

ANNUAL REPORT 2019 – 2020

Investment  **Fiji**

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MINISTERIAL LETTER

Honourable Faiyaz Koya
Minister for Commerce, Trade, Tourism and Transport
Civic Towers, Victoria Parade
Suva

Dear Minister,

RE: Investment Fiji Annual Report 2019 - 2020

Pursuant to the requirements of Section 20 (1) of the Investment Fiji Act No.24 of 1986, I am pleased to submit the Investment Fiji Annual Report and Statement of Accounts for the financial year 2019/2020 from 1st Aug 2019 to 31st July 2020 certified by the Auditors.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jenny Seeto', with a stylized, cursive script.

Jenny Seeto
Board Chair

CHAIR'S REPORT



Jenny Seeto
Board Chair

“

Border closures and subdued global FDI flows and consumer demand severely impacted on the organisation's work and subsequent deliverables. Despite these factors I reflect with pride that the organisation was still able to deliver seven outbound and sixteen inbound trade and investment missions

”

It is a privilege to present Investment Fiji's Annual Report for the 2019-2020, my first as Board Chair having been appointed in January 2020.

Investment Fiji has played a significant role in the economic development of Fiji since her inception in the early 1980s. The organisation continues to positively impact on trade and investments contribution to GDP through her two key pillars of work. These being: (1) Investment and Trade Promotion and (2) Registering Foreign Investment and providing post registration facilitation. Both facets of our mandate work in tandem to deliver value to the Fijian Economy.

In March 2020 with four months of our Financial Year to run, the world was plunged into economic distress as the result of the COVID19 pandemic. Border closures and subdued global FDI flows and consumer demand severely impacted on the organisation's work and subsequent deliverables. Despite these factors, I reflect with pride that the organisation was still able to deliver seven outbound and sixteen inbound trade and investment missions. Investment Fiji was also able to issue 163 Foreign Investment Certificates. The proposed combined value of these investments is \$745m with 3,434 jobs expected as a result. During the year our team also facilitated the implementation of 197 FDI projects.

In May 2020, we welcomed Craig Strong as the new Chief Executive Officer. Mr. Strong has extensive experience in Pacific based management and governance in the private, public and not for profit sectors. We also welcomed a new Board in August 2020 and combined with a new Chief Executive Officer, I am grateful for the energy, passion and vigor that the new Governance Team have brought to the organisation.

I would like to take this opportunity to thank the Chief Executive Officer, Management and Staff and the Board of Investment Fiji for their diligence this year in the face of the COVID19 pandemic.

I must also convey my gratitude to the Attorney General and Minister for Economy, Civil Service and Communications, Honourable Aiyaz Sayed-Khaiyum, the Minister for Commerce, Trade, Tourism and Transport, Honourable Faiyaz Siddiq Koya along with the Permanent Secretary for Commerce, Trade, Tourism and Transport and Deputy Board Chair, Mr. Shaheen Ali for their support of the Board.

Jenny Seeto
Board Chair

STATEMENT OF PURPOSE

OUR VISION

Creating wealth for our nation and achieving a better Fiji for all.

OUR MISSION

Developing a sustainable and successful nation by stimulating investment and exports.

OUR VALUES

Professional

Transparent

Visionary

Effective

Influential

Innovative

Passionate

Communicative

GOVERNANCE TEAM



Ms. Jenny Seeto
Chair



Mr. Shaheen Ali
Deputy Chairman



Mr. Solomon Nata
Board Member



Dr. Angeela Jokhan
Board Member



Mr. Richard Breen
Board Member



Ms. Raijeli Taga
Board Member



Mr. Esala Masitabua
Board Member



Mr. Yogesh Karan
Board Member



Mr. Avinesh Raju
Board Member

CHIEF EXECUTIVE OFFICER'S REPORT



Craig Strong
Chief Executive Officer

“

This year 163 Foreign Investors were issued with Foreign Investment Certificates. The proposed combined value of these investments is \$745m with 3,434 jobs expected as a result. During the year, 197 FDI projects were implemented.

