OFFICE of the AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR-GENERAL
REPUBLIC OF FIJI

2021 - 2022

Audit Report on Public Enterprises
&
Other Entities

PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 15 OF 2023

OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

VISION

Promoting public sector accountability and sustainability through our audits

MISSION

To provide independent value adding audit services

To provide an environment where our people can excel

VALUES

RESPECT
We uphold respect in our relationships.

INTEGRITY
We are ethical, fair and honest in our duties.

INDEPENDENT & OBJECTIVE
We work independently and report objectively.

COMPETENCE
We deliver to the best of our abilities and to the highest standard of professional conduct.

TRANSPARENCY
Our processes are transparent.

CONFIDENTIALITY
We maintain audit related information confidential.

PROFESSIONAL FRAMEWORK

International Standards for Supreme Audit Institutions

International Standards on Auditing

LEGAL FRAMEWORK

2013 CONSTITUTION OF THE REPUBLIC OF FIJI

AUDIT ACT 1969

ENVIRONMENT MANAGEMENT ACT

NDP AND OTHER LEGISLATION

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OFFICE OF THE AUDITOR GENERAL

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File: 102

30 March 2023

The Honorable Ratu Naiqama Lalabalavu
Speaker of the Parliament of the Republic of Fiji
Parliament Complex
Gladstone Road
SUVA.

Dear Sir

2021 - 2022 AUDIT REPORT ON PUBLIC ENTERPRISES AND OTHER ENTITIES

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Public Enterprises and Other Entities.

A copy of the report has been submitted to the Minister for Finance who as required under section 152(14) of the Constitution shall lay the report before Parliament within 30 days of receipt, or if Parliament is not sitting, on the first day after the end of that period.

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

AUDITOR-GENERAL FIJI

Encl.

The Auditor-General and Office of the Auditor-General – Republic of Fiji

The Office of the Auditor-General is established as an Independent Office by the Constitution of Republic of Fiji and assist the Auditor-General to carry out audits on behalf of Parliament.

At least once every year, the Auditor-General must report to Parliament on the audits conducted and on other significant matters, the Auditor-General wishes to bring to the attention of Parliament.

This report satisfies these requirements.

The Office of the Auditor-General notes the impact of its reports to Parliament on the ordinary citizens and strives for accuracy and high-quality reporting including recommendations which are not only value-adding to the entity subject to audit but its stakeholders as well.

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AUDITOR-GENERAL'S FOREWORD

I am pleased to present the report on the financial audits of Public Enterprises and Other State Entities, for audits completed after 31 July 2021 to 31 December 2022, following the last report (Parliamentary Paper No. 92 of 2021).

Section 56 (1) (b) of the Public Enterprise Act 2019 and Section 152 of the 2013 Constitution provides the Auditor-General the mandate to audit the accounts of the Public Enterprises. However, there has been few exceptions due to some entities opting to choose their own auditors other than the Auditor-General. This is discussed in Appendix C of this report.

The financial audits of some of the Public Enterprises are behind by more than five years, as financial statements were not submitted on time and on an annual basis to the Auditor-General. All efforts are made to bring these audits in backlog to current. There are also some entities, which provide their outstanding financial statements in bulk for audit, which becomes a challenge in terms of resource allocations and practicality to complete the audits of these entities in one financial year, given my responsibilities for audit of other agencies.

Status of the Audits

As at 31 December 2022, we have completed audits of ten Public Enterprises and four other entities. A total of 30 Auditor's Reports have been issued and reported in this report. There are a number of audits, which are near completion, and we are making all efforts in working with the Management of these entities to have them completed as soon as possible.

Report

This report contains summaries of my assessment of the quality and timeliness of financial reporting by entities, the audit opinions issued on the financial statements and the key reasons for such opinions, internal control assessments, and significant issues identified from the audits and high-level recommendations aimed to strengthen financial reporting, governance and internal controls.

The issues discussed in this report require the prompt action by those charged with governance in the respective entities to improve their financial accountability. On the same note, I would like to commend the entities that have already made efforts to improve their financial reporting, governance, and internal controls.

I would also like to acknowledge the assistance and cooperation rendered to my Office by these entities throughout the audit process. My Office is committed in fulfilling the task of updating all backlog audits and will continue to work with the entities to ensure that this is achieved in a timely manner.

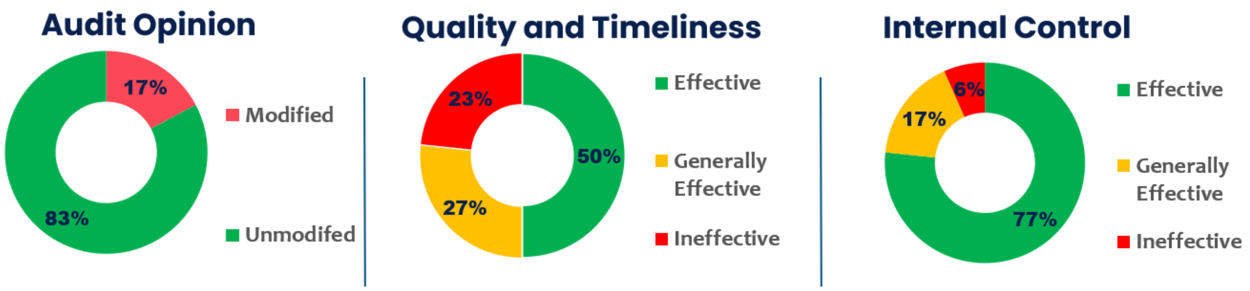
Sairusi Dukuno
ACTING AUDITOR-GENERAL

Date: 30 March 2023

EXECUTIVE SUMMARY

This report includes the audit results of 30 financial statements for the 14 Entities audited as at 31 December 2022.

AUDIT RESULTS



Quality and Timeliness of Financial Statements

The overall quality of financial reporting has been assessed as effective although further improvements can be made to enhance the quality and timeliness of submission of financial statements for our audit.

Internal Control Assessment

The results summary in Section 3.1 shows the strength of controls in key elements for the entities. Our assessment indicated that risk assessment, and monitoring activities were areas where majority of the significant deficiencies were identified.

Common Audit Findings

Other areas that require immediate attention by Directors and Management of entities include:

- Addressing significant delays in submission of quality draft financial statements for audit;
- Ensuring the long-term financial sustainability of the entities;
- Improving risk assessment processes to achieve the entity's objectives and forming a clear basis for determining how risks are managed; and
- Improving overall monitoring of the entities, including the establishment of independent internal audit functions, which could assist in identifying any gaps in controls for necessary action.

Audit Conclusion

Modified audit opinions were issued on five financial statements audited, which reflected negatively on the governance and internal control framework of these entities. Urgent and close attention should be given to address matters highlighted in the Auditors' Reports including the significant matters raised in Section 4.

1.0 Introduction

All state-owned entities prepare annual financial statements. Directors and management of these entities are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and requirements of applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Auditor-General is responsible, on behalf of Parliament, for audit of the accounts of all state-owned entities except for its own office and those entities, which may be exempted by law.

The Auditor-General may conduct audits in the manner considered appropriate but must ensure that they are conducted in a competent manner having regard to assessment of effectiveness of any relevant internal control system. The Auditor-General must carry out the audit in accordance with the relevant provisions of the standards on auditing issued by the Fiji Institute of Accountants or other relevant standards considered appropriate.

Following completion of an audit, the Auditor-General must give an opinion on each set of financial statements audited. In addition, an audit memorandum or management letter arising from the audit should be issued to the responsible authority for each entity audited.

The Auditor-General's responsibility is to express an opinion on these financial statements based on his audit in accordance with the International Standards on Auditing (ISA). Those standards require the Auditor-General to comply with ethical requirements, plan, and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the entity. These have been included in this report as they impacted on the overall system of control of the entities during the respective reporting periods.

This report includes the audit results of 30 financial statements for 14 Entities as follows:

Entity	Entity Type	Financial Year
1. Fiji Public Trustees Corporation Pte Limited	Public Enterprise	2020 - 2021
2. Post Fiji Pte Limited	Public Enterprise	2020 - 2021
3. Fiji Broadcasting Corporation Pte Limited	Public Enterprise	2020 - 2021
4. Fiji Coconut Millers Pte Limited	Public Enterprise	2020 - 2021
5. Fiji Meat Industry Board	Public Enterprise	2018 - 2021
6. Food Processors Pte Limited	Public Enterprise	2009
7. Fiji Airports Pte Limited	Public Enterprise	2020 - 2021
8. Fiji Rice Pte Limited	Public Enterprise	2020 - 2021
9. Pacific Fishing Company Pte Limited	Public Enterprise	2020
10. Yaqara Pastoral Company Limited	Public Enterprise	2016 - 2017
11. FDB Nominees Pte Limited	Other Entity	2021 - 2022
12. Fiji Development Bank	Other Entity	2021 - 2022
13. Assets Fiji Limited	Other Entity	2016 - 2019
14. Walesi Limited	Other Entity	2018 - 2019

An update on the progress of the financial audits of Public Enterprises and Other Entities not included in this report is provided under Section 1.3.

1.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete financial statements audits for state-owned entities.

Legislative Framework	Legislative Timeframe
Public Enterprises and Other Entities	• Public Enterprises Act 2019; • Finance Management Act 2004; and • Companies Act, 2015

The respective legislative frameworks indicate the minimum requirements for financial accountability and reporting such as:

- Good governance
- Financial management and performance
- Entity's performance against corporate intent and business plan
- Financial reporting
- Annual reports

Each year, Public Enterprises and Other Entities are required by the legislation governing their operations to submit an annual report containing the audited financial statements and the audit report on the financial statements, which are tabled in Parliament by the Minister responsible for the Entities.

The audited financial statements are used by a broad range of users such as parliamentarians, non-governmental organizations, donor agencies, employees, suppliers, lenders and the general public.

The Auditor-General's audit opinion on these financial statements gives assurance to the users that the financial statements are accurate, and the financial statements have been prepared in accordance with the relevant financial reporting framework and legislative requirements.

1.2 Types of Audit Opinions

In accordance with International Standards on Auditing, the Auditor-General expresses an ***unmodified opinion*** when the financial statements are prepared in accordance with the relevant financial reporting framework and legislative requirements. This type of opinion indicates that material misstatements, individually or in aggregate, were not noted in our audit, which would affect the financial statements of an entity.

Modified Opinions:

A ***qualified opinion*** is issued when having obtained sufficient appropriate audit evidence, we conclude that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or we are unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

An ***adverse opinion*** is expressed when, having obtained sufficient appropriate audit evidence, conclude that misstatements, individually or in aggregate, are both material and pervasive to the financial statements.

A ***disclaimer of opinion*** is issued when sufficient appropriate audit evidence is unable to be obtained on which to base the opinion, and we conclude that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

1.3 Delays in Completion of Audits

Audits of Public Enterprises and Other Entities have not been completed on a timely basis primarily due to the following:

- Delay in submission of draft accounts for audits or draft accounts submitted were incomplete;
- Entities deciding to address issues raised in draft audit reports and resubmitting amended financial statements for audit; and
- Financial statements not submitted for audit.

Efforts are being made to complete the audit of accounts, which have been received.

Below is a summary of the status of audits as at 31 January 2023:

Entity	Draft Financial Statements Received	Year Last Audit	Audits status as at 31 January 2023
Public Enterprises			
1. Fiji Airports Pte Limited	---	2021	The audit is up to date.
2. Fiji Coconut Millers Pte Limited	---	2021	The audit is up to date.
3. Fijian Broadcasting Corporation Ltd	---	2021	The audit is up to date.
4. Pacific Fishing Company Pte Limited	2021	2020	2021 audit in progress.
5. Post Fiji Pte Limited	2022	2021	2022 audit to commence in March 2023.
6. Yaqara Pastoral Company (Pte) Limited	2018 - 2019	2016-2017	2018 audit is complete and audited financial statement issued for signing on 14 November 2022. The Company is yet to return the signed financial statements. 2019 audit is complete. The Company is yet to provide management comments to the issues raised in the Draft Management Letter.
7. Food Processors Pte Limited	2010-2020	2009	2010 Audit opinion issued on 25 January 2023. 2011 – 2019 audit conduct is complete. The Company is yet to provide management comments to the issues raised in the Draft Management Letter.

Entity	Draft Financial Statements Received	Year Last Audit	Audits status as at 31 January 2023
8. Fiji Hardwood Corporation (Pte) Limited	2018	2017	2018 audit is complete and audited financial statement issued for signing on 23 June 2022. The Company is yet to return the signed financial statements.
9. Unit Trust of Fiji (Management) Limited	---	2018	The entity is yet to provide 2019 – 2021 draft financial statements for audit.
10. Fiji Investment Corporation Limited	---	2005	The entity is yet to provide 2006-2021 draft financial statements for audit.
11. Fiji Meat Industry Board	---	2021	The audit is up to date.
12. Fiji Rice Pte Limited		2021	The audit is up to date.
13. Fiji Public Trustee Corporation Pte Limited	---	2021	The audit is up to date.
Other Entities			
1. Fiji Development Bank	---	2022	The audit is up to date.
2. FDB Nominees Pte Limited	---	2022	The audit is up to date.
3. Viti Corporation Limited	2008-2009	2007	2008-2009 audit is complete and issued for signing on 27 February 2023.
4. Assets Fiji Limited	2020 - 2021	2016-2019	2020 – 2021 audit is complete and audit opinion issued on 27/01/23.
5. Walesi Fiji Limited	2020	2018 - 2019	2020 Accounts signed on 08/03/2023.

2.0 Financial Reporting

Sound financial management require the important elements of accurate and timely financial statements. They bring accountability and transparency to the way public resources are utilized by the Public Enterprises and Other Entities. We have assessed financial reporting based on the following aspects:

- Quality of financial reporting
- Timeliness of financial reporting

2.1 Quality of financial reporting

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the number of audit adjustments made to the first draft of financial statements and the impact these adjustments had on the operating results or net assets of the entity subject to our audit.

Rating	Quality of draft financial statements assessment
✸ Effective	No adjustments were required
✸ Generally effective	Adjustments on operating results/net assets were less than five percent
✸ Ineffective	Adjustments on operating results/net assets were more than five percent

Audit opinions

The main outcome of our audits is independent auditors' report on the financial statements of the Public Enterprises and Other Entities issued by Auditor-General.

We issued 25 unmodified audit opinions and five modified (qualified) audit opinion on the financial statements of the 14 entities reported in this report. The table below shows the breakdown of the audit opinions issued:

Entities	Year	Unmodified Opinion	Modified Opinion
1. Fiji Public Trustees Corporation Pte Limited	2020 - 2021	✓	
2. Post Fiji Pte Limited	2020 - 2021	✓	
3. Fiji Coconut Millers Pte Limited	2020 - 2021	✓	
4. Fiji Meat Industry Board	2018 - 2021	✓	
5. Food Processors Pte Limited	2009		✓
6. FDB Nominees Pte Limited	2021 - 2022	✓	
7. Fijian Broadcasting Corporation Pte Limited	2020 - 2021	✓	
8. Fiji Development Bank	2021 - 2022	✓	
9. Fiji Airports Pte Limited	2020 - 2021	✓	
10. Assets Fiji Limited	2016 - 2019	✓	
11. Fiji Rice Pte Limited	2020 2021		✓

Entities	Year	Unmodified Opinion	Modified Opinion
		✓	
12. Pacific Fishing Company Pte Limited	2020	✓	
13. Yaqara Pastoral Company Limited	2016 - 2017		✓
14. Walesi Pte Limited	2018		✓
	2019	✓	

Appendix A contains the qualification issues raised in the Auditors' Reports issued to the Entities.

The abridged financial statements are presented as Appendix B

Significant Matters Reported

The Audit Act 1969 requires that the Auditor-General report on significant matters identified during the audit to those responsible for the governance of the Public Enterprises and Other Entities.

Issues that are classified as medium to high risks are control and compliance weaknesses of such fundamental significance or substantial importance to the Public Enterprises and Other Entities that they require immediate attention by those charged with governance and the line Ministry for priority and prompt actions for resolutions.

Significant matters noted during the audit are discussed further on Section 4 of the report.

2.2 Timeliness of financial reporting

To assess the timeliness of draft acceptable financial statements, we have compared the date the draft financial statements were received for audit after allowing for at least 30 days before the legislative deadlines for our audit.

Rating	Timeliness of draft financial statements assessment
✹ Effective	Acceptable draft financial statements received within 60 days before legislative deadline
✹ Generally effective	Acceptable draft financial statements received within 30 days before legislative deadline
✹ Ineffective	Acceptable draft financial statements received less than 30 days before legislative deadline

2.3 Results Summary

The quality of financial reporting for two entities were found to be ineffective while timeliness of seven entities were ineffective therefore requiring the immediate attention of those charged with governance for prompt resolutions.

