



Fiji Institute of Accountants

Annual Report 2013

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 others 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.

[These Vision, Mission and Values Statements form part of the Corporate Plan adopted in 2012]

President's Report

*'Na Dina Ga'*¹ - The aphorism embedded into The Fiji Institute of Accountants' logo is strongly reflected in our Vision – 'To be an internationally recognised professional body in Fiji, promoting the Accounting Profession, developing highly-respected world class accountants and providing leadership' and is supported by our five core Values – Integrity, Objectivity, Professional Competence and Due Care, Confidentiality and Professional Behaviour. The Institute has continued to uphold a high professional image of the Accounting Profession both locally and internationally by preserving our core values and commitment to protect the public interest which is the cornerstone of our profession.

Since taking up the Presidency in June 2013, my focus was to see that as much as possible the objectives of our 2012 – 2015 Corporate Plan are achieved during my one (1) year tenure, without losing track of our Vision. I am pleased to provide some key updates on the works of the Institute during 2013/2014, which was achieved through consolidated efforts of a team of indomitable FIA Council and Committee members and highly spirited secretariat staff members of the Institute.

Our membership has generously grown in 2013 as we have admitted a total of 117 new members reported as at 31st December 2013, of which 26 were admitted as Chartered Accountants (CA), 61 as Provisional Members (PM) while 30 new members were admitted as Affiliate Accountants (AA). However, we continue to lose our membership numbers due to either non-payment of membership fees or migration. Council in 2013 made a concerted effort to call on all members who failed to renew their membership and this effort was rewarded with around 74 members subsequently paying up and renewing their membership.

The Institute has continued to strive to ensure that the required competencies are acquired or developed through an integrated process of academic study, professional education, evaluation and practical experience. Therefore, one of the important roles of the Institute was to work closely with all the universities in Fiji to set benchmarks

and maintain the quality of Accounting Graduates that this country produces in future. To achieve this objective, all the three universities are now accredited by the Institute through a proper due diligence process conducted by a professional accreditor. Hence, the Institute expects to continue to grow its membership base in partnership with all three universities as well as by promoting the profession through strong ethical standards of our existing membership.

To live by our Value to '...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....,' the Institute has continued to concentrate on Professional Development for our membership. We have had two very successful Technical Workshops in 2013 with a list of very experienced presenters' and a very good turnout from the registered delegates. In addition, Professional Development sessions were organised by the Professional Development Committee on monthly basis for the benefit of our membership.



¹ Translated in English, 'Na Dina Ga' means 'Only The Truth'.

Our Peer Review Program has been rolled out quite successfully; with the first draft report now available for the Council's perusal. The objective of this programme is to ascertain the degree to which those chartered accountants who hold a certificate of public practice comply with the quality control provisions of IFAC's standard ISQC 1 in operating their practices. The review covered seven practices comprising one international member firm, one multi-partner firm and five sole practitioners. This represents approximately one third of the total number of practices in Fiji, practices being subject to review on a three year rotational cycle. With the mission to uphold public trust through best practices by its members, the Institute will pursue the findings in this review very constructively and will strategize ways to assist those practices that need to uplift their standards through mentorship and training.

FIA has continued to engage with our key stakeholders, especially Government and relevant Government Departments through our Business & Government Committee. FIA made submissions regarding the 2014 Budget and this is posted on our website for those who are interested in reading this. The Committee has actively attended discussion sessions for national Trade Policy organised by Ministry of Trade. Also, the Committee has continued to actively engage in discussions with FIRCA on the draft amendments to the Income Tax, Service Turnover Tax and the VAT Decrees.

Our marketing team has been proactively promoting and branding the Institute. We have visited schools within the Central-Eastern division in 2013 and plan to cover other parts of Fiji this year. The Institute had a successful networking cocktail event in association with USP in 2013 and we plan to hold similar events in 2014 involving all the three universities for the benefit of the students of these universities. In addition, FIA hosted its inaugural Christmas cocktail function for its members in November last year and we had a very good response from our membership. Our Marketing Committee is currently working on launching a membership loyalty programme later this year, with more detailed information to follow soon via our email and website.

In addition, in August 2013 I had an opportunity to participate in the CAPA meeting held in Samoa on behalf of the Institute. This meeting provided FIA a platform to continue to participate internationally as one of our CSO objective, especially in the Asia Pacific region. A Maturity Model for the Development of Professional Accountancy Organisations that CAPA has developed was pilot tested during this meeting and FIA has provided its view on this Model to CAPA for the benefit of developing the profession in the region.

With the above update on the works of the Institute during my tenure, I thank all members for their continued support and commitment towards the Institute. It has been a privilege and honour to be the President of the Institute for 2013/14 and I would like to wish the incoming President the very best for 2014/15.



Asit Sen
President

THE COUNCIL FOR 2013/2014



Mr Asit Sen
President



Ms Renu Chand
Vice President



Mr Sikeli Tuinamuana
Treasurer



Mr Uday Sen
Member



Mr Camacakau Raimuria
Member



Mr Nouzab Fareed
Member



Mr Jerome Kado
Member



Mr Ronesh Dayal
Member



Mr Rana Pratap Singh
Member

It was a year of many changes for members of the Council, with no less than four of the older Members being replaced with new members. Mr Rajesh Lal, having replaced Ms Stella Simpson in March 2012, was himself replaced by Mr Nouzab Fareed in February 2013; Mr Nitin Gandhi who had served on Council since March 2005, stepped down in February 2013 and was replaced by Mr Jerome Kado in March; Mr Divik Deo, who had joined the Council in June 2009, stepped down in April and was replaced by Mr Ronesh Dayal in May; and Mr Iowane Naiveli, who had served on the Council since July 2007, was replaced by Mr Rana Pratap Singh in August.