”

It was an honor being appointed to the role of Chief Executive Officer Investment Fiji in May of 2020 and lead the organisation for the last three months of the 2019-2020 financial year.

The onset of COVID - 19 Global Pandemic in March 2020 went some way to impact on the organisation's performance in the last four months of the financial year. Notwithstanding this, the organisation achieved against planned performance targets and delivered on her mandate of driving trade revenues and investment outcomes for Fiji.

Promoting Trade and Investment is one of two key pillars of investment Fiji's work. The other being registering foreign Investment and providing post registration facilitation is the other pillar of value that the organisation delivers.

It is therefore extremely encouraging to report that the organisation continued to drive demand through her involvement in seven outbound trade and investment missions and sixteen inbound trade and investment missions. The organisation continued with the valuable work of building capacity for Fijian Exporters, this was achieved through the provision of seven training programs which delivered sessions on organic certification, freight and logistics, HACCP and Global Gap.

Connecting domestic investors with foreign investors was another success for the organisation this year with ninety-eight connections made. Further research on exports markets as well as the changing opportunities presented by the pandemic were also undertaken this year.

This year 163 Foreign Investors were issued with Foreign Investment Certificates. The proposed combined value of these investments is \$745m with 3,434 jobs expected as a result. During the year, 197 FDI projects were implemented.

I would like to take this opportunity to thank the Chair and Board of Investment Fiji for their support this year. I must also convey my gratitude to the Minister for Commerce, Trade, Tourism and Transport, Honourable Faiyaz Siddiq Koya along with the Permanent Secretary Shaheen Ali for their relentless support of the organisation throughout the year.

Craig Strong
CHIEF EXECUTIVE OFFICER

STATEMENT OF PERFORMANCE



TRADE AND INVESTMENT

Covid-19 pandemic has dramatically impacted globalization with flows of Foreign Direct Investment (FDI) being disrupted as a result. Global flows of FDI came under severe pressure in early 2020. According to UN conference on Trade and Development, global FDI flows is expected to contract by 40% during 2020.

Health measures and travel restrictions has changed Investment Promotion Agencies (IPA) modus operandi and the type of assistance required by clients. Despite the challenges in early 2020, below are some of the key highlights of Investment and Trade promotion activities.

1,592 INVESTMENT AND TRADE ENQUIRIES

Generated through marketing initiatives in key markets, promoting investment opportunities and Fijian products.

128 JOINT VENTURE ENQUIRIES

Generated to match high-value capital investment with Fijian companies and opportunities through domestic investor engagements.

7 OUTBOUND MISSIONS

Undertaken prior to global pandemic to promote Investment and Trade in markets such as Indonesia, Australia, New Zealand, Japan and India.

16 INBOUND MISSIONS HOSTED

Prior to travel restrictions from markets such as China, New Zealand, Japan, Tahiti, United Arab Emirates, India, Australia and Macau.

7 SEMINARS ORGANISED

Upskill new and established exporters. (Organic certification, freight and logistic, HACCP and Global Gap)

97 STAKEHOLDER ENGAGEMENTS

Foreign and local stakeholder engagements are important for increasing network and improving relationship.

TRADE AND INVESTMENT

445 CUSTOMER VISITS

Undertaken to deliver a strong and unified message to the customer that its business is important to Fiji specially during time of crisis.

98 BUSINESS LINKAGES PROVIDED

Between foreign and domestic investors. FDI has the potential to contribute to growth through complementing domestic investment as well as transfer of skills, management expertise and technology.

16 RESEARCH PAPERS UNDERTAKEN

For market insights and more importantly in-depth analysis of COVID-19 pandemic on trade and investment to develop strategies to mitigate its effects.



STATEMENT OF PERFORMANCE



INVESTMENT FACILITATION

4,141 INVESTMENT FACILITATION ENQUIRIES

With intention to provide post establishment facilitation services through to development support, to retain investment, encourage follow on investment and achieve greater local economic impact.

163 FIRCS ISSUED

Worth **\$757.11** million with the intention of creating **3,434** employment in the services, tourism, wholesale & retail, manufacturing, real-estate and agriculture & forestry sectors.

