President’s Report

Ni sa bula vinaka, Namaste and warm greetings to you all. I am pleased to report to you on work activities and achievements of the Institute during my tenure as its President. I will also briefly highlight the opportunities and challenges ahead for the Institute for the benefit of the incoming President and the respective Committees.

Foremost, I would like to express my profound gratitude to members of the Council in entrusting me with the responsibility to lead the Institute. I found my term exciting, rewarding and enjoyable.

The convening of the September 2014 General Elections and the subsequent swearing in of the democratically elected Government gave inroads to renowned business and investor confidence. The Institute also equally rose to the occasion and fully embraced the opportunities emanating from this development such as providing submissions, making representations and the continued consultation with associated stakeholders.

The Institute provided comprehensive inputs in the 2015 National Budget process, with oral and written submissions. These were well received by Government as was evident in the National Budget announcement. We also had a number of interactions and constructive dialogue with Government on the Fiji Companies Bill. We continue to make representations at various Forums on the necessity for further reforms for ease of doing business as well as ensuring there are business friendly policy initiatives.

The Practice Quality Review Programme was well underway with seven practices (one third of total practices in Fiji) reviewed between September 2014 and January 2015. The remaining seven firms are currently under review. The initial findings from these quality reviews along with recommendations are being actioned by the Peer Review Committee which is made up of non CPP members.

Our professional development programme continued unabated during the year. We had a number of workshops and seminars convened to meet members professional development needs covering areas such as taxation, developments in the International Financial Reporting Standards, economic update and local specific topics challenging our professionals. Also, seminars for our Western division members have been conducted and further seminars planned based on feedback obtained.

I am pleased to report that there was a sustained growth in membership of the Institute. We had 161 new professionals joining the Institute during the year. The Council members also changed during the year with two new members being appointed. The Council is now represented by two female members.

With regards to the future, the Institute will embark on the next phase of its Corporate Plan and findings from the Peer Reviews expected to be completed in 2015. This work I am sure will be picked up and taken to another level by the incoming President.

In conclusion, I take this opportunity to thank the Council members and the Institute for giving me the opportunity to lead a professional body of world-class accountants. I look forward to remaining in contact and effectively supporting the work of the Institute as your outgoing President.

Renu Chand
President
There were two changes in membership of the Council during the year, with Mr Rana Singh stepping down immediately after the Annual General Meeting in May 2014 and being replaced by Ms Finau Nagera and Mr Ronesh Dayal stepping down shortly after the Annual General Meeting upon his transfer to Papua New Guinea and being replaced by Mr Zarin Khan. And Mr Asit Sen submitted his resignation at the November Council meeting, as he was intending to emigrate to Australia.

THE COUNCIL FOR 2014/2015

These Vision, Mission and Values Statements form part of the Corporate Plan adopted in 2012.
ANNUAL GENERAL MEETING

The Annual General Meeting for 2014 was held on 23rd May at the Shangri-La Fijian Resort on Yanuca Island near Sigatoka and it was attended by a total of fifty-three members of whom fifty were full Chartered Accountant members and three 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 Rana Singh (Category A), Mr Asit Sen (Category B) and Ms Renu Chand (Category C) were re-elected unopposed for the following three years.

As noted above, Mr Rana Singh resigned immediately after the Annual General Meeting and was replaced by Ms Finau Nagera. Mr Asit Sen resigned in November but no replacement was appointed before the end of the year.

Following the Annual General Meeting, at a special Council Meeting, Renu Chand and Nouzab Fareed were elected, as President and Vice President respectively for the year 2014/2015. Rana Singh agreed to remain as interim Treasurer until a new person was elected and he was replaced by Jerome Kado as Treasurer in July.

The Council held 12 meetings during the year of which 10 were regular monthly meetings, one was a special one to consider the draft report on the Accounts for 2013, 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. Ten of the twelve meetings were held in Suva and two in the West.

THE COUNCIL

As mentioned in the preceding section Rana Singh, Asit Sen and Renu Chand were re-elected for a period of 3 years, at the Annual General Meeting in May, though Mr Rana Singh resigned immediately after the Annual General Meeting and was replaced by Ms Finau Nagera. Mr Asit Sen resigned in November but no replacement was appointed before the end of the year.

Following the Annual General Meeting, at a special Council Meeting, Renu Chand and Nouzab Fareed were elected, as President and Vice President respectively for the year 2014/2015. Rana Singh agreed to remain as interim Treasurer until a new person was elected and he was replaced by Jerome Kado as Treasurer in July.

