



# FIJI PUBLIC TRUSTEE CORPORATION LIMITED ANNUAL REPORT

## 2017





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## Chairman's Report

It is always a pleasant task for any Chairman to write a report when the entity has had a successful year; or, as is the case with the Fiji Public Trustee Corporation Limited, a string of 12 successful years.

FPTCL continues to make progress in spite of some stiff competition from a number of organisations.

The Board, Management and staff have remained resolute, and true to their tasks to ensure that the services provided by the Fiji Public Trustee Corporation Limited are relevant and readily available to our clients and potential customers, and that the institution remains viable.

This has only been possible through team-work, and as Chairman I wish to record my gratitude to my fellow Board Director, the CEO and his staff, the Permanent Secretary of the Ministry of Public Enterprises and our other stakeholders.

Vinaka Vakalevu all



Ikbal Jannif  
Chairman

## The Year in Review

In 2017 the focus was on the Corporation's key strategies of delivering better services to the people and in ensuring that the company remains financially viable in years to come. We provided estate administration services to over three thousand beneficiaries, trustee services to over five thousand minor beneficiaries, prepared and currently hold over three thousand wills for individuals. We also assisted people of unsound mind and the elderly and these are provided to the people of Fiji at no cost to Government.

This year is the third year of the current strategic plan with the vision to be Fiji's preferred and leading provider of estate administration, trust administration and will services. In aspiring towards this vision, the Corporation embarked on a strategic change programme, which includes the simplification and standardising of business processes, systems, and procedures, development, and up-skilling of human resources, improvement in the standard of services and upgrading of information technology.

We continue to diversify the services provided to the people with the introduction of legal conveyance services to complement our core business. These services are not only value-adding but provide alternatives and better access to justice with professional and affordable legal services for the people of Fiji. In the coming years, we will be providing additional trust products and new estate planning services based on customer demands and through the innovative ideas of our people.

The Corporation recorded a total comprehensive income of \$455,925 compared to \$386,445 in 2016, an increase of 18%. Net profit before income tax was \$311,984 and net profit after tax was \$259,523. Income from fees and charges decreased by 7%, whilst income from investments increased by 2%. The total expenses increased by 12% mainly due to the increase in human resource expenses and increase in depreciation costs on the new IT server installed.

The Board of Directors approved the payment of half a million dollars as the dividend payment to Government for the 2017 financial year. This will increase the total amount of dividends paid to Government since corporatisation to \$5 million or 54% of the average shareholders' funds over the years.

During the year the Corporation has given back to society through its social corporate responsibility in funding the rebuilding of the Penang Primary School Kindergarten, which was destroyed by cyclone Winston in 2016. In addition, as part of our non-commercial obligation, the Corporation will be providing free service to our clients who are considered socially and economically disadvantaged Fijians. This will enable them to own homes and properties as part of their inheritance.

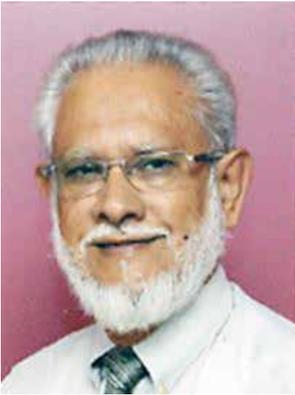
Looking forward, the Corporation as a state-owned entity will continue to strive as a business to provide estate and trustee services and innovate to provide affordable legal, financial administration and social services to the people of Fiji at no cost to Government.

I wish to thank the Directors, my management team and our hard-working staff for the achievements of another successful year in 2017.



Atonio Takala  
Chief Executive Officer

## Members of the Board of Directors



Mr. Ikbal **Jannif**  
Chairman

Mr. Jannif is the Managing Director and CEO of Caines Jannif Limited and has served on the Boards of the Reserve Bank of Fiji and FRCA. From 1989 to April 2015 he was on the Council of the University of the South Pacific where he served as the Chair of the Audit Committee, Deputy Chair of Council for two terms, before becoming Chair of Council and Pro-Chancellor in January 2013. In April 2015, he resigned from USP to take up the position of Chair of Council and Chancellor of the Fiji National University. He is also the Chairman of the Pacific Fishing Company Ltd (PAFCO).

He received the Companion of the Order of Fiji award in 2017 for service to the community. He is a Justice of the Peace.



Mrs. Sera B **Nicholls**  
Director

Mrs. Nicholls has held a range of roles including Trade Liaison with the British High Commission and Regional Representative for Crown Agents for Overseas Governments. From 2004 to 2009, she held various roles at ANZ Pacific Operations including Manager Risk and later Head of Governance, Projects and Special Initiatives. From 2010 to 2011, Mrs. Nicholls was CEO for Suva City Council and is now Managing Director of her company.

In 2002, she established Fiji's first public private partnership with the Fiji Export Council. She also established the Purchasing & Logistics Management Association in 2000 and was President until 2004.

In 2007 she established the ICT Association of Fiji and led a team of exhibitors to the 2008 Sydney CeBIT Exhibition. She was a Director of Food Processors Fiji Ltd, before becoming Chairperson (2003-2014). She was Chairperson of the Oversight Committee (2010-2015) of the Global Fund's Country Coordinating Committee in Fiji, consulting with the Ministry of Health.

Mrs. Nicholls has been recognised for her work on several occasions, receiving awards for Outstanding Quality Circle Manager of the Year by the Fiji National Convention on Quality, ANZ Pacific Leadership recognised her as a Pacific Star in 2006, and she was also honoured by the Fiji Government when she received the Fiji Independence 25th Anniversary Medal for service to the community.

## Management Team



Mr. Antonio **Takala**  
Chief Executive Officer

Mr. Takala joined the Corporation in November 2008 as the Manager Finance and Administration and was appointed Chief Executive Officer in August 2013. Mr. Takala holds an MBA and a B.Com from USP and is an associate of the Society of Trust & Estates Practitioners of NZ, an accredited mediator from the Singapore Mediation Centre and a member of the Fiji Institute of Accountants. Prior to joining FPTCL, he was employed with various organisations and accounting firms.



Mr. John **Mow**  
Manager Finance &  
Administration

Mr. Mow is the current Manager Finance & Administration who joined in the beginning of 2018. He holds a B.Com in Accounting & Economics from USP. He was previously employed as a senior financial analyst with the Ministry of Public Enterprises and as an auditor with PricewaterhouseCoopers. He is an associate member of CPA Australia.



Ms. Salaseini **Drekeni**  
Manager Estates & Trusts

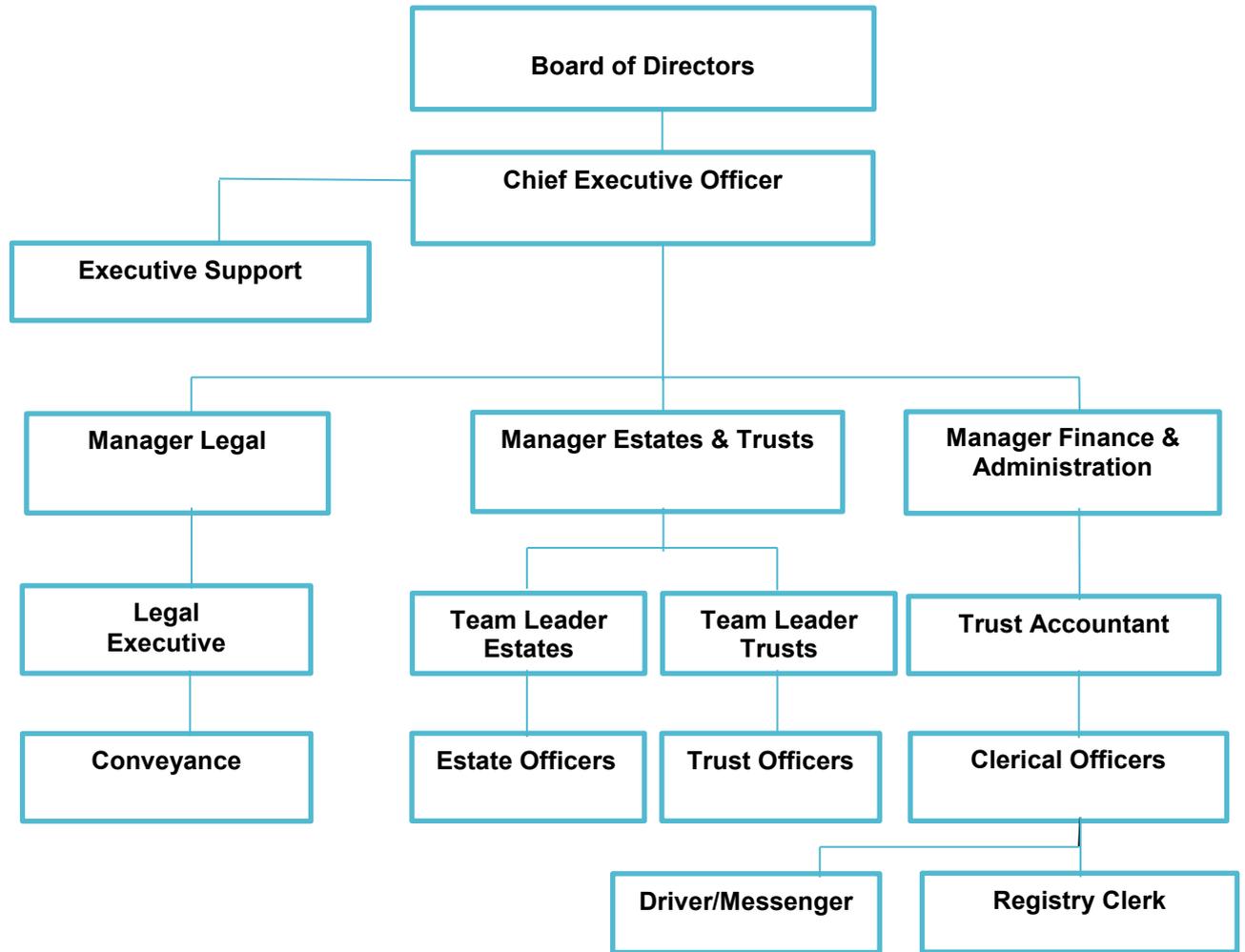
Ms. Drekeni joined the Corporation in 2014 as an Estate Officer, was promoted to Team Leader Estates & Trust in 2016 before her appointment as Manager Estates & Trust in June 2017. She was previously employed in paralegal work with various law firms, statutory organisations and government departments. She is currently pursuing studies in LLB with USP.