197 REINVESTMENT IMPLEMENTED PROJECTS

Undertook reinvestments or diversification in Fiji. Result of the team's proactive approach regularly liaising, assisting investors in either establishing the projects or expanding.

62 DOMESTIC IMPLEMENTED PROJECTS

Across wholesale & retail, construction, manufacturing and real-estate sectors. Investment Fiji assists domestic investors to grow and implement projects with the ethos of improving capacity and facilitation support.

4,070 PROJECT ENGAGEMENT

Assisted which focused on market growth, business facilitations and regulatory objectives.

644 CUSTOMER VISITS

Undertaken throughout Fiji to deliver aftercare support services.

4 SEMINARS ORGANISED

Covering topics such as business licenses processes, collaboration and data sharing to fast track and streamline government approval processes.

INVESTMENT FACILITATION



LEADERSHIP TEAM

Our People are at the heart of everything we do. Our Values shape our actions to ensure our customers succeed.



Mr. Craig Strong
Chief Executive
Officer



Mr. Ritesh Gosai
Manager Investment
Facilitation



Mr. Kamal Chetty
Manager Investment
& Trade



Mr. Lisala Dyer
Manager Regional



Mrs. Rowena Erasito
Manager Human
Resources



Mr. Sameer Narayan
Manager IT

**40
STAFF**



**19
MALES**



**21
FEMALES**



38  **FULL
TIME**

2  **PART
TIME**

47.5%

52.5%



MALE



FEMALE



FINANCIAL STATEMENTS

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CHIEF EXECUTIVE OFFICER
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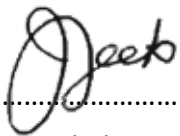
STATEMENT BY BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED 31 JULY 2020

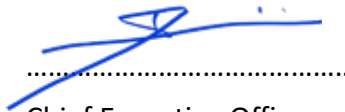
In the opinion of the Board Chair and Chief Executive Officer:

- [i] the accompanying income statement of Investment Fiji is drawn up so as to give a true and fair view of the results for Investment Fiji for the year ended 31 July 2020;
- [ii] the accompanying statement of changes in equity of Investment Fiji is drawn up so as to give a true and fair view of the changes in equity of Investment Fiji for the year ended 31 July 2020;
- [iii] the accompanying statement of financial position of Investment Fiji is drawn up so as to give a true and fair view of the state of affairs of Investment Fiji as at 31 July 2020;
- [iv] the accompanying statement of cash flows of Investment Fiji is drawn up so as to give a true and fair view of the cash flows of Investment Fiji for the year ended 31 July 2020; and
- [v] at the date of this statement, there are reasonable grounds to believe that Investment Fiji will be able to pay its debts as and when they fall due.

Dated this 23rd day of June, 2021.



Board Chair



Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

To the Board Members of Investment Fiji

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Investment Fiji which comprise the statement of financial position as at 31 July 2020, and the statement of comprehensive income, statement of changes in equity and statement of 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 present fairly, in all material respects, the financial position of Investment Fiji as at 31 July 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Investment Fiji in accordance with the International Ethics Standards Board for Accountants' *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 my 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 18 to the financial statements which states that, whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the COVID-19 virus, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Management and the Board, to significantly affect the operations, the results or the state of affairs of Investment Fiji in the subsequent financial year.

My opinion is not modified in respect of this matter.

Responsibilities of the Management and those charged with governance for financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, and for such internal control as the Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, the Management is responsible for assessing Investment Fiji'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 the Management either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Investment Fiji's financial reporting process.

Auditor's 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 auditor's 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 the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism 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 Investment Fiji'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 the Management's and Directors' 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 Investment Fiji's ability to continue as a going concern. If I conclude that material uncertainty exists, I am required to draw attention in my auditor's 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 auditor's report. However, future events or conditions may cause the Entity 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 those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Investment Fiji Act 2011 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) Investment Fiji has kept financial records sufficient to enable the financial statements to be prepared and audited.