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OVERSEAS ACTIVITY

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 2014 in the following table:

<table>
<thead>
<tr>
<th>Member</th>
<th>Total Meetings</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renu Chand</td>
<td>12 out of 12</td>
<td>100.0%</td>
</tr>
<tr>
<td>Nouzab Fareed</td>
<td>9 out of 12</td>
<td>75.0%</td>
</tr>
<tr>
<td>Jerome Kado</td>
<td>6 out of 12</td>
<td>50.0%</td>
</tr>
<tr>
<td>Sikelu Tuinamunana</td>
<td>8 out of 12</td>
<td>66.7%</td>
</tr>
<tr>
<td>Uday Sen</td>
<td>11 out of 12</td>
<td>91.7%</td>
</tr>
<tr>
<td>Camacakau Raimurua</td>
<td>9 out of 12</td>
<td>75.0%</td>
</tr>
<tr>
<td>Asit Sen</td>
<td>11 out of 12</td>
<td>91.7%</td>
</tr>
<tr>
<td>Finau Nagera</td>
<td>4 out of 6</td>
<td>80.0%</td>
</tr>
<tr>
<td>Zarin Khan</td>
<td>4 out of 6</td>
<td>80.0%</td>
</tr>
<tr>
<td>Ronesh Dayal</td>
<td>6 out of 6</td>
<td>100.0%</td>
</tr>
<tr>
<td>Rana Pratap Singh</td>
<td>3 out of 6</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

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

“Today’s Vision: Tomorrow’s Reality” by Mr Thomas Sass, Managing Director of a Hedge Fund Research Asset Management Company based in the Boston area, as well as a ex Navy Seal in the United States Navy.

“A Blue Green Economy” by Mr Kaliopate Tavola, an Agricultural Economist with a broad background in diplomatic postings, ministerial appointments and consultancy assignments in Europe, Fiji and the Pacific Region;

“The Role of the Four Estates and Their Interaction” by Judge David Ashton-Lewis, a previous High Court Judge serving in Fiji and Papua New Guinea and a consultant to the corporate sector in Australia and the Pacific Region; and

“Youth and Leadership” by Mr William Parkinson, Managing Director of Communications Pacific Ltd, Executive Director of Unwired Fiji and Board Member and later Chairman of Leadership Fiji; and

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

“Diversity and Inclusiveness” by Dr Frankie Reed, the US Ambassador to the Pacific Islands of Fiji, Kiribati, Nauru, Tonga and Tuvalu and a senior career diplomat;

“Shared Services” by Mr Atma Maharaj, Chief Executive Officer of Latitude 12 Pty Ltd, a company specialising in strategic partnerships, business development, information systems and change management, providing services to local government shires and remote Australia; and

“G M Food” Adopt or Perish” by Professor Peter Langridge, Chief Executive Officer of the Australian Centre for Plant Functional Genomics based at the South Australian University in Adelaide, and a Fellow of Food Standards Australia and New Zealand.

This led on seamlessly to a debating session on the motion “GM Food Is the Answer to World Hunger”, with two high powered debating teams whose eloquence swayed the opinions of the audience throughout in widely contrary directions with a final vote favouring those against the motion The members of the two debating teams were:
A total of 453 persons attended, comprising 233 delegates (of whom 119 were members and 134 non-members), 114 partners and 86 children.

Mr Adam Awty, Chief Operating Officer of CPA Australia and Ms Kristen Patterson, Acting Chief Executive of the New Zealand Institute of Chartered Accountants also attended.

**THE ACT, RULES AND BY-LAWS**

The Committee held extended meetings during 2004, 2006 and 2009 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 resolved that, with the passage of time, the Committee should again review the FIA Act and Rules. The Council agreed that the review be undertaken once the new Companies Act has been enacted, as parts of this new Act may significantly impact the FIA Act and Rules.

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 2014, 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:

- 48 Chartered Accountants (of whom 25 were previously Provisional Members and 3 were Affiliate Accountants);
- 77 Provisional Members (of whom 2 were previously Affiliate Accountants); and
- 36 Affiliate Accountants

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Chartered Accountants</th>
<th>Provisional Members</th>
<th>Affiliate Accountants</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18</td>
<td>64</td>
<td>37</td>
<td>119</td>
</tr>
<tr>
<td>2012</td>
<td>24</td>
<td>81</td>
<td>52</td>
<td>157</td>
</tr>
<tr>
<td>2013</td>
<td>26</td>
<td>61</td>
<td>30</td>
<td>117</td>
</tr>
<tr>
<td>2014</td>
<td>48</td>
<td>77</td>
<td>36</td>
<td>161</td>
</tr>
</tbody>
</table>

One of the Chartered Accountants admitted in 2013, Imran Raza, who had also been granted a certificate of public practice, had his certificate of public practice withdrawn on account of his lengthy absences from Fiji. Three new certificates of public practice were issued during 2014 to Deepal Lal, Sushil Dutt and Mahmood Khan.