Ms. Priya **Lal**  
Manager Legal

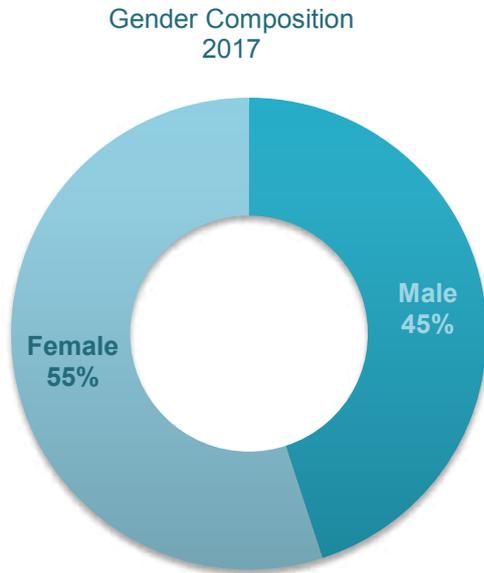
Ms. Lal is currently the Manager Legal; she joined FPTCL in the beginning of 2018. She holds a Law Degree and PDLP from USP and a valid legal practicing certificate for Fiji. Prior to joining FPTCL, she was employed as a Senior Legal Officer with the Legal Aid Commission and has worked with various law firms in the past.

## Organisation Chart



## Workforce and Human Resources

*“The workforce included 22 staff members, and comprises of 55% females and 45% males”*



*“The Corporation provides education and medical assistance to staff”*

The total number of staff within the organisation at the end of 2017 was 22. The workforce included 18 staff members, 3 managers and the CEO and comprises of 55% females and 45% males.

Our strategies in maintaining and developing our people include training and development on leadership for middle level executives, customer services, training of trainers, and others as provided by the National Training & Productivity Centre of the Fiji National University. Some staff are enrolled at local universities for courses and programmes such as business management, commerce (management & HR) and law. These are provided under the Corporation’s education assistance programme that helps staff achieve formal qualifications. The Corporation also participated in the Fiji Business Excellence Awards in 2017 and was recognised for its achievements.

There is also a medical benefit scheme available to staff.

The 2016 performance management system rewards were approved and paid to staff in 2017.

The annual staff and family day was held on 30<sup>th</sup> June 2017 in Suva where team bonding exercises were part of the activities of the day. The Corporate Planning workshop was held in August to set-up the 2018-2020 strategic plans. This was attended by the management and staff, the board of directors and representatives from the Ministry of Public Enterprises.

## Vision and Mission

**Vision** - To be Fiji's preferred and leading provider of estate administration, trustee and will services.

**Mission** - To provide Fijians with expert, professional and timely service.

### Our Purpose

The company's major business activities are:

- a) Administration of deceased persons' estates;
- b) Trustee services;
- c) Will making;
- d) Power of attorney services.

### Our Values

We value honesty, integrity, respect, professionalism and timeliness in providing our services:

- a) **Honesty**  
Being open and honest in all our dealings;
- b) **Integrity**  
Adhering to moral and ethical principles of the business and maintaining the highest integrity at all times;
- c) **Respect**  
Treating all with high regard and esteem through our services;
- d) **Professionalism**  
Discharging our duties with integrity, providing quality service and being reliable and responsible;
- e) **Customer Service**  
Providing timely and accurate information;  
  
Implementing suggestions from customers on how we can serve them better;
- f) **Timeliness**  
Committing towards creating and meeting realistic deadlines;
- g) **Our People**  
Training, developing, maintaining and rewarding our people.



## Fiji Public Trustee Corporation Limited - Strategic Plan 2015–2017

### **Vision**

To be Fiji's preferred and leading provider of Estate Administration, Trustees and Wills Services

### **Customer Service**

We strive to achieve service excellence by offering customer experience combined with a focus on professional services

- Improve communication with customers;
- Work on simplifying processes and improve turnaround time;
- Implement suggestions from customers on how better we can serve them;
- Clear dormant file accounts.

### **People and Culture**

We will train and develop our people and create a rewarding working environment

- Enhance the capabilities of our work force and our culture;
- Work on the transfer of knowledge amongst staff;
- Create opportunities for the enhancement of the individual employee's abilities;
- Enhance the PMS rewarding system;
- Improve Workplace Health & Safety.

### **Business Improvements**

We will identify opportunities to improve and enhance all areas of our business processes

- Ensure the organisation remains profitable;
- Research and develop new business initiatives;
- Upgrade and enhance our ICT capabilities;
- Marketing and promotion of our services;
- Enhance internal business units to achieve agreed fiscal targets.

### **Values**

We value honesty, integrity, respect, professionalism, trust, our customers and our people.

### **Stakeholder Partnerships**

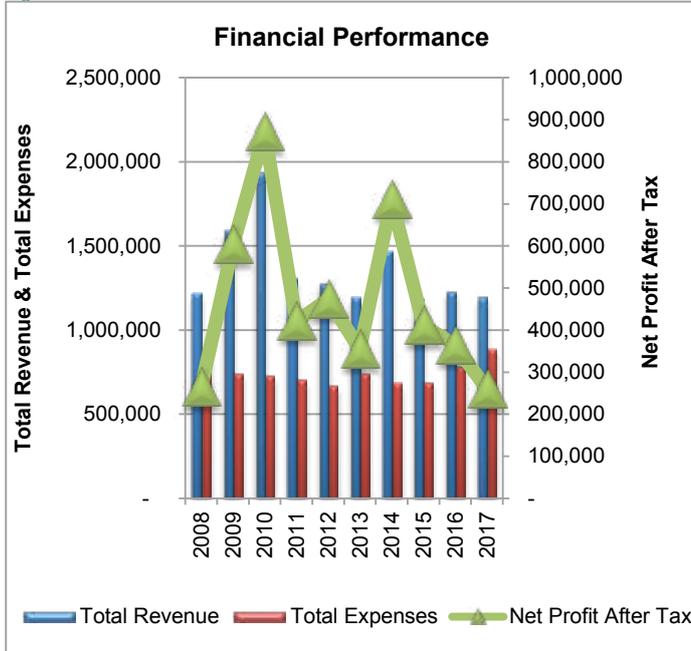
We will strengthen our business relationships with government and non-governmental agencies and business partners as they play important role in our business

- Develop working relationships and understanding with stakeholders;
- Foster our relationship with the Ministry of Justice & Judiciary;
- Develop twinning relationships with Public Trustees overseas;

## Financial Performance

*“Over the period, the average increase in revenue was 9%, average increase in expenses was 12% and average increase in net profit before tax was 11%.”*

Figure.1



The Corporation's financial performance in the last ten years is depicted in Figure 1. Over the period, the average annual increase in revenue was 9%, average increase in expenses was 12% and an average increase in net profit before tax was 11%. The Corporation continues the trend of achieving profitability for the twelfth consecutive year despite facing numerous business challenges.

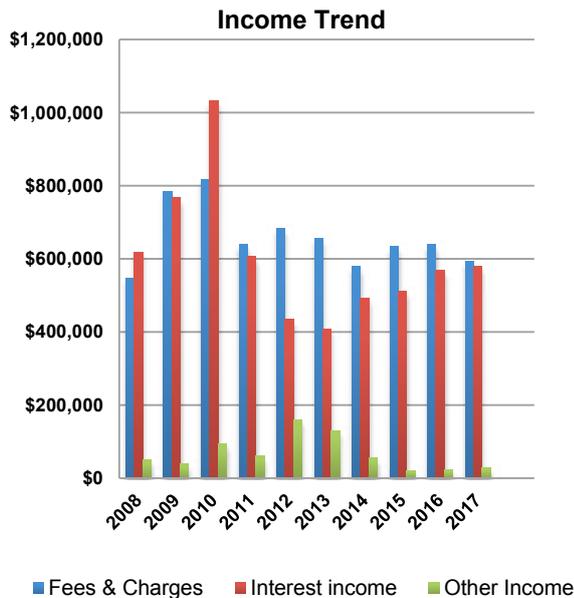
The challenges in our business arise from competition in the market, certain legislation and policy changes affecting our trust business, increasing the cost of doing business and innovating to meet customers' changing demands. We have over the years working on identifying new services based on customers' demand and this has generated the much-needed income to supplement the Corporation's core business.

However, despite the business challenges faced and also the reduction in revenue and net profit after tax in the current period, the Corporation has declared a dividend of \$500,000 for the 2017 financial year, taking the total dividend paid to Government in the last ten years to \$5 million, which on average is 34% of the total shareholders' funds.

## Operations Performance

*“In 2017, fees and charges from core business reduced by 7%, whilst income from investments increased by 2%, resulting in total income of \$1.19 million in 2017...”*

Figure.2



The Corporation’s revenue is derived from fees and charges, interest on investments and other income. The fees charged by the Corporation are as legislated under the Fiji Public Trustee Corporation Act, 2006. Estate administration fees are recognised on the timing of services provided and the value of assets under administration.

In 2017, fees and charges from core business reduced by 7%, income from investments increased by 2%, resulting in total income of \$1.19 million in 2017 compared to \$1.23 million in 2016. The financial objective of our current strategic plan is to work towards increasing our core business income from fees and charges by 63% in 2018 with an overall income growth of 40% in 2018.