ANNUAL GENERAL MEETING

The Annual General Meeting for 2013 was held on 7th June at the Sheraton Fiji Resort on Denarau Island near Nadi and it was attended by a total of fifty-two members of whom fifty were full Chartered Accountant members and two 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 term had expired and who had been automatically re-nominated, the three retiring members Mr Jerome Kado (Category A) Mr Uday Sen (Category B) and Mr Nouzab Fareed (Category C) were re-elected unopposed for the following three years.

Mr Gardiner Whiteside was appointed as the Institute's Auditor, in succession to Mr Pradeep Patel, for a year, with the Council expressing appreciation to Mr Patel for his services in the past three years.

THE COUNCIL

As mentioned in the preceding section Jerome Kado, Uday Sen and Nouzab Fareed 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, Asit Sen and Renu Chand were elected, as President and Vice President respectively for the year 2013/2014. Sikeli Tuinamuana agreed to remain as interim Treasurer until a new person was elected and he was replaced by Rana Pratap Singh as Treasurer in August.

Details of the changes in membership of the Council are shown earlier in this report.

The Council held 13 meetings during the year of which 11 were regular monthly meetings, one was a special one to consider the issue of certificates of public practice to two New Zealand- based members of the New Zealand Institute, only one of which was

approved, 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 2013 in the following table:

Asit Sen	12 out of 13	92.3%
Renu Chand	11 out of 13	84.6%
Sikeli Tuinamuana	11 out of 13	84.6%
Uday Sen	11 out of 13	84.6%
Camacakau Raimuria	12 out of 13	92.3%
Nouzab Fareed	8 out of 12	66.7%
Jerome Kado	9 out of 11	81.8%
Ronesh Dayal	8 out of 8	100.0%
Rana Pratap Singh	4 out of 4	100.0%
Nitin Gandhi	Nil out of 2	-
Divik Deo	4 out of 5	80.0%
Iowane Naiveli	5 out of 8	62.5%

OVERSEAS ACTIVITY

In August, Mr Asit Sen, the newly elected President, attended the Confederation of Asian and Pacific Accountants meeting held in Samoa designed to provide an opportunity for the regional Professional Accounting Organisations to share issues of mutual interest and to pilot-test the "Maturity Model for the Development of PAOs", produced by IFAC.

CONGRESS 2013

The Annual Congress for the year 2013 was held over the two-day period 7th – 8th June at the Sheraton Fiji Resort. This was the seventh time that the Congress has been held at this Resort which now has a major Conference facility.

The theme chosen by the Council and the Organising Committee for the 2013 Congress was **“Challenge of Change”** and the Keynote Speaker for the Congress was **Mr Devadas Krishnadas**, a professional consultant specialising in foresight planning.

The programme featured four speakers and two panel discussions on the first day and three speakers and a panel discussion on the second day.

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

“Challenge of Change” by Mr Devadas Krishnadas, Director and Principal Consultant for ‘Future Moves’ from Singapore;

“A Pacific Perspective on Investment Opportunities in Fiji” by Mr Ian Tarutia, Chief Executive Officer of the National Superannuation Fund (NASFUND) in Papua New Guinea;

“Challenge of Growth in the Pacific: Is Growth an Imperative?” by Mr Ram Bajekal, Group Chief Executive Officer for the Flour Mills of Fiji Group of Companies; and

“Sovereign Debt and Its Impact on Growth” by Mr Justin Smirk, Senior Economist with Westpac’s Economic Research Team; and

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

“From Bollywood to Bulawood” by Mr Anubhav Sinha, an Indian Film Director and founder of ‘Benaras Media Works’ in Mumbai;

“The Nexus between Anti-Corruption and Anti-Money Laundering Systems in Fiji” by Mr Razim Buksh, Director of Fiji’s Financial Intelligence Unit based in the Reserve Bank of Fiji; and

“Bringing the World to Fiji” by Mr Mark Mahoney, General Manager for Mindpearl, a global outsourced contact centre based in Fiji.

A total of 542 persons attended, comprising 341 delegates (of whom 180 were members and 161 non members), 107 partners and 94 children.

Ms Penny Egan, National Deputy President of CPA Australia and Mr Graham Crombie a Past President of the New Zealand Institute of Chartered Accountants 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 a number of occasions - the first being on 21st June 2006, the most recent on 28th April 2010, and enquiries have been made as to the progress made on the submissions but, to date, no response has been forthcoming nor subsequent legislative changes made.

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 2013, 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:

26 Chartered Accountants (of whom 17 were previously Provisional Members)

61 Provisional Members (of whom 7 were previously Affiliate Accountants)

30 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
2010	7	75	40	122
2011	18	64	37	119
2012	24	81	52	157
2013	26	61	30	117

One of the new Chartered Accountants admitted, **Imran Raza**, was also granted a certificate of public practice. However, a certificate of public practice previously issued to **Raghwa Prasad** was withdrawn in view of his lengthy absences from Fiji.

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 were accredited for a period of 3½ years from 1st July 2011, and both the BA in Accounting and BCom courses offered by the University of the South Pacific were accredited for a period of 3 years from 1st January 2012. However, the BCom course offered by the University of Fiji, though also accredited for a period of 3 years from 1st January 2012, was subject to certain specific conditions. These conditions, including particularly one requiring the University to recruit a full Professor of Accounting, have since been satisfied. The Council has also accredited the USP's Post Graduate Diploma in Professional Accounting for a period of 3 years from 1st January 2012 and FNU's Post Graduate Diploma in

Accounting for a period of 1 year from 1st January 2014. This will ensure that all the accreditations will be subject to review from the same date.

