



Fiji Institute
of Accountants

Annual Report 2012

Vision Statement

To be an internationally recognised professional body in Fiji, promoting the Accounting Profession, developing highly-respected world-class accountants and providing leadership.

Mission Statement

- To lead, develop and support accounting professionals so that they will excel in their role and contribute to building Fiji.
- To foster public confidence in the accounting profession by upholding the public interest.
- To encourage and expect of our members the highest ideals of professionalism and ethical standards and commitment to delivery of quality services.
- To be the leading and most valued professional body for advocacy on public interest issues where the accounting profession's expertise is most relevant.
- To commit ourselves to a strong, active and devoted sense of duty to our members and our communities.

Values

We adhere to and uphold the values of integrity, professional competence and transparency. Our core values are:

Integrity

We will be straightforward and honest in all professional and business relationships;

Objectivity

We will not allow bias, conflict of interest or undue influence of other to override professional or business judgements;

Professional Competence and Due Care

We will maintain professional knowledge and skill at the level required to ensure that the public receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards;

Confidentiality

We will respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, nor use the information for personal advantage or third parties;

Professional Behaviour

We will conduct ourselves in a manner to avoid any action that discredits the profession.

President's Message

The vision statement of FIA is "To be an internationally recognized professional body in Fiji, promoting the Accounting Profession, developing highly-respected world-class accountants, and providing leadership; and that is the mission I have since taking up the Presidency role. I want to consolidate what we have done so far. There is no point in having a vision and saying that it is what we have achieved and not being able to progress with it.

My term has been a consolidation year. I have been consolidating a lot of things and ensuring we act upon what we agreed a few years ago. We developed and continue to develop a strategy that is even stronger. That has been my theme for this year. My predecessors also had a similar theme to make sure the strategy is stronger every year as we go ahead. We also continue to make sure that our standard is world class and we have more and more members joining us.

Some of the major developments that the Institute embarks on during year:

• Corporate Plan 2012 – 2015

Following our last Annual General Meeting and taking into consideration comments and suggestions from members, the Council approved the 2012-2015 Corporate Plan "Defining the Path Forward" in its meeting of July 2012. The Institute continues to be guided by the Plan, which has helped FIA ensure that it remains focused on its vision and mission, and caters to the needs of various stakeholders.

• Practice Quality Review Program (PQRP)

This is part of our Statement of Members Obligation 1 (SMO 1 - Quality Assurance (QA)) Action plan.

It is the responsibility of the Institute to ensure that the members in public practice



comply with the standard made mandatory, and to have in place a proper system for maintaining quality of service.

The objective of the Practise Quality Review Programme (PQRP) is to ensure that quality services are provided by our member practitioners (CPP Members) in accordance with the International Federation of Accountants (IFAC) Quality Assurance Standard ISCQ1.

The Council has engaged the services of Mr Bruce Sutton of SouthPac Advisory Pty Limited as a Practice Reviewer.

It is proposed that all practices will be subject to review over a three-year period.

The Institute of Chartered Accountants in Australia (ICAA) has kindly agreed to provide some technical support, including the possible review of the Reviewer's working papers and reports for initial reviews.

• Professional Development

There is no lack of professional knowledge development for members of FIA. Our Continuing Professional Education (CPE) initiatives presented from in-house knowledge generation initiatives as well as cross industry collaboration put forward current information and issues for the profession. We continue to strive to get the best minds to share their knowledge with our members through various channels such as forums, seminars, workshops and conferences.

While members shoulder a tremendous responsibility as professional accountants, it is equally our duty as a professional membership organisation to help our members to become world-class and accountable beacons of trust.

While FIA can provide the required CPE programmes, it is up to our members to invest in themselves and take the necessary initiatives in order to improve. It is critical that all professional accountants make a commitment to lifelong learning and maintaining competence throughout their careers.

• Maintaining the credibility of the profession

The fundamental function of FIA as enshrined in the Fiji Institute of Accountants Act, (Cap 259) is responsible for regulating the accountancy profession in Fiji and prescribing standards for accounting, audit and quality control purposes.

The Council had previously agreed to the international Code of Ethics by IFAC from 1 July 2008. Further the Council had adopted the latest revised version of IFAC Code, which became effective from 1 January 2012.

• Stakeholder engagement

Stakeholder engagement with key influential stakeholders is a prime strategy for FIA in its efforts to develop the profession in alignment with the nation's progress and development.

We continue to strengthen our ties with strategic stakeholders namely the Ministry of Finance (MOF), Fiji Revenue & Customs Authority, local University, Ministry of Industry and Trade, Department of Immigration, Reserve Bank of Fiji and various other relevant government ministry and industry stakeholders.

We have been working on various issues with all these relevant and strategic stakeholders, on capacity building initiatives to explore the possible ways of enhancing the quality of the profession. This is in the hope of beefing up the standing of the profession as a strategic partner to the government in its commitment towards nation building.

Notwithstanding the increased engagement efforts with external stakeholders, the Institute has also heightened members' engagement efforts to enable better understanding of the needs of members as important stakeholders; and for members to appreciate the efforts of the Institute.

• Re-branding of the Institute

In line with our vision and mission, the Institute's aim is to brand itself as an internationally recognised and renowned professional body.

As a matter of fact, Fijian accountants have generally been held in high regard as far as their skill sets are concerned and are very much

in demand internationally. Thus all efforts should be made to maintain and improve the high standing that we have been enjoying. In addition, our future accountants (i.e. the accounting undergraduates) would have to be trained to a level which would enable them to enter the profession seamlessly.

We had started visiting secondary school commencing with Queen Victoria School making presentation to all students from Form 3 and 4 plus Commerce Stream students from Form 5-7.

Our message to the students is that the Accounting profession is a challenging and rewarding career. Being an Accountant - You are entering a truly global community, where you don't have any boundaries. You can work in any industry and country of your choice.

In addition we had started networking with accounting student at University level.

The overall membership at FIA grew by 5% this year against last year to 785 members in total. The corporate sector still attracts the biggest number of accountants.

• The People Element

While the need for a robust regulatory framework is a must, FIA's effectiveness is also determined by the very people that drive this process. FIA's leadership and Secretariat form the foundation that supports the growth of the profession and the Institute.

Council plays an important part in shaping and determining FIA's strategy, as such, it has a key role to play in the organisation.

Council is always keen to identify FIA members with talent and an understanding of good governance. We have continued to seek the best professionals to serve on FIA's Council, committees and secretariat and it is my hope to be able to engage more people of such calibre as we push the notch one level higher to meet with the demands of the future.

Acknowledgements

I am proud to be this year's President of FIA and to work with solid Council members. They are all a committed group of members who are focused on taking forward FIA's aims and objectives while at the same time maintaining and promoting our high ethical and professional standards.