Ajay Nand
AUDITOR-GENERAL



Nasinu, Fiji
25 June 2021

INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2020

	NOTES	2020	2019
Income		\$	\$
Government grant - operational		1,970,841	2,715,295
Registration Extract fees		647	459
International Business Awards	3 (a)	79,510	293,878
Other income	4	29,493	32,314
Total income		2,080,491	3,041,946
Expenditure			
Administrative expenses	5	295,429	306,558
Depreciation	9	99,034	95,440
Amortization of Intangible assets	10	96,432	96,432
Operating expenses	6	478,013	565,648
Personnel expenses	7	1,398,086	1,544,266
International Business Awards	3 (b)	269,996	294,027
Total expenditure		2,636,990	2,902,371
Net Surplus / (Deficit) for the period		(556,499)	139,575

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2020

	NOTES	2020	2019
ACCUMULATED FUNDS		\$	\$
Balance as at 1 August		1,150,724	1,011,149
Surplus for the Year		(556,499)	139,575
Balance at the end of the year		594,225	1,150,724

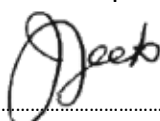
The accompanying notes form an integral part of this statement of change in equity.

STATEMENT OF FINANCIAL POSITION


AS AT 31 JULY 2020

	NOTES	2020	2019
		\$	\$
ASSETS			
Current Assets			
Cash on hand and at bank	14	383,751	739,872
Receivables	8	92,089	92,389
Total Current Assets		475,840	832,261
Non Current Assets			
Property, plant and equipment	9	203,333	262,944
Intangible assets	10	346,204	439,426
Total Non Current Assets		549,536	702,370
TOTAL ASSETS		1,025,377	1,534,631
LIABILITIES			
Current Liabilities			
Trade creditors and accruals		80,331	92,055
Payable to Ministry of Economy	13	167,500	82,500
Provision for employee entitlements	11	98,001	95,591
Total Current Liabilities		345,832	270,146
Non Current Liabilities			
Deferred Grant Income - Capital	12	85,320	113,761
Total Non Current Liabilities		85,320	113,761
TOTAL LIABILITIES		431,152	383,907
NET ASSETS		594,225	1,150,724
ACCUMULATED FUNDS AND RESERVES			
Accumulated funds and reserves		594,225	1,150,724
TOTAL EQUITY		594,225	1,150,724

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



 Board Chair



 Chief Executive Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

		2020	2019
	NOTES	Inflow /(Outflow)	Inflow / (Outflow)
Cash flows from Operating Activities		\$	\$
Receipts of grants and others		1,970,841	2,719,627
Receipts from /(payments for) special account		(190,486)	(149)
Payments to suppliers and employees		(2,094,444)	(2,806,632)
Net cash provided by/(used in) Operating Activities		(314,089)	(87,154)
Cash flows from Investing Activities			
Payments for property, plant & equipment		(42,634)	(90,078)
Proceeds from sale of property, plant & equipment		602	-
Net cash used in Investing Activities		(42,032)	(90,078)
Net increase/(decrease) in cash and cash equivalents		(356,121)	(177,232)
Cash and cash equivalents at the beginning of the year		739,872	917,104
Cash and cash equivalents at the end of the year	14	383,751	739,872

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 1. GENERAL INFORMATION

Investment Fiji is a Government of Fiji entity domiciled in the Republic of the Fiji. Investment Fiji was created in 1980 under Economic Development Board Act No.11. The address of its registered office and principal place of business is disclosed in Note 20 to the financial statements.

The principal activity of Investment Fiji is to promote, stimulate and facilitate trade and investment in Fiji.

NOTE 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements prepared by Investment Fiji are in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The principal accounting policies adopted by Investment Fiji are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

All amounts are stated in Fijian currency.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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

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

a) Allowance for Doubtful Debts

An allowance is made in respect of debts considered doubtful based on a review of outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

b) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method.

Borrowings are classified as current liabilities unless Investment Fiji has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in income statement in the period in which they are incurred.

d) Cash and Cash Equivalents

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

e) Employee Benefits

Annual leave

The liability for annual leave is recognized in the provision for employee benefits. Liabilities for annual leave are expected to be settled within 12 months of the reporting date and are measured at their nominal values using the current remuneration rate which is expected to be applied at the time of settlement.