The requirements for admission for the three different categories of membership current at the close of 2013 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 (or, from 1st January 2014, FNU's new) Post Graduate Diploma in Accounting. Applicants for full Chartered Accountant membership are also required to complete a minimum of three years of acceptable practical experience (at least two of which have to be completed after completing the 20 undergraduate academic units) under mentorship and to have achieved in-depth experience in at least one and broad experience in two (out of six) specific areas of practical experience.

PEER REVIEW

In line with the requirements of the International Federation of Accountants (IFAC) Statements of Membership Obligations (SMOs), the Institute appointed a retired chartered accountant in public practice, Mr Bruce Sutton, to undertake a review of the compliance by all those in public practice with IFAC's standard ISQC 1.

Mr Sutton undertook a preliminary meeting with representatives from the public practice firms in October 2012, to brief them about the requirements and the procedures that he would be adopting for undertaking the initial, and later detailed, reviews of the practices over a three-year period. In April 2013, he initiated a series of one-hour introductory meetings with all the practices, and from mid November 2013 he conducted detailed reviews of the first eight practices selected by random ballot. Of these first eight practices, one was from one of the Big Three, one from practices with more than two partners and six from single partner practices.

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. Only one award was made in 2013 - in respect of the academic year 2012 – to **Mr Shyman Reddy** for being the most outstanding student in accounting and financial management. It should also be recorded that Mr Shyman Reddy received a gold medal award from the University of the South Pacific for being the most outstanding student in Economics and also the most outstanding student overall in the faculty of Business and Economics.

For 2013, in respect of the academic year 2012, the **University of Fiji** awarded a cash prize for the most outstanding student who had graduated in Accounting to Mr Ravineshwar Dutt.

For 2013, in respect of the academic year 2012, the **Fiji National University** awarded a cash Prize for the most outstanding student in Accounting to Mr Kasif Nasibdar.

Applications were invited in June 2013 for those seeking to be considered for the award of Young Accountant and Chartered Accountant of the Year both through email and also by advertisement printed in the June issue of the Journal. Only two applications were received by the closing date of 30th August, one for each of the categories. The award for the Young Accountant of the Year was recommended to the Council, agreed by Council and presented to Mr Shyman Reddy at the Cocktail Party organised for Central Division members in Suva on 14th November.

The Awards Committee is planning to recommend revising the procedures for determining the awards and extending the number of categories of membership to be considered for awards.

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.

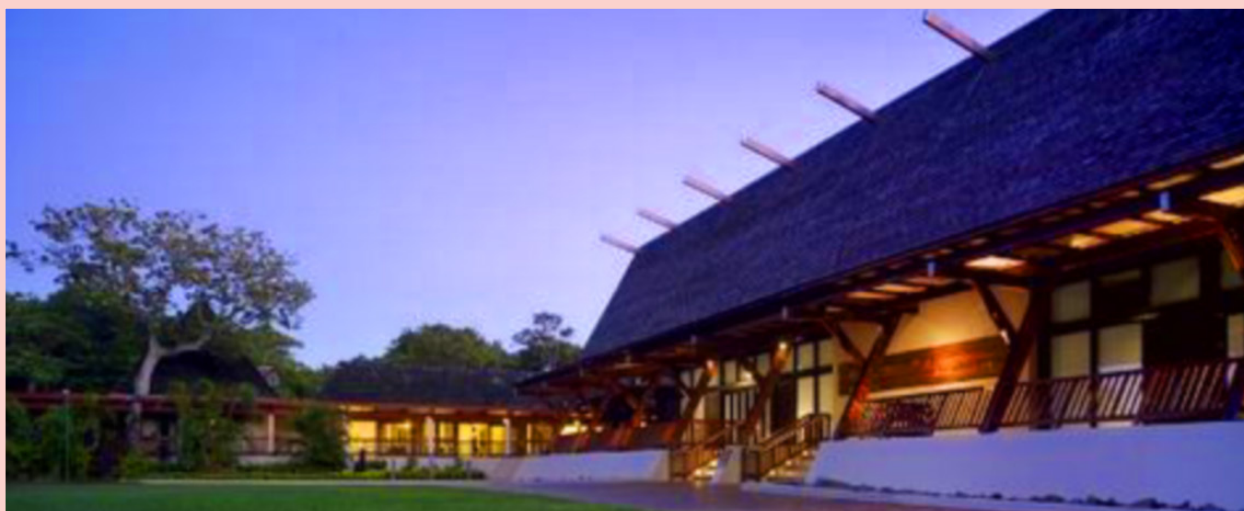
To enable all FIA members to complete the new current required minimum number of hours of **“structured”** Continuing Professional Education (CPE) of either 30 hours annually or 90 hours over a three-year period the Professional Development Committee had planned a comprehensive programme for 2013 consisting

of eleven half-day Seminars - eight seminars were organised for Suva and three for the West - and two one-and-a-half day Technical Workshops. Two seminars organised for Suva were repeated in the West.

The programme organised by the Professional Development Committee for 2013 provided the opportunities for all FIA members to gain a total of 40½ CPE structured hours by attending the various activities listed below:

Seminars and Workshops 2013

Seminar	January 29th and February 8th	2½
Seminar	February 25th and March 1st	2½
Workshop	March 22nd - 23rd	6½
Seminar	April 23rd	2½
Seminar	May 21st	2½
Congress	June 6th - 9th	5
Seminar	July 23rd	2½
Seminar	August 20th	2½
Workshop	September 13th - 15th	6½
Seminar	October 22nd	2½
Seminar	November 19th	2½
Seminar	November 29th	2½
	Total	40½