On behalf of the Council, I wish to thank our stakeholders whose support and cooperation extended to us have assisted the Institute tremendously.

Finally I would also like to thank my fellow Council Members, committee members as well as members of FIA who have demonstrated their fullest commitment to the betterment of the Institute and the profession.

As the work of FIA is never done, I look forward that we will continue to work together to chart further growth for the profession in the future.



Cama Raimuria
President

THE COUNCIL



The 2012/2013 Council Members

President

Mr Camacakau Raimuria

Vice President

Mr Asit Sen

Treasurer

Mr Sikeli Tuinamuana

Members

Ms Lisa Apted (to October)
Mr Nitin Gandhi
Mr Iowane Naiveli
Mr Uday Sen
Mr Divik Deo
Mr Rajesh Lal (from March to October)
Ms Renu Chand (from November)

Annual general Meeting

The Annual General Meeting for 2012 was held on 8th June at the Sheraton Fiji Resort on Denarau Island near Nadi and it was attended by a total of fifty-seven members of whom fifty-two were full Chartered Accountant members and five were Provisional Members.

Since no valid nominations were received for any of the three Categories of membership of the Council, other than the three members whose three-year term had expired and who had been automatically re-nominated, the three retiring members **Mr Sikeli Tuinamuana** (Category A) **Mr Divik Deo** (Category B) and **Mr Camacakau Raimuria** (Category C) were re-elected unopposed for the following three years.

Pradeep Patel was reappointed as the Institute's Auditor, for a third year, with the Council expressing appreciation to him for his services in the past year.

The members present were also provided with a comprehensive report and explanation of the draft new 2012 – 2015 Corporate Plan by Mr Deo Saran, who had been responsible for the preparation of the Plan.

The Council

As mentioned in the preceding section **Sikeli Tuinamuana, Divik Deo and Camacakau Raimuria** were re-elected for a period of 3 years, at the Annual General Meeting in June.

Following the Annual General Meeting, at a special Council Meeting, **Camacakau Raimuria** and **Asit Sen** were elected, as President and Vice President respectively for the year 2012/2013. **Sikeli Tuinamuana** was re-elected as Treasurer for the same period.

The Council appointed **Mr Rajesh Lal** to fill the vacant Category C position on Council caused by the resignation of Ms Stella Simpson in January and he took office in March 2012. However, Mr Rajesh Lal himself resigned in October and it was decided during the November Council meeting of 2012 to make an appointment in January 2013 to replace him on the Council for the remaining period of Stella Simpson's term of office. Ms **Lisa Apted**, who had served on the Council since October 2001, resigned in October and was replaced by **Ms Renu Chand** of KPMG.

The Council held 13 meetings during the year of which 11 were regular monthly meetings, one was a special one to consider and approve a certificate of public practice, with a sufficient number of Council public practitioners present, and one was a special one to elect 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. Eleven of the thirteen meetings were held in Suva and two in the West.

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 2012 in the following table:

Camacakau Raimuria	8 out of 13	61.5%
Asit Sen	11 out of 13	89.6%
Sikeli Tuinamuana	12 out of 13	92.3%
Lisa Apted	9 out of 12	75.0%
Nitin Gandhi	9 out of 13	69.2%
Iowane Naiveli	12 out of 13	92.3%
Uday Sen	12 out of 13	92.3%
Divik Deo	11 out of 13	91.7%
Rajesh Lal	6 out of 9	66.0%
Renu Chand	1 out of 1	100.0%



Congress 2012

The Annual Congress for the year 2012 was held over the two-day period 8th – 9th June at the Sheraton Fiji Resort. On eleven previous occasions, including nine years from 1997, the Congress had been held at the Sheraton Fiji, in large measure governed by the fact that only the Sheraton Fiji at that stage possessed a large enough conference Hall.

The theme chosen by the Council and the Organising Committee for the 2012 Congress was **“Think New! Unlocking Opportunities with Innovation”** and the Keynote Speaker for the Congress was **Mr Roger La Salle**, a professional engineer and developer of a special way of thinking now referred to as Matrix Thinking.

The programme featured five speakers and two panel discussions on the first day and three 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:

“Think New! Unlocking Opportunities with Innovation” by Mr Roger La Salle, originator of Matrix Thinking;

“New Dimensions in Tourism” by Ms Elizabeth Powell, Permanent Secretary for Public Enterprises, Communications, Civil Aviation and Tourism;

“Aquaculture: Wealth from the Waters of the Rivers and the Oceans” by Dr Colin Shelley, marine biologist and founding director of the Crab Company of Fiji;

“Credit Rating Agencies: Their Value and Reliability” by Ambassador Richard Butler. AC a past Diplomat in Residence at the Council for Foreign Relations in New York and currently a Distinguished Scholar on International Peace and Security at the School of International Affairs of Pennsylvania State University; and

“Professionals: Their Importance to a Nation’s Economy and Society” by Professor Keith Houghton of the Australian National University.

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

“The War for Talent – 13 Years On” by Ms Coleen Durant, a human resources strategist and Head of Leadership and Talent with the Westpac Banking Group;

“Opportunity: Searching Systematically and Embedding the Culture” by Mr Roger La Salle, originator of Matrix Thinking; and

“Financial Inclusion – Key to Inclusive Growth” by Mr Filimone Waqabaca, Permanent Secretary for Finance.

A total of 534 persons attended, comprising 319 delegates (of whom 156 were members and 163 non members), 118 partners and 97 children.

Mr Richard Austin, President of the New Zealand Institute of Chartered Accountants and Mr Graeme Wade, National Deputy President of CPA Australia – two of the three sister accounting organisations in Australia and New Zealand - also attended.

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 these were adopted by a large majority at a Special General Meeting held on 27th April 2006.

Copies of the revised annotated versions of the FIA Act and Rules, together with introductory summaries and a detailed commentary on all the proposed amendments, have been submitted to Government on more than one occasion - the first being on 21st June 2006, the most recent on 28th April 2010.

Three Council members also met with the Attorney General on 15th December 2010 to discuss the proposed amendments, but no subsequent legislative provisions had either been published or enacted by the end of 2011. Two other efforts were made in July and August of 2011 to ascertain the progress being made, but neither produced positive results, and in March 2012 a further letter was sent to the Attorney General enquiring about progress on legislation, but no response was received.

The Council has also considered and endorsed amendments to most of the By-Laws, including the Code of Ethics. Council had previously

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. Council has adopted the latest revised version of the IFAC Code, which became effective from 1st January 2012.