Wages and salaries

Liabilities for wages and salaries expected to be settled by the reporting date are accrued up to the reporting date.

Defined contribution plans

Contributions to Fiji National Provident Fund (FNPF) by Investment Fiji are expensed when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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

f) Foreign Currency Transactions

Functional and presentation currency

Investment Fiji operates in Fiji and hence the financial statements are presented in Fiji dollars, which is Investment Fiji's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Fiji currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

g) Government Grants

Government grants are recognized in the statement of financial position initially as deferred income where there is reasonable assurance that they will be received and that the entity will comply with the conditions attached to them. Grants that compensate the entity for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the entity for the cost of an asset are recognized in the income statement as revenue on a systematic basis over the useful life of the asset.

h) Income Tax

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

i) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates:

Audio Visual Equipment	20%
Computer Equipment	20% - 35%
Furniture and Fittings	10%
Leasehold Improvements	10%
Office Equipment	15%
Motor Vehicles	20%

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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

j) Intangible Assets

Acquired computer software and licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized at the rate of 20%.

Costs associated with maintaining computer software programmes are recognized as expenses incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the agency, and that will probably generate economic benefit exceeding costs beyond one year, are recognized as intangible assets.

k) Trade and other receivables

Trade and other receivables are recognized initially at fair value less allowance for doubtful debts. An allowance for doubtful debt of trade and other receivables is established when there is objective evidence that Investment Fiji will not be able to collect all amounts due according to the original terms of the receivables.

l) Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognized net of the amount of Value Added Tax (VAT), except:

- i. where the amount of VAT incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognized inclusive of VAT.

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

The VAT component of cash flows arising from operating and investing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 3(a) INTERNATIONAL BUSINESS AWARDS

	2020	2019
	\$	\$
Sponsorship	18,349	244,037
Ticket Sales	61,161	49,841
Total International Business Awards - Income	79,510	293,878

NOTE 3(b)

Advertising, Publicity & Printing	48,192	63,820
Launch	-	32,477
Plaques and Prize Money	63,709	67,445
Award Night (Main Event)	158,095	129,067
Post IBA Expenses	-	1,218
Total International Business Awards - Expenses	269,996	294,027

Prime Minister's International Business Awards is an initiative taken by the Fijian Government to reward businesses and exporters who are positively contributing to the economy on an international level. This event is hosted by Investment Fiji on behalf of the Fijian Government and is fully funded through sponsorship funds and ticket sales. IBA expenses incurred are verified and allocated specifically to the overall preparation, prevent, launch, main and post event.

NOTE 4 OTHER INCOME

Fiji-PNG Business Council secretariat fee	400	2,400
Amortization of Deferred Grant	28,441	28,441
FNU Grant	-	1,289
Profit /(loss) on disposal of fixed assets	602	-
Interest Received	50	184
Total Other income	29,493	32,314

NOTE 5 ADMINISTRATIVE EXPENSES

Advertising and public relations	17,284	26,112
Audit fee	4,587	4,128
Bank charges	3,673	4,095
Board members' expenses	5,821	7,179
Computer licences & repairs	71,615	43,512
Director's fees	18,083	18,083
Electricity	39,564	39,886
Entertainment and hospitality	2,729	3,547
Stationery	5,597	8,960
Subscriptions	6,438	3,249
Telephone and fax	30,629	32,303
Telephone computer line	62,274	62,607
Travel/accommodation and subsistence	27,135	21,769
Reallocation Allowance for CEO	-	31,128
Total Administrative Expenses	295,429	306,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 6	OPERATING EXPENSES	2020	2019
		\$	\$
	Insurance	64,808	62,965
	Trade promotion seminars /investment work-shops	2,043	5,534
	Motor vehicle repairs and maintenance	13,741	12,931
	Office expenses	17,457	14,847
	Printing	34,342	88,392
	Hire of photocopiers	5,693	8,328
	Postage and courier	1,131	1,127
	Rent	205,059	204,059
	Operating leases on motor vehicles	114,580	135,770
	Government Initiative Mission - Overseas	19,159	31,695
	Total Operating Expenses	478,013	565,648