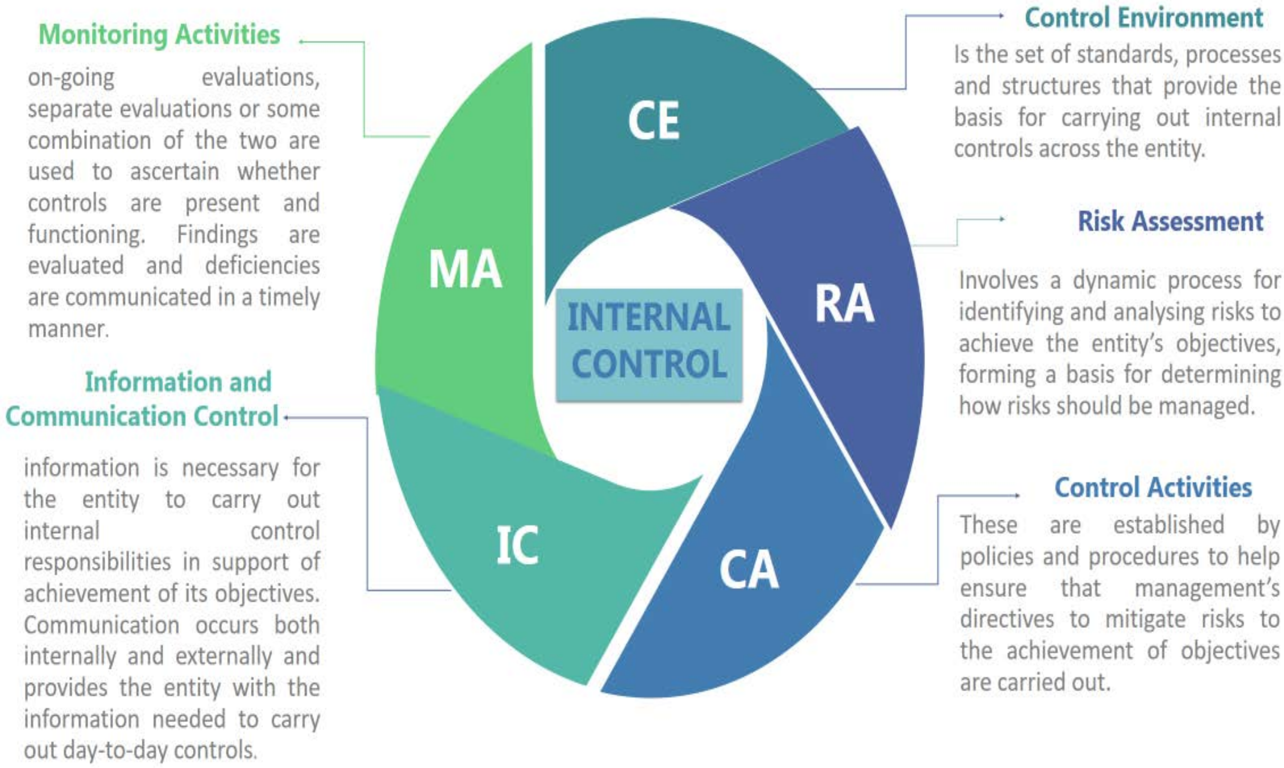
The following table summarizes our assessment of financial reporting processes:

Entity	Financial Year(s)	Financial Reporting	
		Quality	Timeliness
1. Fiji Public Trustees Corporation Pte Limited	2020	🟢	🔴
	2021	🟢	🟢
2. Post Fiji Pte Limited	2020	🟢	🟢
	2021	🟢	🟢
3. Fiji Meat Industry Board	2018	🟠	🔴
	2019	🟠	🟠
	2020	🟠	🟠
	2021	🟠	🟠
4. Food Processors Pte Limited	2009	🔴	🔴
5. Fiji Coconut Millers Pte Limited	2020	🟢	🟢
	2021	🟢	🔴
6. FDB Nominees Pte Limited	2021	🟢	🟢
	2022	🟢	🟢
7. Fiji Development Bank	2021	🟢	🟢
	2022	🟢	🟢
8. Fijian Broadcasting Corporation Pte Limited	2020	🟢	🟢
	2021	🟢	🟢
9. Fiji Airports Pte Limited	2020	🟠	🟠
	2021	🟠	🟠
10. Assets Fiji Limited	2016	🟢	🔴
	2017	🟢	🔴
	2018	🟢	🔴
	2019	🟢	🔴
11. Fiji Rice Pte Limited	2020	🟢	🟠
	2021	🟢	🟠
12. Pacific Fishing Company Pte Limited	2020	🟢	🟠
13. Yaqara Pastoral Company Limited	2016	🔴	🔴
	2017	🔴	🔴
14. Walesi Pte Limited	2018	🟢	🔴
	2019	🟢	🔴

3.0 Internal Controls

3.1 Internal Controls Assessments

Good internal controls provide reasonable assurance that an entity is achieving its objectives relating to operations and reporting and support the production of effective financial statements.



When we identify that internal controls in any of these elements are missing or are not operating as intended, we refer to them as *control deficiencies (audit finding)*. If we identify that a control deficiency, either alone or in combination with other deficiencies, may lead to a material misstatement in the entity's financial statements, we refer to this as *a significant audit finding*. If we identify a deficiency (audit finding) with any of these internal controls as part of our audits, we report the finding to the entity's management.

A deficiency occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing. A significant deficiency is a deficiency that either alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

The results summary in Section 3.2 shows the strength of controls in key elements for the 14 Entities for which 30 financial statements were being audited.

The following Table outlines the rating we have used to assess internal controls:

Rating	Internal Control Assessment
Effective	No deficiencies identified in internal controls
Generally Effective	Deficiencies identified in internal controls
Ineffective	Significant deficiencies identified in internal controls

3.2 Results Summary

For the entities audited, we have assessed the internal controls for two entities as ineffective. The significant findings discussed in Section 4 have contributed to this assessment.

The Table below summarizes our assessment of internal controls across these entities, which were audited:

Entity	Financial Year	Internal Controls				
		CE	RA	CA	IC	MA
1. Fiji Public Trustees Corporation Pte Limited	2020-2021	🟢	🟢	🟢	🟢	🟢
2. Post Fiji Pte Limited	2020-2021	🟠	🟠	🟠	🟢	🟠
3. Fiji Meat Industry Board	2018 2019 2020 2021	🟠 🟢 🟢 🟢	🟠 🟠 🟠 🟠	🟢 🟢 🟢 🟢	🟢 🟢 🟢 🟢	🟢 🟢 🟢 🟢
4. Food Processors Pte Limited	2009	🔴	🔴	🔴	🔴	🔴
5. Fiji Coconut Millers Pte Limited	2020 2021	🟢 🟠	🟢 🟢	🟢 🟠	🟢 🟢	🟢 🟠
6. FDB Nominees Pte Limited	2021 - 2022	🟢	🟢	🟢	🟢	🟢
7. Fiji Development Bank	2021 2022	🟢 🟠	🟢 🟢	🟢 🟢	🟢 🟢	🟢 🟢
8. Fijian Broadcasting Corporation Pte Limited	2020-2021	🟢	🟢	🟢	🟢	🟢
9. Fiji Airports Pte Limited	2020-2021	🟢	🟢	🟢	🟢	🟢
10. Assets Fiji Limited	2016 - 2019	🟠	🟠	🟠	🟢	🟠
11. Fiji Rice Pte Limited	2020 2021	🟠 🟠	🟠 🟢	🟠 🟠	🟠 🟢	🟠 🟠
12. Pacific Fishing Company Pte Limited	2020	🟠	🟢	🟢	🟢	🟢
13. Yaqara Pastoral Company Limited	2016 - 2017	🔴	🔴	🔴	🔴	🔴
14. Walesi Pte Limited	2018 2019	🟢 🟢	🟢 🟢	🟢 🟢	🟢 🟢	🟠 🟠

CE=Control Environment RA=Risk Assessment

CA=Control Activities IC=Information and Communication Control

MA=Monitoring Activities

4.0 Significant Matters

The Audit Act 1969 requires, amongst other things, that the Auditor-General must report on other significant matters, which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matters highlighted in this report, include control weaknesses, which *could cause* or *is causing* severe disruption to the process or on the ability of the Entities to achieve process objectives and comply with relevant legislation, which are in addition to those discussed in Section 4.

It is likely that these issues may have an impact on the operations of the entities in future, if necessary action is not taken to address them.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the entities. These have been included in this report as they impacted the overall system of control of the entities as at the dates of the financial statements.

4.1 Significant Matters

Significant matters identified during the audit were communicated to the entities through our Management Letters and they relate to the following areas:

In addition to the qualification issues, which are discussed in detail in Appendix A, the following are significant matters identified during the audit for these entities:

Post Fiji Pte Limited – Financial Year 2020

1.0 Business engagement with an International Company

To ensure that the Company's interests are always protected, any business engagements with external parties must be formalized with an agreement endorsed by the Board.

Our follow up on the above audit finding as reported in the Auditor-General's report to Parliament[1] noted that a total of $9.6m remained outstanding and owed by the International Company as at 30/06/20.

An International Mail Logistics Company based in Australia used the logo of Post Fiji (Pte) Limited for its business dealings with various postal agencies around the globe. Consequently, the International Postal Agencies recognised Post Fiji Limited as the sender of all the international mails sent by the International Company.

As a result, Post Fiji (Pte) Limited was invoiced by the International Postal Agencies for doing business with the International Company. In addition, under the Universal Postal Union Agreement, Post Fiji (Pte) Limited has a legal obligation to pay the International Postal Agencies through an invoice amount. To recover its costs, Post Fiji Limited invoiced the International Company for the amount it paid plus a percentage mark-up.

[1] Parliament of Fiji – Parliamentary Paper no. 128 of 2017 – Page 25

Post Fiji (Pte) Limited was unable to recover the cost as there was no legally binding agreement with the International Company.

Recommendations

The Company should:

- **Explore all avenues to recover the significant debt owed; and**
- **Ensure that all significant business engagement in the future is endorsed by the Board and an agreement is in place.**

Management Comments

Post Fiji had advertised an Expression of Interest and awarded the tender to a Local Law Firm. The lawyers are handling the matter and the legal battle between PFL, and the International Company will take some time before it is resolved. The balance of $9.6m remains outstanding as at 31/06/20.

Post Fiji Pte Limited – Financial Year 2021

2.0 Material Misstatements in VAT Receivables

Audit noted that the Company recorded VAT receivable amounting to $615,794 as at balance date while Statement of VAT (SVA) account from Fiji Revenue & Custom Services (FRCS) denotes VAT Payable balance of $390,303, indicating overstatement in VAT receivable balance amounting to $1,006,097 as at balance date.

Furthermore, audit detected that Local Money Order Commission amounting to $1,966,976 was not charged and declared for VAT during the year.

The errors above resulted in an overstatement of VAT receivable, which result in incorrect financial reporting. The omission of Local Money Order Commission from VAT may result in non-compliance with VAT legislation.

Recommendations

The Management:

- **to reconcile VAT receivable and SVA at earliest and factor in required adjustments in the financial statements; and**
- **should seek clarification for Local Money Order Commission from FRCS to ensure correct VAT treatments are done for the revenue stream.**

Management Comments

Post Fiji takes note of the recommendations provided and is currently working on reconciling the VAT receivable and the SVA. We also acknowledge the fact that this is the first-time audit has requested a reconciliation to be done for the

SVA. We are liaising with FRCS to update the SVA as we have identified some anomalies in the SVA that needs to be corrected by FRCS to correctly reflect the VAT position for Post Fiji.

In addition, Management has resolved the issue of Local Money Order Commission from FRCS for correct VAT treatment. The Company has taken an accrual into the books amounting to $524,882.

3.0 Unsupported Deferred Income balance

Based on the Company's historical records, Post Fiji Pte Limited had received various government grants between the years 2000 and 2011. We understand that these grants were mainly provided for the construction of Post Offices. Included in the Company's Fixed Assets Register (FAR) are various Post Offices that were constructed using the government grant (Keiyasi, Daria, Ono-i-Lau, Naleca, Naroi, Totova, Moce, Dravuni and Lekutu).

The Company does not have any concrete supporting documents for the deferred grant and the ensuing Post Offices constructed using those grants. Neither does the Company have any grant agreement, nor does it have any other supporting documents to support the deferred income balance of $614,623.

In line with these buildings' depreciation rate of 2.5%, the Company has merely estimated the initial deferred income balance (grant value) using historical data on yearly amortization amounts. The deferred income balance is then reduced through year-on-year amortization, which is recognized in the financial statements as other income.

Furthermore, despite them both being depreciated/amortized at the rate of 2.5% annually, there is a significant variance between the deferred income balance and the written-down value of the buildings constructed using the government grant. Details are provided below.

Description	Amount ($)
Deferred income balance	614,623
Written-down value of buildings	192,385
Variance – deferred income overstated	422,238

Audit noted that the above variance stems from reclassification of the buildings in question to right-of-use assets, upon adoption of the new IFRS 16 standard in 2019.

There is lack of information and supporting documents to substantiate the deferred income balance of $614,623. The significant variance between the deferred income balance and the written-down-value of associated buildings could mean that the deferred income reconciliation is not factually correct.

Recommendations

The Management:

- **to explore every possible avenue to obtain the required information on these government grants.**
- **Accounting records should be updated accordingly; and**

- **should align deferred income balance with buildings; by accounting for the buildings that were transferred to right-of-use assets. Amortization of deferred income should ensue accordingly.**

Management Comments

Post Fiji takes note of the absence of supporting documents for its post offices built from government grant. Management in prior years have written to the Ministry of Economy requesting for the copies of the grant documents and agreements to be provided for our records, however, were unsuccessful. Since the initial cost accounted in the financials for grant related post offices, deferred income has also simultaneously been accounted for. Hence PFL's deferred income calculation is carried out annually to verify balance, which was also checked by external auditors and there were no issues.

In addition, it will be difficult to obtain documents and agreements that is more than seven years, since the Financial Management Act, Section 386 (2) stipulates that, the financial records must be retained for 7 years after the transactions covered by the records are completed.

Furthermore, PFL takes note of the audit recommendation and will rectify the imbalance in deferred income and fixed assets register and amendments will be done in June 2022 financials.

Fiji Coconut Millers Pte Limited – Financial Year 2020

1. Financial Performance of the Company

Audit analysis of the Company's financial performance over the last 5 years noted the following:

Profitability

- Net Profit/(Loss) Margin Ratio was (0.07):1, which indicates that for every dollar of sales the Company collects, it recorded 0.07 cents as net loss. In comparison to 2020, the Net Profit Margin Ratio was 0.04:1, which indicates that the Company managed to retain 0.04 cents as net profit for every dollar sale.
- The Return on Assets (ROA) Ratio was (0.03):1 in 2021 compared to ROA of 0.01:1 in 2020. This indicates that the Company have not been efficient in generating earnings from its economic resources or assets as 3 cents loss is recorded for every dollar of assets it owned, which is significantly low.
- Over the past 5 years, the Company had negative retained earnings. Retained earnings totalled $(6,083,807) in 2021.

Liquidity

- The Current Ratio showed improvements from 0.70 in 2016 to 1.46:1 in 2020. However, the Current Ratio fell to 0.87:1 in 2021, which is below the acceptable ratio of 2:1 indicating that the Company is not in a better position to pay its current obligations.
- Cash ratio was 0.00:1 in 2021.This indicates that the Company does not have cash and cash equivalent to pay off its short-term debts.
- The Company's acid test ratio was 0.36:1 in 2021, a further decline from 2020. This indicates that the Company would not be able to pay off its current obligations using only its quick assets (Cash and Accounts Receivables).
- The Current Cash Debt Coverage Ratio was 0.15:1 in 2021, which indicates that the Company will have a lot of difficulty in paying its current liabilities from its operation since its Current Cash Debt Coverage Ratio is considerably lower than 1.

Solvency

- The Cash Debt Coverage Ratio calculates the company's ability to cover total debt with its yearly Cash flow from operations. The ratio was 0.15:1 in 2020, which implied that the company can only cover 15% of its total debt from operational cash flow.

The unfavourable financial performance results of the Company indicates that the Directors and Management have not been effective in implementing strategies such as increased revitalisation/replanting programme, increased diversification strategies, improved sales and marketing approaches and reducing cost leakages and budget overruns which are aimed at boosting the Company's profitability, liquidity, and solvency positions.

The risk that the Company will face difficulty to continue as a going concern in the near future is high.

Recommendation

The Directors and Management should consider undertaking effective and efficient strategies that will optimize its profitability, liquidity, and solvency positions and to avoid financial distress that will risk the Company's continuity as a going concern.

Management Comments

The profitability of the Company depends on the supply of raw materials to the factory. The Company had sustained a major setback in 2016 when TC Winston had caused a severe damage to the Coconut trees in the Bua and Cakaudrove province. The Company had incurred a loss of $458,843 which had affected the Company's overall business operation since the Company was not receiving raw materials aftermath the cyclone. The effects of the cyclone continued in 2017 in the first six months and the Company was still experiencing low supply. Due to this the Company had incurred $162k loss in 2017. However, this did not stop the Company from introducing a new product – Virgin Coconut Oil in the market which could bear some risk of supply issues. From 2018 onwards, the Company's raw materials supply had improved, and the Company started to operate with positive trading results. The Company's major product is Crude Coconut Oil and the buying and selling price of the product is controlled by third party. Therefore, FCML must follow the pricing formula to buy raw materials and world market price to sell the product. However continuous improvements have been in place to ensure that the Company is moving towards profitability. The Company has introduced a new product in the market in July 2020 named Coconut Cooking Oil. The initial response was bit low, however after marketing and increase in customer base, the product is now a success where the Company can generate income. To record high profit margins that would lead to paying shareholder dividends, the Company needs to have huge supply of raw materials to the factory and the supply of copra is a national issue with 2 mills operating in Fiji. The Total copra production is only around 3,000MT from which FCML receives around 75%. Even at the national production level the Company would be operating at 25% of its production capacity which is far below the breakeven point. The Company is also exploring options for potential import of copra from nearby pacific countries that will assist to increase the milling efficiency.

The liquidity issue is also linked to the profitability of the Company as more profits would improve the Company's cash flow and ability to pay up the debts. The Company is making continuous improvements at the factory to reduce the Overhead costs and increase the revenue through multiple product sales.