Improving the delivery of our services remains at the forefront of our strategic objectives and this will be further enhanced through the current business process improvements, further training and development of our people and better stakeholder relationships with our business partners.

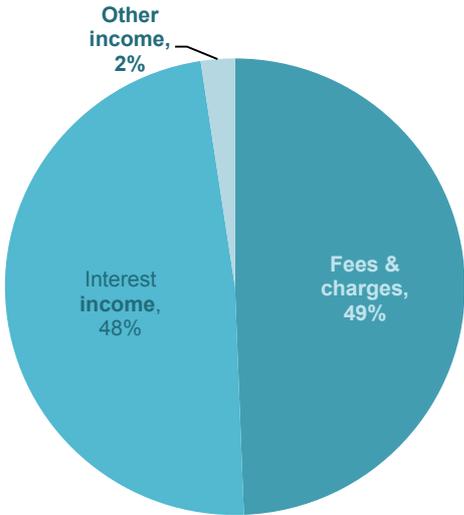
Will awareness and marketing has been successful by reaching out to the public and being part of the community. Awareness was done through group presentations, government expeditions, radio and TV talkback shows and advertisements through the social media. The feedback has been positive with an increasing number of Wills drafted, queries online and queries through our offices. The Corporation will continue to identify new marketing methods and will continue to invest on marketing to improve visibility and increase awareness of the current services and new services as well.

Whilst our primary objective is the long-term financial viability of our business and ensuring that we remain a relevant part of the economy, we also provide quasi-judicial services at no charge as part of our social responsibility.

**Financial Performance – Revenue & Expenses**

Figure.3

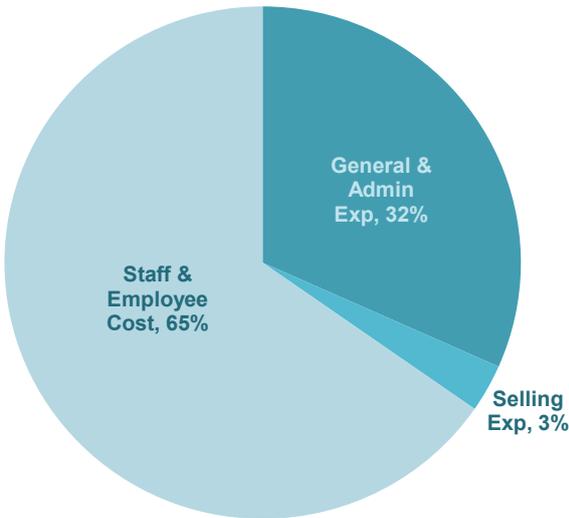
**2017 – Income Composition**



The financial performance of the Corporation over the years has been affected by many factors. As depicted in Figure 3, in 2017 the revenue comprises of fees and charges 49%, Interest Income from investment 48% and Other Income 2%. The fees and charges are legislated fees charged at various stages of the administration process and based on the value of estates or trusts. The total value of assets is a major factor in determining the fees to the Corporation and the cost to the customer. There is no inheritance tax in Fiji; however, Capital Gains Tax (CGT) is applicable on the distribution made in the settlement of an estate. Other income comprises rental income and training grants received.

Figure.4

**2017 – Expenses Composition**



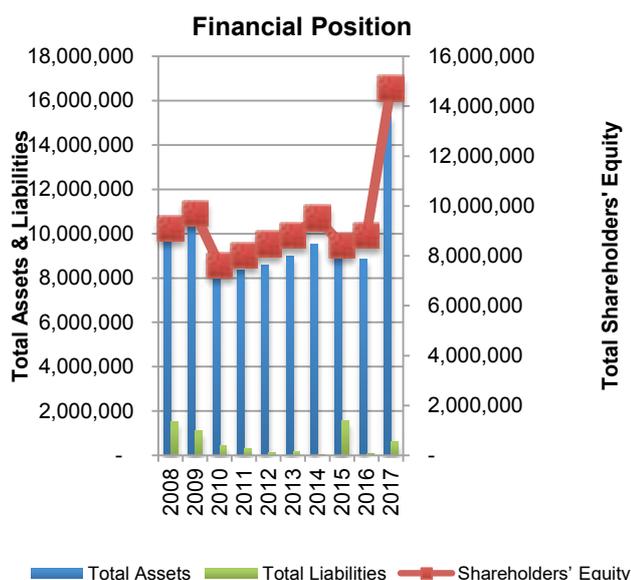
Interest Income from investments has been volatile in the past years mainly due to the performance of the financial markets. The Corporation’s investments are 81% in financial assets and 12% in real property. The Corporation will be exploring further investment strategies to improve income from investments.

The expenses over the last ten years increased on average by 12%. The Corporation’s expenses comprise of staff and employee costs – 65%, general & administration costs – 32% and selling expenses – 3%. This is depicted in Figure 4.

The corporation is continuing to identify new services to complement our core business and supplement income from estates & trusts.

## Financial Position

Figure 5



Total Assets of the Corporation as at 31<sup>st</sup> December 2017 was \$15,339,192 comprising the following:

|                             |     |
|-----------------------------|-----|
| Financial Assets            | 81% |
| Property, Plant & Equipment | 12% |
| Receivables                 | 3%  |
| Cash & Cash Equivalents     | 3%  |
| Other Assets                | 1%  |

Total Assets increased by 73% in 2017 after reviewing of the provisions in Trust. In 2017 upon review of the provisions in Trust, it was agreed that the provision for investment impairment and part of the provision for trust claims be withdrawn. The decision was based on an external audit recommendation to comply with International Financial Reporting Standards and verification conducted by consultants Ernst & Young followed by a formal Board resolution.

Total Liabilities of the Corporation as at 31<sup>st</sup> December 2017 were \$618,327 comprising the following:

|                        |     |
|------------------------|-----|
| Trade & Other Payables | 19% |
| Dividend payable       | 81% |

The current liabilities are mainly debts from operations that are cleared within 12 months period. The Board recommended a dividend of \$0.5million which will be paid to Government in 2018.

Total Shareholders' Equity as at 31<sup>st</sup> December 2017 stood at \$14,720,865 comprising the following:

|                     |     |
|---------------------|-----|
| Capital Reserve     | 31% |
| Retained Earnings   | 24% |
| Revaluation Reserve | 4%  |
| Other Reserve       | 41% |

The other reserves amounting to \$5.98 million is a building reserve fund which will be utilised to construct an extension to the company headquarters. The Capital Reserves of 31% or \$4.8 million consists of the surplus funds as per Sect. 12 of the FPTC Act 2006. The retained earnings are \$3.4million and dividend declared of \$500,000 for the 2017 financial year. The Revaluation Reserves are gains recorded through the revaluation of financial assets and share capital remains at \$2.

Cash flow and liquidity continue to be favourable, improving the solvency status of the corporation. This is evident in the key liquidity and solvency ratios in the table below:

| Ratio            | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------|------|------|------|------|------|
| Return on Assets | 4%   | 7%   | 4%   | 3%   | 2%   |
| Return on Equity | 4%   | 8%   | 5%   | 3%   | 2%   |
| Current Ratio    | 17:1 | 83:1 | 1:1  | 12:1 | 2:1  |
| Debt to Equity   | 2%   | 0%   | 19%  | 1%   | 4%   |

### Major Financial Achievements

The Corporation has achieved the following due to the stringent and prudent management of finances:

- Twelfth consecutive year of recording net profit after tax and average growth in net profit after tax of 11%;
- Payment of dividend amounting to \$5million and declaration of after tax dividend amounting to \$500,000 for the 2017 financial year;
- Zero long term borrowings for the last ten years;
- Stable liquidity and solvency position;
- New reserve account amounting to \$5.98million to fund the extension to the company headquarters.

## Estates Administration

The Estates team provides executor and administration services for the distribution of a deceased person's estate. FPTCL is a one-stop shop in dealing with the estate from application to High Court, collation of assets, locating beneficiaries, settlement of debts, tax clearances, transfer of property and distribution of assets.

The FPTCL administers estates where:

- there is a will appointing the Fiji Public Trustee as executor;
- there is no will and the beneficiaries or close relatives appoint Fiji Public Trustee to act;
- an existing executor is unable to fulfill the task and renounces it in favour of Fiji Public Trustee;
- when the High Court appoints Fiji Public Trustee to administer.

Administering deceased persons' estate is a specialized activity requiring some knowledge of the legal and financial issues involved. Many clients choose the Fiji Public Trustee for the impartiality that an independent executor can offer, particularly where there is a likelihood of family conflict over inheritance. At such a traumatic time, when friends and family are grieving, Estate staffs carry out their important role with empathy, tact, and professionalism. Staffs always consult with beneficiaries, particularly regarding the sale of property and personal effects. Ultimately, we ensure that the wishes of the deceased are met.

The Estate Department also manages estates for people who have died intestate (without making a Will) usually at the request of beneficiaries of the deceased person, or where there is no obvious next

of kin. Where there is no known next of kin, Public Trustee actively seeks to locate the beneficiaries entitled to share in the distribution of the estate under the laws of intestacy.

In 2017, the section opened 56 estate files valued at \$4.5 million and settled and finalized 108 estates with a value of \$2.1million.

