have 36 CPP holders and 270 Chartered Accountants. This is no doubt a reflection on the continuous demand for the profession and the public esteem in which the profession is held.

### Congress 2008

The Annual Congress is now generally considered to be the best business forum held in the country that attracts a very wide cross section of participants through all sectors of the business environment including various professions. The Congress 2008 was another success and drew applause from all the participants and presenters alike.

### Act, Rules and By-Laws

The Council has adopted the International Code of Ethics effective from 1 July 2008, together with a local supplementary Code dealing with issues that are not covered in the International Code.

In respect to other FIA legislation, you are aware of the significant amendments to the FIA Act and Rules that were endorsed by a large majority of our members at the Special General Meeting held on 27 April 2006. Unfortunately the events of December 2006 have held us back from getting these enacted through the legislature. Council has agreed to pursue this matter with the Government of the day and we are hopeful that this will be possible in the not too distant future so that there are more opportunities for our members.

### Professional Development

The Institute's Professional Development Committee continues to play an active role in sourcing both short presentations and full day technical workshops so that our members are able to up skill themselves with the recent developments for the profession. We also acknowledge the support of CPA Australia in this respect.

Members are also aware that in line with our commitments to the global accounting body IFAC, the members supported the increase in professional development or CPE hours to 30 structured hours annually or 90 structured hours over a three year period effective January 2009. All members are required to develop and maintain professional competence necessary to provide high quality services to clients, employees, community and other stakeholders.

## President's Message (cont'd)

### Accreditation

During the year Professor Roger Hopkins undertook a review of the tertiary courses that are offered at various tertiary academic institutions in Fiji to ensure that they meet the standards required by the FIA. Accordingly, courses run by the University of Fiji were also given accreditation by FIA following the recommendations of Professor Hopkins.

### Business and Government

The Business and Government Committee has been actively involved in responding to various draft proposals for legislature and administrative changes.

In addition, the Committee submitted its proposals on the 2009 Budget. The Committee has also been working closely with FIRCA on issues of mutual interest.

Apart from the above key highlights the Institute also has several other Committees supporting the Council and details of these committees' activities

during the 2008 year are provided elsewhere in this Annual Report.

The Council continues to honour the Institute's obligations as a member of the International Federation of Accountants (IFAC) through introduction of international financial and reporting standards (IFRSs).

These have been introduced since 1 January 2007 with some exceptions for smaller enterprises. The Institute has also adopted the full suite of International Standards on auditing issued by IFAC with effect from 1st July 2008.

Our members have also been provided with access to IFRS standards through a link on our FIA website.

Whilst we all are currently coming to terms with the challenges of the global financial meltdown we are hopeful that we as a profession will be able to withstand the difficulties and at the same time will be able to provide leadership to other stakeholders in overcoming the

downturn. This recession is possibly the greatest challenge for our members. My message to all is don't succumb to the belief that it will sort itself out. Much has to be done to survive and lay a foundation for growth and I am optimistic that we all will ride this through.

As my term as President comes to an end, I wish to thank my fellow Council Members, members of the various committees, the Executive Director and his secretariat team for their commitment and dedication in enhancing the activities of the FIA in 2008. I am proud to have been part of this team.

I look forward to seeing you at the 2009 congress.



Rajeshwar Sharma

## The Council for 2008/2009

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

## Annual General Meeting

The Annual General Meeting for 2008 was held on 13th June at the Shangri-la Fijian Resort on Yanuca Island near Sigatoka and it was attended by a total of eighty-three members of whom seventy-seven were full Chartered Accountant members, four were Provisional Members and the remaining two were Affiliate Accountants.

Since no contending nominations were received for Council positions against those whose terms of office were due to expire, the following persons were re-elected unopposed for a further term of three years: **Iowane Naiveli** in Category A, **Rajeshwar Sharma** in Category B and **Lisa Apted** in Category C.

Rana Pratap Singh was re-elected as the Institute's Auditor, for a second year, with the Council expressing appreciation to him for his services in the past year.

During the Annual Meeting, the membership also considered and passed a motion increasing the annual membership subscription fees, to take effect from **1st January 2009**. The new rates are as follows:

CPP members	\$350.00 + VAT = \$393.75	an increase of \$75.00 + VAT
CA members	\$225.00 + VAT = \$253.12	an increase of \$75.00 + VAT
PM members	\$125.00 + VAT = \$140.62	an increase of \$65.00 + VAT
AA members	\$100.00 + VAT = \$112.50	an increase of \$40.00 + VAT

The membership also approved a motion increasing the minimum number of "structured" CPE hours to be completed in a year from 20 to 30 annually, or 90 over a three-year period.

The Council expressed sincere appreciation to **Nitin Gandhi** who completed his one year term as **President** in 2008.



## The Council

As mentioned in the preceding section, **Iowane Naiveli, Rajeshwar Sharma** and **Lisa Apted** all retired, having completed their three-year periods in office in 2008, and they were re-elected, unopposed, for a further period of three years.

Following the Annual General Meeting, at a regular Council Meeting, **Rajeshwar Sharma** and **Iowane Naiveli** were elected, as President and Vice President respectively for the year 2008/2009. **Sikeli Tuinamuana** was re-elected as Treasurer for the same period.

The Council held 13 meetings during the year of which 11 were regular monthly meetings, one was a special one, to consider action plans to implement the new Corporate Plan and the final one was one where the Council met for an Appeal hearing in connection with a disciplinary case. The election of the President, Vice President and Treasurer for the year and also to appoint members of the Investigation and the Disciplinary Committees, following the Annual General Meeting was dealt with at the regular monthly meeting of the Council in June. All thirteen meetings were held in Suva.

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 2008 in the following table:

Rajeshwar Sharma	11 out of 13	84.6%
Iowane Naiveli	11 out of 13	84.6%
Sikeli Tuinamuana	12 out of 13	92.3%
Deo Saran	8 out of 13	61.5%
Lisa Apted	10 out of 13	76.9%
Pradeep Patel	10 out of 13	76.9%
Nitin Gandhi	11 out of 13	84.6%
Susan Kumar	7 out of 12	58.3%
Uday Sen	12 out of 13	92.3%

Susan Kumar resigned from Council in early December 2008.