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 had 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 ensured that all 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 2014 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 Accountants, 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 more detailed reviews of the first seven practices selected by random ballot. Of the first seven practices, one was from one of the Big Three, one from practices with more than two partners and five from single partner practices. A second phase of the review included one practice from amongst the Big Three, two from those practices with more than one partner and four single partner practices. Both these first two phases were completed by the end of 2014.
The remaining seven are to be reviewed during the first quarter of 2015.

AWARDS AND MEDALS

The Institute has, in the past, offered sponsorship by way of cash awards to students attending 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 2014 - in respect of the academic year 2013 – to Mr Vishaal Raman for being the most outstanding student in Accounting. It should be recorded that Mr Vishaal Raman also received a gold medal award from the University of the South Pacific for being jointly one of two most outstanding students in Management and Public Administration.

For 2014 in respect of the academic year 2013, the University of Fiji awarded a cash prize for the most outstanding student who had graduated in Accounting to Ms Jyotika Devi.

For 2014, in respect of the academic year 2013 the Fiji National University awarded no cash prize for the most outstanding student in Accounting.

Applications were invited in June 2014 for those seeking to be considered for either of the awards of Young Accountant and Chartered Accountant of the Year, or the new Outstanding Service to the Profession Award, both through email and also by advertisement printed in the June issue of the Journal. One application was received for Young Accountant of the Year, from Mr Nitesh Chand from Fiji Television, and the Committee recommended to Council, which agreed that the Award should be presented to Mr Nitesh Chand at the Cocktail Party organised for Central Division members in Suva on 8th December.

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 2014 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 2014 consisting of seven half-day and one full-day seminars - seven seminars were organised for Suva and one triple topic seminar for the West - and two one-and-a-half day Technical Workshops. With effect from 1st January 2015, the number of ‘structured’ hours will be reduced from 30 annually (90 over a three-year period) to 20 annually or 60 over 3 years.

The programme organised by the Professional Development Committee for 2014 provided the opportunities for all FIA members to gain a total of 39½ CPE structured hours by attending the various activities listed below.