### Movements in Estates

|                                     | 2013   | 2014   | 2015    | 2016   | 2017   |
|-------------------------------------|--------|--------|---------|--------|--------|
| <b>New Estates</b>                  | 62     | 57     | 66      | 74     | 56     |
| <b>Value of New Estates</b>         | \$2.7M | \$3.7M | \$4.12M | \$3.4M | \$4.5M |
| <b>Estates Settled &amp; Closed</b> | 55     | 19     | 27      | 34     | 108    |

### Estates Administration Fees

The common legislated estate administration fees charged on services provided are as follows;

| Particulars of Services  | Particulars of Fees   | Charges   |
|--------------------------|---|---|
| <b>Acceptance Fees</b>   | 1. Estates of Deceased Persons                                | 1.5% of the gross value of Estate/Trust Plus out of Pocket expenses   |
|                          | 2. Estates of persons of unsound mind and incapable persons   |   |
|                          | (a) On the first \$20,000.00 of the gross value of the estate | 1.5%  |
|                          | (b) On any sum in excess of \$20,000.00                       | 1%  |
| <b>Distribution Fees</b> | (a) Transfer/Sales of Share                                   | 5% of the gross value of transfer   |
|                          | (b) Transfer & registration of Titles, Lease etc.             | 1% on the gross value transferred on distribution plus 1.5% for any sum in excess of \$50,000 plus Disbursement |

The Fiji Public Trustee Corporation Limited (Fees & Charges) Regulations 2008, outlines details of fees and charges.

## Trustee Services

Generally, a trust is a right in property (real or personal) which is held in a fiduciary relationship by one party for the benefit of another.

The Trust Team deals with trust administration services such as the FNPF/superannuation trust for minors, testamentary trusts through a will; compensation trusts by appointment of court or individuals, disability trusts and living trusts. Like any trustee, the Fiji Public Trustee must protect trust assets and ensure they are managed and administered appropriately as per the conditions of the trust including those for minors and people of unsound mind.

The FPTCL's duties as trustee are to:

- ❖ hold and protect trust funds;
- ❖ invest the funds during the term of the trust;
- ❖ make appropriate disbursements from the trust;
- ❖ pay out the funds to the beneficiary at majority age or as per the conditions of the Trust.

Life Interest is a trust created by a will to allow a nominated beneficiary to live in a property for the duration of their lifetime. The Fiji Public Trustee retains ownership of the property for the life of the beneficiary known as the life tenant. On the death of the life tenant, the will usually directs the Fiji Public Trustee to distribute the house to another beneficiary or beneficiaries.

We also manage trust funds for a number of people with unsound mind and those with disabilities and incapacities; work closely with guardians to ensure that the welfare of the beneficiaries is taken care of.

In the last two years, the total number of new trusts dropped, mainly from FNPF

minor trust, which is now administered by the High Court through changes in the FNPF Act. The Corporation has made applications to court on a case-by-case basis to assist minors in the proper management of their trust funds. We are now offering other trust services based on customer demand such as personal management services to help people manage their financial affairs.

In 2017, there were 104 new trusts with a value of approximately \$160,000 compared to 123 with a value of \$191,000 in 2016. There were 274 trust accounts valued at \$1.38 million fully settled in 2016 compared to 324 trusts settled and valued at \$1.70 million in 2016

Trust Funds are invested in a common pooled fund, which is maintained by management and closely supervised by the Board of Directors. Investments are placed in managed funds, bank term deposits and government bonds for both income and growth.

### Trust Funds on hand as 31 December in the last 5 years

|                          | 2013    | 2014    | 2015    | 2016    | 2017    |
|--------------------------|---------|---------|---------|---------|---------|
| No. of Trust A/C on Hand | 10,171  | 9,821   | 9,309   | 9,108   | 11,418  |
| Value of Trusts          | \$21.7M | \$19.4M | \$17.3M | \$15.8M | \$15.1M |

The interest distributed on the Trust & Estate funds were \$874K or 4.32% in 2017 compared to \$842K or 4.12% in 2016.

## Legal Services

The legal team provides legal advice to the Corporation pertaining to the Corporation's role as an executor, trustee, manager and attorney consistent with relevant legislations.

The legal services team assists in the conduct of:

- Litigation for contested estate and trust matters and for wills prepared by the Fiji Public Trustee;
- Guidance to staff on specific legal matters and in training and developing staff on legislation and legal updates;
- Conveyance work related to client estate, trust and administration matters.

The legal team also offers other legal services, which were introduced in 2014 and have become very popular with private executors and administrators of estates.

These included:

- Executor assistance services;
- Applications for grants to the high court;
- Transfer of property including Stamp Duty applications and Capital Gains Tax lodgment;
- Tax clearance;
- Searches (titles, wills, probates etc.);
- Legal conveyance work;
- Deed poll; and
- Deed of family arrangements.

The new services were introduced after collaboration and research work by staff from the legal, estates, trust and finance sections.

The legal team also conducts regular refresher training for staff on the various acts and legislation that directly affects the services provided by the Corporation. This includes amendments to legislation, and lessons from various estate, trust and wills case from the local and the Commonwealth jurisdiction.

A significant future challenge is the increase in the volume of estates and cases with legal issues of increasing commercial complexity.

The other legal services provided in 2016 and 2017 were as follows:

| Legal Services                            | 2017 | 2016 |
|---|------|------|
| No. of Application for Court Grants       | 29   | 20   |
| No. of Application for Property Transfers | 12   | 11   |
| No. of Other Conveyance services          | 9    | 10   |
| No. of Other legal services               | 24   | 16   |

**FIJI PUBLIC TRUSTEE CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

**FIJI PUBLIC TRUSTEE CORPORATION LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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In accordance with a resolution of the Board of Directors, the directors herewith submit the statement of financial position of the Fiji Public Trustee Corporation Limited ("the Corporation") as at 31 December 2017, the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

**Directors**

The names of directors in office at the date to which this report refers are:

Mr. Ikbal Jannif (Chairman)  
Ms. Berny Nicholls

**Principal Activities**

The principal activity of the Corporation in the course of the financial year was to act as custodians and provide administrative services to estates of those persons who are deceased, of unsound mind or persons incapable of conducting their own affairs.

**Basis of Accounting - Going Concern**

The financial statements of the Company have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we believe that the Company has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

**Results**

The net operating Profit after income tax for the year was \$259,523 (2016: \$363,715) after providing \$52,461 (2016: \$80,411) for income tax.

The total comprehensive income for the year was \$455,925 (2016: \$386,445).

**Dividends**

The directors recommended and declared a dividend of \$500,000 to be paid for the period ending 31 December 2017.

**Reserves**

The directors recommended that the sum of \$5,983,778 be transferred to the Building Reserve fund within the meaning of Schedule 2 of Companies Act, 2015.

**Bad and Doubtful Debts**

The directors took reasonable steps before the financial statements were prepared to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

### **Non-Current Assets**

Prior to the completion of the financial statements of the Corporation, the directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the Corporation. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to non-current assets in the Corporation's financial statements misleading.

### **Related Party Transactions**

In the opinion of the directors all related party transactions have been adequately recorded in the books of the Corporation.

### **Other Circumstances**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements misleading.

### **Unusual Transactions**

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the directors, the results of the operations of the Corporation during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Corporation in the current financial year, other than those reflected in the financial statements.

### **Events subsequent to balance date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Corporation, to affect significantly the operations and the results of those operations, or the state of affairs of the Corporation in subsequent financial years.

### **Other circumstances**

As at the date of this report:

- i. no charge on the assets of the Corporation has been given since the end of the financial year to secure the liabilities of any other person;
- ii. no contingent liabilities have arisen since the end of the financial year for which the Corporation could become liable; and
- iii. no contingent liabilities or other liabilities of the Corporation has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Corporation to meet its obligations as and when they fall due.

**Other circumstances(continued)**

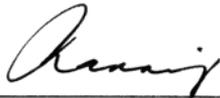
As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Corporation's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Corporation misleading or inappropriate.

**Directors' Benefits**

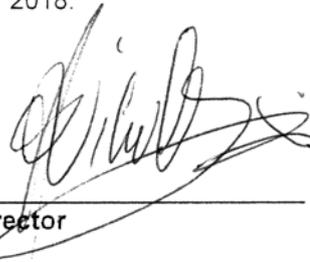
No director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or received as the fixed salary of a full-time employee of the Corporation or of a related Corporation) by reason of a contract made by the Corporation or by a related Corporation with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

Signed for and on behalf of the Board and in accordance with a resolution of the directors.

Dated this *4<sup>th</sup>* day of *May* 2018.



Chairman



Director

**FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2017  
DIRECTORS DECLARATION**

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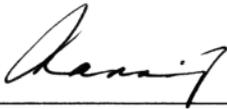
The declaration by directors is required by the Companies Act, 2015.

The directors of Fiji Public Trustee Corporation Limited ("the Corporation") have made a resolution that declares:

- a) In the opinion of the directors, the financial statements of the Corporation for the financial year ended 31 December 2017:
  - i. comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Corporation as at 31 December 2017 and of the performance and cash flows of the Corporation for the year ended 31 December 2017; and
  - ii. have been prepared in accordance with the Companies Act, 2015;
- b) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

For and on behalf of the board and in accordance with a resolution of the board of directors.

Dated this 4<sup>th</sup> day of May 2018.



Chairman



Director

# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Website: <http://www.oag.gov.fj>



## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements of Fiji Public Trustee Corporation Ltd

#### Opinion

I have audited the accompanying financial statements of Fiji Public Trustee Corporation Limited ("the Corporation"), which comprise the statement of financial position as at 31 December 2017, the statement of comprehensive income, statements of changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

#### Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Corporation in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of Matter

I draw attention to Note 15 of the financial statements which included the assets and liabilities of the Trust & Estate under management. As in previous years, the Trust & Estate financial statements are not presented separately from the Corporation's financial statements.

#### Responsibilities of Management and Directors for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, Companies Act 2015 and the Fiji Public Trustee Corporation Act 2006, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Corporation's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

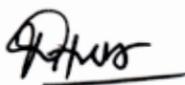
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Fiji Public Trustee Corporation Act 2006, Companies Act 2015 and the Public Enterprise Act 1996, in my opinion:

- a) proper books of account have been kept by the Corporation, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
  - a. are in agreement with the books of account; and
  - b. to the best of my information and according to the explanations given to me, give the information required by the Fiji Public Trustee Corporation Act 2006, Companies Act 2015 and the Public Enterprise Act 1996 in the manner so required.