Education And Membership

During the course of 2012, the Education, Membership and Admission Committee, considered and recommended to Council the admission of the following, all of whom were subsequently approved by the Council:

- 24** Chartered Accountants (of whom 14 were previously Provisional Members and 1 was an Affiliate Accountant)
- 81** Provisional Members (of whom 11 were previously Affiliate Accountants)
- 52** 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
2009	36	74	61	171
2010	7	75	40	122
2011	18	64	37	119
2012	24	81	52	157

Four of the new Chartered Accountants admitted, **Mitchell Craig, Raghwa Prasad, Dianna Seeto and Matthew Webb**, were also granted certificates of public practice. Three previous holders of certificates of public practice, **Ilaitia Boila, Robert Cohen and Bruce Sutton** have resigned

During the latter part of 2010, the Institute engaged the services of Professor Keith Houghton of the Australian National University in Canberra,

in succession to Professor Roger Hopkins, who has retired, to undertake an accreditation exercise of the main tertiary academic institutions in Fiji from which the FIA draws its members. He paid a brief familiarisation visit to Fiji in late October 2010 meeting with officials, staff and students at the three Universities. He returned for a detailed review of the courses, staffing and facilities offered by the three Fiji universities in February 2011 (for the Fiji National University) and in August (for the other two universities).

Following completion of the 2011 accreditation exercise, BCom and BAcc courses offered by Fiji National University have been accredited for a period of 3½ years from 1st July 2011, and the BA in Accounting and BCom courses offered by the University of the South Pacific have been accredited for a period of 3 years from 1st January 2012. The BCom course offered by the University of Fiji was also accredited for a period of 3 years from 1st January 2012 but subject to certain specific conditions. The Council has also accredited USP's Post Graduate Diploma in Professional Accounting for a period of 3 years from 1st January 2012.

The requirements for admission for the three different categories of membership - subject to the conditional accreditation of University of Fiji's BCom course – current in 2012 were:

For **Affiliate Accountants**, the basic requirement is either the Diplomas in Accounting, issued by the University of the South Pacific, the University of Fiji and the Fiji National University, or, in the past, Advanced Diplomas in Accounting issued by TAFE. Students who graduate with a degree majoring in accounting from the USP, UOF or FNU 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 basic academic requirement is for either a BA, BCom or BAcc

Degree from USP, UOF or FNU majoring in Accounting and the completion of 14 specified and 6 elective academic units – the electives in any discipline.

For full **Chartered Accountant members**, the minimum academic undergraduate requirements continue to be the same as for Provisional Members, but with effect from 1st January 2010, Chartered Accountants were required to complete an extra four additional post graduate units either from the CPA Programme or from the USP's new Post Graduate Diploma in Professional Accounting.

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, the University of the South Pacific and Fiji Institute of Technology.

Cash awards for students attending the **University of the South Pacific** graduating in Accounting and Financial Management have regularly accompanied Gold Medals awarded by the University itself. Two awards were made in 2012- in respect of the academic year 2011 – to Mr Irshad Ali and **Ms Jeenal** for being the most outstanding students in accounting and financial management.

No cash award or gold medal has been awarded by **Fiji Institute of Technology**, now renamed as

the Fiji National University, for Accounting excellence for some years.

For 2012, in respect of the academic year 2011, the **University of Fiji** did not award either a gold medal or a cash prize for the most outstanding student who had graduated in Accounting and the Institute was therefore not called upon to sponsor the cash prize.

Professional Development

The single most valuable service provided by the Institute for all 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.

In line with International Education Standards (IESs) issued by the International Federation of Accountants, members of the accounting bodies that are full members of IFAC are expected to complete not less than 40 hours of professional education annually or a minimum of 120 hours over a three-year period.

To enable all FIA members to complete the new current required minimum number of hours of "structured" Continuing Professional Education (CPE) of either 30 hours annually or 90 hours over a three-year period the Professional Development Committee planned a comprehensive programme for 2012 consisting of 6 half-day Seminars and 2 one-and-a-half day Technical Workshops. Only one of the six seminars organised for Suva was repeated in the West.

			Delegates		
			Members	Non Members	Total
Seminar	Suva	February 21st	52	54	106
Seminar	Vuda	February 24th	18	34	52
Workshop	Shangri-la	March 9th-11th	93	66	159
Seminar	Suva	April 24th	35	38	73
Seminar	Suva	May 22nd	23	16	39
Congress	Sheraton	June 7th-10th	156	163	319
Seminar	Suva	July 26th	31	58	89
Seminar	Suva	August 21st	18	11	29
Workshop	Wrwk	September 14th-16th	88	67	155
Seminar	Suva	November 19th	10	15	25

It is disappointing to note that - for 2012 – only a single professional development activity was mounted in the Western Division organised by a new Committee appointed in 2012.

A two-day "Congress" was also organised by the Fiji Branch of CPA Australia from 17th

The programme organised for 2012 provided opportunities for FIA members to gain a total of 33 CPE hours by attending various professional development activities as follows:

Seminar	February 21st and February 24th	2½
Workshop	March 9th-11th	6½
Seminar	April 24th	2½
Seminar	May 22nd	2½
Congress	June 7th-10th	5
Seminar	July 26th	2½
Seminar	August 21st	2½
Workshop	September 14th-16th	6½
Seminar	November 19th	2½
		Total 33

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:

to 19th August 2012 at the Sheraton Resort with the Theme "Putting Strategy into Action". FIA members were also invited to attend. No professional development FIA activities were organised for the month of December.

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 a majority of the delegates attending technical workshops in their 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 2012 were as follows:

February 21st and February 24th

"Tax Changes and Developments"

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

April 24th

"Ethical Decision Making for Accountants"

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

May 22nd

"Fiji Economy – Performance and Prospects"

Presented by Ms Caroline Waqabaca of the Reserve Bank of Fiji

July 26th

"IAS 12 – Income Tax"

Presented by Professor Arvindbhai Patel of the University of the South Pacific

August 21st

"The Role of the Accounting Profession in the Supervision of Capital Markets Participants"

Presented by Ms Wati Seeto of the Reserve Bank and Ms Jinita Prasad of the South Pacific Stock Exchange

November 19th

"The Impact of the Outcome of the United States' Presidential Election on the Pacific Region"

Presented by Professor T K Jayaraman of the Fiji National University

A half-day Workshop planned to be held on 20th October in Suva and on 24th October in the West on the subject of the new Companies Decree, with Ms Nazhat Shameem as the presenter, had to be postponed because the decree had not been enacted before the scheduled date for the workshop.

In July 2012, the Regulations under the Public Order Decree making it necessary to obtain a permit for all meetings were suspended, which made a substantial difference in organising the seminars and workshops for the year.

Workshops

Two Technical Workshops were arranged for 2012 - the first being held at the Shangri-la Fijian Resort, on Yanuca Island near Sigatoka in March and the second held at the Warwick Fiji Resort in September.

The pattern for the programme for the first March Technical Workshop in 2012 was very similar to that used for previous Workshops, with the main working part of the Workshop compressed into a single day, on the Saturday, and only one plenary session on the Sunday morning. The working programme was restricted to 3 plenary sessions and 2 break-out sessions.