## Congress 2008



The Annual Congress for the year 2008 was held, over the two-day period 13th - 14th June at the Shangri-la Fijian Resort, on Yanuca Island near Sigatoka. This was only the third 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 theme chosen by the Council and the Organising Committee for the 2008 Congress was "The Future Now" and featured five speakers, and two panel discussions, on the first day and four speakers, and a panel discussion, on the second day.

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

**"The Future Now"** the Keynote Address, by HE James Batley, Australian High Commissioner for Fiji;

**"Creating a Stable Fiji"** by Ratu Joni Madraiwiwi, Ex Vice President of Fiji;

**"Marketing the Fiji Brand"** by Ms Margo Jamieson, Director for Fiji Water;

**"An Economic and Market Outlook: A Global View"** by Mr Andrew Hanlan, Senior Economist with Westpac in Sydney; and

**"Inspiring Our Future"** by Ms Shivani Gupta, Professional Motivational Speaker, Small Business Columnist and TV Presenter for the SBS Channel in Australia.

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

**"Reforming the Financial Sector to Stimulate Economic Growth"** by Dr Sukhdev Shah from the University of the South Pacific;

**"Creating an Investment Climate for Fiji"** by Mr Francis Narayan, Chairman of the Fiji Trade and Investment Bureau;

**"The Future of the Accounting Profession: New Competencies and Management Skills"** by Mr John Cahill, Western Australian Director for CPA Australia; and

**"Accountability in the Public Sector"** by Mr Henry Bosch, former Chairman of the Australian National Companies and Securities Commission.

A total of 594 persons attended, comprising 347 delegates (of whom 164 were members and 183 non members), 140 partners and 107 children.

Representatives from two out of the three sister accounting organisations in Australia and New Zealand also attended, one of whom was also a Speaker.

A Communique was issued at the end of the Congress stating:

"We have a renewed sense of hope and confidence in Fiji's future. Fiji needs strong, mature and courageous leadership. Leadership is about change (taking us from where we are to where we need to be)" [including a wish list of some 22 items] and therefore "The 2008 Congress commits not to try to change the world but start with a few small positive steps, to make a difference, to have some fun and to "Project Proton" - small and positive energy."

## 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%) the proposed amendments to the Act previously circulated were passed. 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 Rule that prohibits advertising; and 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 had placed the future of these proposed amendments in some doubt. However, towards the end of 2008, Council appointed 3 Council members to approach officials of Fiji's interim government, with a view to further advancing the introduction of the proposed amendments.

The Council has also considered and endorsed amendments to most of the By-Laws, including the Code of Ethics. The Council agreed to adopt the international Code of Ethics produced by IFAC from 1st July 2008, together with a supplement containing material from the FIA's own previous Code that is not currently included in the IFAC Code.

## Education and Membership

During the course of 2008, the Education, Membership and Admission Committee, which is now also responsible for the administration of the post Graduate Professional Programme, considered and recommended to Council

the admission of the following, all of whom were approved by the Council:

42 Chartered Accountants (of whom 23 were transfers from other categories)

66 Provisional Members (of whom 2 were previously Affiliate Accountants)

53 Affiliate Accountants

This year will have been a record year for admissions, quite apart from the additional 24 cases listed in the following paragraph, as can be seen from the table below.

In addition, at a special meeting of the Committee held in December to consider applicants who were seeking admission under the "old requirements" (the deadline for which was 31 December 2008) the Committee considered and agreed to recommend a further 24 applicants (21 of whom were current Provisional Members) for admission as Chartered Accountants. These additional applications would be submitted to Council for consideration in January 2009.

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

It is encouraging to note that the

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
2008	42	66	53	161

number of new chartered accountants and affiliate accountant members admitted during 2008 are the highest on record, although provisional member numbers have remained virtually unchanged.

During 2004, the Institute undertook a detailed review of the requirements for admission to all categories of membership and introduced the following "new requirements" with effect from 1st January 2005 (although the mentoring requirements for chartered accountants were deferred to 2007):



For Affiliate Accountants, where previously only the diplomas in Accounting Studies, issued by the University of the South Pacific, 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 the 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.

For Provisional Members, the previous basic requirement had been a BA degree from 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.

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 future but future 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.

These "new requirements" will become the rule applicable for all applicants for admission to membership from 1st January 2009.

During 2008, the Institute engaged the services of Professor Roger Hopkins from the Victoria University in Wellington

to undertake an accreditation exercise of the main tertiary academic institutions in Fiji from which the FIA draws its members. This exercise entailed a review of four of the five institutions accredited in 2003 (USP, FIT, TPAF and NZPTC) and a detailed examination of the courses run by the University of Fiji. All five institutions were found to be providing tertiary education acceptable for applicants for membership in the FIA and a list of comparable acceptable courses provided by the University of Fiji and the University of the South Pacific has been drawn up and is published on the FIA website.

## 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 2007, in 2008, for the most outstanding student graduating in Accounting and Financial Management: Mr Paritosh Deo.

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 FIT 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. The competition for the award was not activated for 2008.

## Professional Development

Undoubtedly the single most valuable service provided by the Institute for its members is the professional development programme, which offers the 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 then 2008 current 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 both a very varied and comprehensive programme for 2008 consisting of eight Seminars and two full day Technical Workshops.

A planned two-day workshop that was to be organised by CPA Australia in February 2008 was initially postponed to March and then to later in the year. No professional development activities were organised for the months of February or December.

The ten organised activities, together with the five CPE hours that could be earned by those who attending the Annual Congress in June 2008, offered FIA members no less than a total of 38½ hours of structured continuing professional education.