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
8 May 2018

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2017

|  | Note | 2017<br>\$       | 2016<br>\$       |
|--|------|------------------|------------------|
| Fees   | 3    | 592,446          | 639,025          |
| Interest Income                                |      | 578,633          | 568,634          |
| Other Income                                   |      | 28,682           | 24,105           |
| <b>Total Revenue</b>                           |      | <b>1,199,761</b> | <b>1,231,764</b> |
| General and administrative expenses            | 4    | 280,979          | 223,314          |
| Selling expenses                               |      | 26,811           | 17,300           |
| Staff and employee costs                       | 4    | 579,987          | 547,024          |
| <b>Total Expenses</b>                          |      | <b>887,777</b>   | <b>787,638</b>   |
| <b>Operating profit before income tax</b>      |      | <b>311,984</b>   | <b>444,126</b>   |
| Income tax expense                             | 6    | 52,461           | 80,411           |
| <b>Operating profit after income tax</b>       |      | <b>259,523</b>   | <b>363,715</b>   |
| <b>Other comprehensive income</b>              | 3    | 196,402          | 22,730           |
| <b>Total Comprehensive Income for the year</b> |      | <b>455,925</b>   | <b>386,445</b>   |

*The accompanying notes form an integral part of this statement of comprehensive income.*

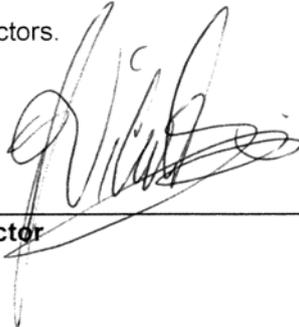
FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2017

|                                   | Note | 2017<br>\$        | 2016<br>\$       |
|-----------------------------------|------|-------------------|------------------|
| <b>Current Assets</b>             |      |                   |                  |
| Cash and cash equivalents         | 5    | 456,747           | 282,934          |
| Trade and other receivables       | 7    | 469,048           | 433,251          |
| Other current assets              | 8    | 120,808           | 80,522           |
| <b>Total Current Assets</b>       |      | <b>1,046,603</b>  | <b>796,707</b>   |
| <b>Non-Current Assets</b>         |      |                   |                  |
| Financial assets                  | 9    | 12,410,943        | 6,145,358        |
| Property, plant and equipment     | 10   | 1,881,646         | 1,933,675        |
| <b>Total Non-Current Assets</b>   |      | <b>14,292,589</b> | <b>8,079,033</b> |
| <b>Total Assets</b>               |      | <b>15,339,192</b> | <b>8,875,740</b> |
| <b>Current Liabilities</b>        |      |                   |                  |
| Trade payables and provisions     | 12   | 118,327           | 64,436           |
| Dividend Payable                  |      | 500,000           |                  |
| <b>Total Current Liabilities</b>  |      | <b>618,327</b>    | <b>64,436</b>    |
| <b>Total Liabilities</b>          |      | <b>618,327</b>    | <b>64,436</b>    |
| <b>Net Assets</b>                 |      | <b>14,720,865</b> | <b>8,811,304</b> |
| <b>Shareholders' Equity</b>       |      |                   |                  |
| Share Capital                     |      | 2                 | 2                |
| Share premium reserve             | 13   | 99,998            | 99,998           |
| Capital reserve                   | 13   | 4,583,342         | 4,583,342        |
| Other reserve                     | 13   | 5,983,778         | -                |
| Revaluation reserve               | 13   | 578,326           | 381,924          |
| Retained earnings                 |      | 3,475,419         | 3,746,038        |
| <b>Total Shareholders' Equity</b> |      | <b>14,720,865</b> | <b>8,811,304</b> |

The accompanying notes form an integral part of this statement of financial position.

For and on behalf of the board and in accordance with a resolution of the directors.

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

|  | Note | 2017<br>\$        | 2016<br>\$       |
|--|------|-------------------|------------------|
| <b>Share Capital</b>                           |      |                   |                  |
| Opening balance                                |      | 2                 | 2                |
| Issues during the year                         |      | -                 | -                |
| Closing balance                                |      | <u>2</u>          | <u>2</u>         |
| <b>Reserves</b>                                |      |                   |                  |
| <b>Share Premium Reserve</b>                   |      |                   |                  |
| Balance at the beginning of the financial year |      | 99,998            | 99,998           |
| Balance at the end of the financial year       |      | <u>99,998</u>     | <u>99,998</u>    |
| <b>Capital Reserve</b>                         |      |                   |                  |
| Balance at the beginning of the financial year |      | 4,583,342         | 4,581,542        |
| Recovery/(Payment) on PTO debts/cases          |      | -                 | 1,800            |
| Balance at the end of the financial year       |      | <u>4,583,342</u>  | <u>4,583,342</u> |
| <b>Other Reserves</b>                          |      |                   |                  |
| Building fund reserve                          |      | <u>5,983,778</u>  | -                |
| <b>Revaluation Reserve</b>                     |      |                   |                  |
| Balance at the beginning of the financial year |      | 381,924           | 359,194          |
| Fair value movements                           |      | -                 | -                |
| Unrealised gain/(losses) - Financial Assets    |      | 196,402           | 22,730           |
| Balance at the end of the financial year       |      | <u>578,326</u>    | <u>381,924</u>   |
| <b>Total Reserves</b>                          |      | <u>11,245,444</u> | <u>5,065,264</u> |
| <b>Retained Earnings</b>                       |      |                   |                  |
| Opening balance                                |      | 3,746,038         | 3,386,042        |
| Dividend Tax (1%)                              |      | (30,142)          | (3,719)          |
| Net profit after tax for the year              |      | 259,523           | 363,715          |
| Dividend declared                              |      | (500,000)         | -                |
| Closing balance                                |      | <u>3,475,419</u>  | <u>3,746,038</u> |
| <b>Total Shareholders' Equity</b>              |      | <u>14,720,865</u> | <u>8,811,304</u> |

*The accompanying notes form an integral part of this statement of changes in equity.*

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017

|   | Note | 2017<br>\$       | 2016<br>\$         |
|---|------|------------------|--------------------|
| <b>Cash Flow from Operating Activities</b>              |      |                  |                    |
| Receipt from customers                                  |      | 585,331          | 719,905            |
| Payments to suppliers and employees                     |      | (796,084)        | (573,437)          |
| Interest received                                       |      | 578,633          | 568,634            |
| Income taxes paid                                       |      | (52,461)         | (80,411)           |
| <b>Net cash provided by operating activities</b>        | 16   | <b>315,419</b>   | <b>634,691</b>     |
| <b>Cash Flows from Investing Activities</b>             |      |                  |                    |
| Acquisition of property, plant and equipment            |      | (26,059)         | (99,239)           |
| Proceeds from investments                               |      | (85,405)         | 749,976            |
| <b>Net cash (used)/provided by investing activities</b> |      | <b>(111,464)</b> | <b>650,737</b>     |
| <b>Cash Flows from Financing Activities</b>             |      |                  |                    |
| Dividend paid   |      |                  | (1,500,000)        |
| Recovery/(Payment) on PTO debts/cases                   |      | -                | 1,800              |
| Dividend tax paid                                       |      | (30,142)         | (3,719)            |
| <b>Net cash (used by) Financing Activities</b>          |      | <b>(30,142)</b>  | <b>(1,501,919)</b> |
| Net increase/(decrease) in cash                         |      | 173,813          | (216,491)          |
| Cash at the beginning of the year                       |      | 282,934          | 499,425            |
| Cash at the end of the year                             | 5    | <b>456,747</b>   | <b>282,934</b>     |

*The accompanying notes form an integral part of this statement of cash flows.*

**FIJI PUBLIC TRUSTEE CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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## **1 Corporate Information**

Fiji Public Trustee Corporation Limited is a limited liability company incorporated and domiciled in Fiji. These financial statements were authorized for issue by the directors on 8th May 2018.

The principal activities of the Corporation are described in Note 20.

## **2 Statement of Significant Accounting Policies**

Set out below is a summary of the significant accounting policies adopted by the Corporation in the preparation of the financial statements. 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 Companies Act, 2015 and International Financial Reporting Standards (IFRS) prescribed by the International Accounting Standards Board.

#### **(a) Basis of preparation**

These financial statements have been prepared under historical cost accounting and do not take into account changing money values or current valuations of non-current assets unless otherwise stated. The financial report is presented in Fiji dollars, which is the Corporation's functional currency, rounded to the nearest dollar.

#### **(b) Significant Accounting Judgements, Estimates and Assumptions**

The preparation of the Corporation's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### ***Judgements***

In the process of applying the Corporation's accounting policies, management has made the following judgement, apart from those involving estimations, which has most significant effect on the amounts recognised in the financial statements.

#### ***Estimations and Key Assumptions***

The key assumptions concerning the future and other key sources of estimation uncertain at balance date, that have a significant risk of causing of a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

#### ***Impairment of Non-Financial Assets***

The Corporation assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

**2 Statement of Significant Accounting Policies (continued)**  
**(c) Taxes**

***Current Income Tax***

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

***Deferred Income Tax***

Deferred income tax is provided using the balance sheet method on temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

## 2 Statement of Significant Accounting Policies (continued)

### (c) Taxes (continued)

#### *Value Added Tax*

Revenue, expenses and assets are recognised net of the amount of Value Added Tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax recognised as part of the acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables are stated with the amount of sales tax included.

### (d) Property, plant and equipment

Land and Building Head-quarters situated at Lot 83 Amy Street Toorak, Suva are stated based on the purchase price plus cost of renovation plus increases arising on revaluation and a straight line method of depreciation is used for the same. The Land and Building will be valued every 3 years to recognize the market or fair value.