2. Coconut Replanting Programme

The Grant recipient must utilize the Government Grant as efficiently and effectively as possible.[2]

The Coconut Replanting Programme commenced in 2018 aiming to boost copra production and revitalise the coconut industry through replacing senile coconut trees by planting new seedlings around Fiji. Funds provided from 2018 to 2020 financial year were mostly for distribution and planting of 54,350 seedlings to 353 farmers. Farmers were compensated a sum of $20 per successful germinated coconut trees from the Coconut Replanting Programme. From 2018 to 2020, Government Grant totalling $849,132 was utilized for the Programme over the last 3 years.

The following anomalies were noted:

- Monitoring was only done twice by the Company. The first one on six months after date of planting and the second one six months after first monitoring to confirm the successful germination of coconut seedlings.

[2] Grant Agreement between MOE and Fiji Coconut Millers – section 5.1 (c)

- There were no continued follow up done by the Company to confirm the sustainability and continuity of the programme. i.e., from germination to fruition in 3 to 5 years' time and to ascertain whether the overall objective of increasing copra production was achieved or not. Due to lack of follow up, there is unavailability of latest data on how many, out of the 54,350 seedlings purchased, distributed, and planted for the past 3 years; are successfully growing today. The farmers are paid compensation on successful germination of coconut trees within 1 year. They are not compensated on whether the trees grew successfully to bear fruits.
- There are no legally binding agreements requiring the farmers to only supply the coconuts back to the Company, instead of selling to the Company's competitors.

The findings indicates that effective controls were not in place to ensure that monitoring in terms of the care of coconut trees by farmers and compensations incentive continued till fruition of coconut trees. In addition, the monitoring and oversight mechanism in place were not geared towards overseeing the successful implementation of the programme. As such, the audit could not confirm whether the programme would be viable and be able to achieve its overall objectives or not.

Recommendation

The Company should consider implementing effective monitoring mechanisms for future government programs it manages, which will optimise benefits to the Company and ensure that overall programme objectives are achieved.

Management Comments

On the issue of Monitoring of the plants after 1 year, the Company agrees to the issue raised. The Board of Directors have advised the management to notify farmers through formal letter on the farm cleaning and maintenance of the farms.

Food Processors Pte Limited – Financial Year 2009

1. Governance issues

Having an effective corporate governance is essential considering the scale and the nature of operations of the Company. This involves developing the framework to set out the structure, systems of rules and processes to govern and control the organization.

The following governance issues were noted from the audit review:

- delay in the submission of the draft financial statements for the financial year 2009. The first draft financial was submitted on 24/11/19 and re-submitted on 09/12/19 as amendments had to be done by the Company due to errors.
- There is no internal audit function neither an audit committee to deliberate on monthly management reports.
- Absence of Disaster Recovery Plan, Business Continuity Plan, Risk Management Policy, Human Resource Manual/Policy, Strategic Plan, Operational Plan, Code of Conduct Policy.

Absence of good governance practices increases the risk of inconsistent financial practices and application of procedures, thus providing an opportunity for fraud and errors to take place. The late preparation of the annual financial statements diminishes its usefulness for decision making purposes.

Establishing an effective internal audit function/committee can provide assurance to the Board and Management whether its governance and internal control processes are operating effectively.

Absence of a Disaster Recovery, Business Continuity Plan and Risk Management Policy can result in the failure to adequately evaluate, prevent, minimize, and manage potential risks affecting the Company, particularly risk of fraud and misappropriation of assets.

In the absence of a Human Resource Policy, there is an increased risk of inconsistent application of procedures and practices by staffs.

Recommendations

The Company should:

- **Ensure that Annual Financial Statement is prepared and submitted within six months of the balance date.**
- **Consider establishing an internal audit function or subcommittee or Finance sub-committee within the Company to oversee the management of finances.**
- **Develop guidelines such as the business continuity plan, risk management policy, disaster recovery plan, operational plans etc.**

Management Comments

The company accepts the recommendation provided. Currently management is working to engage an audit firm for Internal Audit services on a quarterly basis for 3 years to provide independent assurance that the company's risk *management, governance and internal control processes are operating effectively. Company has drafted Governance Policy which covers Risk Management and has submitted to Department of Public Enterprise for Vetting.*

2. Unapproved and outdated Finance Manual

The Finance Manual sets out policies and procedures needed for the efficient and effective management of the Company and effective operation of internal controls.

Audit noted that the Company's accounting/ finance manual was not updated or endorsed by the Board. The finance manual submitted to audit did not relate to the current practices of the Company in terms of procurement authorization limits, standard operating procedures and new positions roles and responsibilities.

The Company was not able to confirm whether the same finance/accounting manual was in use in 2009.

Recommendation

To strengthen good governance, the Company is recommended to establish and maintain a register of directors' interests in investment decisions, and contracts to include copies of declarations made or notices given by directors that they are interested in certain contracts or investment opportunities made with the Company.

Management Comments

The Company accepts the recommendation provided. Currently the Company is reviewing its finance and Accounting manual and aligning it in line with current business environment, laws, and regulations.

3. Outdated Accounting Software

The Company has in place the accounting software Reckon Plus. Audit review of the accounting system noted that the Company does not rely on the software to perform its major accounting functions, it instead maintains a manual financial recording system.

According to the users, the software is obsolete and not reliable in terms of generating correct financial reports/ information and it is used occasionally for data entry and reference to prior years' financial information.

The Company did not prioritize the review and update of its accounting software over the past years. The current accounting software is not value adding to the Company. The limitations of the software resulted in the lack of audit trail for few account balances in the financial statements.
Absence of a proper automated accounting software will result in high risk of incorrect financial reporting and exposes the Company to fraudulent activities which might go undetected.

Recommendation

The Company should thoroughly review its current accounting system and consider implementing an accounting system that would provide accurate and timely financial reports.

Management Comments

The recommendation is noted. Management will be working to implement an ERP solution that suits the FPFL business operations for resource planning and transaction processing. The ERP system should be able to assist the company with better ways of record keeping, report generation, and providing the management with a good insight of the day- to – day activities.

4. Inventory

Due to the backlog in audit of the Company, the audit of the financial year ended 31 December 2009 was carried out in 2020. As such, we did not attend and observe annual inventory physical counting and verification by management at the end of the financial year.

We were unable to satisfy ourselves concerning the inventory quantities held as at 31 December 2009. Thus, we were unable to determine the impact of the above limitations, if any, to the inventory balances as at 31 December 2009. Accordingly, our audit opinion was qualified in respect to the above matter.

This is due to the significant delay in the audit resulting from the delay in the submission of the draft financial statements.

The implication of these is:

- Inventory balance may not be fairly stated.
- Increased risk of errors, omissions, misreporting.
- Inadequate audit trail in the absence of appropriate and adequate documentation.

Recommendation

Stock counts should be conducted at regular intervals. Necessary adjustments, if any, should be made to stock records for any discrepancies noted during the stock counts, including proper reconciliation and documentation for differences noted.

Management Comments

The company accepts the recommendation provided. The company currently maintains all records and source documents in respect of inventory costing and does reconciliations of variances in stock count differences. Monthly stock take audits are performed as well as yearly audits, audited by External auditors. We note that there is a large reduction of inventory value by $858,058 from 2008 versus 2009. The reasons for the issues noted in the verification /calculation of the inventory values:

- *Stock sheet not accurate - In 2008 hardcopies of signed off monthly stock sheets were not available to determine accuracy of softcopy available and figures whereas in 2009 monthly signed of hardcopies of stock sheet available to compute inventory values and calculate year end stock take value.*
- *Inconsistent Value - Fixed Cost -2008 fixed cost was $36/carton whereas in 2009 fixed cost is picked at $26/ctn.$10/ carton noted as variance. This inflated inventory values for 2008.*
- *Production costing details -in 2008 full details not available to verify production and dispatch records of stock whereas in 2009 details available to verify production and dispatch.*

5. Unsupported balances in the Financial Statements

From the review of the Company's records, audit was unable to obtain sufficient and appropriate accounting records to substantiate numerous balances reported in the financial statements which are material and pervasive.

For some of the account areas the following were noted:

- For revenue, audit had to select testing samples from the general ledger, and this limit the audit work as no sales report and price listing were provided to do vouching on quantity issued, customer order, accuracy testing and analytical. Hence, we were not able to determine whether monies received from sale were appropriately deposited into the bank. As a result, no reliance was placed on the sales reported in the financial statements amounting to $2,136,309.
- The monthly bank reconciliations were not prepared, no bank statements and bank audit certificate were provided. No proper cash book reconciliations were prepared for all the bank accounts.
- The Company was unable to provide appropriate documentations to support balances reported in the statement of cash flows.
- The Company has reported nil income tax in the financial statements. The necessary supporting documents to ascertain income tax was not provided.
- The company was unable to provide reconciliation for the provision for annual leave, hence, we were not able to quantify the amount to be disclosed as at 31 December 2009.
- No comments were provided for the analytical review prepared by Audit to explain the reasons for major movements in balances from the prior year.
- Accounting records such as subsequent years' payment vouchers and receipts were not provided to carryout subsequent testing of Accounts Receivables and Accounts Payables.

Refer to the table below for details.

Account Area	Unsubstantiated Balance ($)	Balance Reported in the Financial Statements ($)
Other receivables	127,031	127,076
Trade and other payables	426,903	426,903
Other operating income	24,414	248,028
Cash	(54,670)	(54,670)
VAT Receivable	14,014	33,390

This indicates poor and ineffective records management practices over the years.

Due to the lack of sufficient appropriate evidence, audit could not ascertain the existence, accuracy, and completeness of these account balances in the financial statements.

<u>**Recommendations**</u>

The Company should ensure:

- **proper reconciliations and supporting documents are maintained for all transactions which are recorded in the general ledger.**
- **supervisory checks and monitoring over records management is strengthened.**

<u>**Management Comments**</u>

The Company accepts the recommendation provided. Every effort was made by the current management to provide all the information and supporting documents requested by the auditors. The financial statement prepared is based on the source documents available on hand. However, some documents could not be located to substantiate the amounts of claimed in the general ledger for deferred Income and other receivable and payables. Sales report and price list were not available to vouch and quantify the sales orders issued as all sales were recorded from the cash receipts journal and matched against the bank statement as that was the only source document available to vouch the data.

Monthly bank reconciliations were not prepared, and bank statement were not available to allow us to do the bank reconciliation. Company also requested Westpac bank for the statement, however the bank confirmed that they only keep 7 years' record in their system.

6. Provisioning of doubtful debts

It is vital for a Company to periodically review the provision for doubtful debts to ascertain the adequacy of the provision provided.

The following were noted from the review of provision for doubtful debt:

- The balances in the debtors ageing report did not reconcile to the balances reported in the financial statements.
- The ageing report provided by the Company recorded a negative balance of $114,185 for debtors over 90 days.
- According to the ageing report, 23% of the debtors were over 90 days, however, the Company only provided $24,092 or 5% of debtors over 90 days which was the same as the amount provided in 2008. The basis for provisioning was not provided for audit review.

The Company did not reassess the provision for doubtful debts during the year as the balance recorded in the general ledger was carried forward from the 2008 financial year.

As a result, the provision for doubtful debts balance in the financial statements appears to be highly underprovided.

<u>**Recommendation**</u>

A review of accounts receivable should be conducted, and provision should be made on a periodic basis. This will allow management to monitor the collectability of receivables proactively and reduce the effort required at year end.

Management Comments

The Company accepts the recommendation provided. The company currently practices this exercise and reviews the accounts receivable balance monthly to increase collectability and hence reduce provisions.

7. Absence of internal control over journal voucher entries in the general ledger

Audit review of the general journals revealed that the company does not maintain any journal voucher system for documenting and approval of the general journals.

Journal entries were passed in the general ledger without proper check, approval and supporting documents.

This is due to the absence of documented systems and processes for general journal entries.

Failure to address this issue increases the risk of unauthorized or fraudulent entries being passed in the general ledger. Given that journals are means of correcting errors, absence of controls over its usage open avenues for abuse and concealment of fraudulent transactions.

Recommendations

The Company should:

- **document the systems and processes for general journal entries.**
- **ensure that the journal vouchers contain proper narration and supporting documents.**
- **ensure that journal vouchers are checked and approved before entries are made in the general ledger.**
- **strengthen oversight and supervisory check over journal entries in the general ledger.**

Management Comments

The company accepts the recommendation provided and will ensure that all supporting documents, narration is maintained with proper reconciliations to the general ledger.

8. Anomalies noted in Property, Plant & Equipment (PPE)

The following anomalies were noted from our review of Property, Plant and Equipment (PPE):

- Annual Board of Survey was not conducted.
- There is no documented Asset Capitalization Policy in place.
- Given the time lapse it was not practical to verify the physical existence of fixed assets.
- Supporting documents for additions to property, plant and equipment of $147,592 were not provided.

The finding indicates lack of oversight and supervisory checks by the Company. These anomalies increase the risk of incorrect financial reporting and decision making by the Company.

Recommendation

The Company should ensure strengthen its internal control surrounding the maintenance of property, plant, and equipment.

Management Comments

The Company accepts the recommendation and currently practices doing monthly review /stock of asset and yearly audits of its assets. Fixed Asset Register is maintained by the company to verify the physical existence of its fixed asset.

Yaqara Pastoral Company Limited – Financial Year 2016 – 2017

1. Journal Entries and Adjustments

It is imperative that all accounting allocations are appropriately made, all amendments and adjustments to be done in the financial statement are done, and there are checks and balances in the financial statements before submitted to audit.

The Company had resubmitted the draft financial statements for 2016 and 2017 to resolve issues of variances between general ledger, trial balance and financial statements. Audit noted that the Company had adjusted through general journal entries and amendments of transaction amounts in the general ledger.

Audit review of adjustment entries and amendments of transaction amounts recorded in the general ledger noted the following anomalies:

- The entity did not maintain journal vouchers with supporting documents to journal entries.
- Invoices, receipts, payment vouchers and other documentation were not provided to substantiate amendments and adjustments made in the general ledger, trial balance, and financial statements. Refer to table below for details.

Year	Account	Adjustments in Trial Balance ($)	Adjustments in General Ledger ($)	Adjustments in Financial Statements ($)
2016				
2016	Trade receivables	(360,856)	(365,000)	4,144
2016	Provision for doubtful debts	(26,500)	(26,500)	(26,500)
2016	Other debtors and prepayments	(218,866)	(351,397)	(304,562)
2016	Provision for doubtful debts	165,251	165,251	165,251
2016	Held to maturity investments	(12,317)	(20,495)	424
2016	Biological Assets	(481,652)	(12,073)	(481,652)
2016	Property, plant and equipment	(55,211)	(54,996)	(55,207)
2016	Deferred tax assets	(34,824)	(35,827)	(29,877)
2016	Creditors and accruals	(475,504)	(476,597)	(23,244)
2016	Provision for dividend	5,372,688	5,372,688	5,168,706
2016	Cost of sales	481,652	481,652	481,652
2016	Other operating revenue	(271,911)	(271,911)	(252,771)
2016	Expenses and Cost of sales	123,479	553,563	605,127
2017				
2017	Trade receivables	(138,589)	(142,733)	(22,356)
2017	Other debtors and prepayments	102,542	(29,988)	(68,075)
2017	Advance Tax	948,754	221,932	234,693
2017	Held to maturity investments	36,725	28,566	(63)
2017	Biological Assets	(876,692)	(407,113)	876,692
2017	Property, plant, and equipment	(95,801)	(95,865)	(78,670)
2017	Deferred tax assets	(42,064)	(43,067)	(35,692)
2017	Creditors and accruals	264,305	(230,296)	(125,976)
2017	Provision for dividend	5,945,232	5,945,232	7,808,467

Year	Account	Adjustments in Trial Balance ($)	Adjustments in General Ledger ($)	Adjustments in Financial Statements ($)
2017	Revenue	87,314	13,068	(17,675)
2017	Other operating revenue	229,595	225,595	191,584
2017	Expenses and Cost of sales	446,171	446,171	418,835

- There was no evidence to indicate that journal entries were properly approved prior to recording in the general ledger. Refer to tables below for adjustments made in the general ledger.

Details of Unsubstantiated Client Adjustments

Account Area	2016 ($)	2017 ($)
Disposal of Fixed Assets	51,722	25,765
Reversal of Initial Doubtful debts	165,251	-
Write-off of VAT Receivable balance	46,738	-
Deduction in NWVL – Overpayment 2014	71,937	-

Details of Unsubstantiated Detail GL Accounts

Account Area	2016 ($)	2017 ($)
Petty Cash – 1-1170	500	-
Other Debtors – 1-1303	70,074	70,074
Vodafone Deposit – 1-1309	300	300
WBC 9802372103 1-1313	13	13
Electric Fence Material – 1-2150	6,773.31	6,773
Paid Up Capital – 3-1100	1,191,846	1,191,846
Provision for Doubtful Debts – 1-1210	-	31,000
Provision for Doubtful Debts – 1-1308	-	33,499
Motor Vehicle – 1-3310	-	624,207

- The audit further noted 4 journal entries that were recorded in the general ledger were removed/deleted without proper authorization. No supporting documents were provided to substantiate these journal entries. Refer tables below for details.

GL Code	Account Number	Account Name	Dr ($)	Cr ($)
		2016		
GJ2013	1-1251	Interest WHT	3,898	
	1-1300	Interest Accrued		19,490
	1-1315	Credit Corporation	15,592	
GJ2049	1-4300	Withholding Tax FRCA	89,413	
	2-1225	VAT Payable NWVL		8,047
	8-1000	NWVL Royalty Income		81,366
		2017		
GJ2770	1-1300	Interest Accrued	64,414	
	4-5004	Interest on TD		64,414
GJ2479	1-1305	Prepayment Insurance		1,146

GL Code	Account Number	Account Name	Dr ($)	Cr ($)
	6-3441	Burglary & Theft	19	
	6-3442	Fire & Perils	89	
	6-3443	Fidelity Guarantee	47	
	6-3444	House Owners & House Holders	27	
	6-3445	Money	19	
	6-3446	Motor Vehicle	621	
	3-3447	Personal Accident	93	
	3-3448	Public & Product Liability	91	
	3-3449	Workmen's Compensation	140	

The Company did not have process and procedures in place to ensure that journal voucher is raised for all journal entries recorded in the general ledger with supporting documents attached, reviewed and authorised. As a result, there is increased risk of incorrect financial reporting.