The first Technical Workshop for 2012 was held at the Shangri-la Fijian Resort at Yanuca Island – a venue more usually associated with the annual Congress. The Workshop was held from the 9th – 11th March incorporating the following topics:

The three Plenary sessions were:

"How the Dollar Moves (Exchange Rates)"

Presented by Mr Christopher Hibberd, Head of Markets with the ANZ Bank;

"Infrastructure Developments"

Presented by Mr Filimone Waqabaca, Permanent Secretary for Finance; and

"Sustainable Debt Levels"

Presented by Dr Mahendra Reddy of the Fiji National University and the two "Break-Out" sessions were:

"IFRS for SMEs Section 33 – Related Parties"

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

"IFRS 10 -Consolidation"

Presented by Mr Nacanieli Rika, PhD Student at the Australian National University;

A total of 243 people attended of whom 159 were delegates, 37 were partners and 47 were children.

A second Technical Workshop was held at the Warwick Fiji Resort on 14th to 16th September 2012, that was run in conjunction with CPA Australia, incorporating 3 Plenary and 2 "Break-Out" sessions (one plenary session being run on the Sunday morning):

The three Plenary sessions were:

"The Eurozone Crisis and Its Effect on the Pacific"

Presented by Professor T K Jayaraman of the Fiji National University;

"The Audio Visual/Movie Business"

Presented by Ms Florence Swamy, Chief Executive of Film Fiji; and

"Transfer Pricing"

Presented by Mr Nadesa Goundar of the Unitech Institute of Technology in Auckland.

and the two break-out sessions were:

"IFRS for SMEs Disclosure Checklist"

Presented by Ms Renu Chand, Partner with KPMG; and

"Activity Based Costing"

Presented by Mr Nadesa Goundar of the Unitech Institute of Technology in Auckland.

A total of 225 people attended of whom 155 were delegates, 43 were partners and 27 were children.

Journal

Three issues of the Institute's "Accountant" Journal were produced and distributed to members during 2012:

A 48-page December 2011 issue which was distributed by mail in January 2012; and

A 48-page June issue which was distributed at the time of the Congress; and

A 40-page December issue distributed by mail in early December.

With effect from the September 2009 issue, copies of the Journal are also being sent to all Fiji secondary schools. This is being done to ensure that students are encouraged to start thinking about a career in the accounting profession.

Marketing And Promotions

A redraft of a Brochure which had been originally prepared for the Membership Committee in 2008, outlining various options open to those seeking a career in accountancy was printed for distribution to students and others who may be interested in pursuing a career in accounting, together with an in-house pamphlet explaining the requirements for those seeking admission to membership of the Institute.

These two publications were distributed during the year at the following University run Careers Open Days by members of the Committee and the Secretariat, aided by a number of volunteers from CA firms and commercial institutions:

13th July	Open Day at the Fiji National University [650]
10th August	Open Day at the University of the South Pacific [720]

[The numbers shown in square brackets represent the approximate number of students who attended and visited the Institute's booth.]

Largely at the instigation of the Past President, Mr Divik Deo, the Institute started production of a new two-page newsletter, named **"Littera"** containing short up to date news items of Institute activities, which has proved popular with the membership.

In conformity with one of the objectives of the Corporate Plan the Council decided to recruit an additional staff member on a part time basis to serve as media and communications officer for the Institute and was successful in gaining the services of **Mr Verleshwar Singh**, from the consulting firm of Open Media, who commenced working at the beginning of November. He was to provide secretariat services for the Business & Government, the Journal & Website and the Marketing & Promotion Committees, editorial services for the Newsletter Littera and the quarterly Journal and was also responsible for coordinating submissions and press releases for the Institute. Mr Verleshwar Singh resigned in July 2012 and the Institute was fortunate to be able to recruit **Ms Lenora Qereqeretabua** to take his place.

In June, the Institute launched a “survey monkey” to discover the views of members on the desirability of FIA operating a Facebook page for the Institute and 42 members responded, with the majority of those responding supporting the idea. A Facebook page has since been registered.

Disciplinary Proceedings

The Investigation Committee held only one meeting during 2012. There had been only three cases outstanding from 2011, two of which had been referred to the Courts by complainants for adjudication. These were therefore kept under review pending the result of the relevant Court actions. The only remaining complaint which had been outstanding from 2011 was investigated, correspondence was exchanged between the parties and, after due consideration and exchange of correspondence with the complainant, the complaint was dismissed.

Two new complaints were received by the Committee during 2012. One of these concerned an allegation of paid audit services being provided by a tax agent, who was not a member of the Institute, from a complainant who refused to

disclose his address and was also not a member of the Institute – making it impossible for the Institute to deal with the complaint. Subsequently a number of similar complaints against tax agents for providing paid audit services where the tax agents in question were also not members of the Institute were received and these were referred to the Tax Agents Registration Board. The second new case involved a complaint of excessive fees being charged for tax work but, as the complainee in the case had referred the unpaid fees to the Small Claims Tribunal, for adjudication, the Committee informed the complainant that it would await the decision of the Small Claims Tribunal – which subsequently found in favour of the complainee.

The Disciplinary Committee held no meetings during 2012, as no cases had been referred to it.

Business And Government Committee

During the year, the Committee's time has largely been concerned with a detailed analysis and discussion with the Fiji Revenue and Customs Authority and the Ministry of Finance regarding three significant items of tax legislation. The first, concerned the tax legislation introduced to give effect to tax changes contained in the 2012 Budget presentation announced in the Budget Speech in November 2011. The changes had been gazetted in January but some major issues needed to be addressed and a meeting with FRCA was scheduled to take place on 23rd January. However, since the issues were primarily policy matters, arrangements were made to have a meeting with the Permanent Secretary for Finance on 14th February.

The second matter concerned the tax procedures adopted by FRCA for dealing with the issue of Transfer Pricing. The Committee had attended a presentation on 22nd February made by Mr Paul Gallagher, the Consultant who had been engaged by FRCA made a submission

on this matter on 5th April. The Committee also arranged to meet with Mr Paul Gallagher, on 1st June.

The third issue concerned the provisions envisaged by FRCA to be included in the draft Tax Amendment decree, which was proposed to be introduced from the beginning of 2013, several of which were of significant concern to the Committee. On 5th October, the Committee sent a detailed submission outlining the areas of concern to the Ministry of Finance. These included the policy framework, compliance costs, PAYE and interest and dividend withholding taxes as “final taxes”, donations to charitable organisations and investment support.

Tax Agents issues featured on the Committee's dealings with FRCA during the year including a proposal to establish a Tax Agents Forum, to discuss tax legislation. This had provisionally been agreed with FRCA during a quarterly meeting with FRCA in May. The Committee argued that there was a need for regular quarterly meetings with FRCA and a need to keep both tax agents and the FIA informed about procedural and legislative changes through such meetings, as well as through updates to the FRCA website. FRCA organised a seminar for tax agents in Lautoka on 7th June (which had to be cancelled due to low registrations) but held one in Suva on 27th June.