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:

```
| Seminar Suva January 28th | Members | Non Members | Total |
| Seminar Suva February 18th | 14 | 45 | 59 |
| Workshop Sheraton March 14th - 15th | 72 | 70 | 142 |
| Seminar Suva April 22nd | 52 | 49 | 101 |
| Congress Fijian May 22nd - 24th | 119 | 134 | 253 |
| Seminar Suva June 17th | 47 | 43 | 90 |
| Seminar Suva July 22nd | 37 | 46 | 83 |
| Seminar Suva September 9th | 31 | 56 | 87 |
| Workshop Warwick September 19th - 21st | 89 | 80 | 169 |
| Seminar Suva October 14th | 50 | 32 | 82 |
| Seminar Nadi November 28th | 25 | 32 | 57 |
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A two-day “Congress” was also organised by the Fiji Branch of CPA Australia from 22nd–23rd August 2014 at the Sheraton Fiji Resort with a Theme “Leadership: Be Heard Be Recognised”. 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 2014 were as follows:

- Seminar January 28th
- Seminar February 18th
- Seminar April 22nd
- Seminar June 17th
- Seminar July 22nd
- Seminar September 9th
- Seminar October 14th
- Seminar November 29th

Seminar January 28th

“Tax Changes and Developments”

Presented by Mr Pradeep Patel, BDO
February 18th  
“Cash Flow”  
Presented by Mr Vaughan Tuinamuana, Ernst & Young  

April 22nd  
“Duties and Responsibilities of Directors and Company Secretaries under the Existing Companies Act”  
Presented by Neil Underhill, Neil Underhill & Associates; and  
“The LIBOR Scandal”  
Presented by Professor Tiru Jayaraman, Fiji National University  

June 17th  
“IAS 36 – Impairment of Assets”  
Presented by Mr Peni Tora, Ernst & Young  

July 22nd  
“The VAT Decree”  
Presented by Mr Fazrul Rahman, Fiji Revenue & Customs Authority; and  
“IAT Practical Issues”  
Presented by Mr Chirk Yam and Ms Deepa Kapadia, PricewaterhouseCoopers  

September 9th  
“Fringe Benefit Tax and PAYE as a Final Tax”  
Presented by Mr Madhu Sudan, BDO  

October 14th  
“New Anti Money Laundering Standards and Their Impact on Private Sector Financial Institutions”  
Presented by Mr Razim Buksh, Fiji Intelligence Unit, Reserve Bank of Fiji  

November 28th  
“Fringe Benefit Tax”, “PAYE as a Final Tax” and “VAT Practical Issues”  
Presented jointly by Mr Madhu Sudhan, BDO and Ms Deepa Kapadia, PricewaterhouseCoopers  

Workshops  
Two Technical Workshops were arranged for 2014 - the first being held at the Sheraton Fiji Resort, at Denarau near Nadi 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 2014 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, but with the first plenary session 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 pattern for the programme for the first March Technical Workshop in 2014 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, but with the first plenary session 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 2014 was held at the Sheraton Fiji Resort at Denarau Island near Nadi – this being a third time that we have used this venue.  

The Workshop was held from the 14th – 15th March incorporating the following topics:  

The three Plenary sessions were:  
“Update on the Economy”  
Presented by Mr Barry Whiteside, Governor of the Reserve Bank of Fiji;  
“What Is Corruption?”  
Presented by Ms Siteri Raccici and Mr Alifereti Wakanavesi, Fiji Independent Commission Against Corruption; and  
“IFRS for SMEs Section 19 Business Combinations and Goodwill”  
Presented by Dr Ronita Ram, Macquarie University and the two “Break-Out” sessions were:  
“Investment Appraisals”  
Presented by Dr Yih Pin Tang, University of the South Pacific; and  
“Tax Incentives with FRCA”  
Presented by Mr Fazrul Rahman, Fiji Revenue & Customs Authority.  

A total of 210 people attended of whom 142 were delegates, 39 were partners and 29 were children.  

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A 44-page December issue distributed by mail in South Pacific.  

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  

During the first half of the year, the Committee concentrated on increasing the visibility of the Institute and the profession through a visit to a Suva secondary school 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, as well as initiating a series of ‘Hard Talk’ articles published in the Fiji Sun newspaper featuring prominent members of the Institute and, during 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 a visit made to the Mahatma Gandhi Memorial secondary school and at the University-run Careers Open Day at the University of the South Pacific. Visits to Marist Brothers High School and Suva Grammar School were planned but did not eventuate.  

The Committee also organised, in conjunction with the staff of the Fiji National University a cocktail party for staff and final year students and FIA members, on 6th March in the form of a networking event to promote awareness of the Institute’s activities. This attracted good media coverage but, as it was during a semester break, comparatively few students.  

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 4th December. It was attended by 79
proved popular with the members.

Hotel.

During the early part of 2015, at the Grand Pacific
details of payroll records in sufficient time to
accountants in public practice; and one critical of a
different from commercial sources or through the purchase
the complaints had been forwarded to each of the
but responses were still awaited from a number of them at year end.

The Disciplinary Committee held no meetings