Recommendation

The Company should establish and implement processes and procedures to ensure that journal entries/adjustments and amendments are fully supported by journal vouchers and supporting documents and are reviewed and properly approved.

Management Comments

System of preparing vouchers to support journal entries to be implemented.

2. Delay in Submission of Draft Financial Statements for Audit

Section 102(1) of the Public Enterprise (Amendment) Act 2002 requires Government Commercial Companies and Commercial Statutory Authorities to submit unaudited financial statements within one month after the end of each financial year. Section 103(1) requires the issue of an auditor's report within four months after the end of each financial year.

The draft financial statement for the years ended 31 December 2016 and 31 December 2017 were received for audit on 20 June 2019. The amended draft financial statements were received on 21 August 2020. The audit noted the significant delays in the submission of draft financial statements for audit.

The draft financial statements for the years ended 31 December 2018 and 31 December 2019 were received for audit on 06 April 2022 and 22 July 2022 respectively.

The non-submission of the unaudited or draft financial statements within the statutory deadline is a breach of section 102(1) of the Public Enterprise (Amendment) Act.

Recommendation

The submission of the draft financial statements for audit should comply with the requirement of Section 102(1) of the Public Enterprise (Amendment) Act 2002 to ensure that the audits are done on time.

Management Comments

Management will ensure compliance with the Public Enterprise Act 2002 and to be effected immediately for the 2019 audit.

3. Books of Account and Financial Reporting

The audit noted that there is a need for significant improvements and enhancements in the existing system and procedures for record keeping, bookkeeping and year-end financial reporting process.

In particular, the following were noted:

- Certain critical reconciliations and schedules were not prepared and provided for audit verifications such as the tax worksheets, stock valuation report/listing, age debtors' listings, and age creditors' listings.

- There were significant delays in the provision of documents and information required for audit.

The Company did not have sufficient internal control or policies and procedures in place to ensure that accurate accounting records are kept, and proper books of accounts are maintained. As a result, there is increased risk of inefficient and ineffective accounting recording and errors in reporting, and increased risk of errors and irregularities.

Recommendations

- **The Company should undertake critical review of systems and processes with a view to enhance and improve the internal controls, systems, processes of recording transactions and preparing financial reports including checks and balances.**
- **The Company should undertake critical review of its MYOB systems and its processes of recording transactions in the books of accounts.**
- **Policies and procedures should be developed and implemented to ensure that complete and accurate set of books of accounts, accounting records, supporting schedule and reconciliations are prepared and properly maintained.**

Management Comments

Improvements to the existing system currently undertaken to ensure procedures and processes are duly addressed correctly. Maintenance and filing of support documents to be systematic and all relevant reconciliations and schedules to be readily available for audit and management reporting purposes.

4. Accounting Records

The Company's main office was destroyed during the Tropical cyclone Winston in 2016. The Company was relocated to another office. On 21 November 2017, this office at Yaqara was also completely burnt down. Both offices contained all the accounting records and got destroyed. The following issues were noted in the absence of source documents:

- The Company indicated that the records were destroyed during Tropical cyclone Winston in 2016.
- Audit have not been able to perform audit procedures to confirm whether all cash transaction was appropriately recorded in the books of account.
- Receipts and invoices for customers were not made available to audit, hence audit was unable to confirm on the existence of all invoices and receipts for 2016 and 2017 period.
- Inventory costing couldn't be performed in the absence of vendor invoices.
- Purchase order cut off testing could not be performed in the absence of LPO books.
- In the absence of insurance policy, total sum paid for insurance has been allocated between prepayment and expenses based on last year's schedule. Risk exists that any modification performed in the current year is not appropriately captured by the method used.
- Average weights recorded by Management for livestock could not be confirmed due to the unavailability of delivery dockets. These yard delivery dockets are prepared for all sales.
- Average price recorded by Management for livestock could not be confirmed due to unavailability of market price (dressed weight as per price list).
- Additions of $211,935 in 2016 and $191,093 in 2017 to property, plant and equipment cannot be substantiated in the absence of invoices, statement, and payment vouchers.
- Creditors cannot be confirmed in the absence of invoice, statement, and payment vouchers.
- Unrecorded liabilities search could not be performed in the absence of subsequent payment vouchers, statements, and invoices.
- Net utilization of deposit income advance account of $26,619 in 2016 and $61,621 in 2017 could not be justified in the absence of supporting documents.
- Annual leave register recording individual staffs leave at year end was unavailable.
- Audit cannot confirm accuracy of revenue and expenses stated at year end in the books of account.

Scope limitation exists in the absence of source documents.

Recommendation

Management should ensure that the storage of Company records are in a safe and secure location as it is a statutory requirement to maintain proper records for the last seven years.

Management Comments

More secure storage facility and space is currently provided in the office. Plans are in place also for offsite storage security of data and information and to ensure records are maintained securely for the statutory number of years. The preparation, proper referencing and filing of all financial records is being done. Relevant controls are being implemented to ensure all source documents, reconciliations and schedules are prepared for management reference and audit purpose. Management is doing all it can to ensure that unresolved issues raised in prior years in relation to accounting records are resolved and do not recur.

5. Variance in Investment Balances

It is imperative that investments are properly valued and recorded at balance sheet date.

Variances of $10,065 and $10,239 were noted between the investment balances recorded in the financial statements, and balance confirmed by the bank as per investment confirmations for the financial years 2016 and 2017 respectively. Refer to below table for details.

Investment	Bank Confirmations ($)	Financial Statements ($)	Variance ($)
	2016		
Credit Corporation (Fiji) Ltd	685,903	685,338	565
ANZ Bank	18,713	19,449	(736)
WBC Bank	574,283	564,047	10,236
Total	1,278,899	1,268,834	10,065
	2017		
Credit Corporation (Fiji) Ltd	706,804	706,238	566
ANZ Bank	18,999	19,747	(748)
WBC Bank	584,620	574,199	10,421
Total	1,983,355	1,973,116	10,239

Lack of reconciliations between the bank's record and books of accounts has resulted in above variances. As a result, there is an increased risk of incorrect financial reporting.

Recommendation

The Company should enhance its system for preparation of monthly and year end reconciliations. Emphasis should be placed on in-depth review of the investment records and reconciliations. Any variances arising should be investigated and rectified accordingly.

Management Comments

Follow up on all confirmations to be mandatory before the audit. Improvements to the existing system currently undertaken to ensure procedures and processes are addressed correctly. Maintenance and filing of supporting documents to be systematic and all relevant reconciliations and schedules to be readily available for audit and management reporting purposes.

6. Unsubstantiated Account Balances

The source document is essential to the bookkeeping and accounting process as it provides evidence that a financial transaction has occurred and balances exists as at balance date.

The audit was not provided with sufficient appropriate supporting documents to substantiate balances reported in the 2016 and 2017 financial statements. Refer to table below for details.

Account Area	2016 ($)	2017 ($)	Audit Comments
Trade receivables	64,403	70,118	• Detail listing of the trade receivables was provided by the Company. However, no invoices, subsequent receipts from debtors, and third-party confirmations from debtors was provided to substantiate the trade receivables balance. • Variance of $401 was noted between the provision for doubtful debts balance reported in the financial statements and detail listing provided by the Company.

Account Area	2016 ($)	2017 ($)	Audit Comments
Other debtors and prepayments	201,478	384,243	Detail listing of the trade receivables was provided by the Company. However, no invoices, subsequent receipts from debtors, and third-party confirmations from debtors amounting to $72,294 out of the total balance of $201,478, was provided for audit verification.
Advance tax	2,166,749	2,877,874	The balance of $2,166,749 includes advance tax of $1,187,847.19, interest WHT of $26,247.40, WHT FRCA of $1,980,169, provision for Taxation of $1,027,514.62.
Biological assets	3,300,075	2,905,035	
Inventories	38,978	70,148	
Property, plant and equipment	1,421,741	1,399,950	
Deferred tax assets	11,534	4,294	
Creditors and accruals	105,951	335,478	
Employee benefits liability	43,230	61,430	
Provision for dividend	5,289,080	7,928,841	
Retained earnings	6,707,963	4,794,692	
Revenue	843,342	880,702	
Other operating income	3,034,097	4,083,478	
Cost of sales	496,997	441,768	
Expenses	1,190,553	1,201,189	
Income tax expenses	434,867	680,215	

The Company indicated that the records were destroyed during Tropical Cyclone Winston in 2016 and fire that occurred on 21st November 2017.

(Office destroyed during TC Winston 2016)

(Office destroyed by fire – Nov 2017)

The destruction of records has provided limitation to the scope of the audit.

<u>Recommendation</u>

The Company should develop its own disaster recovery plan / business continuity plan to ensure the recovery of records during unplanned events or disaster. The plan should include storage of records in a secured location onsite and offsite.

Management Comments

Plans are currently in place to ensure secure and proper maintenance and storage of records and to allow easy access and recovery during disaster periods. This is to be onsite and offsite.

7. Provision for Dividend

Provision for dividend is recorded in the books of accounts in the year in which dividend is declared by the Board of Directors.

Audit review of the Company meeting minutes held on 27/10/16 noted that the Board resolved a 100% dividend for the 2011, 2012 and 2014 dividend. The minutes also stated that dividend amount for 2014 is $1,920,000.

Audit review of the provision for dividend account reconciliations provided by the Company revealed the following anomalies:

- Dividend for the years 2011 and 2012 were already paid before the Board resolved a dividend of 100%. That is:

  (i) The 2011 dividend were paid on 28/05/14 of $1,879,214: and
  (ii) The 2012 dividend were paid on 28/05/14 of $1,420,786 and 31/12/14 of 1,048,377
- Variances were noted between the provision for dividend amount reported in the financial statements and independent reconciliations performed by audit from the information provided by the Company.
- Audit were not provided with supporting documents to substantiate a payment made to FRCS recorded in the provision for dividend general ledger account.
- The Company recorded the 2015 dividend of $2,872,206 that was declared and paid in June 2020 in the 2016 and 2017 accounts.
- The provision for dividend balance as at 31 December 2016 included the 2016 profit of $1,753,763 which is yet to be declared a dividend by the Board of Directors.
- The provision for dividend balance as at 31 December 2017 included the 2016 profit of $1,753,763 and the 2017 profit of $2,639,763 which is yet to be declared a dividend by the Board of Directors.

Refer to table below for details.

Year in which dividend relates to	Opening balance ($)	Dividend on 100% profit after tax ($)	Dividend paid ($)	Payment date ($)	Closing balance ($)	Comments
2010	-	1,226,124	1,226,124	02/07/13	-	
2011	-	1,879,214	3,300,000	28/05/14	(1,420,786)	$1,420,786 were payment for the 2012 dividend.
2012	(1,420,786)	2,469,163	1,048,377	31/12/14	-	
2013	-	1,696,513	1,424,941	30/06/16	271,572	Balance reported in the 2016 financial statements amounts to

Year in which dividend relates to	Opening balance ($)	Dividend on 100% profit after tax ($)	Dividend paid ($)	Payment date ($)	Closing balance ($)	Comments
						$5,289,080. Thus, a variance of $5,017,508 was noted.
2014	271,572	2,291,539	1,900,000	10/06/17	663,111	Balance reported in the 2017 financial statements amounts to $7,928,841. Thus, a variance of $7,265,730 was noted.
2015	663,111	2,872,206	-	-	3,535,317	2015 dividend was recorded by the Company even though it was declared and paid in June 2020.
2016	3,535,317	1,753,762	-	-	5,289,079	2016 dividend was recorded by the Company even though it has yet to be declared
2017	5,289,079	2,639,763	-		7,928,842	2017 dividend was recorded by the Company even though it was yet to be declared

<u>Recommendation</u>

The Board should ensure that dividends are properly declared and accurately accounted for as dividend declared and payable to the Government of Fiji.

<u>Management Comments</u>

Proper accountability and reconciliations for proposed, payable and paid dividend to be prepared and reflected in the financial statements. Outstanding Dividend payable to Government is noted.

8. Assessment for Impairment on Property, Plant and Equipment Not Carried Out

At the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired (i.e., its carrying amount may be higher than its recoverable amount). If there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated.[3]

The Company did not carry out impairment assessment for property, plant, and equipment in accordance with the requirement of IAS 36. The audit noted that assets were not subject to impairment assessment

[3] International Financial Reporting Standards, IAS 36.9

even though property, plant and equipment were either damaged/ destroyed by Tropical cyclone Winston in 2016 and fire in 2017.

Without proper impairment assessment, assets may be recorded in the financial statement at an overstated amount.

Recommendation

The Company should carry out impairment assessment on its property, plant and equipment.

Management Comments

Compliance with IAS 36 in respect of Impairment of Assets to be carried out.

9. Anomalies in Property, Plant and Equipment

It is imperative that a board of survey is conducted annually to confirm the details and condition of the assets that exists within the Company. A Fixed Asset Register (FAR) should be properly maintained to record all the assets of the Company. The FAR should contain all relevant details of the assets that will allow the Company to determine the value and condition of its assets at a particular point in time.

Audit review of property, plant and equipment noted the following anomalies:

- Board of Survey for 2016 and 2017 fixed assets were not carried out. Hence, assets that were destroyed during cyclone Winston in 2016 or destroyed in the fire that occurred in November 2017 is still included in the Fixed Assets Schedule (FAS). Refer to table below for examples of assets included in the fixed assets schedule that were destroyed during cyclone Winston in 2016 or fire in 2017.

Asset No.	Assets	Net book value 31/12/16 ($)	Net book value 31/12/17 ($)
YP-MSB0001	Main Office Block	27,777	26,277
YP-MSB0002	CEO's Quarters	14,856	13,253
YP-MSB0003	Renov. Mgr's Qtrs – Tuli/ Homestay	20,953	19,189

- Some assets could not be physically verified based on the asset description. A lump sum amount was placed in assets as "additions" which could not be substantiated to payment vouchers and could not be physically verified. Refer to table below for details.

Asset No.	Assets	Net book value 31/12/16 ($)	Net book value 31/12/17 ($)
YP-SY0001	Additions 1st half 2010	75,980	68,696
YP-SY0002	Additions 2nd half 2010	24,871	23,041
YP-FEN001	Additions 1st half 2010	175,182	159,003
YP-FEN002	Additions 2nd half 2010	70,008	64,927

The anomalies resulted mainly from the lack of reviews and monitoring of fixed assets register. This increases risk of misappropriation of Company's assets and incorrect financial reporting of PPE balance.

Recommendations

- **The Company should ensure that there is proper monitoring and review of fixed assets register.**
- **Board of Survey should be conducted, and appropriate action is taken based on the results obtained.**
- **Assets description in the fixed assets register should be properly recorded for identification and physical verification.**

Management Comments

FAR to be reviewed in detail, identification of actual asset additions which are to be described correctly in the FAR. Regular internal verification of assets to be conducted to ensure actual existence of assets.

10. Prior Period Adjustments

The general principle in International Accounting Standards 8 – (Accounting Policies, Changes in Accounting Estimates and Errors) is that an entity must correct all material prior period errors retro-spectively in the first set of financial statements authorised for issue after their discovery by:

- restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.[4]

The audit noted that the Company recorded prior year adjustments as a separate line item in the statement of changes in equity instead of restating the comparative amounts for the prior period presented in which error occurred, or restate opening balance of assets, liabilities, and equity for the earliest prior period presented in accordance with the requirements of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, paragraph 8.42.

In addition, the audit was not provided with supporting documentations to substantiate the prior year adjustments balance reported in the 2016 and 2017 financial statements as follows.

Prior period adjustment	Amount ($)
2016	13,465
2017	13,272

The anomalies indicated unawareness of the requirements of the IFRS and poor maintenance of supporting documents for adjustments made in the financial statements. As a result, there is an increased risk in incorrect financial reporting.

Recommendations

- **The Company should ensure that prior period adjustments are correctly adjusted in the financial statements in accordance with the requirements of IAS 8.**
- **Proper records management should be established to ensure systematic storage that will allow easy identification and retrieval of documents and records.**

[4] International Financial Reporting Standards, IAS 8.42

Management Comments

Compliance with IAS and IFRS is noted to be correctly adjusted in financial statements.

11. Value Added Tax

The audit noted that the Company did not lodge VAT returns during the financial years 2016 and 2017.

It was further noted that income and expenses were recorded at VAT inclusive amount in the general ledger.

The anomalies indicated non-compliance with the VAT Act, which also resulted in incorrect recording of VAT in the general ledger.

Recommendation

Without evidence of confirmation from FRCS that the Company is exempted from VAT, the Company should ensure that VAT returns are prepared and lodged on a timely basis, and VAT is correctly recorded in the general ledger account.

Management Comments

VAT status to be clarified with FRCS and discussed with auditors.

12. Staff Credit

It is imperative that a subsidiary ledger of the staff credit sales account is maintained, including all credit sales/ invoices and payments. The subsidiary ledger account should reconcile with the general ledger account.

Discussions with the CEO revealed that credit sales are only provided to internal staff. The following anomalies were noted from the review of credit sales:

- There is no link between the sales journal and cash received in the MYOB system. Accordingly, invoice cannot be traced to the cash received in MYOB. This can only be done manually.

- Credit sales listings for the year ended 31 December 2016 and 31 December 2017 were not provided for audit verifications.