Another item of draft legislation was a comprehensive review and rewrite of the Companies Act - a lengthy and complex piece of legislation originally enacted in 1983. A draft of a new decree was released by the government in March 2011 and a meeting was held in the Attorney General's Office to discuss this draft on 4th March. The Committee had submitted a detailed set of comments and recommendations on the draft on 12th April. Despite a number of enquiries, in 2011 and 2012, no finalised version of the decree had been enacted before the end of the year.

An invitation was received from the Ministry of Finance on 19th July to attend a presentation by Ministry representatives on the forthcoming

national Budget, enclosing a questionnaire outlining Issues likely to be addressed. The Institute's formal Budget submission was hand delivered to the Ministry of Finance on 1st October. The Institute was invited for consultations on 3rd October.

In August, the Institute received a request from the Ministry of Industry and Trade to complete a questionnaire on the subject of Trade in Services, in preparation for negotiations that were to be held under the Pacific Islands Countries Trade Agreement arrangements, and the completed questionnaire was submitted to the Ministry on 23rd August.

The Committee also held a number of other meetings during the year with representatives of the Fiji Revenue and Customs Authority to discuss various practical tax-related issues, including its regular quarterly meetings.

Standards

The Institute, in honouring its obligation as a member body of the International Federation of Accountants (IFAC) to introduce international financial and reporting standards, adopted the full suite of the IASB's international financial accounting and reporting standards (IFRSs) – for accounting periods commencing on or after 1st January 2007.

However, the full IFRS standards are only mandatory for entities falling within the following categories:

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 that the turnover of such entities exceeds \$5m, as equity accounting would be applicable for the parent company reporting.

Smaller accounting entities now, following FIA's adoption of the IFRS for SME Standard from 1st January 2011, need to comply with that Standard for financial periods beginning on or after 1st January 2011. The old Fiji Accounting Standards (FASs) are to be withdrawn except for any entities who may be producing accounts for periods starting prior to 1st January 2011. However, the new SME Standard will only apply to SMEs that:

- (a) do not have **public accountability**; and
- (b) **publish general purpose financial statements**.

[An entity with "public accountability" is defined as one whose debt or equity instruments are traded in a public market or one which holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.]

The Standards Committee also examined the four new IFRS standards that had been released by the IASB in May 2011 and has agreed that there should be no difficulty in adopting these:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement

Act and Rules	Annual Congress
Branding, Marketing and Communications	Business and Government
Education and Membership	Institute Support and Services
Professional Development	Public Trust
Accounting and Auditing Standards	

These four new standards are not due to come into effect until 1st January 2013.

The Committee also agreed that there will be a need to re-examine the exemption published for IAS 39, when this is replaced by IFRS 9 – which is not due for adoption until 2015.

The Committee recognised that the Institute has still not yet adopted the International Public Sector Accounting Standards (IPSASs) but any progress in this area is ultimately dependent upon the Government's determination to move from a cash to an accrual system of accounting.

The Institute had also adopted the full suite of international audit related standards issued by the International Federation of Accountants (IFAC). The suite comprises International Standards on Auditing (ISAs), International Audit Practice Statements (IAPSs), 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 Standards were adopted from 1st July 2008, in conjunction with the IFAC International Code of Ethics.

Corporate Plan

The Institute's Third Corporate Plan was developed during a series of consultations and pocket meetings with various interested parties, within and outwith the Institute membership, and the resulting report was circulated to members for comment, explained in detail at the time of the Annual General Meeting in June and subsequently published and distributed to all FIA members in October 2012. It included 9 sections dealing with various different aspects of the Institute's activities as follows:

Membership Statistics

The total number of FIA members, of all categories, listed on the Institute's Register, as at 31st December 2012, was 785 – reflecting an increase of just over 40 on the total membership for 2011. This makes 2012 yet another record year, the fourth year in succession, for membership, in the last ten years.

During 2012, the names of 180 members and 31 students (more than usual) were removed from the Register for failing to pay their membership subscriptions before 30th June 2012. However, 63 members subsequently paid their arrears and so had their names restored to the Register. The majority of those who fail to pay their subscriptions are usually those who have migrated.

During the year, a total of 157 new members were admitted to membership, of whom 24 were admitted as Chartered Accountants, 81 as Provisional Members and the other 52 as Affiliate Accountants.

The comparative figures for 2011 and 2012 for each of the various categories were as follows:

	2011	2012
Chartered Accountants in Public Practice	37	38
Chartered Accounts not in Public Practice	258	267
Provisional Members	263	286
Affiliate Accountants	153	165
Licensed Accountants	1	1
Students	30	28
Total	742	785

Seventy-eight members were resident overseas of whom 64 were Chartered Accountants, 10 were Provisional members and 4 were Affiliate Accountants.

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

Membership Statistics

A. MEMBERSHIP by Category (2006 - 2012)

	CPP	CA	PM	AA	ST	LA	TOTAL
2006	35	248	121	132	2	27	565
2007	36	251	166	128	1	14	596
2008	36	270	190	151	1	14	662
2009	37	277	205	152	1	9	681
2010	37	266	244	149	1	22	719
2011	37	258	263	153	1	30	742
2012	38	267	286	165	1	28	785

B. MEMBERSHIP by Occupation (2012)

	CPP	CA	PM	AA	LA	ST	TOTAL	
Public Practice	38	25	94	7	1	-	165	[21.0%]
Industry and Commerce	-	93	89	89	-	-	271	[34.5%]
Public Sector	-	58	73	48	-	-	179	[22.8%]
Education and Training	-	12	15	7	-	28	62	[7.9%]
Other	-	15	5	10	-	-	30	[3.8%]
Overseas	-	64	10	4	-	-	78	[10.0%]
	38	267	286	165	1	28	785	

C. MEMBERSHIP by Gender (2006 - 2012)

	2006	2007	2008	2009	2010	2011	2012	
Male	400	409	462	473	497	499	524	[66.8%]
Female	165	187	200	208	222	243	261	[33.2%]
	565	596	662	681	719	742	785	

D. MEMBERSHIP by Age (2006– 2012)

	2006	2007	2008	2009	2010	2011	2012	
Under 30	232	269	278	315	340	348	360	[45.9%]
31 to 40	169	177	203	208	204	207	214	[27.3%]
41 to 50	94	86	94	84	90	92	111	[14.1%]
51 to 60	47	47	64	59	64	69	76	[9.7%]
Over 60	18	15	20	13	21	24	23	[2.9%]
Unrecorded	5	2	3	2	-	2	1	[0.1%]
	565	596	662	681	719	742	785	