The programme organised for 2008 provided opportunities for FIA members to gain CPE hours by attending various professional development activities as follows:

Seminar	January 22nd	2½
Seminar	March 4th	3
Workshop	March 14th-16th	6½
Seminar	April 29th	2½
Seminar	May 20th	2½
Congress	June 12th-14th	5
Seminar	July 18th	3
Seminar	August 26th and October 8th	2½
Workshop	September 19th-21st	6
Seminar	October 14th	2½
Seminar	November 25th and 26th	2½
Total		38½



A pattern established in many 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	Total
Seminar	Suva	January 22nd	21	4	25
Seminar	Suva	March 4th	22	20	42
Workshop	Shrtn	March 14th-16th	103	53	156
Seminar	Suva	April 29th	21	24	45
Seminar	Suva	May 20th	7	56	63
Congress	Fijian	June 12th-14th	164	183	347
Seminar	Suva	July 18th	60	147	207
Seminar	Suva	August 26th	43	-	43
Workshop	Wrwk	September 19th-21st	98	61	159
Seminar	Nadi	October 8th	23	-	23
Seminar	Suva	October 14th	22	27	49
Seminar	Suva	November 25th	19	18	37
Seminar	Nadi	November 26th	16	25	41

It is disappointing to note that - for 2008 - only two professional development activities were mounted in the West - one less than for 2007 and a very different record from 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 eight Seminars for 2008 (two of which were held both in Suva and the Western Division) were as follows:

### January 22nd

#### "The Economy" and "Real Time Gross Settlements System"

Presented by Mr Jitendra Singh and Mr Ariff Ali of the Reserve Bank of Fiji

### March 4th

#### "Global Money Laundering - Fiji's Perspective"

Presented by Mr Peter Fennell, Fiji Branch President of CPA Australia and Mr Razim Buksh, Head of the Reserve Bank's Financial Intelligence Unit

### April 29th

#### "Fraud"

Presented by Associate Professor

### July 18th

#### "Generation Y" and "FLIP"

- a half day seminar comprising two 1½ hour sessions Presented by Mr Peter Sheahan, 2006 Keynote Speaker of the Year from Australia, to a very large and enthusiastic audience at the main USP Lecture Theatre.

### August 26th

#### "The International Code of Ethics"

Presented by Mr Sikeli Tuinamuana, Partner in Ernst & Young

### October 14th

#### "Internal Audit, Yesterday, Today and Tomorrow"

Presented by Mr Ilaitia Tuinamoala

### November 25th

#### "Capital Project Evaluation"

Presented by Mr Pradeep Lal and Mr Divik Deo from Vodafone Fiji Ltd

## Workshops

Two one and a half day Technical Workshops were arranged for 2008, the first one being held at the Sheraton Fiji Resort in March and the second being held at the Warwick Fiji Resort in September.

The pattern for the programme for the first March Technical Workshop in 2008 was changed in response to suggestions included by delegates in their responses to questionnaires completed at the previous workshops. The actual working part of the Workshop was compressed

Arvindbhai Patel of the University of the South Pacific

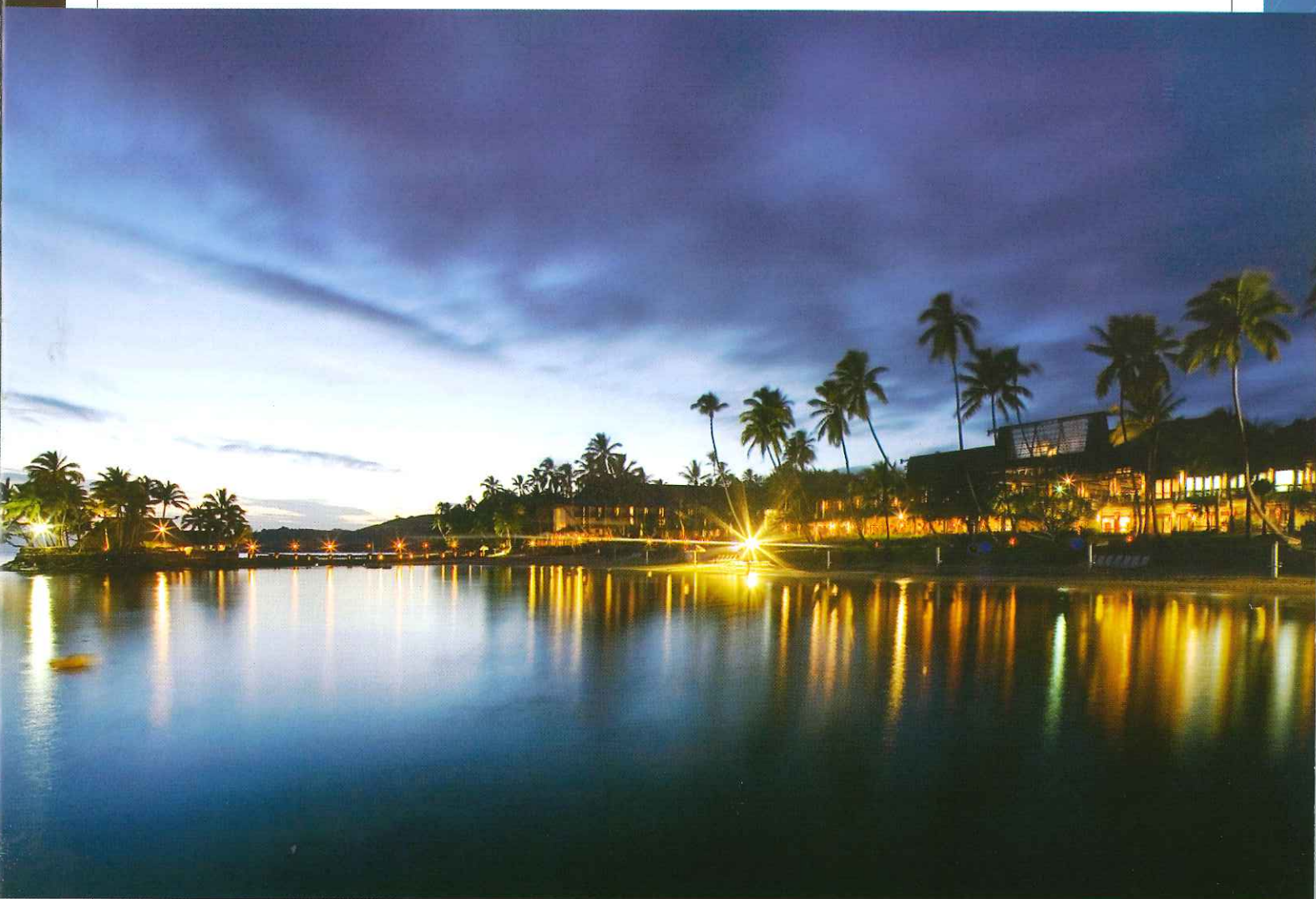
### May 20th

#### "International Standards on Auditing" and the "IFAC Code of Ethics"

Presented respectively by Mr Pradeep Patel, Partner in G Lal & Co and Mr Sikeli Tuinamuana Partner in Ernst & Young