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 29th	41	31	72
Seminar	Nadi	February 8th	15	5	20
Seminar	Suva	February 25th	33	48	81
Seminar	Nadi	March 1st	18	34	52
Workshop	Intercont'l	March 22nd – 23rd	84	67	151
Seminar	Suva	April 23rd	12	46	58
Seminar	Suva	May 21st	21	23	44
Congress	Sheraton	June 6th - 9th	180	161	341
Seminar	Suva	July 23rd	14	11	25
Seminar	Suva	August 20th	46	38	84
Workshop	Fijian	September 13th - 15th	84	79	163
Seminar	Suva	October 22nd	11	23	34
Seminar	Suva	November 19th	14	8	22
Seminar	Nadi	November 29th	27	33	60

A two-day "Congress" was also organised by the Fiji Branch of CPA Australia from 23rd - 24th August 2013 at the Sheraton Resort with the Theme "A World of Opportunity". 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 nine Seminars for 2013 were as follows:

January 29th and February 8th

"IFRS 13 - Fair Value Measurement"
Presented by Professor Michael White, University of the South Pacific

February 25th and March 1st

"Tax Changes and Developments"
Presented by Mr Pradeep Patel, Partner in G Lal & Co

April 23rd

"Forensic Accounting"
Presented by Mr

Rakesh Chandra, Fiji National University

May 21st

"IAS 16 – Property, Plant and Equipment"
Presented by Ms Febriyenni Moein, PricewaterhouseCoopers

July 23rd

"Issues in Environmental and Corporate Accounting"
Presented by Professor Keith Maunders, University of the South Pacific

August 20th

"Unexplained Wealth"
Presented by Mr Razim Buksh, Financial Intelligence Unit Reserve Bank of Fiji

October 22nd

"Tips on Excel"

Presented by Ms Pinky Kumar, Fiji National University

November 19th

"The IFAC Code of Ethics"

Presented by Professor Michael White, University of the South Pacific

November 29th

"Update on the 2014 Budget"

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

Workshops

Two Technical Workshops were arranged for 2013 - the first being held at the Intercontinental Resort, at Natadola near Sigatoka in March and the second held at the Shangri-la Fijian Resort in September.

The pattern for the programme for the first March Technical Workshop in 2013 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, with one major difference in that the first plenary session was organised to be held on the Friday evening, prior to the dinner, and with no 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 2013 was held at the Intercontinental Resort at Natadola near Sigatoka - this being a second time that we have used this venue. The Workshop was held from the 22nd - 23rd March incorporating the following topics:

The three Plenary sessions were:

"Update on Infrastructure Developments"

Presented by Mr Filimone Waqabaca, Permanent Secretary for Finance;

"Effects of the Budget on the Economy"

Presented by Mr Barry Whiteside, Governor of the Reserve Bank of Fiji; and

"Credit Rating Agencies and how their Ratings affect Sovereign Debt"

Presented by Professor Tiru K Jayarman, Fiji National University and the two "Break-Out" sessions were:

"IFRS 11 and 12 - Joint Arrangements and Disclosure of Interests in Other Entities"

Presented by Mr Peni Tora, Manager in Ernst & Young; and

"IFRS 10 -Consolidation"

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

A total of 268 people attended of whom 159 were delegates, 60 were partners and 49 were children.

A second Technical Workshop was held at the Shangri-la Fijian Resort on Yanuca Island from 13th to 15th September 2013, that was run in conjunction with CPA Australia, incorporating 3 Plenary and 2 "Break-Out" sessions (one plenary session being run on the Friday evening):

The three Plenary sessions were:

"Challenges in Implementing IFRS for SMEs across the Globe"

Presented by Dr Parmod Chand of Macquarie University;

"Recent Reforms in the FNPf"

Presented by Mr Jaoji Koroï, Chief Investment Officer of FNPf; and

"The Adoption of IPSAS Standards"

Presented by Professor Kieran James, University of Fiji and the two break-out sessions were:

"IAS 12 - Tax Effect Accounting"

Presented by Dr Parmod Chand, Macquarie University, and

“Consolidation”

Presented by Mr Sukant Jolly, PricewaterhouseCoopers.

A total of 247 people attended of whom 163 were delegates, 43 were partners and 41 were children.

JOURNAL

Only two issues of the Institute’s “Accountant” Journal were produced and distributed to the members during 2013:

A 44-page June issue which was distributed at the time of the Congress; and

A 44-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

This had been a busy year for the Committee, with the first half of the year concentrating on a number of visits to secondary schools and attendance at the USP’s Open Day, with a view to attract students and make them more aware of the benefits of making accountancy their first choice for a career, and the second half focusing on networking and on providing benefits for members.

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 reprinted in 2011 for distribution to students and others who might 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 visits made to the following three secondary schools and at the University-run Careers Open Day at the University of the South Pacific:

15th March	Visit to Queen Victoria School
24th May	Visits to Ratu Kadavulevu School and Adi Cakobau School
9th August	Open Day at the University of the South Pacific

The Committee also organised, in conjunction with the staff of the University of the South Pacific, a cocktail party for staff and final year students and FIA members, on 2nd May as a networking event to promote awareness of the Institute’s activities. A similar function, to be hosted by the FNU, was planned but had to be postponed and will be held in 2014.

In line with an initiative intended to provide benefits to members, the Committee arranged to have a cocktail party for Southern Division (Suva-based) FIA members on 14th November. It was attended by 61 members. A similar event, held in conjunction with a seminar arranged by the Western Division Committee on 29th November, was also attended by a similar number.

The Committee is also planning to arrange for members to be provided with membership cards which could be used by members to obtain discounts from certain commercial firms willing to offer such benefits.

The Institute has continued to produce the two-page newsletter, named “Littera” containing short up to date news items of Institute activities, which has proved popular with the members.

During 2013, a total of six issues were produced.