during 2014, as no cases had been referred to it.

BUSINESS AND
GOVERNMENT COMMITTEE

During the year, the Committee’s time was largely
discussed draft provisions in the proposed Income
and Companies Decrees, but it became apparent
that both these items of legislation were unlikely to
be tabled for enactment until after formal debate in
Parliament after the national general Elections that
would take place in September 2014. Neither the
Companies nor Income Tax Acts had been enacted
before the end of the year.

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 of concern to the
members of the Institute in dealing with the FRCA
and technical issues. These included revision of the
tax computer systems and a withholding initiative
on PAYE in March. A request was also received from
FRCA for comments on proposed revisions to two
Practice Statements: one on a Telecommunications
Levy and the other on Lump Sum Payments. FRCA
also invited FIA to participate in a regional workshop
on “Managing Taxpayer Services” that was held from
31st to 3rd October.

In June, the FIA was invited to send representatives
to a National Summit on a Green Growth Framework
held at the Novotel Hotel in Lami on 12th to 13th
June with the Theme: “Restoring the Balance in
Development” and this was attended by the President,
Ms Renu Chand.

Also in June, the Institute was invited by the South
Pacific Stock Exchange to comment upon proposed changes to
the SPSE Listing Rules.

Representatives of the Committee also met with an
IMF Article IV Mission Review Team on the state of the
Fiji economy on 25th July.

In response to an invitation from the Permanent
Secretary for Finance, the Committee prepared a
slightly shorter - and more focused - submission for
the 2015 Budget which was lodged with the Ministry
of Finance on 22nd August. This submission, which
was uploaded to the FIA’s website, was prominently
featured in the Fiji Times on the day that the Budget
Speech was delivered, on 21st November. Both the President
and Vice President attended a special Budget Forum held on 4th October.

STANDARDS

During 2013, IASB had distributed for comment
some revisions to the Conceptual Framework for
IFRS and the Standards Committee examined these
proposals and formulated a response that had been
conveyed to the IASB. An exposure draft issued by the
IASB proposing some amendments to the IFRS for
SMEs was also discussed by the Committee.

The Institute, in honouring its obligation as a
member body of the International Federation of
Accountants (IFAC) to introduce international financial
accounting 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 who consistently over a period of two years
  comply with two out of the following three criteria:
  - have consolidated revenue for the financial years
    of more than F$20m; or
  - have total assets as at the end of each financial
    year exceeding F$20m; or
  - have more than 50 employees of the parent and
    controlled entity at the end of each year.
- 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.

In order to clarify the applicability of full IFRS to
entities whose year-on-year financial results might vary
substantially, leading to confusion as to whether and
when different standards should apply, the Committee
also proposed, and Council agreed, that one of the
original criteria should be replaced by the revised
wording shown in bold in the preceding paragraph.

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 also examined the new standard IFRS 15 on Revenue from Contracts with Customers which had been released by the IASB in May 2014 and had agreed that there should be no difficulty in adopting it. A presentation on the Standard was also included in the programme of the September 2014 Technical Workshop.

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 (IAPs), International Standards on Assurance Engagements (ISAEs), International Standards on Review Engagements (ISREs), International Standards on Related Services (ISRSs) and International Standards on Quality Control (ISQCs). These 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 report recording the progress made in implementing the objectives of the Plan, under each of the various aspects of the Plan, had been undertaken during 2013 and a copy of this report was later distributed to all FIA members attending the Annual General Meeting in May 2014 and was also 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 2014, was 786 – reflecting a marginal decrease of just 1 on the total membership for 2013. This makes 2014 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 2014, the names of 198 members and 25 students (more than usual) were removed from the Register for failing to pay their membership subscriptions before 30th June 2014. However, 67 members subsequently paid their arrears and so had their names restored to the Register.

During the year, a total of 161 new members (excluding students) were admitted to membership, of whom 48 were admitted as Chartered Accountants, 77 as Provisional Members and the other 36 as Affiliate Accountants.

The comparative figures for 2013 and 2014 for each of the various categories were as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chartered Accountants in Public Practice</td>
<td>58</td>
<td>39</td>
</tr>
<tr>
<td>Chartered Accounts not in Public Practice</td>
<td>275</td>
<td>285</td>
</tr>
<tr>
<td>Provisional Members</td>
<td>292</td>
<td>286</td>