As a result, the audit was not able to determine whether the trade receivables balance of $95,403 and $101,118 reported in Note 8 to the financial statements represents amount owed by staff as at 31 December year 2016 and 2017 respectively. In addition, staff who owed the Company cannot be determined.

The anomalies indicated that transactions were not properly recorded in the MYOB system. In addition, the Company does not have any documented policies/ procedures in place to govern credit sales provided to staff of the Company.
This increases the risk of loss due to uncollectible debt from staff.

Recommendations

- **The Company should undertake critical review of its MYOB systems and processes of recording transactions including maintaining of credit sales listings and subsidiary ledger.**
- **Policy and guideline to govern credit sales given to staff including recovery of debt, should be developed, documented, and made accessible to all staff, and complied with.**

Management Comments

MYOB upgrade to ensure creation of subsidiary ledger to cater for staff credit sales. Credit sales listings to be regularly reviewed and relevant controls adopted.

13. Disclosure of New Standards

If an entity has not applied a new standard or interpretation that has been issued but is not yet effective, the entity must disclose that fact and any and known or reasonably estimable information relevant to assessing the possible impact that the new pronouncement will have in the year it is applied.[5]

Audit review of the 2016 and 2017 financial statements revealed that the Company did not disclose in its financial statements the new IFRS standards or whether it early adopt the standards as follows:

- IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
- IFRS 16 Leases is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 Revenue from Contracts with Customers has also been applied.
- IFRS 15 Revenue from Contracts with Customers applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018.

The anomalies resulted mainly from the Company's unawareness of the changes made to the IFRS. This increases the risk of incorrect financial reporting.

Recommendations

- **The Company should ensure that Accounting Staff keep themselves updated on changes made to the International Financial Reporting Standards and necessary disclosure made accordingly in the financial statements.**
- **The Company should ensure that IFRS 9 and IFRS 15 are adopted in 2018 with necessary adjustments and disclosures made in the financial statements. Necessary adjustments and disclosures should also be made for IFRS 16 should the Company choose to early adopt this standard.**

[5] International Financial Reporting Standards, IAS 8.30

Management Comments

Recommendation noted. To take queue from the update in policies in financial statements after audits. Compliance with IFRS 9, 15, and 16 is noted.

14. Opening Balance Variance

It is imperative that the opening balance is the balance that is brought forward from the end of one accounting period to the beginning of a new accounting period.

Variances were noted between the opening balance of the 2016 general ledger account and 2015 closing balance reported in the 2015 signed audited accounts. Refer to table below for details.

Year	Account	Closing balance 2015 ($)	Opening balance 2016 ($)	Variance ($)
2016	Trade receivables	268,724	80,617	188,107
2016	Other debtors and prepayments	99,375	286,502	(187,127)
2016	Held to maturity investments	1,885,612	1,905,362	(19,750)
2016	Biological Assets	3,781,727	3,306,321	475,406
2016	Property, plant and equipment	1,436,929	1,437,039	(110)
2016	Withholding tax FRCA	-	1,501,152	(1,501,152)
2016	Deferred tax assets	46,359	47,361	(1,002)
2016	Advance tax	1,379,950	1,231,540	148,410
2016	Creditors and accruals	(193,378)	(663,366)	469,988
2016	Retained earnings	(10,190,425)	(10,617,655)	427,230

The anomalies indicated lack of capacity to correctly prepare the books of accounts and financial statements and absence of supervision and monitoring. This increases the risk of incorrect financial reporting.

Recommendation

The Company should ensure that opening balances are based upon the closing balances of the prior period and reflect the effects of transactions and events of prior periods.

Management Comments

Final draft accounts were prepared from revised MYOB reports. Proper rollover procedures ensured to be performed going forward.

Walesi Pte Limited – Financial Year 2018 - 2019

1. Timely Preparation and review of bank reconciliation statements

The Company did not prepare bank reconciliation statements on a regular and timely basis in during 2018.

In addition, the bank reconciliation statements prepared by the Company were not reviewed nor approved by an individual that was independent of the preparer.

Root Cause/ Implication

The above was the result of the lack of staff in the Accounts section.

This could lead to reduced control over the accuracy of the accounting for bank transactions as well as control over the cash resources of the Company. In addition, the Management would not be able to detect fraud or errors on a timely basis, which could result in loss of cash, and errors in financial reporting.

Recommendations

- **There should be timely preparation of the monthly bank reconciliations.**
- **A person independent of the reconciliation process should review the bank reconciliation statements.**

Management Comments

In the year 2018, there was a transition from manual accounting to MYOB accounting software. Therefore, some reconciliations were not adequately performed on timely basis. From 2019 onwards, Walesi had started fully utilizing MYOB software and bank reconciliations were done on monthly basis.

Bank reconciliations were reviewed and verified by the Finance Manager. Please note that Walesi established a fully-fledged accounting and administration team towards the later parts of 2018. Therefore, some accounting procedures and processes could not be adequately performed in the early days.

2. Survey of Fixed Asset – Recurring

There should be a periodical survey or stock-take, at least once a year, for property plant and equipment, to determine the existence, additions, and disposal of the assets and also to determine the deteriorating condition of any fixed asset which may require proper maintenance of fixed assets.

During the audit, we noted that the Company did not produce a report of its annual survey of fixed assets or annual stock take for property, plant and equipment.

Root Cause/ Implication

The absence of an appropriate and adequate Fixed Assets Register increases the risk of mismanagement and abuse of the Company's assets.

Recommendations

The Company should ensure that an annual survey of fixed assets is conducted, and a report prepared stating the:

(1) Asset description and its condition
(2) Historical cost and date of acquisition
(3) Asset location
(4) Repairs and maintenance cost

Management Comments

Until late 2019 Walesi continued to implement the Digital Television project. Therefore, much of the assets were in deployment stage and annual surveys would have been impractical and not necessary.

Note that Walesi has maintained a fixed assets register since its inception and all fixed assets are adequately recorded in the FAR with details such as asset names and descriptions, date of acquisition, historical, depreciation rates etc. Annual survey of assets began in 2020 but had to be stalled due to COVID 19 related restrictions. The annual surveys has resumed in 2021.

4.0 Audit Conclusion and Recommendations

4.1 Audit Conclusion

Modified audit opinions were issued for four financial statements audited which reflected negatively on the entities concerned. Urgent and close attention should be given to address matters which have been highlighted in the Auditors' Reports including the significant matters raised in Management Letters.

Timely preparation of quality draft annual financial statements is still a major issue which needs to be addressed by those charged with governance of several state-owned entities. Delays in submission of acceptable draft financial statements for audit prevents the Auditor-General to give an audit opinion in a timely manner and informing Parliament and other stakeholders of the outcome of such audits. The entities should be vigilant in developments in accounting standards and ensure changes in financial reporting is implemented on a timely basis.

Furthermore, other significant findings arising from audit of entities for which the Auditor-General is not the external auditor cannot be reported to Parliament under the current legislative framework. Therefore, those charged with governance of these entities should consider reviewing the decisions made in respect of appointment of external auditors of state entities where Auditor-General is not the auditor.

The involvement of Ministry of Public Enterprises in improving accountability in state-owned entities is noted. However, there is room for further improvement through regular monitoring and active interaction with the entities.

4.2 Recommendations

1. Persons charged with governance, which in most instances are the Executive Management and Board of Directors should ensure that the financial statements are fully compliant with the applicable accounting standards and are submitted for audit in a timely manner.

2. Proper consideration should be given before the change of auditors since significant audit findings for entities, which are not audited by the Auditor-General are not reported to Parliament. In addition, consideration should be given to allow the Auditor-General to audit all state entities or entities where significant government funding has been made, are being made or public funds have been committed through guarantees.

3. Executive Management and Board should ensure to provide strategic direction targeting long term financial sustainability of entities without heavily relying on regular Government grant or assistance.

4. Independent internal audit functions with regular oversight by a Board Audit Committee can assist entities to achieve their objectives. Therefore, consideration should be given to establish internal audit functions preferably in entities that are deemed large.

5. Entities should continue to enhance governance, risk management and compliance (legislation and regulations) by documenting policies and processes, introducing plans for business continuity and disaster recovery, in addition to the risks embedded with respective entities.

Appendices

Appendix A: Qualification Issues

Due to the absence of documentations to appropriately support the various balances reflected in the financial statements, we were unable to determine the necessary adjustments to correct the financial statements.

Entities	Qualification Issues
Food Processors (Fiji) Pte Limited	**Modified (Disclaimer) Opinion**
2009	The audit of the financial statements of the Food Processors (Fiji) Pte Limited for the year ended 31 December 2009 resulted in a basis for disclaimer audit opinion. The qualification issues were as follows: 1. The Company did not perform the annual stock take and failed to maintain listing for inventories totaling $362,121. In addition, audit was unable to satisfy by alternative audit procedures concerning the inventory quantities held as at 31 December 2009. Accordingly, audit was unable to determine the impact of the above limitations, if any, to the inventory balances recorded in the financial statements as at 31 December 2009. 2. The Company was unable to provide bank reconciliation, bank statements, and bank audit certificate to support the cash at bank balance of $1,853 and bank overdraft of $56,723. As a result, audit was unable to verify the completeness and accuracy of the balance and unable to determine whether any adjustments might have been necessary in respect of cash at bank balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position. 3. The Company recorded other receivables of $127,076 as in the financial statements. The Company was unable to provide relevant supporting documents and reconciliation of other receivables totaling $127,031. As a result, audit was unable to substantiate the accuracy and completeness of other receivable balance of $127,076. 4. Due to the length of time that has lapsed from the financial year to the commencement of the audit, physical verification to test existence of Property, Plant and Equipment recorded at a cost of $1,669,330 could not be performed. In addition, payment vouchers for fixed assets addition totaling $147,592 were not provided for audit verification. As a result, audit was unable to perform alternative procedures as no proper records has been maintained by the Company for fixed asset verification performed as at 31 December 2009.

Entities	Qualification Issues
Food Processors (Fiji) Pte Limited 2009 (con't)	5. The Company was unable to provide appropriate documentations to support balances reported in the statement of cash flows. As a result, audit was unable to ascertain whether the statement of cash flows has been fairly reported in the financial statements. 6. The Company recorded trade and other payables of $370,181 as stated in the financial statements. The Company did not provide appropriate supporting documents and reconciliations for the trade and other payables balance. As a result, audit was unable to substantiate the accuracy and completeness of trade and other payables of $370,181. 7. The company was unable to provide reconciliations and details listing for the provision for annual leave balance. Accordingly, audit was unable to quantify the amount to be disclosed as at 31 December 2009 and ascertain that all expenses and liabilities relating to provision for annual leave have been accurately accounted. 8. The Company had disclosed in the financial statements that in 2009 prima facie tax option has been reinstated which has given rise to the prior period adjustment to remove the deferred tax asset. As a result, the Company has reported nil income tax in the financial statements. Audit was not provided with the necessary supporting documents to confirm this change in the accounting for income tax. In addition, International Accounting Standards (IAS) 12 – Income Taxes does not prescribe prima facie tax options; hence, the Company has not complied with the requirement of the IAS 12 – Income Taxes. Consequently, audit was unable to verify the completeness and accuracy of the income tax and also unable to determine whether any adjustments might have been necessary in respect of the income tax balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position. 9. The Company recorded salaries and wages of $590,241 in the financial statements. Payroll records and necessary supporting documents for salaries and wages totaling $266,420 were not provided for audit verification. As a result, audit was unable to ascertain the accuracy and completeness of the salaries and wages balance of $590,241.
Fiji Rice Pte Limited	**Modified (Qualified) Opinion**
2020	The audit of the Fiji Rice Limited for the year ended 31 July 2020 resulted in the issue of *modified* audit opinion. The basis for modified opinion were as follows: 1. Included in the cash at bank balance of $488,465 was unidentified deposits with a credit balance of $15,641. The Company was unable to provide relevant supporting documents and listing of the unidentified deposits. As a result, audit was unable to ascertain whether cash at

Entities	Qualification Issues
Fiji Rice Pte Limited 2020 (con't)	bank balance of $488,465 was fairly stated in the financial statements and whether if any adjustments was required in respect of this balance in the statement of financial position and in the statement of cash flows. 2. Included in trade and other receivables balance of $535,565 was lodgment not credited balance of $146,123. The Company was unable to provide details and relevant supporting documents to substantiate the lodgment not credited balance. As a result, audit was unable to ascertain whether the trade and other receivable balance of $535,565 was fairly stated and whether if any adjustments are required in respect of this balance in the statement of financial position and in the statement of comprehensive income. 3. The Company did not provide tax reconciliations to substantiate income tax payable of $14,257 recorded in the financial statements. In addition, audit was not provided with the supporting schedules of tax effect on permanent difference and timing difference. As a result, audit was unable to ascertain if the income tax expense of $330,628, income tax payable of $14,257, and provision for income tax of $5,356 were fairly stated in the financial statements.
Yaqara Pastoral Company Limited	**Modified (Disclaimer) Opinion**
2016	The audit of the Yaqara Pastoral Company Limited for the year ended 31 December 2016 resulted in the issue of *modified* (disclaimer of opinion) audit opinion. The basis for disclaimer of opinion are as follows: 1. The audit was not provided with the receipts, payment vouchers, invoices, third party confirmations, and other documentation to substantiate the trade receivables of $64,403, advance tax of $2,166,749, biological assets of $3,300,075, inventories of $38,979, property, plant and equipment of $1,421,741, deferred tax assets of $11,534, creditors and accruals of $105,951, employee benefits liability of $43,230, revenue totaling $843,342, other operating income totaling $3,034,097, cost of sales totaling $496,997, expenses totaling $1,190,553, and income tax expenses of $434,867. In addition, various adjustments were made in the general ledger which was not supported. The Company indicated that all records and documents were destroyed during the Tropical Cyclone Winston in February 2016 and fire that occurred on 21 November 2017. Accordingly, audit does not express an opinion as to whether the balances are fairly recorded in the financial statements. 2. The provision for dividend of $5,289,080 recorded in the statement of financial position as at 31 December 2016 includes the dividend for financial year 2015 amounting to $2,872,206 which was declared and paid in year 2020, and the 2016 profit of $1,753,763 which is yet to be

Entities	Qualification Issues
Yaqara Pastoral Company Limited 2016 (con't)	declared a dividend by the Board of Directors. Provision for dividend is recorded in the books of accounts in the year in which it is declared by the Board of Directors. As such, paid/proposed dividend of $4,625,969 is incorrectly recorded in the financial statements for the year ended 31 December 2016. Consequently, provision for dividend is overstated by $4,625,969. 3. The Company recorded other debtors and prepayments of $201,477 in the statement of financial position as at 31 December 2016. Audit was not provided with the third-party confirmations, and receipts to support the other debtors and prepayments balance of $72,294 out of the total balance of $201,477. As a result, audit was unable to ascertain whether the other debtors and prepayments balance of $201,477 is fairly stated in the financial statements. 4. The Company recorded property, plant and equipment balance of $1,421,741 in the statement of financial position as at 31 December 2016. The Company did not carry out an assessment or valuation of its property, plant and equipment after the Tropical Cyclone Winston in 2016. In addition, audit was not provided with the board of survey report and the Board approval to support an adjustment of $152,987 recorded by the Company as disposal of assets destroyed by Tropical Cyclone Winston. As a result, audit was unable to ascertain whether the property, plant, and equipment balance of $1,421,741 is fairly stated in the financial statements. 5. The financial statements record biological assets at a total value of $3,300,075 for which audit did not observe the counting of physical livestock at the end of the year. Hence, audit was unable to satisfy by alternate means concerning livestock held at 31 December 2016. Since biological assets enter into the determination of the financial performance and cash flows, audit was unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows. Furthermore, source documents were not available to confirm pricing and weight of livestock used in determining fair value of biological assets recorded in the books of account at year end. 6. The financial statements records inventories at a total value of $38,978 for which audit did not observe the counting of the physical inventories at the end of the year. Hence, audit was unable to satisfy by alternate means concerning inventories held at 31 December 2016. Since inventories enter into the determination of the financial performance and cash flows, audit was unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows. Furthermore, source documents were not available to confirm

Entities	Qualification Issues
Yaqara Pastoral Company Limited 2016 (con't)	inventory costing used in determining value of inventories recorded in the books of account at year end. 7. The Company recorded prior year adjustment balance of $136,465 in the statement of changes in equity as at 31 December 2016. This is a departure from the requirements of the International Financial Reporting Standards IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, paragraph 8.42, which requires the Company to record prior year adjustment balance by restating the comparative amounts for the prior period presented in which the error occurred or restate opening balances of assets, liabilities and equity for the earliest prior period presented. Consequently, the prior period adjustment balance of $136,465 is not fairly stated in the financial statements. 8. There were unreconciled variances between the opening balances reported in the 2016 general ledger account and the 2015 closing audited balances. There was variance of $188,107 in trade receivables, $187,127 in other debtors and prepayments, $19,750 in held to maturity investment, $475,406 in biological assets, $110 in property, plant and equipment, $1,501,152 in withholding tax, $1,002 in deferred tax assets, $148,410 in advance tax, $469,988 in creditors and accruals and $427,230 in retained earnings. The Company was unable to provide documentary evidence to substantiate the variances. As a result, audit was unable to ascertain whether the balances are properly recorded in the books of account at year end. 9. The Company recorded income and expenses at VAT inclusive amount in the general ledger. In addition, the Company was unable to provide appropriate documentations to substantiate the non-compliance with lodging VAT returns in accordance with the requirements of section 33 of the Value Added Tax Act. As a result, audit was unable to ascertain whether the balances are properly recorded in the books of account at year end. 10. The Company was unable to provide Solicitors confirmation at balance date. Consequently, audit was unable to determine whether any disclosures to the financial statements in respect of contingent liabilities were necessary.
Yaqara Pastoral Company Limited 2017	The audit of the Yaqara Pastoral Company Limited for the year ended 31 December 2017 resulted in the issue of *modified* (disclaimer of opinion) audit opinion. The basis for disclaimer of opinion are as follows: 1. Audit was not provided with records and supporting documents to substantiate trade receivables of $70,118, other debtors and prepayments of $384,243, advance tax of $2,877,874, biological assets of $2,905,035, inventories of $70,148, property, plant and equipment of $1,399,950, deferred tax assets of $4,294, creditors and accruals