into a single day, on the Saturday. The work programme was also modified by removing one of the previous 3 plenary sessions and restricting the programme to two plenary and two break-out sessions, but extending the time for the two break-out sessions to 2¼ hours. This was an experiment, and the programme for the September Workshop reverted to the pattern for previous years.

The first Technical Workshop was held at the Sheraton Fiji Resort from the 14th – 16th March incorporating 2 plenary and 2 “break-out” sessions covering the following topics:

The two Plenary sessions were:

**“Banking in Fiji – Where To Next”**

Presented by Mr Robert Bell, General Manager of the ANZ Bank in Fiji;

**“2008 Budget Changes”**

Presented by Ms Annie Yuen of the firm of KPMG in Suva,

and the two “Break-Out” sessions, both of

which were concerned with international standards, were:

**“Fair Value”**

Presented by Mr Nacanieli Rika of the University of the South Pacific; and

**“IAS 37 – Provisions, Contingent Liabilities and Contingent Assets”**

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

A total of 234 people attended of whom 156 were delegates, 57 were partners and 21 were children.

A second Technical Workshop was held at the Warwick Fiji Resort on 19th to 21st September 2008, that was run in conjunction with CPA Australia, incorporating 3 Plenary and 2 “Break-Out” sessions:

The three Plenary sessions were:

**“Recent Tax Cases That Have Been Litigated Before the Courts”**

Presented by Mr Richard Naidu and Ms Nehla Basawaiya of the law firm of

Munro Leys;

**“Money Laundering, Compliance and Risk Strategy”**

Presented by Mr Peter Fennell, Fiji Branch President for CPA Australia;

**“Carbon Trading – What’s It All About?”**

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

And the two break-out sessions were:

**“IFRS 03 – Business Combinations”**

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

**“IAS 36 – Impairment of Assets”**

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

The after dinner speaker on the first evening was Ms Venessa Slowy, CEO of Digicel Fiji, who spoke on “Digicel’s Experience in Operating in the Pacific Islands – Lessons and Observations”

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## Journal

Four issues of the Institute's "Accountant" Journal were produced and distributed to members during 2008:

A 36-page March 2008 issue which was distributed by mail in March 2007;

A 40-page June 2008 issue which was distributed at the time of the Congress; and

A 24-page October issue, distributed by mail in October; and

A 40-page December issue which was distributed by mail in December.

Copies of past issues of the Journal are now also posted onto the FIA website [www.fia.org.fj](http://www.fia.org.fj)

## Disciplinary Proceedings

The Investigation Committee held no meetings during 2008. During 2007, it had dealt with nine cases. Of these one had been more correctly in the nature of an investigation of the status of a new accounting firm, another one had been withdrawn, three were dismissed because of a lack of response from the original complainants and the sixth had been referred to the Disciplinary Committee in November.

Of the three cases outstanding from 2007, two had been addressed to other authorities, and had been 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 Disciplinary Committee met on three occasions during the year, twice in January and once in March, to deal with the case that had been referred to it in late November 2007. Its decision, reached in March, found the complaint against the two members involved to be justified and it awarded penalties. However, an appeal against the decision was lodged with the Council and was heard in early December. The appeal was under consideration by Council at the year's end.

*In April, a delegation of 3 representatives from the Council, Mr Nitin Gandhi, Ms Lisa Apted and Mr Pradeep Patel, met with the members of an International Monetary Fund Mission to Fiji which was examining the administrative structures and functioning of the Fiji Islands Revenue and Customs Authority and was able to make constructive suggestions that were well received.*

## Business and Government Committee

The pattern of activities undertaken in 2008 by the Business and Government Committee was a little different from what it had been in many of the previous years, where it had largely centred upon responding to draft proposals for legislative or administrative changes. The Committee, as the "voice of the Institute", focussed more upon the Institute's public interest role in society, as set out in its Vision Statement and in the new Corporate Plan.

In January and February, discussions were held, in conjunction with the Joint Private Sector Consultative Group (JPSCG), on the proposed formation of a single National Private Sector Organisation, to represent Fiji in the Pacific Islands (regional) Private Sector Organisation (PIPSO).

In March, the interim Prime Minister invited some representatives from the private sector to a meeting, to brief him on issues affecting the business community. Eight representatives, which included Ms Lisa Apted, attended and the areas discussed included the Employment Relations Regulations (especially the maternity leave provisions), the major increase in sick leave, the taxation of fringe benefits and the unequal treatment accorded to local, as opposed to foreign, investors.

In April, a delegation of 3 representatives from the Council, Mr Nitin Gandhi, Ms Lisa Apted and Mr Pradeep Patel, met with the members of an International Monetary Fund Mission to Fiji which was examining the administrative structures and functioning of the Fiji Islands Revenue and Customs Authority and was able to make constructive suggestions that were well received.

In May the Council issued a Press Release expressing concern at the deportation of an expatriate head of a media organisation – the second such action taken by the interim government – calling for adherence to the basic principles of good governance, democracy and freedom of expression, saying that such actions would undoubtedly send negative signals to both local and international communities and potential investors.



On 19th June the Institute wrote to the interim Minister for Finance drawing his attention to an Anomaly in the PAYE tax tables effective from 1st June 2008 published on the FIRCA website resulting in a situation where a taxpayer with a chargeable income of \$22,001 would be paying \$516 more than a taxpayer with a chargeable income of \$22,000.