No 8 in March	No 9 in July
No 10 in August	No 11 in September
No 12 in October	No 13 in December

DISCIPLINARY PROCEEDINGS

The Investigation Committee held only three meetings during 2013. There had been four cases outstanding from 2012, two of which had been received very late in the year and two that had been referred to the Courts by the complainants for adjudication. These latter were therefore kept under review pending the result of the relevant Court actions. The two other complaints were in the nature of criticisms of the format of audit reports presented to an adjudication panel under the aegis of the South Pacific Stock Exchange for best annual reports for 2012 critical of certain inclusions and exclusions and of a rating accorded to one of those reports by the panel. The criticisms were judged to be largely subjective and to be more correctly addressed to the SPSE judging panel, and were dismissed.

One further complaint was received, critical of the failure by a chartered accountant in public practice to complete tasks which had been understood to have been agreed but which had not been included in an engagement letter signed by the parties. This complaint, together with one other, critical of undue delay and incorrect procedural practice were still outstanding at the end of the year.

The Disciplinary Committee held no meetings during 2013, as no cases had been referred to it.

BUSINESS AND GOVERNMENT COMMITTEE

During the year, the Committee's time was largely concerned - as is usually the case - with statutory requirements, processes and legislation including a lot of work on taxation matters. Various submissions were made to the FRCA Chief Executive Officer and to the Permanent Secretary for Finance regarding provisions in the draft Income Tax Decree including a request for the deferment of its implementation.

Serious concerns have also been expressed about the practice of introducing legislation that has retroactive effect.

Meetings and discussions were held with Professor Lee Burns on the provisions of the draft Income Tax Decree. Concerns have also been expressed about constant revisions to the draft decree and the policy framework for the proposed decree and its detailed provisions..

The Committee also met with an IMF Article 4 Mission Review Team on the state of the Fiji economy

The practice of holding approximately quarterly meetings with the FRCA representatives was continued. Numerous issues were discussed with the CEO and his team including issues that were of concern to the members of the Institute in dealing with FRCA and technical issues.

The Committee also discussed draft provisions in the proposed Companies Decree, including a requirement for private companies to disclose their full Accounts to the Registrar as well as uncertainties about the qualifications that would be required for auditors and whether these would be consistent with the requirements for auditors under the FIA Act. The proposed Companies Decree has not yet been promulgated.

The Committee prepared a slightly shorter - and more focused - submission for the 2014 Budget that was lodged with Ministry of Finance on 30th August.

The Committee was invited by the Ministry of Trade to attend a meeting in September to discuss Fiji's Trade policy, which was attended by a representative of the Institute.

The challenges expected in the near future include appropriately working with Government on both the proposed Income Tax and Companies decrees to ensure that they provide the necessary framework for

growth and the effective and efficient conducting of business in Fiji.

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) have been withdrawn except for any entities who may be producing accounts for periods starting prior to 1st January 2011. But, the new SME Standard only applies 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 had also examined in 2012 the four new IFRS standards that had been released by the IASB in May 2011 and had agreed that there should be no difficulty in adopting them.

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

They have subsequently been adopted and professional development sessions held to explain their provisions – IFRS 10, 11 and 12 at the March Technical Workshop and IFRS 13 at the January/February Seminars in Suva and the West.

The IASB has distributed for comment some revisions to the Conceptual Framework for IFRS and the Standards Committee has examined these proposals and has formulated a response. An exposure draft has also been issued by the IASB proposing some amendments to the IFRS for SMEs standard which has also to be discussed by the Committee. Consideration is also being given to the possible need to develop a standard for micro enterprises.

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 published and distributed to all FIA members in October 2012. It included nine sections dealing with various different aspects of the Institute's activities as follows:

- 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

A review of the progress made in implementing the objectives of the Plan, under each of the various aspects of the Plan, was undertaken during 2013 with reports being sourced from the Chairs of the relevant Committees and the results being uploaded to the Institute's website.

MEMBERSHIP STATISTICS

The total number of FIA members, of all categories, listed on the Institute's Register, as at 31st December 2013, was 787 – reflecting a marginal increase of just

2 on the total membership for 2012. This makes 2013 another record year, the fifth year in succession, for membership, in the last ten years – particularly in the light of the large number of defaulting members whose names had been removed from the Register for failing to pay their membership subscriptions on time.

During 2013, the names of 178 members and 31 students (more than usual) were removed from the Register for failing to pay their membership subscriptions before 30th June 2013. However, 74 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 117 new members (excluding students) were admitted to membership, of whom 26 were admitted as Chartered Accountants, 61 as Provisional Members and the other 30 as Affiliate Accountants. In addition, 14 new students were admitted.

The comparative figures for 2012 and 2013 for each of the various categories were as follows:

	2012	2013
Chartered Accountants in Public Practice	38	38
Chartered Accounts not in Public Practice	267	275
Provisional Members	286	292
Affiliate Accountants	165	165
Licensed Accountants	1	1
Students	28	16
Total	785	787

Seventy-seven members were resident overseas of whom 65 were Chartered Accountants, 9 were Provisional members and 3 were Affiliate Accountants.

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

MEMBERSHIP STATISTICS

A. MEMBERSHIP by Category (2007 - 2013)

	CPP	CA	PM	AA	LA	ST	TOTAL
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
2013	38	275	292	165	1	16	787

B. MEMBERSHIP by Occupation (2013)

	CPP	CA	PM	AA	LA	ST	TOTAL	
Public Practice	38	24	89	6	1	-	158	[20.1%]
Industry and Commerce	-	101	94	95	-	-	290	[36.9%]
Public Sector	-	59	70	45	-	-	174	[22.1%]
Education and Training	-	16	19	7	-	16	58	[7.3%]
Other	-	10	11	9	-	-	30	[3.8%]
Overseas	-	65	9	3	-	-	77	[9.8%]
	38	275	292	165	1	16	787	

C. MEMBERSHIP by Gender (2007 - 2013)

	2007	2008	2009	2010	2011	2012	2013	
Male	409	462	473	497	499	524	509	[64.7%]
Female	187	200	208	222	243	261	278	[35.3%]
	596	662	681	719	742	785	787	