Entities	Qualification Issues
Yaqara Pastoral Company Limited 2017 (con't)	$335,478, employee benefits liability of $61,430, revenue totaling $880,702, other operating income totaling $4,083,478, cost of sales totaling $441,768, expenses totaling $1,201,189, and income tax expenses of $680,215. The Company indicated that all the records and documents for the month of January to November 2017 were destroyed in the fire that occurred on 21 November 2017 in which the main office were completely burnt down. Accordingly, audit cannot and do not express an opinion as to whether balances are fairly recorded in the financial statements. 2. The provision for dividend of $7,928,841 recorded in the statement of financial position as at 31 December 2017 includes dividend for financial year 2015 amounting to $2,872,206 which was declared and paid in the year 2020, 2016 and 2017 profit of $1,753,763 and $2,639,763 respectively which is yet to be declared a dividend by the Board of Directors. Provision for dividend is recorded in the books of accounts in the year in which dividend is declared by the Board of Directors. As such, paid/proposed dividend of $7,265,732 is incorrectly recorded in the financial statements for the year ended 31 December 2017. Consequently, provision for dividend is overstated by $7,265,732. 3. The Company recorded property, plant and equipment balance of $1,399,950 in the statement of financial position as at 31 December 2017. The Company did not carry out an assessment or valuation of its property, plant and equipment after the Tropical Cyclone Winston in 2016 and fire in 2017. In addition, audit was not provided with the board of survey report and the Board approval and invoices to support adjustments totaling $65,006 as debit entry and $105,595 as credit entry recorded by the Company as disposal of assets destroyed by Tropical Cyclone Winston and fire, adjustments to reconcile general ledger and fixed asset schedule, and reclassifications. As a result, audit was unable to ascertain whether the property, plant, and equipment balance of $1,399,950 is fairly stated in the financial statements. 4. Note 11 to the financial statements, which records biological assets at a total value of $2,905,035 for which audit did not observe the counting of physical livestock at the end of the year. Hence, audit was unable to satisfy itself by alternate means concerning livestock held at 31 December 2017. Since biological assets enter into the determination of the financial performance and cash flows, audit was unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows. Furthermore, source documents were not available to confirm pricing and weight of livestock used in determining fair value of biological asset recorded in the books of account at year end.

Entities	Qualification Issues
	5. Note 10 to the financial statements, which records inventories at a total value of $70,148 for which audit did not observe the counting of the physical inventories at the end of the year. Hence, audit was unable to satisfy itself by alternate means concerning inventories held at 31 December 2017. Since inventories enter into the determination of the financial performance and cash flows, audit was unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows. Furthermore, source documents were not available to confirm inventory costing used in determining value of inventories recorded in the books of account at year end. 6. The Company recorded prior year adjustment balance of $13,272 in the statement of changes in equity as at 31 December 2017. This is a departure from the requirements of the International Financial Reporting Standards IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, paragraph 8.42, which requires the Company to record prior year adjustment balance by restating the comparative amounts for the prior period presented in which the error occurred or restate opening balances of assets, liabilities and equity for the earliest prior period presented. Consequently, the prior period adjustment balance of $13,272 is not fairly stated in the financial statements. 7. The Company recorded income and expenses at Value Added Tax (VAT) inclusive amount in the general ledger. In addition, the Company was unable to provide appropriate documentations to substantiate the non-compliance with lodging VAT returns in accordance with the requirements of section 33 of the Value Added Tax Act. As a result, audit was unable to ascertain whether the balances are properly recorded in the books of account at year end. 8. The Company was unable to provide Solicitors confirmation at balance date. Consequently, audit was unable to determine whether any disclosures to the financial statements in respect of contingent liabilities were necessary.
Walesi Pte Limited	**Modified Audit Opinion**
2018	The audit of the 2018 accounts of the Walesi Pte Limited resulted in a modified audit opinion based on the following: The Statement of Financial Position recorded inventory balance of $2,855,366 as at 31 December 2018. The counting of physical inventory at 31 December 2018 was not observed by audit. Although there was a count performed by an external party, there was no stock take report presented. Without any report detailing observation of stock count, no reliance could be placed on whether there was physical verification of stock carried out. Following this, there were numerous issues surrounding inventory such as

Entities	Qualification Issues
	the absence of an inventory management policy for the Company and there was no proper maintenance of stock cards and tags. In addition, it could not be determined if there was internal control procedure in place relating to inventory management. Therefore, the impact of the above limitations could not be determined, if any, to the inventory balance of $2,855,366 as at 31 December 2018.

Appendix B: Abridged Financial Statements

Post Fiji (Pte) Limited

Abridged Statement of Financial Performance – 2020 (Post Fiji Pte Limited)

Description	2020 (6 months) ($)	2019 (12 months) ($)
Revenue	4,353,721	9,173,563
Postage, Stamp and Other Sales	1,923,342	4,355,620
Rental – Postal Box and Bag	1,215,664	2,352,598
Agency Commission and Other Service	4,002,253	12,838,504
Other Operating Revenue	602,086	953,534
Finance Income	239,114	571,875
Total Income	**12,336,180**	**30,245,694**
Cost of Sales	3,322,243	7,131,315
Depreciation and Amortization Expense	995,033	2,046,153
Employee Benefits Expenses	4,226,133	8,459,086
Administration and Operation Expenses	2,486,125	9,676,373
Selling, Marketing and Distribution Expenses	180,058	352,841
Other Operating Expenses	5,607	22,661
Impairment expenses	508	166,870
Total Expenditure	**11,215,707**	**27,855,299**
Profit from Operations	1,120,473	2,390,395
Income Tax Expenses	(207,797)	(491,237)
Profit for the Year after Income Tax	**912,676**	**1,899,158**

The comparative amounts in the Statement of Financial Performance are not entirely comparable as the 2020 financial statements only covered 6 months (January to June) while the 2019 (January to December) financial statements covered 12 months. The Company changed its financial year from January to December to July to June in 2020.

Abridged Statement of Financial Position – 2020 (Post Fiji Pte Limited)

Description	2020 (6 months) ($)	2019 (12 months) ($)
Assets		
Cash and Cash Equivalents	6,125,068	5,819,775
Trade and Other Receivables	5,893,978	6,253,686
Financial Assets – Held to Maturity	8,278,207	6,334,049
Inventories	3,630,910	4,580,317
Other Assets	514,733	1,125,751
Right of Use Assets	7,481,678	7,828,754
Property, Plant and Equipment	5,655,373	5,858,943
Intangible Assets	368,314	474,076
Deferred Tax Assets	2,527,716	2,328,289
Total Assets	**40,475,977**	**40,603,640**
Liabilities		
Trade and Other Payables	17,383,313	18,587,246
Employee Entitlements	1,521,523	1,423,767
Deferred Income	641,397	654,784
Finance Lease – Postal Global	65,748	87,374
Lease Liability	4,604,511	4,873,529

Description	2020 (6 months) ($)	2019 (12 months) ($)
Current Tax Liability	681,308	311,439
Total Liabilities	**24,897,800**	**25,938,139**
Net Assets	**15,578,177**	**14,665,501**

The comparative amounts in the Statement of Financial Position are not entirely comparable as the 2020 financial statements only covered 6 months (January to June) while the 2019 (January to December) financial statements covered 12 months. The Company changed its financial year from January to December to July to June in 2020.

Abridged Statement of Financial Performance – 2021 (Post Fiji Pte Limited)

Description	2021 (12 months) ($)	2020 (6 months) ($)
Revenue	7,396,433	4,353,721
Postage, Stamp and Other Sales	3,711,492	1,923,342
Rental – Postal Box and Bag	2,261,434	1,215,664
Agency Commission and Other Service	8,394,509	4,002,253
Other Operating Revenue	1,120,023	602,086
Finance Income	571,182	239,114
Total Income	**23,455,073**	**12,336,180**
Cost of Sales	5,943,140	3,322,243
Depreciation and Amortization Expense	1,811,302	995,033
Employee Benefits Expenses	7,269,113	4,226,133
Administration and Operation Expenses	5,669,712	2,486,125
Selling, Marketing and Distribution Expenses	380,072	180,058
Other Operating Expenses	13,422	5,607
Impairment expenses	(46,614)	508
Total Expenditure	**21,040,147**	**11,215,707**
Profit from Operations	2,414,926	1,120,473
Income Tax Expenses	(576,270)	(207,797)
Profit for the Year after Income Tax	**1,838,656**	**912,676**

The comparative amounts in the Statement of Financial Performance are not entirely comparable as the 2021 (July to June) financial statements covered 12 months while the 2020 financial statements only covered 6 months (January to June). The Company changed its financial year from January to December to July to June in 2020.

Abridged Statement of Financial Position – 2021 (Post Fiji Pte Limited)

Description	2021 (12 months) ($)	2020 (6 months) ($)
Assets		
Cash and Cash Equivalents	7,174,370	6,125,068
Trade and Other Receivables	4,897,756	5,893,978
Financial Assets – Held to Maturity	8,092,362	8,278,207
Inventories	3,931,678	3,630,910
Other Assets	1,266,091	514,733
Right of Use Assets	7,103,637	7,481,678
Property, Plant and Equipment	5,020,872	5,655,373
Intangible Assets	299,572	368,314

Description	2021 (12 months) ($)	2020 (6 months) ($)
Deferred Tax Assets	2,409,578	2,527,716
Total Assets	**40,195,916**	**40,475,977**
Liabilities		
Trade and Other Payables	15,690,760	17,383,313
Employee Entitlements	1,097,780	1,521,523
Deferred Income	761,940	641,397
Finance Lease – Postal Global	42,274	65,748
Lease Liability	4,416,198	4,604,511
Current Tax Liability	770,131	681,308
Total Liabilities	**22,779,083**	**24,897,800**
Net Assets	**17,416,833**	**15,578,177**

The comparative amounts in the Statement of Financial Position are not entirely comparable as the 2021 (July to June) financial statements covered 12 months while the 2020 financial statements only covered 6 months (January to June). The Company changed its financial year from January to December to July to June in 2020.

Fijian Broadcasting Corporation (Pte) Limited

Abridged Statement of Financial Performance – 2020 (Fijian Broadcasting Corporation (Pte) Limited

Description	2020 ($)	2019 ($)
Revenue	17,049,893	20,940,174
Other operating revenue	2,410,788	2,208,915
Finance income	426,897	373,880
Total Income	**19,887,578**	**23,522,969**
Administration and operating expenses	15,448,953	19,138,742
Rent concession COVID -19	30,000	---
Impairment loss on trade and other receivables	31,913	---
Marketing expenses	591,463	1,190,310
Finance cost	502,903	587,548
Total Expenditure	**16,605,232**	**20,916,600**
Profit Before Income Tax	**3,282,346**	**2,606,369**
Income tax expenses	644,273	572,709
Profit After Income Tax	**2,638,073**	**2,033,660**

Net profit increased by 30% or $604,413 in 2020 compared to 2019. This was a direct result of the Company implementing cost-cutting measures to reduce expenditure considering the impact of COVID-19 on Company's operations.

Abridged Statement of Financial Position – 2020 (Fijian Broadcasting Corporation (Pte) Limited

Description	2020 ($)	2019 ($)
Cash	8,149,069	6,163,600
Trade and other receivables	1,627,821	6,235,883
Other assets	1,267,280	1,556,976
Investments	10,089,231	5,087,649
Property, plant and equipment	24,309,612	28,156,145
Income tax receivable and deferred tax assets	121,044	319,985
Right-of-use asset	519,740	533,456
Total Assets	**46,083,797**	**48,053,694**
Trade and other payables	889,706	1,234,619
Income received in advance	1,081,152	1,023,733
Employee entitlements	161,493	254,050
Deferred income	10,652,682	12,663,090
Interest bearing borrowings	7,555,060	9,573,533
Deferred tax liability	673,626	862,211
Lease liability	531,045	541,498
Total Liabilities	**21,544,764**	**26,152,734**
Net Assets	**24,539,033**	**21,900,960**

Net assets increased by 12% or $2,638,073 in 2020 compared to 2019. This was mainly attributed by the increase in cash held by $1,985,469 or 32% and Investments by $5,001,582 or 98%.

Abridged Statement of Financial Performance – 2021 (Fijian Broadcasting Corporation (Pte) Limited

Description	2021 ($)	2020 ($)
Revenue	17,480,118	17,049,893
Other operating revenue	2,694,794	2,410,788
Finance income	448,763	426,897
Total Income	**20,623,675**	**19,887,578**
Administration and operating expenses	14,456,214	15,448,953
Rent concession COVID-19	37,500	30,000
Impairment loss on trade and other receivables	27,632	31,913
Marketing expenses	417,853	591,463
Finance cost	224,310	502,903
Total Expenditure	**15,163,509**	**16,605,232**
Profit Before Income Tax	**5,460,166**	**3,282,346**
Income tax expenses	1,065,906	644,273
Profit After Income Tax	**4,394,260**	**2,638,073**

Net profit increased by 67% or $1,756,187 in 2021 compared to 2020. This was mainly due to the increase in in sales of sports packages, Parliament channel revenue and digital marketing revenue.

Abridged Statement of Financial Position – 2021 (Fijian Broadcasting Corporation (Pte) Limited

Description	2021 ($)	2020 ($)
Cash	5,940,474	8,149,069
Trade and other receivables	2,397,816	1,627,821
Other assets	963,115	1,267,280
Investments	9,090,837	10,089,231
Property, plant and equipment	21,695,695	24,309,612
Income tax receivable and deferred tax assets	167,599	121,044
Right-of-use asset	535,631	519,740
Total Assets	**40,791,167**	**46,083,797**
Trade and other payables	1,418,498	889,706
Income received in advance	157,950	1,081,152
Employee entitlements	162,665	161,493
Deferred income	8,947,135	10,652,682
Interest bearing borrowings	-	7,555,060
Deferred tax liability	637,957	673,626
Lease liability	533,669	531,045
Total Liabilities	**11,857,874**	**21,544,764**
Net Assets	**28,933,293**	**24,539,033**

Net assets increased by 18% or $4,394,260 in 2021 compared to 2020. This was mainly due to the Company making final settlement of the interest-bearing loan during the financial year.

Fiji Development Bank

Abridged Statement of Financial Performance – 2021 (Fiji Development Bank)

Description	Consolidated 2021 ($)	Consolidated 2020 ($)
Interest income	30,574,881	28,412,107
Other income	4,981,461	3,765,593
Fee income	3,994,200	4,615,554
Total Income	**39,550,542**	**36,793,254**
Operating expenses	12,818,117	15,888,862
Total Expenditure	**12,818,117**	**15,888,862**
Operating Profit before allowances	**26,732,425**	**20,904,392**
Allowance for expected credit loss	(18,312,871)	(14,273,128)
Allowance for interest and Fees	(7,414,949)	(5,477,435)
Profit Before Income Tax	**1,004,605**	**1,153,829**
Income tax expenses	1,638	1,823
Profit After Income Tax	**1,002,967**	**1,152,006**

Consolidated Net profit after income tax decreased by 13% or $149,039 in 2021 compared to 2020. This was mainly due to the increase in allowances for expected credit loss, interest, and fees. This was a direct result of the impact of COVID 19 as the Bank gave repayment moratorium to several customers on a case-by-case basis.

Abridged Statement of Financial Position – 2021 (Fiji Development Bank)

Description	Consolidated 2021 ($)	Consolidated 2020 ($)
Cash	75,401,110	63,473,626
Debt financial asset at amortized cost	2,250,982	2,249,581
Loans & advances	494,615,163	439,600,211
Other receivables	4,555,680	3,981,979
Investment	15,001	15,001
Investment in Subsidiary	---	---
Right-of-use asset	1,520,581	1,471,192
Property & Equipment	28,856,367	29,443,303
Computer & Software - Intangibles	325,940	335,968
Total Assets	**607,540,824**	**540,570,861**
Accounts payable & accruals	4,838,304	6,086,182
Lease liability	1,555,174	1,497,513
Debt Securities issued	416,566,466	349,055,274
Other liabilities	6,170,848	6,367,396
Employee entitlement	722,355	887,471
Deferred income	3,114,025	3,106,340
Total Liabilities	**432,967,172**	**367,000,176**
Net Assets	**174,573,652**	**173,570,685**

Consolidated Net assets increased by 0.57% or $1,002,967 in 2021 compared to 2020. This was mainly attributed by the increase in cash held by $11,927,484 or 19%, loans and advances by $55,014,952 or 13% and other receivables by $573,701 or 14%.

Abridged Statement of Financial Performance – 2022 (Fiji Development Bank)

Description	Consolidated 2022 ($)	Consolidated 2021 ($)
Interest income	29,291,803	30,574,881
Other income	3,669,535	4,981,461
Fee income	3,639,161	3,994,200
Total Income	**36,600,499**	**39,550,542**
Operating expenses	13,711,366	12,818,117
Total Expenditure	**13,711,366**	**12,818,117**
Operating Profit before allowances	**22,889,133**	**26,732,425**
Allowance for expected credit loss	(21,358,031)	(18,312,871)
Allowance for interest and Fees	259,721	(7,414,949)
Profit Before Income Tax	**1,790,823**	**1,004,605**
Income tax expenses	1,242	1,638
Profit After Income Tax	**1,789,581**	**1,002,967**

Consolidated Net profit after income tax increased by 78% or $786,614 in 2022 compared to 2021. This was mainly due to the significant reduction in allowances for interest and fees as repayment moratorium to customers reduced.