Subsequent to initial recognition, increases in the carrying amount arising on revaluation are credited to other comprehensive income in the statement of comprehensive income and recorded as revaluation reserve in shareholder's equity. Any decreases will off-set previous increases of the same asset and will be charged against other comprehensive income and revaluation reserves in equity; all other decreases are charged as an expense in the statements of comprehensive income.

All other plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Items of plant and equipment transferred from the former Office of Public Trustee have been fully depreciated. Depreciation is calculated on a straight line method basis so as to write off the net cost of property, plant and equipment during its expected useful life.

|                         |   |       |
|-------------------------|---|-------|
| Plant and Machinery     | - | 12%   |
| Motor Vehicle           | - | 18%   |
| Furniture and Fittings  | - | 12%   |
| Computers               | - | 24%   |
| Building & Improvements | - | 1.25% |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised.

The residual value of assets, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end.

## 2 Statement of Significant Accounting Policies (continued)

### (e) Inventories

The Corporation does not have any major inventories apart from stationeries which have been expensed. Any item meeting the recognition criteria to be classified as inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### (f) Financial Assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Corporation determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates the designation at each financial year end. The Corporation's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables and quoted and unquoted financial instruments.

#### ***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

#### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling them in the near term. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with gains or losses recognised in the income statement.

#### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### ***Held-to-maturity investments***

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity investments are measured at amortised cost using the effective interest method. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Gains and losses are recognised in the profit or loss when the investments are derecognized or impaired, as well as through the amortisation process. The Corporation has designated bonds and term deposits with maturity dates of more than three months as held-to-maturity investments.

## 2 Statement of Significant Accounting Policies (continued)

### (f) Financial Assets (continued)

#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the profit or loss, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the Income Statement.

#### *Impairment of financial assets carried at amortised cost*

The Corporation assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

### (g) Financial Liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss and borrowings. The Corporation determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs. The Corporation's financial liabilities includes trade and other payables.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification as follows:

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

#### *Financial liabilities at fair value through profit or loss(continued)*

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains and losses on liabilities held for trading are recognised in the profit or loss. The Corporation has not designated any financial liabilities as at fair value through profit or loss.

#### *Loans and borrowings*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## 2 Statement of Significant Accounting Policies (continued)

### (g) Financial Liabilities (continued)

#### *Fair value of financial instruments*

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

#### *Amortised cost of financial instruments*

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

### (h) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Corporation substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term.

### (i) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

## 2 Statement of Significant Accounting Policies (continued)

### (j) Impairment of Non-Financial Assets

The Corporation assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These valuations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

### (k) Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Corporation expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where the discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (l) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales tax or duty. The following specific recognition criteria must also be met before revenue is recognised:

#### ***Fees and charges***

The Corporation charges fees and other charges in accordance with Part 7 of the Fiji Public Trustee Corporation Act 2006. This was later revised in 2008 through Legal Notice 114, the Fiji Public Trustee Corporation Limited (Fees & Charges) Regulations 2008. Management and administration fees are charged on a monthly basis while other fees and charges are accrued when the service is rendered.

#### ***Interest income***

Revenue is recognised as interest accrues (using the effective interest method).

#### ***Investment fees***

The Corporation charges investment fees for acting as trustees and managing the investment of Trust Funds. The fee is set as a percentage of funds under management as outlined in the Fiji Public Trustee Corporation Act. 2006. The investment fee is recognised at the time the service is provided and was 0.5% (2016: 0.5%).

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 FOR THE YEAR ENDED 31 DECEMBER 2017

2 Statement of Significant Accounting Policies (continued)

(l) Revenue Recognition (continued)

*Dividends*

Revenue is recognised when the Corporation's right to receive payment is established.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(n) Employee Benefits

Liabilities for wages, salaries and annual leave are recognised and measured as the undiscounted amount unpaid as at the reporting date at current pay rates in respect of present obligations for employee services provided up to that date. A provision is recognised for the amount expected to be paid under a bonus plan in respect of past services provided by employees, there is a legal or constructive obligation to pay this amount, and the obligation can be measured reliably.

Liabilities for other employee entitlements, which are not expected to be paid or settled within twelve months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid.

(o) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

| 3 Revenue                         | 2017<br>\$     | 2016<br>\$     |
|-----------------------------------|----------------|----------------|
| <b>Fees</b>                       |                |                |
| Acceptance fees                   | 54,381         | 57,755         |
| Distribution fees                 | 100,604        | 132,062        |
| Income fees                       | 55,097         | 55,779         |
| Investment fees                   | 95,867         | 96,953         |
| Legal fees                        | 18,519         | 34,340         |
| Service fees                      | 267,978        | 262,136        |
| <b>Fee Revenue</b>                | <b>592,446</b> | <b>639,025</b> |
| <b>Other Comprehensive Income</b> |                |                |
| <b>Land &amp; Building</b>        |                |                |
| Opening Balance                   | 1,832,571      | 1,821,022      |
| Additions                         | 1,936          | 11,549         |
| Less Depreciation                 | (100,372)      | (77,283)       |
| Net book value                    | 1,734,135      | 1,755,288      |
| Revaluation Price as at 31 Dec    | -              | -              |
| <b>Fair value movement</b>        | <b>-</b>       | <b>-</b>       |

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*  
 FOR THE YEAR ENDED 31 DECEMBER 2017

| 3 Revenue (continued)                               | 2017                  | 2016                  |
|---|-----------------------|-----------------------|
|   | \$                    | \$                    |
| <b>Other Comprehensive Income (continued)</b>       |                       |                       |
| <b>Available-for-sale-Assets (Financial Assets)</b> |                       |                       |
| Opening Balance                                     | 2,130,704             | 1,107,974             |
| Additions   | 200,000               | 1,000,000             |
| Total   | <u>2,330,704</u>      | <u>2,107,974</u>      |
| Market valuation as at 31 Dec                       | 2,527,106             | 2,130,704             |
| <b>Unrealised Gain/(Loss)</b>                       | <u>196,402</u>        | <u>22,730</u>         |
| <b>Other Comprehensive Income</b>                   | <u><b>196,402</b></u> | <u><b>22,730</b></u>  |
| <b>4 Expenditure</b>                                |                       |                       |
| <b><u>General and Administration expenses</u></b>   |                       |                       |
| Audit fees  | 10,261                | 8,440                 |
| Professional/Legal fees                             | 1,165                 | 9,138                 |
| Depreciation  | 78,088                | 57,145                |
| Directors remuneration                              | 21,000                | 22,194                |
| Operating lease rentals - office                    | 7,590                 | 7,590                 |
| Other operating expenses                            | 162,875               | 118,807               |
| <b>General and Administration expenses</b>          | <u><b>280,979</b></u> | <u><b>223,314</b></u> |
| <b><u>Staff and Employee costs</u></b>              |                       |                       |
| Wages and salaries                                  | 459,726               | 413,128               |
| Superannuation                                      | 50,829                | 48,410                |
| TPAF Levy   | 3,537                 | 4,903                 |
| Training  | 9,804                 | 12,833                |
| Other costs   | 56,091                | 67,750                |
| <b>Staff and Employee costs</b>                     | <u><b>579,987</b></u> | <u><b>547,024</b></u> |
| <b>5 Cash and Cash Equivalents</b>                  |                       |                       |
| Cash on hand  | -                     | -                     |
| Cash at bank  | 456,747               | 282,934               |
|   | <u><b>456,747</b></u> | <u><b>282,934</b></u> |

Cash at bank earns interest at floating rates based on daily deposit rates of 2.75%.

**6 Income Tax**

The major components of income tax expense for the years ended 31 December 2017 and 2016 are:

|   | 2017                 | 2016                 |
|---|----------------------|----------------------|
|   | \$                   | \$                   |
| <b><u>Income tax expense</u></b>              |                      |                      |
| Current income tax charge                     | 52,461               | 80,411               |
| Adjustments in respect of previous year       | -                    | -                    |
| Origination/reversal of temporary differences | -                    | -                    |
| <b>Income tax expense</b>                     | <u><b>52,461</b></u> | <u><b>80,411</b></u> |

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*  
 FOR THE YEAR ENDED 31 DECEMBER 2017

|   | 2017                     | 2016                    |
|---|--------------------------|-------------------------|
|   | \$                       | \$                      |
| <b>6 Income Tax (continued)</b>   |                          |                         |
| A reconciliation between tax expense and the product of accounting profit multiplied by the prima facie tax rate for the years ended 31 December 2017 and 2016 are:   |                          |                         |
| Accounting profit before income tax   | 311,984                  | 444,126                 |
| <u>Add/(Deduct)</u>   |                          |                         |
| Exempt income   | (82,249)                 | (51,881)                |
| 50% FNPF employer's contribution  | 25,415                   | 24,205                  |
| Donations to charitable trusts @ 150%   | -                        | -                       |
| (Over)/ under provision in prior years  | 7,155                    | (14,393)                |
| Chargeable Income   | <u>262,305</u>           | <u>402,057</u>          |
| <b>Prima facie tax payable at 20% (2016: 20%)</b>   | <b><u>52,461</u></b>     | <b><u>80,411</u></b>    |
| <b>7 Trade and Other Receivables</b>  |                          |                         |
| Fees and VAT receivable from Trust & Estates  | 176,530                  | 171,449                 |
| Interest receivable   | 271,293                  | 261,049                 |
| Grant Claimable   | 1,988                    | -                       |
| Receivable Others   | 19,237                   | 753                     |
|   | <b><u>469,048</u></b>    | <b><u>433,251</u></b>   |
| Trade receivables are non-interest bearing and are generally on 30 – 90 day terms. As at 31 December, trade and other receivables at initial value of nil (2016: nil) were impaired and fully provided for. |                          |                         |
| <b>8 Other Current Assets</b>   |                          |                         |
| Prepayments & Deposits Paid   | 16,373                   | 17,216                  |
| Resident Interest Withholding Taxes and others  | 62,902                   | 19,217                  |
| Other current assets  | 41,533                   | 44,089                  |
|   | <b><u>120,808</u></b>    | <b><u>80,522</u></b>    |
| <b>9 Financial Assets</b>   |                          |                         |
| Held-to-maturity investments  | 3,900,060                | 4,014,655               |
| UTOF  | 1,483,741                | 1,126,962               |
| FHUT  | 1,043,364                | 1,003,741               |
| Investment held in Trust  | 5,983,778                | -                       |
|   | <b><u>12,410,943</u></b> | <b><u>6,145,358</u></b> |

Surplus of assets over liabilities arising from the assumption of assets and liabilities of the former Office of the Public Trustee was transferred to the Corporation on establishment. In 2017 upon the review of the provisions in Trust it was assessed that the provision for investment impairment and part of the provision for trust claims be withdrawn, which was part of the surplus funds from establishment. The decision is based on an external audit recommendation to comply with International Financial Reporting Standards and verification conducted by consultants Ernst & Young followed by a formal Board resolution. The balance is the retained earnings placed with financial institutions in interest bearing term deposit and balance is cash at bank.