</tr>
<tr>
<td>Affiliate Accountants</td>
<td>165</td>
<td>157</td>
</tr>
<tr>
<td>Licensed Accountants</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Students</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>787</strong></td>
<td><strong>786</strong></td>
</tr>
</tbody>
</table>

Eighty members were resident overseas of whom 66 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 (2008 – 2014)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Practice</td>
<td>36</td>
<td>277</td>
<td>205</td>
<td>151</td>
<td>1</td>
<td>14</td>
<td>662</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry and Commerce</td>
<td>37</td>
<td>266</td>
<td>244</td>
<td>149</td>
<td>1</td>
<td>22</td>
<td>719</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Sector</td>
<td>37</td>
<td>258</td>
<td>263</td>
<td>153</td>
<td>1</td>
<td>30</td>
<td>742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Training</td>
<td>38</td>
<td>267</td>
<td>286</td>
<td>165</td>
<td>1</td>
<td>28</td>
<td>785</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>38</td>
<td>275</td>
<td>292</td>
<td>165</td>
<td>1</td>
<td>16</td>
<td>787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>39</td>
<td>285</td>
<td>286</td>
<td>157</td>
<td>1</td>
<td>18</td>
<td>786</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. MEMBERSHIP by Occupation (2014)

<table>
<thead>
<tr>
<th>Category</th>
<th>CPP</th>
<th>CA</th>
<th>PM</th>
<th>AA</th>
<th>LA</th>
<th>ST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Practice</td>
<td>39</td>
<td>23</td>
<td>66</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>132</td>
</tr>
<tr>
<td>Industry and Commerce</td>
<td>-</td>
<td>96</td>
<td>93</td>
<td>77</td>
<td>-</td>
<td>-</td>
<td>266</td>
</tr>
<tr>
<td>Public Sector</td>
<td>-</td>
<td>62</td>
<td>87</td>
<td>48</td>
<td>-</td>
<td>-</td>
<td>197</td>
</tr>
<tr>
<td>Education and Training</td>
<td>-</td>
<td>19</td>
<td>15</td>
<td>6</td>
<td>-</td>
<td>18</td>
<td>58</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>19</td>
<td>16</td>
<td>18</td>
<td>-</td>
<td>-</td>
<td>53</td>
</tr>
<tr>
<td>Overseas</td>
<td>-</td>
<td>66</td>
<td>10</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>39</td>
<td>285</td>
<td>286</td>
<td>157</td>
<td>1</td>
<td>18</td>
<td>786</td>
</tr>
</tbody>
</table>

C. MEMBERSHIP by Gender (2008 - 2014)

<table>
<thead>
<tr>
<th>Gender</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>462</td>
<td>473</td>
<td>497</td>
<td>499</td>
<td>524</td>
<td>509</td>
<td>500</td>
</tr>
<tr>
<td>Female</td>
<td>200</td>
<td>208</td>
<td>222</td>
<td>243</td>
<td>261</td>
<td>278</td>
<td>286</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>662</strong></td>
<td><strong>681</strong></td>
<td><strong>719</strong></td>
<td><strong>742</strong></td>
<td><strong>785</strong></td>
<td><strong>787</strong></td>
<td><strong>786</strong></td>
</tr>
</tbody>
</table>

D. MEMBERSHIP by Age (2007– 2013)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>278</td>
<td>315</td>
<td>340</td>
<td>348</td>
<td>360</td>
<td>336</td>
<td>311</td>
</tr>
<tr>
<td>31 to 40</td>
<td>203</td>
<td>208</td>
<td>204</td>
<td>207</td>
<td>214</td>
<td>238</td>
<td>273</td>
</tr>
<tr>
<td>41 to 50</td>
<td>94</td>
<td>84</td>
<td>90</td>
<td>92</td>
<td>111</td>
<td>118</td>
<td>114</td>
</tr>
<tr>
<td>51 to 60</td>
<td>64</td>
<td>59</td>
<td>64</td>
<td>69</td>
<td>76</td>
<td>71</td>
<td>53</td>
</tr>
<tr>
<td>Over 60</td>
<td>20</td>
<td>13</td>
<td>21</td>
<td>24</td>
<td>23</td>
<td>23</td>
<td>35</td>
</tr>
<tr>
<td>Unrecorded</td>
<td>3</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>662</td>
<td>681</td>
<td>719</td>
<td>742</td>
<td>785</td>
<td>787</td>
<td>786</td>
</tr>
</tbody>
</table>
FIJI INSTITUTE OF ACCOUNTANTS

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2014

CONTENTS

Statement by the Council of Fiji Institute of Accountants 18
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Statement of Comprehensive Income 20
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Statement of Financial Position 22
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Fiji Institute of Accountants
Statement by the Council of Fiji Institute of Accountants
For the Year Ended 31 December 2014

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 20 to 34 for the year ended 31 December 2014 are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 December 2014 and the results of its operations, its cash flows and changes in members’ funds for the year then ended.

Dated this 31st day of March 2015.

[Signatures]

PRESIDENT
TREASURER

FIJI INSTITUTE OF ACCOUNTANTS

Independent Audit Report
For the Year Ended 31 December 2014

To the Members of Fiji Institute of Accountants

Report on the Financial Statements

I have audited the accompanying financial statements of the Fiji Institute of Accountants, which comprise the statement of financial position as at 31 December 2014 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 20 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 give a true and fair view of the financial position of the Institute as at 31 December 2014 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
31 March 2015

I NAIVELI & CO
Chartered Accountant
The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements.

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 • Annual Report 2014

Statement of Financial Position