Abridged Statement of Financial Position – 2022 (Fiji Development Bank)

Description	Consolidated 2022 ($)	Consolidated 2021 ($)
Cash	104,062,121	75,401,110
Debt financial asset at amortized cost	239,892	2,250,982
Loans & advances	488,775,145	494,615,163
Other receivables	2,740,393	4,555,680
Investment	15,001	15,001
Investment in Subsidiary	---	---
Right-of-use asset	1,572,691	1,520,581
Property & Equipment	28,529,530	28,856,367
Computer & Software - Intangibles	297,465	325,940
Total Assets	**626,232,238**	**607,540,824**
Accounts payable & accruals	4,515,396	4,838,304
Lease liability	1,626,421	1,555,174
Debt Securities issued	434,200,460	416,566,466
Other liabilities	6,342,414	6,170,848
Employee entitlement	587,321	722,355
Deferred income	2,596,993	3,114,025
Total Liabilities	449,869,005	**432,967,172**
Net Assets	**176,363,233**	**174,573,652**

Consolidated Net assets increased by 1.02% or $1,789,581 in 2022 compared to 2021. This was mainly attributed by the increase in cash held by $28,661,011 or 38% because of increase in call account and reduction in employee entitlement by $135,034 or 19% due to the increased number of outstanding leaves taken.

FDB Nominees Pte Limited

Abridged Statement of Financial Performance – 2021 (FDB Nominees Pte Limited)

Description	2021 ($)	2020 ($)
Interest and other income	10,142	11,760
Total Income	**10,142**	**11,760**
Operating expenses	1,953	2,647
Total Expenditure	**1,953**	**2,647**
Operating income before income tax	**8,189**	**9,113**
Income tax expense	1,638	1,823
Net profit for the year	**6,551**	**7,290**

Net profit decreased by 10% or $739 in 2021 compared to 2020. This was mainly due to the impact of COVID 19 on investments where interest income reduced by 14% or $1,618.

Abridged Statement of Financial Position – 2021 (FDB Nominees Pte Limited)

Description	2021 ($)	2020 ($)
Cash	12,957	7,946
Held to maturity investments	250,982	249,581
Other receivables	1,638	2,259
Total Assets	**265,577**	**259,786**
Other payables	1,741	1,700
Income tax payable	1,022	1,823
Total Liabilities	**2,763**	**3,523**
Net Assets	**262,814**	**256,263**

Net assets increased by 2.56% or $6,551 in 2021 compared to 2020. This was mainly attributed by the increase in cash held by $5,011 or 63% which was caused by reduction in other receivables.

Abridged Statement of Financial Performance – 2022 (FDB Nominees Pte Limited)

Description	2022 ($)	2021 ($)
Interest and other income	8,357	10,142
Total Income	**8,357**	**10,142**
Operating expenses	2,145	1,953
Total Expenditure	**2,145**	**1,953**
Operating income before income tax	**6,212**	**8,189**
Income tax expense	1,242	1,638
Net profit for the year	**4,970**	**6,551**

Net profit decreased by 24% or $1,581 in 2022 compared to 2021. This was mainly due to the impact of COVID 19 on investments where interest income reduced by 18% or $1,785.

Abridged Statement of Financial Position – 2022 (FDB Nominees Pte Limited)

Description	2022 ($)	2021 ($)
Cash	29,893	12,957
Held to maturity investments	239,892	250,982
Other receivables	432	1,638
Total Assets	**270,217**	**265,577**
Other payables	2,000	1,741
Income tax payable	432	1,022
Total Liabilities	**2,432**	**2,763**
Net Assets	**267,785**	**262,814**

Net assets increased by 1.89% or $4,971 in 2022 compared to 2021. This was mainly attributed by the increase in cash held by $16,936 or 131% which was caused by reduction in other receivables.

Fiji Airports Pte Limited

Abridged Statement of Financial Performance – 2020 (Fiji Airports Pte Limited)

Description	2020 ($)	2019 ($)
Revenue	47,452,847	146,183,031
Other income	5,035,821	7,264,679
Finance income	2,329,402	2,718,106
Total Income	**54,818,070**	**156,165,816**
Other expenses	28,718,676	36,115,738
Operating expenses	7,895,037	16,254,438
Impairment loss on trade and other receivables	1,173,718	107,413
Personnel expenses	12,939,959	20,437,603
Finance cost	2,410,417	2,477,454
Total Expenditure	**53,137,807**	**75,392,646**
Profit Before Income Tax	**1,680,263**	**80,773,170**
Income tax benefit/(expense)	5,066,603	(15,609,870)
Profit After Income Tax	**6,746,866**	**65,163,300**

The net profit after tax decreased by 90% or $58,416,434 in 2020 compared to 2019. The decrease in net profit in 2020 was mainly due to the decrease in revenue due to the impact of COVID-19 pandemic.

Passenger traffic through Fiji Airports were materially impacted from COVID 19 resulting in revenue being down in 2020 and 2021. In addition, to assist aeronautical and commercial customers, a total discount of $23,377,566 in 2020 was provided during the pandemic.

Abridged Statement of Financial Position – 2020 (Fiji Airports Pte Limited)

Description	2020 ($)	2019 ($)
Cash on hand and at bank	62,018,528	31,509,460
Trade receivables	3,651,123	18,188,699
Inventories	606,102	697,663
Other receivables and prepayments	5,585,542	7,211,180
Current tax asset	-	30,893,168
Property, plant and equipment	488,876,559	480,831,237
Right-of-use assets	7,444,065	7,414,482
Total Assets	**568,181,919**	**576,745,889**
Trade and other payables	8,105,052	12,448,146
Loan and borrowings	66,308,761	68,316,263
Lease liabilities	5,031,153	4,917,648
Employee benefits	740,483	1,000,393
Deferred income	633,404	4,151,696
Current tax liability	1,073,478	424,493
Deferred tax liability	36,495,154	42,439,682
Total Liabilities	**118,387,485**	**133,698,321**
Net Assets	**449,794,434**	**443,047,568**

Net assets increased by 2% or $6,746,866 in 2020 compared to 2019. This was a direct result of decrease in trade and other payables, deferred tax liability and employee benefit.

Abridged Statement of Financial Performance – 2021 (Fiji Airports Pte Limited)

Description	2021 ($)	2020 ($)
Revenue	27,976,568	47,452,847
Other income	1,279,526	5,035,821
Finance income	1,182,266	2,329,402
Total Income	**30,438,360**	**54,818,070**
Other expenses	25,156,679	28,718,676
Operating expenses	6,671,880	7,895,037
Impairment loss on trade and other receivables	467,508	1,173,718
Personnel expenses	9,901,316	12,939,959
Finance cost	2,890,471	2,410,417
Total Expenditure	**45,087,854**	**53,137,807**
(Loss)/ Profit Before Income Tax	**(14,649,494)**	**1,680,263**
Income tax benefit	10,338,824	5,066,603
(Loss)/ Profit After Income Tax	**(4,310,670)**	**6,746,866**

The Company incurred loss after income tax of $4,310,670 in 2021 compared to the profit of $6,746,866 in 2020. This was a direct result of the impact of COVID-19 pandemic on the operations of the Fiji Airports.

In addition to assist aeronautical and commercial customers, the Company provided a total discount of $29,682,710 during the pandemic.

Abridged Statement of Financial Position – 2021 (Fiji Airports Pte Limited)

Description	2021 ($)	2020 ($)
Cash on hand and at bank	63,830,847	62,018,528
Trade receivables	5,611,272	3,651,123
Inventories	617,391	606,102
Other receivables and prepayments	4,938,233	5,585,542
Current tax asset	402,104	-
Property, plant and equipment	487,160,058	488,876,559
Right-of-use assets	7,313,663	7,444,065
Total Assets	**569,873,568**	**568,181,919**
Trade and other payables	10,412,907	8,105,052
Loan and borrowings	80,485,024	66,308,761
Lease liabilities	4,980,048	5,031,153
Employee benefits	792,250	740,483
Deferred income	464,286	633,404
Current tax liability	-	1,073,478
Deferred tax liability	27,255,289	36,495,154
Total Liabilities	**124,389,804**	**118,387,485**
Net Assets	**445,483,764**	**449,794,434**

Net assets decrease by 1% or $4,310,670 in 2021 compared to 2020. The decrease in net assets in 2021 was due to the increase in loans and borrowing by $14,176,263, increase in trade receivables by $1,960,149 and increase in Trade and other payables by $2,307,855. There was an increase in cash at bank noted in 2021 compared to 2020. This was a direct result of cost saving measures implemented by the Company to sustain the impact of COVID-19.

Fiji Coconut Millers Pte Limited

Abridged Statement of Financial Performance – 2020 (Fiji Coconut Millers Pte Limited)

Description	2020 ($)	2019 ($)
Operating Revenue	3,156,820	2,728,660
Cost of Goods Sold	(2,328,617)	(2,250,280)
Gross Profit	**828,203**	**478,380**
Operating Government grant	495,716	644,097
Other Income	136,639	130,823
Total Income	**1,460,558**	**1,253,300**
Impairment loss – trade receivables	12,186	825
Loss on sale – motor vehicle	-	10,401
Selling and Distribution	395,567	355,568
Administrative and operating	847,113	779,294
Total operating Expenses	**1,254,866**	**1,146,088**
Finance Cost	(70,663)	(64,404)
Profit before income tax expense	**135,029**	**42,808**
Income tax expense	(30,735)	(14,713)
Total comprehensive Profit for the year	**104,294**	**28,095**

The Company recorded a profit of $104,294 in 2020, an increase of $76,199 or 271% compared to the profit of $28,095 recorded in 2019. The increase in profit was mainly due to the increase in the sale of crude coconut oil and coconut meal in 2020.

Abridged Statement of Financial Position – 2020 (Fiji Coconut Millers Pte Limited)

Description	2020 ($)	2019 ($)
Assets		
Cash on hand and at bank	7,546	302
Trade and other receivables	356,067	367,591
Inventories	695,310	308,263
Copra price stabilisation fund – Ministry of Economy	103,418	381,101
Property, plant, and equipment	7,978,068	8,179,056
Deferred tax asset	94,220	124,955
Total Assets	**9,234,629**	**9,361,268**
Liabilities		
Trade and other payables	124,851	209,562
Interest bearing debt	1,363,980	1,403,220
Deferred grant income	1,016,181	1,123,232
Total Liabilities	**2,505,012**	**2,736,014**
Net Assets	**6,729,617**	**6,625,254**

Net assets increased by $104,363 or 2% in 2020 compared to 2019. The increase in net assets was largely due to the increase in inventories and decrease in trade and other payables and deferred grant income in 2020.

Abridged Statement of Financial Performance – 2021 (Fiji Coconut Millers Pte Limited)

Description	2021 ($)	2020 ($)
Operating Revenue	2,764,857	3,156,820
Cost of Goods Sold	(2,452,984)	(2,328,617)
Gross Profit	**311,873**	**828,203**
Operating Government grant	340,840	495,716
Other Income	275,633	136,639
Total Income	**928,346**	**1,460,558**
Impairment loss – trade receivables	-	12,186
Selling and Distribution	274,207	395,567
Administrative and operating	920,120	847,113
Total operating Expenses	**1,194,327**	**1,254,866**
Finance Cost	(57,415)	(70,663)
(Loss)/Profit before income tax expense	**(323,396)**	**135,029**
Income tax expense	58,773	(30,735)
Total comprehensive (Loss)/Profit for the year	**(264,623)**	**104,294**

The Company recorded a loss of $264,623 in 2021, a decrease of $368,917 or 353% compared to the profit of $104,294 recorded in 2020. The loss recorded was mainly due to the decrease in the production of crude coconut oil and coconut meal due to low copra supply.

Abridged Statement of Financial Position – 2021 (Fiji Coconut Millers Pte Limited)

Description	2021 ($)	2020 ($)
Assets		
Cash on hand and at bank	4,351	7,546
Trade and other receivables	366,899	356,067
Inventories	463,220	695,310
Copra price stabilisation fund – Ministry of Economy	-	103,418
Property, plant, and equipment	7,857,428	7,978,068
Deferred tax asset	152,993	94,220
Total Assets	**8,844,891**	**9,234,629**
Liabilities		
Trade and other payables	303,767	124,851
Provision for annual leave	11,403	-
Interest bearing debt	1,155,597	1,363,980
Deferred grant income	909,130	1,016,181
Total Liabilities	**2,379,897**	**2,505,012**
Net Assets	**6,464,994**	**6,729,617**

Net assets decreased by $264,623 or 4% in 2021 compared to 2020. The decrease in net assets was largely due to the decrease in inventories, cash on hand and at bank, copra price stabilisation fund with Ministry of Economy while there was an increase in trade and other payables and provision for annual leave.

Fiji Public Trustee Corporation Pte Limited

Abridged Statement of Financial Performance – 2020 (Fiji Public Trustee Corporation Pte Limited)

Description	2020 ($)	2019 ($)
Fees	1,178,886	1,016,647
Interest income	505,359	529,319
Net change in fair value of equity instruments	---	367,955
Other income	15,677	23,102
Total Income	**1,699,922**	**1,937,023**
General and administration expenses	419,230	341,329
Selling expenses	33,309	44,962
Staff and employee cost	732,335	851,329
Other expenses	164,679	14,682
Net change in fair value of equity instruments	343,296	---
Financial cost – interest on lease liabilities	2,049	1,202
Total Expenditure	**1,694,898**	**1,253,504**
Profit Before Income Tax	**5,024**	**683,519**
Income tax expenses	(77,604)	(31,133)
(Loss)/Profit After Income Tax	**(72,580)**	**652,386**
Other Comprehensive income	---	548,184
Total comprehensive (loss)/income for the year	**(72,580)**	**1,200,570**

There was a net loss of $72,580 in 2020 compared to a net profit of $1,200,570 in 2019. This was due to the impact of COVID-19 where the fair value of the Corporation's investment portfolio of equities being adversely affected.

Abridged Statement of Financial Position – 2020 (Fiji Public Trustee Corporation Pte Limited)

Description	2020 ($)	2019 ($)
Cash and cash equivalents	574,235	705,586
Trade and other receivables	1,402,852	661,954
Other current assets	58,093	76,584
Financial assets	12,787,343	13,133,460
Property, plant, and equipment	2,400,147	2,493,698
Income tax asset and deferred tax assets	114,453	108,882
Intangible assets	128,753	134,426
Right-of-use asset	17,599	10,283
Total Assets	**17,483,475**	**17,324,873**
Trade, other payables, and Provisions	215,018	229,411
Lease liability	18,977	11,175
Total Liabilities	**233,995**	**240,586**
Net Assets	**17,249,480**	**17,084,287**

Net assets increased by 0.97% or $165,193 in 2020 compared to 2019. This was mainly attributed by the increase in trade and other receivables by $740,890 or 112%. This is in respect of fees and VAT receivable from Trusts and Estates and interest due to be received at financial year end.

Abridged Statement of Financial Performance – 2021 (Fiji Public Trustee Corporation Pte Limited)

Description	2021 ($)	2020 ($)
Fees	872,225	1,178,886
Interest income	369,864	505,359
Net change in fair value of equity instruments	65,298	---
Other income	23,957	15,677
Total Income	**1,331,344**	**1,699,922**
General and administration expenses	422,186	419,230
Selling expenses	27,062	33,309
Staff and employee cost	689,413	732,335
Other expenses	5,835	164,679
Net change in fair value of equity instruments	---	343,296
Financial cost – interest on lease liabilities	2,355	2,049
Total Expenditure	**1,146,851**	**1,694,898**
Profit Before Income Tax	**184,493**	**5,024**
Income tax expenses	(1,801)	(77,604)
Profit/(Loss) After Income Tax	**182,692**	**(72,580)**
Other Comprehensive income	---	---
Total comprehensive income/(loss) for the year	**182,692**	**(72,580)**

There was a net profit of $182,692 in 2021 compared to a net loss of $72,580 in 2020. This was due to the gain in the fair value of the Corporation's investment portfolio of equities and proper controls over expenditure management.

Abridged Statement of Financial Position – 2021 (Fiji Public Trustee Corporation Pte Limited)

Description	2021 ($)	2020 ($)
Cash and cash equivalents	256,398	574,235
Trade and other receivables	1,627,431	1,402,852
Other current assets	56,314	58,093
Financial assets	13,052,641	12,787,343
Property, plant and equipment	2,370,143	2,400,147
Income tax asset and deferred tax assets	252,910	114,453
Intangible assets	90,338	128,753
Right-of-use asset	65,936	17,599
Total Assets	**17,772,111**	**17,483,475**
Trade, other payables, and Provisions	301,056	215,018
Lease liability	68,883	18,977
Total Liabilities	**369,939**	**233,995**
Net Assets	**17,402,172**	**17,249,480**

Net assets increased by 0.89% or $152,692 in 2021 compared to 2020. This was mainly attributed by the increase in trade and other receivables and financial assets. This is in respect of fees and VAT receivable from Trusts and Estates and investment in government bonds.

Fiji Rice Pte Limited

Abridged Statement of Financial Performance – 2020 (Fiji Rice Pte Limited)

Description	2020 ($)	2019 ($)
Operating revenue	1,032,089	884,183
Cost of goods sold	(1,046,980)	(983,740)
Gross loss	**(14,891)**	**(99,557)**
Other revenue	1,314,108	883,210
Gain on sale of asset	2,611,981	16,056
Administrative expenses	(974,641)	(563,696)
Other expenses	(112,340)	-
Profit from operations	**2,824,217**	**236,013**
Income tax expense	(330,628)	(52,762)
Profit After Income Tax	**2,493,589**	**183,251**

The net profit after tax increased by $2,310,338 in 2020 compared to 2019. The increase in net profit was mainly due to the sale of two Company properties in Nausori during the financial year with regards to the gain on sale of assets.