D. MEMBERSHIP by Age (2007– 2013)

	2007	2008	2009	2010	2011	2012	2013	
Under 30	269	278	315	340	348	360	336	[42.7%]
31 to 40	177	203	208	204	207	214	238	[30.2%]
41 to 50	86	94	84	90	92	111	118	[15.0%]
51 to 60	47	64	59	64	69	76	71	[9.1%]
Over 60	15	20	13	21	24	23	23	[2.9%]
Unrecorded	2	3	2	-	2	1	1	[0.1%]
	596	662	681	719	742	785	787	

COMMITTEE MEMBERS 2013 – 2014

Investigation Committee

Cama Raimuria (Chair)
Nouzab Fareed
Jerome Kado
Caroline Pickering

Professional Development Committee

Uday Sen (Chair)
Nouzab Fareed
Lorraine Seeto
Swastika Devi
Neil Underhill

Business & Government Committee

Jerome Kado (Chair)
Lisa Apted
Rana Singh
Deepa Kapadia
Madhu Sudhan

Act & Rules Committee

Sikeli Tuinamuana (Chair)
Zarin Khan
Kitty Finau

Staff & Administration Committee

Asit Sen (Chair)
Rana Singh

Disciplinary Committee

Asit Sen (Chair)
Uday Sen
Rana Singh
Ravendran Achari
Regina Mar

Congress Organising Committee

Asit Sen (Chair)
Sikeli Tuinamuana
Beverly Seeto
Ronesh Dayal
Rajeshwar Singh

Journal and Website

Ronesh Dayal (Chair)
Arvindbhai Patel
Leonard Chan
Gyaneshwar Prasad
Rameez Khan

Awards Committee

Rana Singh (Chair)
Renu Chand
Ronesh Dayal

Treasurer

Rana Singh

Membership Committee

Renu Chand (Chair)
Harik Raj
Kalpana Lal
Mariana Tukana
Saiyad Hussain

Accounting and Auditing Standards Committee

Sikeli Tuinamuana (Chair)
Pradeep Patel
Michael White
Inia Naiyaga
Tevita Bolanavanua

Western Division Committee

Mitchell Craig (Chair)
Rajesh Sangekar
Denise Charan
Sanjini Nair
Shaneel Padarath

Corporate Plan and Peer Review Committee

Cama Raimuria (Chair)
Unise Cawaru
Sanjay Sharma
Aseri Radrodoro

Marketing & Promotion Committee

Nouzab Fareed (Chair)
Glen Finau
Niraj Bhartu
Jai Kumar
Jocelyn Prasad

A BRIEF COMMENTARY ON THE FINANCIAL STATEMENTS FOR THE YEAR 2013.

NET SURPLUS

FIA's net surplus for the year was \$17,861 compared to a surplus of \$6,292 achieved in the previous year 2012.

REVENUE

Total income for the year amounted to \$866,637 compared to \$875,261 in 2012- a decrease of \$8,624 or 1.0% for the year, largely attributable to the decreases in income from the special committees and from other income sources.

Members' subscriptions amounted to \$118,316 (2012: \$118,997), a decrease of \$681 from the previous year, representing a reduction of 0.6%. Total membership has increased by only 2 from 785 in 2012 to 787 in 2013. The number of chartered accountants has increased by 8, provisional members by 6 and affiliate accountants remain unchanged.

The total income from special committees amounted to \$714,896 (2012: \$724,777) a decrease of \$9,881 from the previous year. Net surplus from special committees' activities increased to \$88,208 (2012: \$56,907), an increase of \$31,301, representing a growth of just over 55.0%. This largely resulted from an increased surplus of \$41,232 from the Annual Congress as well as a reduction in the surplus of \$6,924 in respect of the Professional Development (Education Courses) and an increase in the deficit by \$3,007 for the Journal.

EXPENDITURE

Total expenditure amounted to \$848,776 (2012:\$868,969) - a decrease of \$20,193 from the previous year. This was largely attributable to increases of \$4,436 in accreditation expenses, \$12,161 on legal and professional expenses and \$7,623 on the Peer Review programme, but this was offset by a reduction of \$41,182 in special committee expenses and \$4,519 in VAT refunds written off.

BALANCE SHEET

The balance sheet has continued to strengthen, with the year end cash holdings of \$52,805 (2012: 54,064) but investments were valued at \$519,065 (2012: \$513,310). Net assets for the year increased from \$643,724 in 2012 to \$662,390 in 2013.

FIJI INSTITUTE OF ACCOUNTANTS

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

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FIJI INSTITUTE OF ACCOUNTANTS

Statement by the Council of Fiji Institute of Accountants

FOR THE YEAR ENDED 31 DECEMBER 2013

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 21 to 34 for the year ended 31 December 2013 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2013 and the results of its operations, its cash flows and changes in members' funds for the year then ended.

Dated this 6th day of May 2014.



.....
PRESIDENT



.....
TREASURER

FIJI INSTITUTE OF ACCOUNTANTS

Independent Audit Report

FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013 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 21 to 34.

Council's Responsibility for the Financial Statements

The Council of the Institute is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards 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 statement position of the Institute as at 31 December 2013 and of the results, cash flows and changes in members' fund of the Institute for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities.