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*  
 FOR THE YEAR ENDED 31 DECEMBER 2017

| 10 Property, Plant and Equipment               | 2017<br>\$              | 2016<br>\$              |
|--|-------------------------|-------------------------|
| <b>Land and Building</b>                       |                         |                         |
| Cost at beginning of the year                  | 1,832,571               | 1,821,022               |
| Additions during the year                      | 1,932                   | 11,549                  |
| Fair value movements                           | -                       | -                       |
| Disposals                                      | -                       | -                       |
| Cost at 31 December                            | <u>1,834,503</u>        | <u>1,832,571</u>        |
| <b>Depreciation and impairment</b>             |                         |                         |
| Accumulated balance at beginning of the year   | 77,283                  | 54,467                  |
| Depreciation charge for the year (1.25%)       | 23,087                  | 22,816                  |
| Disposals during the year                      | -                       | -                       |
| Accumulated balance at 31 December             | <u>100,370</u>          | <u>77,283</u>           |
| <b>Net book value – Land and Building</b>      | <b><u>1,734,133</u></b> | <b><u>1,755,288</u></b> |
| <b>Land and Building (WIP)</b>                 |                         |                         |
| Labasa Office                                  | <u>1,966</u>            | <u>-</u>                |
| <b>Furniture and Fittings</b>                  |                         |                         |
| Cost at beginning of the year                  | 71,236                  | 128,136                 |
| Additions during the year                      | 1,111                   | 1,395                   |
| Disposals during the year                      | -                       | (58,295)                |
| Cost at 31 December                            | <u>72,347</u>           | <u>71,236</u>           |
| <i>Depreciation and impairment</i>             |                         |                         |
| Accumulated balance at beginning of the year   | 44,909                  | 96,172                  |
| Depreciation charge for the year               | 6,910                   | 7,032                   |
| Disposals during the year                      | -                       | (58,295)                |
| Accumulated balance at 31 December             | <u>51,819</u>           | <u>44,909</u>           |
| <b>Net book value – Furniture and Fittings</b> | <b><u>20,528</u></b>    | <b><u>26,327</u></b>    |
| <b>Office Equipment (WIP)</b>                  |                         |                         |
| New Server                                     | -                       | <b>13,979</b>           |
| <b>Office Equipment</b>                        |                         |                         |
| Cost at beginning of the year                  | 171,811                 | 156,578                 |
| Additions during the year                      | 35,028                  | 72,315                  |
| Disposals during the year                      | -                       | (57,082)                |
| Cost at 31 December                            | <u>206,839</u>          | <u>171,811</u>          |
| <i>Depreciation and impairment</i>             |                         |                         |
| Accumulated balance at beginning of the year   | 77,857                  | 120,044                 |
| Depreciation charge for the year               | 35,742                  | 14,895                  |
| Disposals/adjustments during the year          | -                       | (57,082)                |
| Accumulated balance at 31 December             | <u>113,599</u>          | <u>77,857</u>           |
| <b>Net book value – Office Equipment</b>       | <b><u>93,240</u></b>    | <b><u>93,954</u></b>    |

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*  
 FOR THE YEAR ENDED 31 DECEMBER 2017

| 10 Property, Plant and Equipment (continued)   | 2017<br>\$       | 2016<br>\$       |
|--|------------------|------------------|
| <b>Motor Vehicles</b>                          |                  |                  |
| Cost at beginning of the year                  | 68,890           | 68,890           |
| Additions during the year                      | -                | -                |
| Disposals during the year                      | -                | -                |
| Cost at 31 December                            | 68,890           | 68,890           |
| <i>Depreciation and impairment</i>             |                  |                  |
| Accumulated balance at beginning of the year   | 24,763           | 12,362           |
| Depreciation charge for the year               | 12,348           | 12,401           |
| Disposals during the year                      | -                | -                |
| Accumulated balance at 31 December             | 37,111           | 24,763           |
| <b>Net book value – Motor Vehicles</b>         | <b>31,779</b>    | <b>44,127</b>    |
| <b>NET WRITTEN DOWN VALUE</b>                  | <b>1,881,646</b> | <b>1,933,675</b> |
| <br>   |                  |                  |
| <b>11 Intangible Assets</b>                    |                  |                  |
| <b>Computer Software</b>                       |                  |                  |
| Cost at beginning of the year                  | 99,035           | 99,035           |
| Transfer from WIP during the year              | -                | -                |
| Additions during the year                      | -                | -                |
| Cost at 31 December                            | 99,035           | 99,035           |
| <i>Amortisation and impairment</i>             |                  |                  |
| Accumulated balance at beginning of the year   | 99,035           | 99,035           |
| Depreciation charge for the year               | -                | -                |
| Disposals during the year                      | -                | -                |
| Accumulated balance at 31 December             | 99,035           | 99,035           |
| <b>Net book value – Intangible Assets</b>      | -                | -                |
| <br>   |                  |                  |
| <b>12 Trade, Other Payables and Provisions</b> |                  |                  |
| Trade payables and accruals                    | 105,276          | 58,540           |
| Amounts payable to Trust and Estates           | -                | -                |
|  | <b>105,276</b>   | <b>58,540</b>    |
| <br>   |                  |                  |
| <b>Provisions</b>                              |                  |                  |
| <u>Provision for Employee Entitlements</u>     |                  |                  |
| Balance at beginning of the year               | 5,896            | 20,289           |
| Arising during the year                        | 8,890            | 5,065            |
| Amounts utilised/paid                          | (1,735)          | (19,458)         |
| Balance at end of the year                     | 13,051           | 5,896            |

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*  
 FOR THE YEAR ENDED 31 DECEMBER 2017

| 12 Trade, Other Payables and Provisions (continued)            | 2017               | 2016               |
|--|--------------------|--------------------|
| Provisions (continued)   | \$                 | \$                 |
| <u>Provision for Income Tax</u>                                |                    |                    |
| Balance at beginning of the year                               | -                  | -                  |
| Arising during the year  | -                  | 80,411             |
| Amounts paid   | -                  | (80,411)           |
| Balance at end of the year                                     | -                  | -                  |
| <b>Total Provisions</b>  | <b>13,051</b>      | <b>5,896</b>       |
| <b>Trade, Other Payables and Provisions</b>                    | <b>118,327</b>     | <b>64,436</b>      |
| <br>   |                    |                    |
| <b>13 Capital</b>  |                    |                    |
| <u>Authorised Capital</u>                                      |                    |                    |
| 100,000,000 Ordinary Shares of \$1.00 each                     | <u>100,000,000</u> | <u>100,000,000</u> |
| <u>Issued and Paid Up Capital</u>                              |                    |                    |
| 2 ordinary shares at \$1.00 each                               | <u>2</u>           | <u>2</u>           |
| <u>Share Premium Reserve</u>                                   |                    |                    |
| Share premium paid on ordinary shares                          | <u>99,998</u>      | <u>99,998</u>      |
| <u>Capital Reserve</u>   |                    |                    |
| Balance at beginning of the year                               | 4,583,342          | 4,581,542          |
| Recovery/(Payment) on PTO debts/cases Capital reserve redeemed | -                  | 1,800              |
| Balance at end of the year                                     | <u>4,583,342</u>   | <u>4,583,342</u>   |
| <u>Other Reserve</u>   |                    |                    |
| Building reserve   | <u>5,983,778</u>   | <u>-</u>           |

The Capital reserve represents the Government of Fiji's contributed equity to the Corporation in the form of net assets of the former Office of Public Trustee. In 2017 upon the review of the provisions in Trust it was decided that the provision for investment impairment and part of the provision for trust claims be withdrawn, which was part of the surplus funds from establishment. The decision is based on an external audit recommendation to comply with International Financial Reporting Standards and a verification conducted by the consultants - Ernst & Young followed by a formal Board resolution. A board resolution was further made to transfer the provision to a Building Reserve fund which will be utilised to construct a new building extension to the company headquarters. Excluded from these net assets were debts of Trust & Estate accounts that remained outstanding on establishment of the Corporation. The Corporation is required under section 12(5) of the Fiji Public Trustee Corporation Act 2006 that "it shall continue to take all possible steps to recover the monies outstanding". The recognition of debts previously not recognised on establishment, when collected by the Corporation is reflected as an increase in Capital Reserve.

|  | 2017           | 2016           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Revaluation Reserve</b>                     |                |                |
| Balance at the beginning of the financial year | 381,924        | 359,194        |
| Unrealised gain/(losses) – Financial Assets    | 196,402        | 22,730         |
| Balance at the end of the financial year       | <u>578,326</u> | <u>381,924</u> |

The asset revaluation reserve consists of increments arising from the revaluation of the Corporation property, plant and equipment and unrealized gains and losses.