A statement was made by the Chairman of the Fiji Islands Trade and Investment Bureau on 9th July that it intended to cancel some 3,000 foreign investment registration certificates because the projects to which they related had not yet eventuated, and would be concentrating, instead upon about 100 large, promising investments. The Institute responded with a strongly worded Press Release on 17th July, arguing that many of the investors who would be affected had expended considerable amounts of money developing their proposals and the impression created was that Fiji was only interested in large investments and would leave the rest to die. The FIA President also sent a letter to the interim Prime Minister along the same lines on 16th July.

On 30th July the Institute submitted its detailed proposals for inclusion in the 2009 Budget to the Ministry of Finance. Members of the Committee met with representatives of FIRCA to discuss these proposals, on 21st August, and subsequently met with the Deputy Secretary for Finance, Mr Peni Sikivou to further discuss the proposals on 21st August.

In August, some members of the Committee joined with members of the Fiji Islands Hotel and Tourism Association to make submissions and to meet with FIRCA on the valuation of fringe benefits for PAYE tax purposes.

An invitation was received from the Office of the interim Prime Minister for a representative from the Institute to attend a mini Economic Summit on 5th and 6th September and the Institute's Vice President, Mr Iowane Naiveli attended.

On 24th October, the Institute responded to a query from the Fiji Times about what its attitude was towards unauthorised tax agents illegally undertaking audits, pointing out that the Institute was naturally concerned about the issue but that it was not only tax agents who were involved.

The Institute only had control over tax agents who were also registered FIA

members, and these could be disciplined.

The Committee members also held regular quarterly meetings with representatives from FIRCA, at which a number of issues were discussed, notably the taxation of fringe benefits, tax forms and tax legislation, and the competency and regulation of Tax Agents. Some senior FIRCA representatives appear now to be more receptive to the idea of Tax Agents coming under the control of the Institute.

## 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 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, some attention was given to addressing 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 2007, 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 the IASB in September 2007 – the two principal comments being that substantially more work was needed to make the standards simpler and that the new standards should be contained within a standalone document, rather than including, by reference, the provisions of the full 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 were adopted from 1st July 2008, in conjunction with the IFAC's International Code of Ethics.

In 2008, after many years of seeking to provide access to IFRS standards for Institute members, an agreement was reached with the International Accounting Standards Committee Foundation in March 2008, enabling registered FIA members (with a password) through a link on the FIA's website, to access and download current IFRS standards.





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 is appointed by the Standards Committee and it is 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.

The Panel met on a total of ten occasions in 2008 and reviewed the reports prepared by a total of twenty-five entities. In twenty-four cases the entities concerned were contacted, identifying instances of non compliance with the accounting standards and/or providing suggestions for further improvements in reporting.

Previously the Panel had noted that

the most common instance of non compliance with standards was in the area of fair value accounting in regard to property, plant and equipment which required revaluation at regular frequency and covered the entire class of assets. With the adoption of IFRS from 1st January 2007, this has changed.

The most common issues now are in the areas of compliance with requirements under IAS 19 – Employee Benefits, IAS 24 – Related Party Disclosures and sensitivity analysis requirements under IFRS 7 – Financial Instruments: Disclosures. Apart from these, there are ongoing cases of inadequate disclosures, mostly in the area of requirements under IAS 17. The Panel has also noted a number of instances where there are rounding-off and aggregation errors in the reports. A number of typing errors have also been noted.

The response from reporting entities to the Panel's letters has shown great improvement as compared to the previous years and this is partly due to the support of CA firms prompting their clients. This is greatly appreciated by the Panel. The Panel is also in the process of following up with those entities which have not responded to the initial letters written. The Panel accepted that, with the recent adoption of IFRS, there would be reporting errors at the time of transition, as entities come to terms with the new reporting requirements. The Panel is encouraged to note that, in reviewing

recent reports, some of the shortcomings that arose on first-time adoption of IFRS are now being properly addressed.

## Corporate Plan

The Council decided, in 2007, to approach an overseas consultant, Ms Lois Dickinson, who had had prior experience with reviewing the corporate plans of a number of organisations in Fiji, to review the first corporate plan which had been produced for the Institute in 2001.

At an initial meeting held on 8th March with members of the Planning Committee, an outline programme for the review was discussed and agreed. This was to include an online survey of the membership, seeking views on the success or otherwise of the first Corporate Plan together with suggestions for inclusion in the new Plan.

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.

Arrangements were also made for Ms Lois Dickinson to conduct interviews 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 final version of the new Corporate Plan was published in booklet form and distributed to all members of the Institute.

At three meetings of the Council, held in April and May 2008, draft action plans were discussed and agreed which would assist in the implementation of the Corporate Plan objectives.



## Membership Statistics

The total number of FIA members, of all categories, listed on the Institute's Register, as at 31st December 2008, was 662 – reflecting an increase of more than 60 on the total for 2007. This makes 2008 a record year for membership, in the last ten years. This is a welcome change, after two years of declining numbers in 2005 and 2006 and only a modest improvement in 2007.

During 2008, the names of 125 members were removed from the Register for failing to pay their membership subscriptions before 30th June 2008. However, 38 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 161 new members were admitted to membership, of whom 42 were admitted as Chartered

Accountants, 66 as Provisional Members and the other 53 as Affiliate Accountants.

The comparative figures for 2007 and 2008 for each of the various categories were as follows:

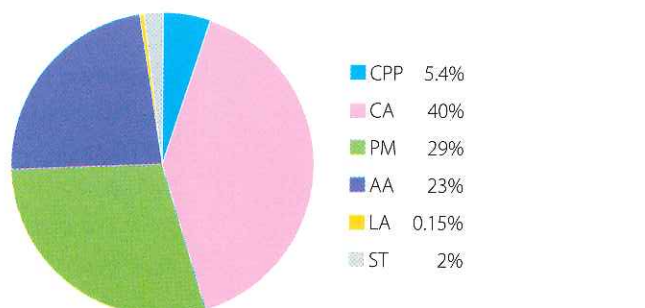
	2007	2008
Chartered Accountants in Public Practice	36	36
Chartered Accounts not in Public Practice	251	270
Provisional Members	166	190
Affiliate Accountants	128	151
Licensed Accountants	2	1
Students	14	14
Total	597	662

Seventy-three members were resident overseas of whom 60 were Chartered Accountants, 6 were Provisional members and 7 were Affiliate Accountants.