SUVA, FIJI
06 MAY 2014



GARDINER H WHITESIDE
Chartered Accountant

FIJI INSTITUTE OF ACCOUNTANTS

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
INCOME			
Admission fees		7,200	8,820
Members' subscription	3	118,316	118,997
Interest		20,769	14,396
Dividend		4,670	4,428
Special committees	4	714,896	724,777
Accreditation		-	760
Members handbooks		120	-
Other		666	3,083
Total income		866,637	875,261
EXPENDITURE			
Accreditation expenses	5	4,436	-
Audit fees		870	870
Bank charges		555	1,125
Council and committee expenses		9,122	6,767
Depreciation		4,140	4,211
Electricity		4,689	4,660
General expenses		2,358	2,783
Gifts and awards		3,843	2,597
Insurance		6,142	7,617
International activities	8	29,165	25,458
Legal and professional expenses	6	18,811	6,650
Postage, telephone and internet		5,933	8,096
Printing and stationery		11,374	12,124
Rental		18,601	18,601
Peer review program	7	7,623	-
Repairs and maintenance		610	478
Special committees	4	626,688	667,870
Salaries, wages and associated costs		86,470	86,792
Travelling		2,159	2,197
VAT penalties and refunds written off		5,149	9,668
Website		38	405
Total expenditure		848,776	868,969
Net surplus for the year		17,861	6,292
Other comprehensive income			
Gain on remeasuring available-for-sale financial assets		805	8,051
Total comprehensive income for the year		18,666	14,343

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

FIJI INSTITUTE OF ACCOUNTANTS

Statement of Changes in Members' Fund

FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated Surplus \$	Investment Valuation Reserve \$	Total \$
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
Net surplus for the year	17,861	-	17,861
Gain on re-measuring available-for-sale financial assets	-	805	805
Balance as at 31 December 2013	649,508	12,882	662,390

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

FIJI INSTITUTE OF ACCOUNTANTS

Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
CURRENT ASSETS			
Cash on hand and at bank		52,805	54,064
Interest receivable		2,244	4,370
Dividend receivable		2,818	2,818
Other receivables	9	81,280	65,244
Financial assets	10	183,760	188,985
TOTAL CURRENT ASSETS		322,907	315,481
NON CURRENT ASSETS			
Financial assets	10	335,305	324,325
Office furniture and equipment	11	20,094	18,273
TOTAL NON-CURRENT ASSETS		355,399	342,598
TOTAL ASSETS		678,306	658,079
CURRENT LIABILITIES			
Creditors and accruals	12	7,346	5,277
Employee benefit liability	13	5,483	6,456
Subscriptions received in advance		3,087	2,622
TOTAL CURRENT LIABILITIES		15,916	14,355
TOTAL LIABILITIES		15,916	14,355
NET ASSETS		662,390	643,724
MEMBERS' FUNDS			
Accumulated surplus		649,508	631,647
Investment valuation reserve		12,882	12,077
TOTAL MEMBERS' FUNDS		662,390	643,724

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



.....
PRESIDENT



.....
TREASURER

FIJI INSTITUTE OF ACCOUNTANTS

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
Cash Flows from Operating Activities			
Receipts from members		126,047	123,316
Receipts from special committees and technical publications		711,270	703,321
Payment to suppliers and employees		(855,492)	(843,444)
Interest received		23,157	14,837
Dividend received		4,670	4,428
Net cash flows from Operating Activities	14(a)	9,652	2,458
Cash Flows used in Investing Activities			
Acquisition of office furniture and equipment		(5,961)	(3,870)
Payments of investments		(44,637)	-
Proceeds from redemption of investments		39,687	-
Net cash flow used in Investing Activities		(10,911)	(3,870)
Net decrease in cash held		(1,259)	(1,412)
Cash at the beginning of the financial year		54,064	55,476
Net cash and cash equivalents at the end of the financial year	14(b)	52,805	54,064

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

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1. GENERAL INFORMATION

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 18 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 and are presented in Fiji currency, rounded to the nearest dollar.

Basis of preparation

In the application of IFRS for SMEs, the Council of the Fiji Institute of Accountants 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 recognized 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.

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 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 recognized 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.

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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.

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

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**j) Revenue (Cont'd)***Member fees and subscription*

Admission fees are recognized as revenue on receipt.

The subscription year runs from 1 January to 31 December. Subscriptions are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current and past financial year are recognized 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 recognized on accrual basis.

Dividend revenue

Dividend revenue from investments is recognized when the Institute's 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 recognized net of VAT, except:

- Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized 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 recognized inclusive of VAT.

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

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 3. MEMBERS' SUBSCRIPTION

	2013 \$	2012 \$
Members holding a Certificate of Public Practice	13,010	14,350
Members not holding a Certificate of Public Practice	48,379	46,396
Provisional members	36,318	34,935
Licensed Accountants	110	110
Affiliate members	15,808	16,862
Overseas members	4,521	6,064
Student members	170	280
	118,316	118,997

NOTE 4. SPECIAL COMMITTEES

Total income	714,896	724,777
Total expenses	(626,688)	(667,870)
Net surplus special committees	88,208	56,907

Detailed income and expenses in respect to special committees is summarised below:

(a) Annual Congress

Income		
Registration fees and levies	339,424	378,430
Sponsorship	112,696	91,570
Other	-	15
	452,120	470,015
Expenses		
Accommodation, food and beverage	288,783	316,487
Advertising	1,556	2,680
Bank charges	118	126
Compendium bags	-	11,565
Tee Shirts	4,000	10,435
Leather travel wallets	12,174	-
Donation and gifts	4,495	2,520
Entertainment	-	4,087
Equipment hire	4,435	2,802
Speaker fees and costs	36,034	62,588
Stationery, telephone and fax	8,406	5,437
Travel	1,126	1,527
	361,127	420,254
Surplus	90,993	49,761

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 4. SPECIAL COMMITTEES (CONT'D)

	2013 \$	2012 \$
(b) Education Courses		
Income		
Registration fees and levies	252,162	241,639
Expenses		
Hall hire, accommodation, food and beverage	234,132	217,462
Advertising, publicity and other costs	10,107	4,485
Speaker fees and costs	1,898	5,471
CPAA Fiji's share of surplus	-	1,272
	246,137	228,690
Surplus	6,025	12,949
(c) Journal Committee		
Income		
Advertising revenue	10,614	13,123
Expenses		
Production and other costs	19,424	18,926
Deficit	(8,810)	(5,803)
(d) Western Division		
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. ACCREDITATION EXPENSES

Comprises:

i)	University of Fiji (UOF)	11,837	-
	Sum recoverable	(8,540)	3,297
ii)	Fiji National University (FNU)	9,016	-
	Sum recoverable	(7,877)	1,139
		4,436	-

Being for Professor Houghton's visits to evaluate accounting courses offered by the two Universities. The first, to examine compliance with conditions to be fulfilled by UOF and a second, to confirm compliance by UOF and evaluate post-graduate Masters and Diploma accounting courses to be introduced by FNU. The recoverable sums from the respective Universities, is as shown above.