NOTE 7	PERSONNEL EXPENSES		
	FNPF contribution	105,599	132,390
	FNU levy	12,961	13,963
	Fringe benefit tax	120	4,138
	Salaries and wages	1,278,163	1,378,201
	Staff training	1,243	15,574
	Total Personnel Expenses	1,398,086	1,544,266

NOTE 8	RECEIVABLES AND OTHER ASSETS		
	Other receivables	31,087	35,481
		31,087	35,481
	Vat Receivables	7,125	6,924
	Prepayments	53,877	49,984
	Total Receivables and Other Assets	92,089	92,389

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

	Audio Equipment \$	Computer Equipment \$	Furniture & Fittings \$
Gross carrying amount			
Balance at 31st July 2018	28,842	310,785	176,193
Acquisitions	-	39,169	-
Disposals	(6,653)	(5,717)	(9,860)
Balance at 31st July 2019	22,189	344,237	166,333
Acquisitions & transfers	-	38,414	-
Disposals	-	-	-
Balance at 31st July 2020	22,189	382,651	166,333
Accumulated Depreciation			
Balance at 31st July 2018	13,704	134,305	95,083
Depreciation expense	4,438	66,602	14,056
Disposals	(6,653)	(5,717)	(9,860)
Balance at 31st July 2019	11,489	195,190	99,279
Depreciation for the year	4,290	73,720	11,041
Disposals	-	-	-
Balance at 31st July 2020	15,779	268,910	110,320
Carrying Amount			
As at 31 July 2019	10,700	149,047	67,054
As at 31 July 2020	6,410	113,741	56,013

There are some assets with zero written down values which are in use. However, management is of the view that the residual value of these assets are not significant to impact on the balance of Property, Plant and Equipment.

Leasehold Improvements	Office Equipment & Others	Work In Progress (CRM)	Total
\$	\$	\$	\$
201,125	44,960	29,428	791,333
-	-	(29,428)	9,741
(96,493)	(4,623)	-	(123,346)
104,632	40,337	-	677,728
-	1,008	-	39,422
-	-	-	-
104,631	41,345	-	717,150
177,768	21,829	-	442,689
4,302	6,042	-	95,440
(96,493)	(4,623)	-	(123,346)
85,577	23,248	-	414,783
4,038	5,945	-	99,034
-	-	-	-
89,615	29,193	-	513,817
19,055	17,089	-	262,944
15,017	12,152	-	203,333

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 10	INTANGIBLE ASSETS	2020	2019
		\$	\$
	Cost - Computer Software and Licences		
	Balance as at 1 August 2019	652,612	572,270
	Work In Progress - Website	3,210	80,342
	Balance as at 31 July 2020	655,822	652,612
	Accumulated amortization:		
	Balance as at 1 August 2019	213,186	116,754
	Amortization for the year	96,432	96,432
	Balance as at 31 July 2020	309,618	213,186
	Net Carrying Amount		
	As at 31 July 2020	346,204	439,426
NOTE 11	PROVISIONS		
	Employee Entitlements		
	Opening balance	95,591	106,802
	Add: Accruals made in the year	98,568	104,937
	Less: Leave utilized in the year	(96,158)	(116,148)
	Closing Balance	98,001	95,591
	Analysis of total provisions:		
	Current	98,001	95,591
		98,001	95,591
NOTE 12	Deferred Grant Income - Capital		
	Opening Balance 01 August	113,761	142,202
	Released to Income Statement	(28,441)	(28,441)
	Total Deferred Grant Income	85,320	113,761
	Deferred Grant relates to Customer Relationship Management (CRM) database project which is a software developed to manage all investor information, investment levels, re-investment levels and overall engagement and monitoring. This software commenced in August 2019.		
NOTE 13	PAYABLE TO MINISTRY OF ECONOMY		
	FIRC registration fees	167,500	82,500
	Total Payable to Ministry of Economy	167,500	82,500