F O R T H E Y E A R E N D E D 3 1 D E C E M B E R  2 0 1 4

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand and at bank</td>
<td>47,754</td>
<td>52,805</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>4,412</td>
<td>2,244</td>
</tr>
<tr>
<td>Dividend receivable</td>
<td>2,818</td>
<td>2,818</td>
</tr>
<tr>
<td>Other receivables</td>
<td>88,702</td>
<td>81,280</td>
</tr>
<tr>
<td>Financial assets</td>
<td>79,385</td>
<td>238,760</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>203,051</td>
<td>377,907</td>
</tr>
<tr>
<td>NON CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td>444,180</td>
<td>280,305</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>16,120</td>
<td>20,094</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
<td>460,300</td>
<td>300,399</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>663,351</td>
<td>678,306</td>
</tr>
</tbody>
</table>

| CURRENT LIABILITIES | | |
| Creditors and accruals | 13,043 | 7,346 |
| Employee benefit liability | 9,548 | 5,483 |
| Subscriptions received in advance | 5,515 | 3,087 |
| TOTAL CURRENT LIABILITIES | 28,106 | 15,916 |
| TOTAL LIABILITIES | 28,106 | 15,916 |
| NET ASSETS | 635,245 | 662,390 |

| MEMBERS’ FUNDS | | |
| Accumulated surplus | 618,336 | 649,508 |
| Investment valuation reserve | 16,909 | 12,882 |
| TOTAL MEMBERS’ FUNDS | 635,245 | 662,390 |

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
F O R T H E Y E A R E N D E D 3 1 D E C E M B E R  2 0 1 4

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flows from Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from members</td>
<td>133,892</td>
<td>126,767</td>
</tr>
<tr>
<td>Receipts from special committees and technical publications</td>
<td>622,275</td>
<td>701,249</td>
</tr>
<tr>
<td>Payment to suppliers and employees</td>
<td>(790,312)</td>
<td>(853,350)</td>
</tr>
<tr>
<td>Net cash (used in) Operating Activities 14(a)</td>
<td>(34,145)</td>
<td>(25,334)</td>
</tr>
<tr>
<td>Cash Flows used in Investing Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>24,424</td>
<td>30,316</td>
</tr>
<tr>
<td>Dividends received</td>
<td>4,670</td>
<td>4,670</td>
</tr>
<tr>
<td>Acquisition of office furniture and equipment</td>
<td>(5,961)</td>
<td>(5,961)</td>
</tr>
<tr>
<td>Payments for investments</td>
<td>(44,637)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from redemption of investments</td>
<td></td>
<td>39,681</td>
</tr>
<tr>
<td>Net cash flow from Investing Activities</td>
<td>29,094</td>
<td>24,075</td>
</tr>
<tr>
<td>Net decrease in cash held</td>
<td>(5,051)</td>
<td>(1,259)</td>
</tr>
<tr>
<td>Cash at the beginning of the financial year</td>
<td>52,805</td>
<td>54,064</td>
</tr>
<tr>
<td>Net cash and cash equivalents at the end of the financial year 14(b)</td>
<td>47,754</td>
<td>52,805</td>
</tr>
</tbody>
</table>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.
NOTE 1. GENERAL INFORMATION

The 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 the 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 the presentation in the current year.

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.
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 the 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.

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 an accrual basis.

Dividend revenue
Dividend revenue from investments is recognized when the Institute’s right to receive a 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.
### NOTE 3. MEMBER'S SUBSCRIPTION

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members holding a Certificate of Public Practice</td>
<td>$13,650</td>
<td>$13,010</td>
</tr>
<tr>
<td>Members not holding a Certificate of Public Practice</td>
<td>$50,132</td>
<td>$48,379</td>
</tr>
<tr>
<td>Provisional members</td>
<td>$36,673</td>
<td>$36,318</td>
</tr>
<tr>
<td>Licensed Accountants</td>
<td>$110</td>
<td>$110</td>
</tr>
<tr>
<td>Affiliate members</td>
<td>$15,446</td>
<td>$15,898</td>
</tr>
<tr>
<td>Overseas members</td>
<td>$5,656</td>
<td>$4,521</td>
</tr>
<tr>
<td>Student members</td>
<td>$220</td>
<td>$170</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$121,887</td>
<td>$118,316</td>
</tr>
</tbody>
</table>

### NOTE 4. SPECIAL COMMITTEES

**Total income** | 622,800 | 714,896 |
**Total expenses** | (578,032) | (626,688) |
**Net surplus special committees** | 44,768 | 88,208 |

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

#### (a) Annual Congress

**Income**
- Registration fees and levies: $260,631, $339,424
- Sponsorship: $106,712, $112,696

**Expenses**
- Accommodation, food and beverage: $263,701, $288,783
- Advertising: $1,984, $1,556
- Bank charges: $73, $118
- Tee Shirts: $6,652, $4,000
- Leather travel wallets: $12,174
- Donation and gifts: $3,839, $4,495
- Entertainment: $2,165
- Equipment hire: $4,957, $4,435
- Speaker fees and costs: $28,858, $36,034
- Stationery, telephone and fax: $6,954, $8,406
- Travel: $1,563, $1,136

**Surplus** | $49,597 | $90,993 |

#### (b) Education Courses

**Income**
- Registration fees and levies: $246,687, $252,162

**Expenses**
- Hall hire, accommodation, food and beverage: $211,803, $234,132
- Advertising, publicity and other costs: $25,643, $10,107
- Speaker fees and costs: $1,898

**Surplus** | $237,713 | $246,137 |

#### (c) Journal Committee

**Income**
- Advertising revenue: $5,770, $10,614

**Expenses**
- Production and other costs: $19,573, $19,424

**Deficit** | $(13,803) | $(8,810) |

#### (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

<table>