Only one of the original 72 Licensed Accountants remains on the Register.

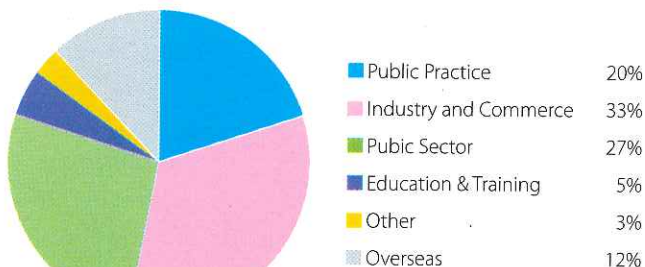
### A. MEMBERSHIP by Category (2000 - 2008)

	CPP	CA	PM	AA	LA	ST	TOTAL
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
2008	36	270	190	151	1	14	662



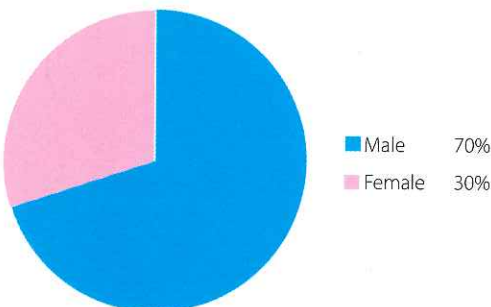
### B MEMBERSHIP by Occupation (2008)

	CPP	CA	PM	AA	LA	ST	TOTAL
Public Practice	36	31	53	15	1	-	136
Industry and Commerce	-	91	60	70	-	-	221
Public Sector	-	68	60	50	-	-	178
Education and Training	-	11	7	3	-	14	35
Other	-	9	4	6	-	-	19
Overseas	-	60	6	7	-	-	73
	36	270	190	151	1	14	662



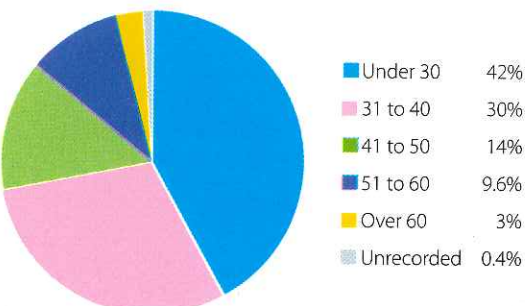
### C MEMBERSHIP by Gender (2003 - 2008)

	2003	2004	2005	2006	2007	2008
Male	392	449	420	400	409	462
Female	139	169	169	165	187	200
	531	618	589	565	596	662



### D MEMBERSHIP by Age (2003 - 2008)

	2003	2004	2005	2006	2007	2008
Under 30	223	265	256	232	269	278
31 to 40	155	188	173	169	177	203
41 to 50	101	107	102	94	86	94
51 to 60	30	36	39	47	47	64
Over 60	17	18	15	18	15	20
Unrecorded	5	4	4	5	2	3
	531	618	589	565	596	662





## New Committee Members 2008 – 2009

### Investigation Committee

Iowane Naiveli (Chair)  
Susan Kumar #  
Uday Sen  
Fay Yee  
Regina Mar

### Membership Committee

Uday Sen (Chair)  
Renu Chand  
Prity Singh  
Nacanieli Rika  
Divik Deo  
Finau Nagera

### Business & Government Committee

Lisa Apted (Chair)  
Pradeep Patel  
Ross McDonald  
Jerome Kado  
Francis Chung  
Godfrey Scoullar  
Ramesh Nair

### Awards Committee

Uday Sen (Chair)  
Atma Maharaj  
Sushil Narayan  
Divik Deo

### Journal Committee

Susan Kumar (Chair)#  
Rajeshwar Sharma  
Ritesh Mistry  
Nitesh Lal  
Sanjaiya Peiris  
Marissa Fong  
Arvindbhai Patel

### Congress Organising Committee

Sikeli Tuinamuana (Chair)  
Lisa Apted  
Pradeep Lal  
Stella Tiko  
Beverly Seeto

### Disciplinary Committee

Rajeshwar Sharma (Chair)  
Nitin Gandhi  
Deo Saran  
Tomasi Vakatora  
Ravendran Achari

### Act & Rules Committee

Deo Saran (Chair)  
Zarin Khan  
Arieta Tawake  
Umesh Prasad  
Caroline Pickering

### Professional Development Committee

Pradeep Patel (Chair)  
Lorraine Seeto  
Kavin Rathod  
Neil Underhill  
Kee Fong  
Arvindbhai Patel  
Peter Fennell

### Standards Committee

Iowane Naiveli (Chair)  
Bruce Sutton  
Eroni Vatuloka  
Michael White  
Urmila Maharaj  
Naushad Ali

### Western Division Committee

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

### Staff and Administration Committee

Rajeshwar Sharma (Chair)  
Sikeli Tuinamuana

# Susan Kumar resigned in December 2008 and was replaced as the Chair of the Journal Committee by Regina Mar.



FIJI INSTITUTE OF ACCOUNTANTS

# Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2008

## CONTENTS

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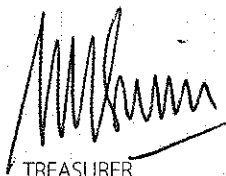
## Statement by the Council of the Fiji Institute of Accountants

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 16 to 26 for the year ended 31 December 2008 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2008 and the results of its operations, its cash flows and changes in members' funds for the year then ended.



PRESIDENT

Dated this 21st day of May, 2009.