FIJI PUBLIC TRUSTEE CORPORATION LIMITED  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*  
 FOR THE YEAR ENDED 31 DECEMBER 2017

**14 Commitments**

- a) Commitments – Nil (2016: Nil)  
 b) Operating lease commitments  
 Future operating lease rentals not provided for in the financial statements and payable:

|  | 2017     | 2016         |
|--|----------|--------------|
|  | \$       | \$           |
| Not later than one year                              | -        | 7,590        |
| Later than one year but not later than three years   | -        | -            |
| Later than three years but not later than five years | -        | -            |
| Balance at end of the year                           | <u>-</u> | <u>7,590</u> |

**15 Trusts & Estates Under Management**

Total client assets and liabilities under management and trusteeship are as follows. These amounts are not reflected in the Statement of Financial Position as they are held in trust on behalf of the Corporation's clients.

|  | 2017                     | 2016                     |
|--|--------------------------|--------------------------|
|  | \$                       | \$                       |
| <b><u>Assets</u></b>                       |                          |                          |
| Cash at Bank                               | 2,084,524                | 1,850,332                |
| Investments in Pooled Funds                | 25,576,518               | 25,927,539               |
| Investments held individually              | 48,505                   | 55,530                   |
| Non Cash Assets                            | 21,446,717               | 20,264,461               |
| Other receivables                          | 4,608                    | -                        |
| <b>Balance at end of year</b>              | <b><u>49,160,872</u></b> | <b><u>48,097,862</u></b> |
| <b><u>Liabilities</u></b>                  |                          |                          |
| Provision for Trust Claims                 | 1,373,945                | 2,341,443                |
| Fees and other payables to the Corporation | 445,465                  | 430,400                  |
| Interest Due for Distribution              | 874,821                  | 842,474                  |
| <b>Balance at end of year</b>              | <b><u>2,694,231</u></b>  | <b><u>3,614,317</u></b>  |
| <b>Net Value</b>                           | <b><u>46,466,641</u></b> | <b><u>44,483,545</u></b> |

**16 Notes to the Statement of Cash Flows**

|   |                       |                       |
|---|-----------------------|-----------------------|
| i) Reconciliation of net cash inflows from operating activities to operating profit after income tax: |                       |                       |
| Operating profit after income tax   | 259,524               | 363,715               |
| Depreciation  | 78,088                | 57,145                |
| Other comprehensive income  | -                     | -                     |
| <i>Changes in assets and liabilities:</i>   |                       |                       |
| (Increase) / Decrease in receivables  | (35,798)              | 56,775                |
| Increase in accounts payable and accruals   | 53,891                | 4,026                 |
| (Increase) / Decrease in deferred income  | -                     | 4,059                 |
| (Increase)/decrease in other assets   | (40,286)              | 148,971               |
| <b>Net cash provided by Operating Activities</b>  | <b><u>315,419</u></b> | <b><u>634,691</u></b> |

## 17 Financial Risk Management Objectives and Policies

The Corporation's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to facilitate the Corporation's operations. The Corporation has trade and other receivables, investments and cash and cash equivalents that arrive directly from its operations.

The Corporation is exposed to market risk, credit risk and liquidity risk. The Corporation's senior management and directors oversee the management of these risks. Appropriate policies and procedures are in place to ensure that financial risks are identified, measured and managed in accordance with the Corporation's policies and risk appetite. It is the Corporation's policy that no trading in speculative financial instruments shall be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks which are summarised below.

### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risks. Financial risk affected by market risk includes deposits and investments.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates is limited as its investments and deposits are on held in fixed deposit accounts. These deposits are not redeemed until maturity.

### **Foreign currency risk**

The Corporation's transactions involving foreign currency is minimal or nil.

### **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk related to receivables: The Corporation's largest credit exposure is from Trust & Estate funds which the Corporation manages itself. The settlement of this debt is within the Corporation's control.

Credit risk related to financial instruments and cash deposits: Credit risk from balances with banks and financial instruments is managed by the Corporation in accordance with its policies. Investments of surplus funds are made only with approved counterparties and are reviewed by the directors during the year.

The carrying amount of financial assets represents the maximum credit exposure.

**17 Financial Risk Management Objectives and Policies (continued)**  
**Credit risk (continued)**

The maximum exposure to credit risk at the reporting date was:

|                              | Carrying amount   |                  |
|------------------------------|-------------------|------------------|
|                              | 2017              | 2016             |
|                              | \$                | \$               |
| Cash and cash equivalents    | 456,747           | 282,934          |
| Trade and other receivables  | 469,048           | 433,251          |
| Held-to-maturity investments | 12,410,943        | 6,145,358        |
|                              | <b>13,336,738</b> | <b>6,861,543</b> |

**Liquidity risk**

The Corporation monitors its risk to a shortage of funds using a recurring liquidity planning tool. The Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of varying maturity terms of investments.

Refer to Note 9 for details of held-to-maturity investments.

**18 Contingent Liabilities**

As at balance date there are no known contingent liabilities. FPTCL has not granted any securities in respect of liabilities payable by any other parties whatsoever.

**19 Related Parties**

Transactions with related entities during the year ended 31 December 2017 with approximate transaction values are summarized as follows:

|    |   |             |             |
|----|---|-------------|-------------|
| a. | The names of persons who were directors of the Corporation at any time during the financial year are:<br>Mr Ikbal Jannif<br>Ms Berny Nicholls |             |             |
|    |   | <b>2017</b> | <b>2016</b> |
|    |   | \$          | \$          |
| b. | Transactions with directors for the year were:  |             |             |
|    | Directors' remuneration   | 21,000      | 22,194      |
|    | Management remuneration   | 208,768     | 185,717     |

**20 Principal Activities**

The principal activity of the Corporation in the course of the financial year was to act as custodians and provide administrative services to estates of those persons who are deceased, of unsound mind or persons incapable of conducting their own affairs.

## **21 Subsequent Events**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in the subsequent financial period.

The Corporation has internal controls in its business processes to mitigate the risk of fraud. However, In January 2017, we became aware of alleged fraud by staff specifically on other Legal Services. The offences are alleged to have been committed between January 2016 to January 2017. Whilst the matter is before the Police, The Corporation commenced an independent investigation on cases and file review of historic files managed by the former staff member.

## **22 Corporation Details**

### **Registered Office**

The Corporation is incorporated in the Republic of Fiji and governed by the Companies Act, 2015 and Fiji Public Trustee Corporation Act 2006.

Fiji Public Trustee Corporation Limited  
Public Trustee House  
83-85 Amy Street, Toorak, Suva  
PO Box 2276, Government Buildings  
Suva.

### **Number of Employees**

As at balance date, the Corporation employed a total of 22 employees(2016: 22 employees).

## **Fiji Public Trustee Corporation Limited**

### **Offices:**

#### **Suva Headquarters**

Public Trustee House, 83 Amy Street, Suva  
PO Box 2276, Govt. Bldgs., Suva, Fiji Islands  
Phone: 3315990, Voda: 5044, Digi: 612  
Email: [info@fptcl.com.fj](mailto:info@fptcl.com.fj)

#### **Lautoka**

Suite 9, Popular Building,  
Cnr Naviti Street and Vidilo Street, Lautoka  
Phone: 6660503, Voda: 5034

#### **Labasa**

Lot 10 Sangam Avenue, Labasa  
Phone: 8811120, Voda: 5032

**[www.fijipublictrustee.com](http://www.fijipublictrustee.com)**

A word cloud centered around the word "WILL" in large blue letters. Other prominent words include "LEGAL", "DEATH", "DOCUMENT", "PLANNING", "INHERITANCE", "FINANCE", "ESTATE", "LAWYER", "TESTAMENT", "WEALTH", "PEN", "LAW", "LAST", "ATTORNEY", "LEGACY", "DECEASE", "DYEING", "OFFICIAL", "FINANCIAL", "IDEA", "FORM", "MOURN", "CONCEPT", "AUTHORITY", "TRUST", "GUARDIANSHIP TAX", "WIDOW", "NOTARY", "WRITING", "DECEASE", "CERTIFICATE", "SURVIVING", "SCALE", "PREPARATION", "RENDER", "MEETING", "POWER", "INSURANCE", "BUSINESS", "DEVISE", "LEGAL DOCUMENT", "GIFTING", "BEQUEST", "DECEASED", "MACRO", "SAD", "PROBATE", "INHERIT", "DOCUMENTATION", "WORD", "HANDWRITING", "SIGNING", "LIFE", "DECLARATION", "LIVING PLAN", "WISH", "HORIZONTAL", "CLOSE-UP", "HEIR", "TEXT", "GENERAL POWER OF ATTORNEY", "APPLICATION FORM", "WIDOWER", "SPECTACLES", "COLOUR", "PUBLIC", "FAMILY", "JUSTICE", "RETRO", "HAND", "GLASSES", "HAPPY", "PAPER", "GIVING", "DIE", "WOODEN COUPLE", "LEGAL SYSTEM", "MOURN", "CONCEPT", "AUTHORITY", "FORM", "ESTATE PLANNING", "GIVE", "DESK", "GIFT", "CLOSEUP", "LAWYER", "DEVISE", "LEGAL DOCUMENT", "GIFTING", "BEQUEST", "DECEASED", "MACRO", "SAD", "PROBATE", "INHERIT", "DOCUMENTATION", "WORD", "HANDWRITING", "SIGNING", "LIFE", "DECLARATION", "LIVING PLAN", "WISH", "HORIZONTAL", "CLOSE-UP", "HEIR", "TEXT", "GENERAL POWER OF ATTORNEY", "APPLICATION FORM", "WIDOWER", "SPECTACLES", "COLOUR", "PUBLIC", "FAMILY", "JUSTICE", "RETRO", "HAND".