<thead>
<tr>
<th>University</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Fiji (UOF)</td>
<td>$(2,141)</td>
<td>$(6,540)</td>
</tr>
<tr>
<td>Fiji National University (FNU)</td>
<td>$(3,355)</td>
<td>$(7,877)</td>
</tr>
<tr>
<td>University of the South Pacific (USP)</td>
<td>$(2,169)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total** | $1,592 | $4,436 |

Being for Professor Keith Houghton’s visits to evaluate the accounting courses offered by all three Fiji-based Universities. The first visit was intended to confirm compliance with conditions to be fulfilled by the UOF in relation to undergraduate courses and to examine post graduate courses to be introduced by the FNU. The second visit was to review the progress made by the UOF in implementing measures to ensure compliance with earlier conditions relating to the undergraduate courses and to examine proposed post graduate courses to be introduced by the UOF; and to review the undergraduate and post graduate courses currently offered by both the FNU and the USP. The recoverable sums from the respective universities are as shown above.
### NOTE 6. LEGAL AND PROFESSIONAL EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Suwai &amp; Sloan</td>
<td>1,669</td>
<td></td>
</tr>
<tr>
<td>ii) Munro-Leys</td>
<td>17,142</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>18,811</td>
</tr>
</tbody>
</table>

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 PROGRAM

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being fee paid (Bruce Sutton – South Pacific Advisory)</td>
<td>13,169</td>
<td>7,623</td>
</tr>
<tr>
<td>Others</td>
<td>1,738</td>
<td></td>
</tr>
<tr>
<td></td>
<td>14,907</td>
<td>7,623</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Subscription to</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>- International Federation of Accountants</td>
<td>9,682</td>
<td>9,053</td>
</tr>
<tr>
<td>- Confederation of Asia and Pacific Accountants</td>
<td>2,138</td>
<td>3,174</td>
</tr>
<tr>
<td>- eIFRS link to International Accounting Standards Board</td>
<td>18,698</td>
<td>15,703</td>
</tr>
<tr>
<td>- PACDC - Samoa</td>
<td></td>
<td>1,145</td>
</tr>
<tr>
<td>- MIA Conference Kuala Lumpur</td>
<td>7,842</td>
<td></td>
</tr>
<tr>
<td></td>
<td>38,369</td>
<td>29,165</td>
</tr>
</tbody>
</table>

### NOTE 9. OTHER RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT receivable, net</td>
<td>28,038</td>
<td>20,470</td>
</tr>
<tr>
<td>Interest withholding tax receivable</td>
<td>95</td>
<td>6,753</td>
</tr>
<tr>
<td>Deposit - Congress and Technical Workshop</td>
<td>17,879</td>
<td>14,109</td>
</tr>
<tr>
<td>- Others</td>
<td>2,455</td>
<td>986</td>
</tr>
<tr>
<td>Prepayments</td>
<td>6,166</td>
<td>8,886</td>
</tr>
<tr>
<td>Other receivables</td>
<td>14,251</td>
<td>30,064</td>
</tr>
<tr>
<td>Total other receivables</td>
<td>68,792</td>
<td>81,280</td>
</tr>
</tbody>
</table>

### NOTE 10. OFFICE FURNITURE AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment - at cost</td>
<td>83,783</td>
<td>83,783</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(67,663)</td>
<td>(63,689)</td>
</tr>
<tr>
<td></td>
<td>16,120</td>
<td>20,094</td>
</tr>
</tbody>
</table>

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: 16,120
- Additions: 20,094
- Depreciation expense: (4,140)
- Total written down value: 18,273
- Reconciliation: 16,120
- Total written down value: 20,094
NOTE 12. CREDITORS AND ACCRUALS

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors and accruals</td>
<td>13,043</td>
<td>7,346</td>
</tr>
<tr>
<td>Total creditors and accruals</td>
<td>13,043</td>
<td>7,346</td>
</tr>
</tbody>
</table>

NOTE 13. EMPLOYEE BENEFIT LIABILITY

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual leave entitlements</td>
<td>9,548</td>
<td>5,483</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Numbers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of employees during the financial year</td>
<td>4</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (deficit)/surplus for the year</td>
<td>(31,172)</td>
<td>17,861</td>
</tr>
<tr>
<td>Interest</td>
<td>(20,387)</td>
<td>(20,769)</td>
</tr>
<tr>
<td>Dividend</td>
<td>(4,670)</td>
<td>(4,670)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,974</td>
<td>4,140</td>
</tr>
</tbody>
</table>

Net cash (used in)/provided by operating activities before change in assets and liabilities | (52,255) | (3,438) |

Change in assets and liabilities:

- Decrease/(increase) in other receivables | 5,920  | (23,457) |
- Increase in creditors and accruals | 5,697  | 2,069  |
- Increase/(decrease) in employee benefit liability | 4,065  | (973)  |
- Increase in subscriptions received in advance | 2,428  | 465   |

Net cash (used in) operating activities | (34,145) | (25,334) |

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:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand and at bank</td>
<td>47,754</td>
</tr>
</tbody>
</table>
FIJI INSTITUTE OF ACCOUNTANTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 16. CONTINGENT LIABILITIES
Contingent liabilities as at 31 December 2014 amounted to $Nil (2013 - $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
Uday Sen
Jerome Kado
Renu Chand
Camacakau Raimuria
Sikeli Tuimaumuana
Nouzabi Fareed
Rana Pratap Singh (resigned May 2014)
Finau Nagera (appointed July 2014)
Zarin Khan (appointed July 2014)

Furthermore, a 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 26th March 2015.