TREASURER



# Independent Audit Report to the members of the Fiji Institute of Accountants

## Scope

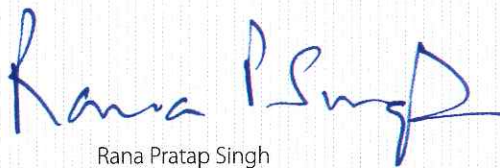
I have audited the financial statements of the Fiji Institute of Accountants for the year ended 31 December 2008 as set out on pages 16 to 26. The Institute's council members are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted 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 International 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 2008 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  
Dated this 21st day of May, 2009.



**Income and Expenditure Statement**

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008	2007
<b>INCOME</b>		\$	\$
Admission fees		10,069	7,680
Members' subscription	2	68,445	63,512
Interest		12,741	9,596
Dividend		6,456	6,454
Special Committees (net surplus)	3	96,627	79,880
Members handbooks		5,186	(542)
Other		842	6,285
<b>TOTAL INCOME</b>		<b>200,366</b>	<b>172,865</b>
<b>EXPENDITURE</b>			
Audit fees		889	889
Advertising		-	3,817
Bank Charges		812	807
Council & committee expenses		5,573	10,139
Depreciation		5,694	5,875
Electricity		2,719	2,976
General expenses		1,191	1,446
Gifts and awards		1,028	774
Members handbooks		6,210	1,266
Insurance		4,201	5,186
International activities	4	14,667	5,512
Legal and professional expenses		15,508	8,413
Postage, telephone and internet		7,290	7,711
Printing and stationery		9,358	11,846
Rental		13,800	13,800
Repairs and maintenance		1,995	1,291
Salaries, wages, gratuity and associated costs		59,456	55,837
Travelling		2,106	4,077
<b>TOTAL EXPENDITURE</b>		<b>152,497</b>	<b>141,662</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>47,869</b>	<b>31,203</b>

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 2008

	Accumulated Surplus	Investment Valuation Reserve	Total
	\$	\$	\$
<b>Balance as at 31 December 2007</b>	<b>487,492</b>	<b>(1,478)</b>	<b>486,014</b>
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
<b>Balance as at 31 December 2008</b>	<b>518,695</b>	<b>4,198</b>	<b>522,893</b>
Net surplus for the year	47,869	-	51,996
Gain on re-measurement of available –for –sale financial assets to fair value	-	5,592	5,592
	<b>566,564</b>	<b>9,790</b>	<b>580,481</b>

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



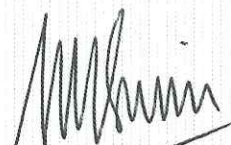
## Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash at bank and on hand		70,666	54,177
Interest receivable		5,887	1,854
Dividend receivable		1,998	-
Inventories	5	4,842	1,785
Other assets	6	79,525	89,804
Financial assets	7	165,616	105,210
<b>TOTAL CURRENT ASSETS</b>		<b>328,534</b>	<b>252,830</b>
<b>NON CURRENT ASSETS</b>			
Financial assets	7	265,059	269,515
Plant and equipment	8	16,411	19,813
<b>TOTAL NON-CURRENT ASSETS</b>		<b>281,470</b>	<b>289,328</b>
<b>TOTAL ASSETS</b>		<b>610,004</b>	<b>542,158</b>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals		17,572	9,708
Provisions	9	4,940	4,038
Subscriptions received in advance		11,138	5,519
<b>TOTAL CURRENT LIABILITIES</b>		<b>33,650</b>	<b>19,265</b>
<b>TOTAL LIABILITIES</b>		<b>33,650</b>	<b>19,265</b>
<b>NET ASSETS</b>		<b>576,354</b>	<b>522,893</b>
<b>MEMBERS' FUNDS</b>			
Accumulated surplus		566,564	518,695
Investment valuation reserve		9,790	4,198
<b>TOTAL MEMBERS' FUNDS</b>		<b>576,354</b>	<b>522,893</b>

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 2008

	Notes	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		84,134	71,192
Receipts from special committees and technical publications		659,845	616,619
Payment to suppliers and employees		(688,006)	(714,986)
Interest received		8,708	9,596
Dividend received		4,458	6,454
<b>Net cash flows from/(used in) Operating Activities</b>	<b>11(a)</b>	<b>69,139</b>	<b>(11,125)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Acquisition of plant and equipment		(2,292)	(8,289)
<b>Net cash flows (used in ) Investing Activities</b>		<b>(2,292)</b>	<b>(8,289)</b>
Net increase/(decrease) in cash held		66,847	(19,414)
Cash at the beginning of the financial year		239,387	258,801
<b>Net cash at the end of the financial year</b>	<b>11(b)</b>	<b>306,234</b>	<b>239,387</b>

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 2008

## 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 cost 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 of standards volumes include cost of printing, royalties, binders and other direct acquisition costs.

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% - 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 recognized and de-recognized 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-to-maturity or available-for-sale. 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. For available-for-sale investments, gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the income and expenditure for the period.

Income from financial assets is recognized as it accrues or when the right to receive payment is established.

### 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 capitalized as equipment and depreciated over their period of expected benefit.

### h) Employee benefits

Provision is made for annual leave estimated to be payable to employees on the basis of statutory and contractual requirements.

### i) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received.

### j) Comparatives

where necessary, amounts relating to prior years have been reclassified to conform to presentation in the current year.



## Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2008

**NOTE 2. MEMBERS SUBSCRIPTION**

	2008	2007
	\$	\$
Members holding a certificate of public practice	10,203	10,177
Members not holding a certificate of public practice	32,046	29,556
Provisional members	12,003	9,750
Licensed accountants	110	220
Affiliate members	8,678	7,890
Overseas members	5,244	5,759
Student members	161	160
	68,445	63,512