Committee Members 2012 – 2013

Investigation Committee Asit Sen (Chair) Uday Sen Rajesh Lal Fay Yee Caroline Pickering	Disciplinary Committee Divik Deo (Chair) Nitin Gandhi Iowane Naiveli Ravendran Achari Regina Mar	Membership Committee Lisa Apted (Chair) * Harik Raj Ravendran Achari Mariana Tukana Saiyad Hussain (Renu Chand wef November)
Professional Development Committee Uday Sen (Chair) Lorraine Seeto Kavin Rathod Renu Chand Swastika Lal Neil Underhill	Congress Organising Committee Cama Raimuria (Chair) Sikeli Tuinamuana Beverly Seeto Ronesh Dayal Kalpana Lal	Accounting and Auditing Standards Committee Sikeli Tuinamuana (Chair) Pradeep Patel Michael White Inia Naiyaga Mitchell Craig Tevita Bolanavanua
Business & Government Committee Naiveli (Chair) Lisa Apted Jerome Kado Deepa Kapadia Madhu Sudhan Nouzab Fareed	Journal and Website Committee Asit Sen (Chair) Arvindbhai Patel Leonard Chan Deven Sharma Sashi Dutt H N Pande	Western Division Committee Shaneel Nandan (Chair)Iowane Rajesh Sangekar Denise Charan Sanjini Nair Avinesh Prasad Susie King Shaneel Padarath
Act & Rules Committee Divik Deo (Chair) Nitin Gandhi Zarin Khan Kitty Finau	Awards Committee Uday Sen (Chair) Divik Deo Myrtle Smith Reshma Ram	Corporate Plan Committee Nitin Gandhi (Chair) Pradeep Fonseka Deo Saran
Staff & Administration Committee Cama Raimuria (Chair) Sikeli Tuinamuana	Treasurer Sikeli Tuinamuana	Marketing & Promotions Rajesh Lal (Chair) Divik Deo Niraj Bhartu Nirenjeev Kumar Glen Finau Jocelyn Prasad

A Brief Commentary On The Financial Statements For The Year 2012.

NET SURPLUS

FIA's net surplus for the year was \$6,292 compared to \$13,655 achieved in the previous year 2011.

REVENUE

Total income for the year amounted to \$875,261 compared to \$796,514 in 2011- an increase of \$78,747 or 9.9% for the year, largely attributable to increases in income from members' subscriptions and from special committees.

Members' subscriptions amounted to \$118,997 (2011: \$114,631), an increase of \$4,366 from the previous year, representing a growth of 3.81%. Total membership has increased by 43 from 742 in 2011 to 785 in 2012. The number of chartered accountants has increased by 9, provisional members by 23 and affiliate accountants by 12.

The total income from special committees amounted to \$724,777 (2011: \$647,752) an increase of \$77,025 from the previous year. Net surplus from special committees' activities increased to \$56,907 (2011: \$52,785), an increase of \$4,122, representing a growth of just under 7.8%. This largely resulted from a decreased surplus of \$16,377 from the Annual Congress as well as a net change of \$7,699 from deficit to surplus in respect of Education Courses (Professional Development), and a reduction in the deficit by \$12,800 for the Journal.

EXPENDITURE

Total expenditure amounted to \$868,969 (2011:\$782,859) - an increase of \$86,110 from the previous year. This was largely attributable to increases of \$72,903 in expenditure on special committees, in salaries and wages of \$13,853 (appointment of one extra staff member), on legal and professional expenses and in VAT refunds written off . This was offset by reductions on international activities by \$6,016 and on the website by \$5,290.

BALANCE SHEET

The balance sheet has continued to strengthen, with the year end cash holdings of \$54,064 (2011: 55,476) but investments valued at \$513,310 (2011: \$505,259). Net assets for the year increased from \$629,381 in 2011 to \$643,724 in 2012.

FIJI INSTITUTE OF ACCOUNTANTS

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012

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FIJI INSTITUTE OF ACCOUNTANTS

Statement by the Council of Fiji Institute of Accountants

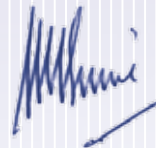
FOR THE YEAR ENDED 31 DECEMBER 2012

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 the pages 25 to 38 for the year ended 31 December 2012 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2012 and the results of its operations, its cash flows and changes in members' funds for the year then ended.

Dated this 29th day of April 2013.



PRESIDENT



TREASURER

FIJI INSTITUTE OF ACCOUNTANTS

Independent Audit Report

FOR THE YEAR ENDED 31 DECEMBER 2012

To the Members of Fiji Institute of Accountants**Report on the Financial Statements**

I have audited the accompanying financial statements of Fiji Institute of Accountants, which comprise the statement of financial position as at 31 December 2012, and statement of comprehensive income, statement of changes in members' fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 4 to 16.

Council's Responsibility for the Financial Statements

The Council of the Institute is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Audit Opinion

In my opinion, the financial statements gives a true and fair view of the financial position of the Institute as at 31 December 2012 and of the results, cash flows and changes in members' funds of the Institute for the year then ended in accordance International Financial Reporting Standard for Small and Medium-sized Entities.



SUVA, FIJI
29 APRIL 2013

PRADEEP PATEL
Chartered Accountant

FIJI INSTITUTE OF ACCOUNTANTS

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
INCOME			
Admission fees		8,820	5,760
Member's subscription	3	118,997	114,631
Interest		14,396	18,261
Dividend		4,428	5,463
Special committees	4	724,777	647,752
Accreditation		760	1,665
Members handbooks		-	507
Gain on sale of office furniture and equipment		-	1,111
Other		3,083	1,364
Total income		875,261	796,514
Expenditure			
Audit fees		870	850
Bank charges		1,125	712
Council and committee expenses		6,767	8,212
Depreciation		4,211	3,543
Electricity		4,660	4,995
General expenses		2,783	4,408
Gifts and awards		2,597	1,292
Insurance		7,617	6,055
International activities	5	25,458	31,474
Legal and professional expenses		6,650	2,000
Members handbooks – written off		-	2,400
Postage, telephone and internet		8,096	6,964
Printing and stationery		12,124	10,134
Rental		18,601	16,950
Repairs and maintenance		478	2,154
Special committees	4	667,870	594,967
Salaries, wages and associated costs		86,792	72,939
Travelling		2,197	1,446
VAT penalties and refunds written off		9,668	5,669
Website		405	5,695
Total expenditure		868,969	782,859
Net surplus for the year		6,292	13,655
Other comprehensive income			
Gain on remeasuring available-for-sale financial assets		8,051	4,026
Total comprehensive income for the year		14,343	17,681

The statement of comprehensive income 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 2012