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 6. LEGAL & PROFESSIONAL EXPENSES

	2013 \$	2012 \$
Comprises:		
i) Siwatibau & Sloan	1,669	3,650
ii) Munro-Leys	17,142	3,000
	18,811	6,650
i) Legal fee for review of contractual documents with Westpac and Vodafone.		
ii) Legal fee for review of several correspondences from an applicant for chartered accountant membership and a request for interpretation of the FIA Rules, regarding attendance at Council meetings.		

NOTE 7. PEER REVIEW

Being fee paid (Bruce Sutton – South Pacific Advisory)	7,623	-
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To comply with international quality control requirements for Chartered Accountant members holding a certificate of public practice, the Institute embarked on a review of these practitioners by engaging the services of a retired practitioner to evaluate and train these practitioners to ensure compliance with requirements. Initial training and familiarization costs are being met by the Institute.

NOTE 8. INTERNATIONAL ACTIVITIES

Subscription to:		
- International Federation of Accountants	9,053	7,320
- Confederation of Asia and Pacific Accountants	3,174	1,871
- eIFRS link to International Accounting Standards Board	15,793	15,917
- PAODC - Samoa	1,145	-
- Others	-	350
Total International Activities	29,165	25,458

NOTE 9. OTHER RECEIVABLES

VAT receivable, net	20,470	13,307
Interest withholding tax receivable	6,753	14,173
Deposit – Congress and Technical Workshop	14,109	20,784
Other receivables and prepayments	39,948	16,980
Total other receivables	81,280	65,244

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 10. FINANCIAL ASSETS

	2013 \$	2012 \$
Current		
Held-to-maturity investments		
Short term deposits with financial institutions	183,760	188,985
Non-Current		
Held-to-maturity investments		
Long term deposits with financial institutions	225,000	214,825
Available-For-Sale Financial Assets - quoted Securities		
Unit Trust of Fiji	110,305	109,500
Total non-current financial assets	335,305	324,325
Financial assets held to maturity attract interest ranging from 2.5% to 7.5% per annum and have maturities up to December 2016.		
Reconciliation of available-for-sale financial assets		
Opening balance	109,500	101,449
Gain on re-measurement to fair value	805	8,051
Total available-for-sale financial assets	110,305	109,500

NOTE 11. OFFICE FURNITURE AND EQUIPMENT

Office furniture and equipment - at cost	83,783	77,822
Less: accumulated depreciation	(63,689)	(59,549)
Total written down value	20,094	18,273
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	18,273	18,614
Additions	5,961	3,870
Depreciation expense	(4,140)	(4,211)
Total written down value	20,094	18,273

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 12. CREDITORS AND ACCRUALS

	2013 \$	2012 \$
Creditors and accruals	7,346	5,277
Total creditors and accruals	7,346	5,277

NOTE 13. EMPLOYEE BENEFIT LIABILITY

Annual leave entitlements	5,483	6,456
Employee Numbers		
Average number of employees during the financial year	4	4

NOTE 14. 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	17,861	6,292
Depreciation	4,140	4,211
Net cash provided by operating activities before change in assets and liabilities	22,001	10,503
Change in assets and liabilities:		
(Increase) in other receivables	(16,036)	(1,128)
Decrease in interest receivable	2,126	2,181
Increase/(Decrease) in creditors and accruals	2,069	(7,210)
(Decrease)/Increase in provision for leave entitlements	(973)	2,613
Increase/(Decrease) in subscriptions and fees in advance	465	(4,501)
Net cash provided by operating activities	9,652	2,458

b) Reconciliation of Cash and cash equivalents

For the purpose of the 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	52,805	54,064
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c) Non-Cash Operating Activities*Sponsorship in kind*

During the year, the Institute engaged into certain transactions for congress activities for consideration in kind aggregating to \$4,000 (2012: \$25,300). These transactions are not reflected in the statement of cash flows.

FIJI INSTITUTE OF ACCOUNTANTS

Notes to and Forming Part of the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 15. EXPENDITURE COMMITMENTS

	2013 \$	2012 \$
a) Capital Expenditure Commitments		
Capital expenditure approved but not committed	Nil	1,800
Total capital expenditure commitment	Nil	1,800
b) Operating Lease		
Operating lease commitments are as follows:		
Not later than one year	10,850	18,600
Later than one year but not later than two years	-	10,850
Total operating lease commitments	10,850	29,450

NOTE 16. CONTINGENT LIABILITIES

Contingent liabilities as at 31 December 2013 amounted to \$Nil (2012 - \$Nil).

NOTE 17. RELATED PARTY TRANSACTIONS

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

Asit Sen	Sikeli Tinamuana	Uday Sen	Nouzab Fareed
Jerome Kado	Rana Pratap Singh	Renu Chand	Iowane Naiveli
Camacakau Raimuria	Divik Deo	Ronesh Dayal	Nitin Gandhi

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 18. 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 19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Council and authorised for issue on 6th May 2014.