**NOTE 3. SPECIAL COMMITTEES**

	2008	2007
	\$	\$
<b>(a) Annual Congress</b>		
<b>Income</b>		
Registration fees & levies	319,959	330,090
Sponsorship	93,009	56,411
Other	912	1,428
	413,880	387,929
<b>Expenses</b>		
Accommodation, food and beverage	283,570	301,190
Bank charges	240	184
Compendium Bags	8,120	8,462
Donations and gifts	800	261
Entertainment	4,433	1,333
Speaker fees	32,339	12,123
Stationery, telephone & fax	5,688	5,349
Travelling	5,940	1,226
	341,130	330,128
<b>Surplus</b>	72,750	57,801
<b>(b) Education Courses</b>		
<b>Income</b>		
Registration fees and levies	236,154	201,299
<b>Expenses</b>		
Accommodation, food and beverage	172,891	178,129
Advertising, publicity and other costs	-	3,648
Speakers fees	17,547	-
CPAA Fiji share of surplus	4,127	-
	194,565	181,777
<b>Surplus</b>	41,589	19,522



## Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2008

**NOTE 3. SPECIAL COMMITTEES (cont'd)**

	2008 \$	2007 \$
<b>(c) Journal Committee</b>		
<b>Income</b>		
Advertising revenue	6,209	12,544
<b>Expenses</b>		
Production and other costs	24,490	11,099
<b>Surplus/(Deficit)</b>	(18,281)	1,445
<b>(d) Western Division Committee</b>		
<b>Income</b>		
Registration fees and levies	630	2,380
<b>Expenses</b>		
Venue and refreshments	-	1,198
Bank charges	61	70
General	-	-
Travelling	-	-
	61	1,268
<b>Surplus</b>	569	1,112
<b>Net surplus special committees</b>	<b>96,627</b>	<b>79,880</b>

**NOTE 4. INTERNATIONAL ACTIVITIES**

Subscription to:		
-International Federation of Accountants	1,825	1,859
-Confederation of Asia and Pacific Accountants	1,286	1,354
-eIFRS link to International Accounting Standards Board	11,556	-
	14,667	3,213
Conference		
- Attendance at CAPA conference in Osaka	-	2,299
	-	2,299
<b>Total international activities</b>	<b>14,667</b>	<b>5,512</b>

**NOTE 5. INVENTORIES**

Fiji Accounting and Auditing Standards Volumes	4,842	1,785
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## Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2008

**NOTE 6. OTHER ASSETS**

	2008 \$	2007 \$
Deposit – Congress and Technical Workshops	42,670	56,598
VAT receivable	14,003	14,526
Printing deposit – Fiji Accounting Standards	-	9,267
Other receivables and prepayments	22,852	9,413
	79,525	89,804

**NOTE 7. FINANCIAL ASSETS****Current****Held – to – maturity investments**

Short term deposits with financial institutions	165,616	105,210
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**Non – Current****Held – to – maturity investments**

Long term deposits with financial institutions	69,952	80,000
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**Available – For – Sale Financial Assets****Listed / quoted securities**

Colonial First State Managed Funds	83,996	83,235
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**Unit Trust of Fiji**

	111,111	106,280
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	195,107	189,515
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Financial assets held to maturity attract interest ranging from 1.75 percent per annum to 8.50 percent per annum and have maturities ranging from January 2009 to December 2013.

Total non-current financial assets	265,059	269,515
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**Reconciliation of available – for – sale financial assets**

Opening balance	189,515	183,839
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Gain on re-measurement to fair value	5,592	5,676
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<b>Total available –for –sale assets</b>	195,107	189,515
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During the year, listed or quoted securities were valued at fair value. The valuation (decrement)/increment arising thereon has been taken to investment valuation reserve.

**NOTE 8. PLANT AND EQUIPMENT**

Office furniture and equipment – at cost	72,219	69,927
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Less: provision for depreciation	(55,808)	(50,114)
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Total written down value	16,411	19,813
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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		
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Carrying amount at beginning	19,813	17,398
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Additions	2,292	8,289
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Disposals	-	-
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Depreciation expense	(5,694)	(5,874)
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Total written down value	16,411	19,813
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## Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2008

**NOTE 9. PROVISIONS**

	2008 \$	2007 \$
Annual leave entitlements	4,940	4,038
<b>Employee Numbers</b>		
Average number of employees during the financial year	4	4

**NOTE 10. FUNDS HELD IN TRUST**

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

**CHAIR IN ACCOUNTING**

Balance at the beginning of the year	26,151	25,807
Add: dividends	435	405
Less: bank charges	(61)	(61)
	26,525	26,151
<b>Represented by:</b>		
Cash at bank	6,525	6,151
Investments at cost	20,000	20,000
	26,525	26,151

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 2008, the units held at Colonial First State Managed Funds were valued at \$19,975 (2007: \$19,794). 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	27,061	26,009
Add: interest	953	950
Less: bank charges	(65)	(62)
Less: prior year adjustments		164
	27,949	27,061
<b>Represented by:</b>		
Cash at bank	6,046	6,111
Interest receivable	1,903	950
Cash on deposit	20,000	20,000
	27,949	27,061

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 2008

**NOTE 11. NOTES TO THE STATEMENT OF CASH FLOWS**

	2008 \$	2007 \$
<b>a) Reconciliation of the net cash provided by operating activities to the net surplus for the year</b>		
Net surplus for the year	47,869	31,203
Depreciation	5,694	5,875
<b>Net cash provided by operating activities before change in assets and liabilities</b>	<b>53,563</b>	<b>37,078</b>
Change in assets and liabilities:		
(Increase)/decrease in inventories	(3,057)	1,265
(Increase)/decrease in sundry debtors and prepayments	10,279	(46,798)
(Increase)/decrease in interest receivable	(4,033)	(508)
(Increase)/decrease in dividend receivable	(1,998)	-
Increase/(decrease) in creditors and accruals	7,864	(4,656)
Increase/(decrease) in provision for leave entitlements	902	706
Increase/(decrease) in subscriptions and fees in advance	5,619	1,788
<b>Net cash flows from/(used in) operating activities</b>	<b>69,139</b>	<b>(11,125)</b>

**b) Reconciliation of Cash**

For the purpose of statement of cash flows, cash includes cash at bank and on hand. Cash at end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank and on hand	70,666	54,177
Term deposits: Current	165,616	105,210
Term deposits: Non-current	69,952	80,000
	<b>306,234</b>	<b>239,387</b>

**NOTE 12. EXPENDITURE COMMITMENTS**

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

## Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2008

### **NOTE 13. 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.