	Accumulated Surplus	Investment Valuation Reserve	Total
	\$	\$	\$
Balance as at 31 December 2010	611,700	-	611,700
Net surplus for the year	13,655	-	13,655
Gain on re-measuring available-for-sale financial assets	-	4,026	4,026
Balance as at 31 December 2011	625,355	4,026	629,381
Net surplus for the year	6,292	-	6,292
Gain on re-measuring available-for-sale financial assets	-	8,051	8,051
Balance as at 31 December 2012	631,647	12,077	643,724

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

Statement of Financial Position

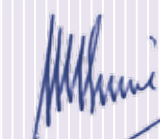
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash on hand and at bank		54,064	55,476
Interest receivable		4,370	6,551
Dividend receivable		2,818	2,818
Other receivables	6	65,244	64,116
Financial assets	7	188,985	107,504
TOTAL CURRENT ASSETS		315,481	236,465
NON CURRENT ASSETS			
Financial assets	7	324,325	397,755
Office furniture and equipment	8	18,273	18,614
TOTAL NON-CURRENT ASSETS		342,598	416,369
TOTAL ASSETS		658,079	652,834
CURRENT LIABILITIES			
Creditors and accruals	9	5,277	12,487
Provisions	10	6,456	3,843
Subscriptions received in advance		2,622	7,123
TOTAL CURRENT LIABILITIES		14,355	23,453
TOTAL LIABILITIES		14,355	23,453
NET ASSETS		643,724	629,381
MEMBERS' FUNDS			
Accumulated surplus		631,647	625,355
Investment valuation reserve		12,077	4,026
TOTAL MEMBERS' FUNDS		643,724	629,381

The statement of financial position 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 2012

	Notes	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts from members	\$	123,316	101,207
Receipts from special committees and technical publications		703,321	633,104
Payment to suppliers and employees		(843,444)	(745,978)
Interest received		14,837	12,508
Dividend received		4,428	5,475
Net cash flows from Operating Activities	11(a)	2,458	6,316
Cash Flows used in Investing Activities			
Proceeds from redemption of investments		-	30,000
Proceeds from sale of office furniture and equipment		-	1,739
Payments for investments		-	(102,946)
Acquisition of office furniture and equipment		(3,870)	(10,860)
Net cash flow used in Investing Activities		(3,870)	(82,067)
Net decrease in cash held		(1,412)	(75,751)
Cash and cash equivalents at the beginning of the financial year		55,476	131,227
Net cash and cash equivalents at the end of the financial year	11(b)	54,064	55,476

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 2012

NOTE 1. GENERAL INFORMATION

Statement of compliance

Fiji Institute of Accountants (the Institute) is a statutory entity constituted under the Fiji Institute of Accountants Act (Cap 259) 1971. The address of its principal place of business is disclosed in note 15 to the financial statements.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Institute in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with the IFRS for SMEs. They have been prepared under the historical convention.

Basis of preparation

In the application of IFRS for SMEs, the Council of the Fiji Institute of Accountants (the Council) is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by the Council in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

- a) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value
- b) **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 2012

c) Employee Entitlements

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date. Liabilities for non-accumulating sick leave are recognized when the leave is taken and is measured at the rates prevailing at that time.

Annual leave

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

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

d) Financial Assets

Investments are recognised and de-recognised on trade date where 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 fair value, plus transaction costs.

Financial assets are classified into the following specified categories:

Held-To-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Council has the intent and ability to hold to maturity. Held-to-maturity investments are carried at amortized cost.

Available-For-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the Council intends to dispose of the investment within 12 months of the balance sheet date. Listed or quoted available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of available-for-sale financial assets are recognized in investment revaluation reserve. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in investment revaluation reserve are included in the statement of comprehensive income.

Dividends on available-for-sale financial assets are recognised in the statement of comprehensive income as part of other income when the Institute's right to receive payments is established.

The fair values of listed investments or quoted investments are based on current market prices.

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

FOR THE YEAR ENDED 31 DECEMBER 2012

e) Income Tax

Income of the Institute is exempt from income tax in accordance with Section 50 of the Fiji Institute of Accountants Act and Section 17(24) of the Fiji Income Tax Act.

e) Inventories (Cont'd)

Cost is determined on a first-in first-out basis.

Allowance for inventory obsolescence is raised based on review of inventories. Inventories considered obsolete or un-saleable are written off in the year in which they are identified.

f) Operating Lease

Operating leases are not capitalized and rental payments are charged to the profit or loss in the period in which they are incurred.

g) Office furniture and equipment

Office furniture and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on office furniture and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The principal rates in use are:

Office furniture – 10%
Equipment – 10% - 25%

Profit or loss on disposal of office furniture and equipment are taken into account in determining the surplus for the year.

h) Creditors and Payables

Creditors and accounts payable are recognised when the Institute becomes obliged to make future payments resulting from the purchase of goods and services.

i) Receivables

Receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Allowance for impairment of receivables is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables. Allowance is raised on a specific debtor level. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for receivables.

Subsequent recoveries of amounts previously written off are credited in statement of comprehensive income.

j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and that it can be reliably measured.

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

FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)*Member fees and subscription*

Admission fees are recognised as revenue on receipt.

The subscription year runs from 1 January to 31 December. Subscription are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current and past financial year are recognised as revenue. Fees and subscription payments that relate to future periods are shown in the statement of financial position as subscriptions received in advance.

Interest Income

Interest income is recognised on accrual basis.

Dividend Revenue

Dividend revenue from investments is recognised when the Institutes' right to receive dividend payment has been established.

Sponsorships and contributions in kind

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

k) 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.

l) Value Added Tax (VAT)

Revenue, expenses, assets and liabilities are recognised net of VAT, except:

- Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; and
- For receivables and payables which are recognised inclusive of VAT.

The net amount of VAT payable to, or receivable from, the taxation authority is included as part of payables or receivables.

- Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; and
- For receivables and payables which are recognised inclusive of VAT.

The net amount of VAT payable to, or receivable from, the taxation authority is included as part of payables or receivables.