Subsequent to the year end, the Ministry has approved the utilization of the above FIRC registration fees to cater for the shortfall in FY2020/2021 Government Grant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 14	NOTES TO THE STATEMENT OF CASH FLOWS	2020	2019
		\$	\$

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balance held with banks. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

ANZ Banking Group - Operational Account	169,743	409,011
ANZ Banking Group - Special Expenditure Account (a)	43,797	225,164
ANZ Banking Group - Other Funds Account (b)	169,511	84,912
HFC Bank - InvFj IBA (a)	-	20,085
Petty Cash	700	700
Total cash and cash equivalents	383,751	739,872

- a) The Bank Account relates to the International Business Awards night and is only incurred for that purpose.
- b) The Bank Account relates to the Foreign Investment Registration Certificate (FIRC) application fees.

NOTE 15 COMMITMENTS

a) Rental lease commitments for Suva, Lautoka, Labasa offices and Archive are as follows:

Not later than one year	274,722	221,884
Later than one year but not later than five years	198,340	473,062
Total rental lease commitments	473,062	694,946

b) Operating lease commitments for leased motor vehicles are as follows:

Not later than one year	139,771	66,356
Later than one year but not later than five years	107,721	63,900
Total operating lease commitments	247,491	130,256

NOTE 16 CONTINGENT LIABILITY

Contingent liabilities exist with respect to the following:

Retirement benefits	57,789	57,789
	57,789	57,789

Retirement benefit yet to be paid to an employee who retired in accordance with provisions of Article 26 paragraph of the Collective Agreement signed in 2001 between Investment Fiji and the Fiji Public Service Association (FPSA) regarding terms and conditions of service of salaried staff. The employee retired on 18 May 2009 and no claim has been received so far by FPSA.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 17 RELATED PARTY DISCLOSURES

The names of persons who were directors of Investment Fiji at the date of this report are as follows:

Name	Capacity	Status
Mr. Truman Bradley	Chair	Resigned - 31.12.2019
Ms. Jenny Seeto	Chair	Appointed - 01.01.2020
Mr. Shaheen Ali	Deputy Chair	Existing
Mr. Esala Masitabua	Member	Existing
Mr. Avinesh Raju	Member	Existing
Mr. Visvanath Das	Member	Resigned - 02.03.2020
Mr. Solomon Nata	Member	Existing
Mr. Yogesh Karan	Member	Appointed - 04.02.2020
Mr. Richard Breen	Member	Existing
Ms. Raijeli Taga	Member	Term Expired- 08.05.2020
Dr. Angeela Jokhan	Member	Existing
Mr. William Situ	Member	Term Expired - 08.05.2020

Directors' remuneration as at July 2020 is \$18,083 (July 2019: \$18,083).

Compensation for key management personnel:	2020	2019
	\$	\$
Short-term employee benefits	136,202	92,982
Housing and other allowances and benefits	-	15,595
	136,202	108,577

NOTE 18 EVENTS SUBSEQUENT TO BALANCE DATE

On 11 March 2020, The World Health Organization declared the COVID19 outbreak as a pandemic. Measures taken to contain the virus are having a significant negative economic impact on global markets including Fiji's major trading partners. It is anticipated that this will have a major impact on the ability of Investment Fiji to deliver growth in trade revenues and investment outcomes in FY20/21. Notwithstanding border closures, global travel restrictions and budgetary constraints, Investment Fiji has used technology through a series of virtual investment seminars and trade expos in order to engage with investors and connect Fijian Exports with global customers.

Apart from the above, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the management and the Board, to significantly affect the operations of the Organization, the results or the state of affairs of the Organization in the subsequent financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NOTE 19 PRINCIPAL ACTIVITY

The principal activity of Investment Fiji is to promote, stimulate and facilitate trade and investment in Fiji

NOTE 20 INVESTMENT FIJI DETAILS

Registered Office and Principal Place of Business

The registered office and the principal place of business of Investment Fiji is:

Level 6, Civic Tower
Victoria Parade
Suva
Fiji.

Number of employees

As at balance date, Investment Fiji employed a total of 40 (2019: 49) employees.

NOTES



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