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

FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 3. MEMBER'S SUBSCRIPTION

	2012 \$	2011 \$
Members holding a Certificate of Public Practice	14,350	12,535
Members not holding a Certificate of Public Practice	46,396	48,489
Provisional members	34,935	31,745
Licensed Accountants	110	110
Affiliate members	16,862	15,377
Overseas members	6,064	6,065
Student members	280	310
	\$118,997	\$114,631

NOTE 4. SPECIAL COMMITTEES

Total income	724,777	647,752
Total expenses	(667,870)	(594,967)

Net surplus special committees

\$56,907 52,785

Detailed income and expenses in respect to special committees is summarised below:**(a) Annual Congress****Income**

Registration fees and levies	378,430	291,398
Sponsorship	91,570	102,523
Other	15	-

470,015 393,921

Expenses

Accommodation, food and beverage	316,487	251,856
Advertising	2,680	1,940
Bank charges	126	248
Compendium bags	11,565	17,219
Tee Shirts	10,435	15,000
Donation and gifts	2,520	2,567
Entertainment	4,087	4,175
Equipment hire	2,802	4,056
Speaker fees and costs	62,588	26,459
Stationery, telephone and fax	5,437	2,486
Travel	1,527	1,777

420,254 327,783

Surplus

49,761 66,138

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

FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 4. SPECIAL COMMITTEES (CONT'D)

	2012 \$	2011 \$
(b) Education Courses		
Income		
Registration fees and levies	241,639	235,267
Expenses		
Hall hire, accommodation, food and beverage	217,462	213,332
Advertising, publicity and other costs	4,485	12,807
Speaker fees and costs	5,471	574
CPAA Fiji's share of surplus	1,272	3,304
	28,690	230,017
Surplus	12,949	5,250
(c) Journal Committee		
Income		
Advertising revenue	13,123	18,564
Expenses		
Production and other costs	18,926	37,167
Deficit	(5,803)	(18,603)

(d) Western Divison

Western Division activities have, in recent years, been limited to seminars and workshops organized under the professional development programme, many of them being seminars that were earlier conducted in Suva, and amounts of income and expenses have therefore been included under the Education Courses, item (b) above

NOTE 5. INTERNATIONAL ACTIVITIES

Subscription to :		
- International Federation of Accountants	7,320	6,512
- Confederation of Asia and Pacific Accountants	1,871	1,692
- eIFRS link to International Accounting Standards Board	15,917	16,006
CPA Congress	-	7,264
Others	350	-
Total International Activities	25,458	31,474

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

FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 6. OTHER RECEIVABLES

	2012 \$	2011 \$
VAT receivable, net	13,307	-
Interest withholding tax receivable	14,173	11,680
Deposit - Congress and Technical Workshop	20,784	27,799
Other receivables and prepayments	16,980	24,637
Total other receivables	65,244	64,116

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

Short term deposits with financial institutions

107,504 106,089

Non-Current**Held-to-maturity investments**

Long term deposits with financial institutions

188,985 107,504

Non-Current**Held-to-maturity investments**

Long term deposits with financial institutions

214,825 296,306

Available-For-Sale Financial Assets - quoted securities

Unit Trust of Fiji

109,500 101,449

Total non-current financial assets**324,325 397,755**

Financial Assets held to maturity attract interest ranging from 2.5% to 7.5% per annum and have maturities up to December 2015.

Reconciliation of available-for-sale financial assets

Opening balance

101,449 97,423

Gain on re-measurement to fair value

8,051 4,026

Total available-for-sale financial assets**109,500 101,449****NOTE 8. OFFICE FURNITURE AND EQUIPMENT**

Office furniture and equipment - at cost

77,822 73,952

Less: accumulated depreciation

(59,549) (55,338)

Total written down value

18,273 18,614

Notes to and Forming Part of the Financial Statements (cont'd)**NOTE 8. OFFICE FURNITURE AND EQUIPMENT (CONT'D)**

	2012 \$	2011 \$
Reconciliation of the carrying amounts of office furniture and equipment at the beginning and end of the financial year are as follows:		
Office furniture and equipment		
Carrying amount at beginning	18,614	11,925
Additions	3,870	10,860
Disposals	-	(628)
Depreciation expense	(4,211)	(3,543)
Total written down value	18,273	18,614
NOTE 9. CREDITORS AND ACCRUALS		
Creditors and accruals	5,277	10,859
VAT payable, net	-	1,628
Total creditors and accruals	5,277	12,487
NOTE 10. PROVISIONS		
Annual leave entitlements	6,456	3,843
Employee Numbers		
Average number of employees during the financial year	4	4
NOTE 11. NOTES TO THE STATEMENT OF CASH FLOWS		
a) Reconciliation of the net cash provided by operating activities to the net surplus for the year		
Net surplus for the year	6,292	13,655
Depreciation	4,211	3,543
Gain on sale of plant and equipment	-	(1,111)
Net cash provided by operating activities before change in assets and liabilities	10,503	16,087
Change in assets and liabilities:		
(Increase) / Decrease in inventories	-	2,400
(Increase) / Decrease in other receivables	(1,128)	(3,399)
(Increase) / Decrease in interest receivable	2,181	318
(Increase) / Decrease in dividend receivable	-	12
Increase / (Decrease) in creditors and accruals	(7,210)	9,031
Increase / (Decrease) in provision for leave entitlements	2,613	1,126
Increase / (Decrease) in subscriptions and fees in advance	(4,501)	(19,259)
Net cash provided by operating activities	2,458	6,316

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

FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 11. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

	2012 \$	2011 \$
b) Reconciliation of Cash and cash equivalents		
For the purpose of statement of cash flows, cash includes cash on hand and at bank and investments in money market investments. Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand and at bank	54,064	55,476
c) Non-Cash Operating Activities		
<i>Sponsorship in kind</i>		
During the year, the Institute engaged into certain transactions for congress activities for consideration in kind aggregating to \$25,300 (2011: \$15,000). These transactions are not reflected in the statement of cash flows.		
NOTE 12. EXPENDITURE COMMITMENTS		
a) Capital Expenditure Commitments		
Capital expenditure approved but not committed	1,800	-
Total capital expenditure commitment	\$1,800	-
Capital expenditure commitment relates to purchase of new camera.		
b) Operating Lease		
Operating lease commitments are as follows:		
Not later than one year	\$18,600	18,600
Later than one year but not later than two years	10,850	-
Total operating lease commitments	\$29,450	18,600

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 13. CONTINGENT LIABILITIES

Contingent liabilities as at 31 December 2012 amounted to \$Nil (2011 - \$Nil).

NOTE 14. RELATED PARTY TRANSACTIONS

The Institute has related party relationships with its Council Members. The following were the members of the Council during the year:

Divik Deo	Iowane Naiveli	Camacakau Raimuria	Nitin Gandhi
Sikeli Tuinamuana	Stella Tiko	Lisa Apted	Asit Sen
Uday Sen	Rajesh Lal	Renu Chand	

Furthermore, number of Institute members have served on various Committees, and have presented seminars and workshops.

No fees or remuneration was paid to any Council Member or Committee Members during the year.

NOTE 15. PRINCIPAL ACTIVITIES

The Fiji Institute of Accountants is a statutory entity constituted under the Fiji Institute of Accountants Act (Cap 259) 1971. The principal office is situated at 3 Berry Road, Suva, Fiji.

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.

As a professional body, it promotes quality, expertise and integrity in the accounting profession. Its aim is to uphold the highest level of responsibility and trust that are vested in the profession, by providing appropriate standards, policies and services to support members in their work.

There were no significant changes in the nature of activities during the year.

NOTE 16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Council and authorised for issue on 29 April 2013.