Abridged Statement of Financial Position – 2020 (Fiji Rice Pte Limited)

Description	2020 ($)	2019 ($)
Cash on hand and at bank	488,465	875,954
Term deposits	2,432,359	-
Trade and other receivables	535,565	314,312
Inventories	440,721	233,489
Property, plant, and equipment	2,319,359	2,439,521
Intangible assets	5,388	5,884
Right of use assets	34,213	46,018
Total Assets	**6,256,070**	**3,915,178**
Trade and other payables	49,191	41,073
Income tax payable	14,257	58,288
Rice development revolving fund	91,743	91,743
Lease liability	35,923	46,874
Deferred grant liability	741,379	857,487
Provisions	11,320	1,045
Borrowings	6,725,382	6,725,382
Total Liabilities	**7,669,195**	**7,821,892**
Net (Deficiency) in Assets	**(1,413,125)**	**(3,906,714)**
Share Capital	1,506,224	1,506,224
Retained Earnings	(2,919,349)	(5,412,938)
Total Shareholders' Equity	**(1,413,125)**	**(3,906,714)**

Net deficiency in assets decreased by 64% or $2,493,589 in 2020 compared to 2019. The decrease was mainly due to the increase in Net profit after tax and the investment in term deposits by the company during the financial year 2020, which was a direct result from the proceeds for sale of the two Company properties in Nausori.

Abridged Statement of Financial Performance – 2021 (Fiji Rice Pte Limited)

Description	2021 ($)	2020 ($)
Operating revenue	1,291,660	1,032,089
Cost of goods sold	(1,230,022)	(1,046,980)
Gross Profit/(Loss)	**61,638**	**(14,891)**
Other revenue	1,306,173	1,314,108
Gain on sale of asset	-	2,611,981
Administrative expenses	(930,745)	(974,641)
Other expenses	(265,027)	(112,340)
Profit from operations	**172,039**	**2,824,217**
Income tax expense	(10,447)	(332,430)
Profit After Income Tax	**161,592**	**2,491,787**

The net profit after tax decreased by 94% or $2,330,195 in 2021 compared to 2020. In 2020, the Company had recorded higher profit due to sale to two properties in Nausori.

In 2021, the Company recorded a positive gross profit which indicates improvement in sales revenue.

Abridged Statement of Financial Position – 2021 (Fiji Rice Pte Limited)

Description	2021 ($)	2020 ($)
Cash on hand and at bank	690,897	488,465
Term deposits	2,080,695	2,432,359
Trade and other receivables	728,222	535,565
Inventories	397,750	440,721
Income tax receivable	36,525	-
Property, plant and equipment	2,276,808	2,319,359
Intangible assets	4,892	5,388
Right of use assets	45,872	34,213
Total Assets	**6,261,661**	**6,256,070**
Trade and other payables	24,162	49,191
Income tax payable	-	16,059
Rice development revolving fund	91,743	91,743
Lease liability	48,430	35,923
Deferred grant liability	619,193	741,379
Provisions	6,086	11,320
Borrowings	6,725,382	6,725,382
Total Liabilities	**7,514,996**	**7,670,997**
Net (Deficiency) in Assets	**(1,253,335)**	**(1,414,927)**

Net deficiency in assets decreased by 11% or $161,592 in 2021 compared to 2020. The decrease was mainly due to the improvement in business activities of the Company.

In 2021, the Company was in the process of Debt-to-Equity Conversion.

Assets Fiji Limited

Abridged Statement of Financial Performance – 2016 (Assets Fiji Limited)

Description	2016[6] (14 months) ($)
Revenue – Rental Income	1,317,084
Other Income	74,430
Total Income	**1,391,514**
Administration & Operating Expenses	332,258
Total Expenditure	**332,258**
Profit before Income Tax	**1,059,256**
Income Tax Expense	(211,852)
Net Profit after Tax	**847,404**
Other Comprehensive Income	-
Total Comprehensive Income for the year	**847,404**

Abridged Statement of Financial Position – 2016 (Assets Fiji Limited)

Description	2016 (14 months) ($)
Cash and Cash Equivalents	2
Prepayment and Other Receivables	1,358,341
Property, Plant and Equipment	23,003,275
Total Assets	**24,361,618**
Other Payables	296,505
Income Tax Payable	211,852
Total Liabilities	**508,357**
Net Assets	**23,853,261**

Abridged Statement of Financial Performance – 2017 (Assets Fiji Limited)

Description	2017 (12 months) ($)	2016 (14 months) ($)
Revenue – Rental Income	1,173,244	1,317,084
Other Income	75,330	74,430
Finance Income	464	-
Total Income	**1,249,038**	**1,391,514**
Administration & Operating Expenses	278,218	332,258
Finance Cost	92	-
Total Expenditure	**278,310**	**332,258**
Profit before Income Tax	**970,728**	**1,059,256**
Income Tax Expense	(194,146)	(211,852)
Net Profit after Tax	**776,582**	**847,404**
Other Comprehensive Income	30,936,731	-
Total Comprehensive Income for the year	**31,713,313**	**847,404**

Total comprehensive income significantly increased by 3,642% or $30,865,909 in 2017, compared to 2016. This was due to increase in Other Comprehensive Income, which comprises of revaluation surplus on land totalling $30,936,731 that was recorded following revaluation of land carried out during the year.

[6] The Company commenced operations in year 2016.

Abridged Statement of Financial Position – 2017 (Assets Fiji Limited)

Description	2017 (12 months) ($)	2016 (14 months) ($)
Cash and Cash Equivalents	51,355	2
Prepayment and Other Receivables	2,532,964	1,358,341
Property, Plant and Equipment	57,361,945	23,003,275
Total Assets	**59,946,264**	**24,361,618**
Other Payables	486,278	296,505
Income Tax Payable	405,998	211,852
Deferred Tax Liability	3,437,414	-
Deferred Income	50,000	-
Total Liabilities	**4,379,690**	**508,357**
Net Assets	**55,566,574**	**23,853,261**

Net Assets increased by 133% or $31,713,313 in 2017, compared to 2016. This was mainly due to the revaluation surplus on land totalling $30,936,731 that was recorded following revaluation of land carried out during the year.

Abridged Statement of Financial Performance – 2018 (Assets Fiji Limited)

Description	2018 ($)	2017 ($)
Revenue – Rental Income	1,115,702	1,173,244
Other Income	312,522	75,330
Finance Income	2,068	464
Total Income	**1,430,292**	**1,249,038**
Administration & Operating Expenses	279,748	278,218
Finance Cost	276	92
Total Expenditure	**280,024**	**278,310**
Profit before Income Tax	**1,150,268**	**970,728**
Income Tax Expense	(230,054)	(194,146)
Net Profit after Tax	**920,214**	**776,582**
Other Comprehensive Income	-	30,936,731
Total Comprehensive Income for the year	**920,214**	**31,713,313**

Total comprehensive income significantly decreased by 97% or 30,793,099 in 2018. This was due to the decrease in Other Comprehensive income comprising revaluation surplus on land totalling $30,936,731 from the revaluation of land carried out in 2017.

Abridged Statement of Financial Position – 2018 (Assets Fiji Limited)

Description	2018 ($)	2017 ($)
Cash and Cash Equivalents	120,972	51,355
Prepayment and Other Receivables	3,879,998	2,532,964
Property, Plant and Equipment	57,346,470	57,361,945
Total Assets	**61,347,440**	**59,946,264**
Other Payables	672,578	486,278
Income Tax Payable	636,052	405,998
Deferred Tax Liability	3,437,414	3,437,414
Deferred Income	114,608	50,000
Total Liabilities	**4,860,652**	**4,379,690**
Net Assets	**56,486,788**	**55,566,574**

Net Assets increased by 1.7% or $920,214 in 2018, compared to 2017. This was mainly attributed to the increase in Prepayment and Other Receivables, particularly the rent receivables from Fiji Ports Corporation Ltd.

Abridged Statement of Financial Performance – 2019 (Assets Fiji Limited)

Description	2019 ($)	2018 ($)
Revenue – Rental Income	1,218,262	1,115,702
Other Income	115,647	312,522
Finance Income	1,293	2,068
Total Income	**1,335,202**	**1,430,292**
Administration & Operating Expenses	233,029	279,748
Finance Cost	43,856	276
Total Expenditure	**276,885**	**280,024**
Profit before Income Tax	**1,058,317**	**1,150,268**
Income Tax Expense	(211,663)	(230,054)
Net Profit after Tax	**846,654**	**920,214**
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	**846,654**	**920,214**

Total comprehensive income decreased by 8% or $73,560 in the year 2019, compared to 2018. This was mainly due to the decrease in Other Income, specifically the reduction in Government Grant received in 2019.

Abridged Statement of Financial Position – 2019 (Assets Fiji Limited)

Description	2019 ($)	2018 ($)
Cash and Cash Equivalents	149,089	120,972
Prepayment and Other Receivables	4,811,276	3,879,998
Property, Plant and Equipment	57,330,995	57,346,470
Right of use Assets	1,707,136	-
Total Assets	**63,998,496**	**61,347,440**
Other Payables	849,402	672,578
Income Tax Payable	843,174	636,052
Deferred Tax Liability	3,441,955	3,437,414
Deferred Income	76,091	114,608
Lease Liabilities	1,454,432	-
Total Liabilities	**6,665,054**	**4,860,652**
Net Assets	**57,333,442**	**56,486,788**

Net Assets increased by 1.5% or $846,654 in 2019, compared to 2018. This was mainly due to the adoption of IFRS 16 by the Company resulting in two new balance sheet items, which are right of use assets and lease liabilities. Prepayment and Other Receivables also increased during the year.

Pacific Fishing Company Pte Limited

Abridged Statement of Financial Performance – 2020

Description	2020 ($)	2019 ($)
Revenue	40,370,945	31,235,362
Total Income	**40,370,945**	**31,235,362**
Raw materials and consumables used	12,533,662	10,384,818

Description	2020 ($)	2019 ($)
Changes in inventories of raw materials and finished goods	636,045	800,286
Distribution costs	278,421	234,439
Staff and employee benefits	9,657,046	8,235,328
Other operating expenses	12,402,897	11,176,184
Depreciation and amortization expense	4,290,142	3,945,921
Finance costs	856,663	1,208,125
Total Operating Expenditure	**40,654,876**	**35,985,101**
Loss from Operations	**(283,931)**	**(4,749,739)**
Other Income	**2,870,380**	**1,534,177**
Profit/(loss) before income tax	**2,586,449**	**(3,215,562)**
Income tax benefit/(expense)	470,450	(46,583)
Profit/(loss) after income tax	**3,056,899**	**(3,262,145)**
Other comprehensive income	---	---
Total Comprehensive Income/(Loss)	**3,056,899**	**(3,262,145)**

The Company incurred a profit of $3,056,899 in 2020 compared to a loss of $3,262,145 in 2019. This was a direct result of the increase in revenue and other income which includes service income, miscellaneous income, and reversal of interest on capital works.

Abridged Statement of Financial Position - 2020

Description	2020 ($)	2019 ($)
Assets		
Property, plant, and equipment	32,854,712	35,960,486
Intangible asset	7,880	47,978
Right-of-use asset	2,042,669	2,286,232
Deferred tax assets	1,019,517	549,067
Inventories	3,913,422	2,682,928
Trade receivables	2,767,805	2,746,343
Prepayments and other receivables	2,224,748	1,622,668
Cash on hand and at bank	941,550	317,483
Current tax asset	374,907	374,907
Total Assets	**46,147,210**	**46,588,092**
Deferred income	4,473,171	5,423,460
Borrowings (Non-Current)	12,754,536	14,434,044
Lease liability (Non-Current)	2,086,175	2,286,037
Trade and other payables	1,705,981	2,246,582
Borrowings (Current)	2,476,713	2,832,085
Lease liability (Current)	199,861	180,685
Provisions	309,096	100,421
Total Liabilities	**24,005,533**	**27,503,314**
Net Assets	**22,141,677**	**19,084,778**

Net assets increased by 16% or $3,056,899 in 2020 compared to 2019. This was mainly attributed by the increase in trade receivables, prepayments, other receivables, and advance payment. There was also an increase in raw materials held in inventories and cash held.

Food Processors Pte Limited

Abridged Statement of Financial Performance - 2009

Description	2009 ($)	2008 ($)
Revenue	2,136,309	2,243,760
Other operating revenue	248,028	304,238
Change in fair value of investment property	---	2,103,331
Revaluation of property, plant & equipment	---	730,370
Total Income	**2,384,337**	**5,381,699**
Cost of sales	2,189,605	1,972,883
Administration and operating expenses	1,263,017	811,250
Finance cost	47,008	8,531
Total Expenditure	**3,499,630**	**2,792,664**
(Loss)/Profit Before Income Tax	**(1,115,293)**	**2,589,035**
Income tax expenses	---	854,521
(Loss)/Profit After Income Tax	**(1,115,293)**	**1,734,514**

There was a net loss of $1,115,293 in 2009 compared to a net profit of $1,734,514. In 2008, change in fair value of investment property and revaluation of property, plant and equipment were recorded which drastically increased the income of the Company. In 2009, the significant increase in cost of sales, expenditures such as administration and operating and finance cost resulted in the net loss.

Abridged Statement of Financial Position - 2009

Description	2009 ($)	2008 ($)
Cash	1,853	3,501
Trade and other receivables	735,896	761,706
Other assets	66,506	127,824
Inventories	362,121	1,220,179
Investment property	3,293,266	3,400,000
Property, plant and equipment	2,313,356	2,282,581
Taxation refund & deferred asset	3,221	7,469
Total Assets	**6,776,219**	**7,803,260**
Trade and other payables	370,181	362,433
Deferred income	237,835	62,249
Interest bearing borrowings	392,483	451,299
Deferred tax liability	---	896,514
Bank Overdraft	56,723	88,741
Current tax liability	---	26,570
Non-Interest-bearing borrowing	1,900,000	1,900,000
Total Liabilities	**2,957,222**	**3,787,806**
Net Assets	**3,818,997**	**4,015,454**

Net assets decreased by 4.9% or $196,457 in 2009 compared to 2008. This was mainly due to the reduction in inventories held at year end and withdrawal of term deposits to assist in the tight cash flow.

Yaqara Pastoral Company Limited

Abridged Statement of Financial Performance – 2016 (Yaqara Pastoral Company Limited)

Description	2016 ($)	2015 ($)
Revenue from operations	843,342	919,009
Cost of sales	(496,997)	432,862
Gross Profit	**346,345**	**1,351,871**
Other operating income	3,034,097	3,246,823
Net Trading Result	**3,380,442**	**4,598,694**
Administrative expenses	(958,211)	(896,956)
Selling and distribution expenses	(2,746)	(667)
Operating expenses	(229,596)	(61,948)
Total Expenditure	**(1,190,553)**	**(959,571)**
Operating Profit	**2,189,889**	**3,639,123**
Finance costs	(1,260)	(1,082)
Profit Before Income Tax	**2,188,629**	**3,638,041**
Income tax expenses	(434,867)	(765,835)
Profit After Income Tax	**1,753,762**	**2,872,206**

The net profit after tax decreased by 39% or $1,118,444 in 2016 compared to 2015. The decrease in net profit was mainly due to the decrease in royalty income received during the financial year and increase in expenses.

Abridged Statement of Financial Position – 2016 (Yaqara Pastoral Company Limited)

Description	2016 ($)	2015 ($)
Cash and cash equivalents	4,209,037	4,253,829
Trade receivables	64,403	268,724
Other debtors and prepayments	201,477	99,375
Advance tax	2,166,749	1,379,950
Biological assets	3,300,075	3,781,727
Held to maturity investments	1,924,075	1,885,612
Inventories	38,979	55,901
Property, plant and equipment	1,421,741	1,436,929
Deferred tax assets	11,534	46,359
Total Assets	**13,338,070**	**13,208,406**
Creditors and Accruals	105,951	193,378
Employee Benefits Liability	43,230	38,134
Provision for Dividend	5,289,080	1,594,623
Total Liabilities	**5,438,261**	**1,826,135**
Net Assets	**7,899,809**	**11,382,271**
Share Capital	1,191,846	1,191,846
Retained Earnings	6,707,963	10,190,425
Total Equity	**7,899,809**	**11,382,271**

Net assets decreased by 31% or $3,482,462 in 2016 compared to 2015. The decrease was mainly due to the increase in liabilities attributed by the increase in provision for dividend recorded by the Company during the year.

Abridged Statement of Financial Performance – 2017 (Yaqara Pastoral Company Limited)

Description	2017 ($)	2016 ($)
Revenue from operations	880,702	843,342
Cost of sales	(441,768)	(496,997)
Gross Profit	**438,934**	**346,345**
Other operating income	4,083,478	3,034,097
Net Trading Result	**4,522,412**	**3,380,442**
Administrative expenses	(1,048,886)	(958,211)
Selling and distribution expenses	(1,387)	(2,746)
Operating expenses	(150,916)	(229,596)
Total Expenditure	**(1,201,189)**	**(1,190,553)**
Operating Profit	**3,321,223**	**2,189,889**
Finance costs	(1,245)	(1,260)
Profit Before Income Tax	**3,319,978**	**2,188,629**
Income tax expenses	(680,215)	(434,867)
Profit After Income Tax	**2,639,763**	**1,753,762**

The net profit after tax increased by 51% or $886,001 in 2017 compared to 2016. The increase in net profit was mainly due to the increase in royalty income received during the financial year.

Abridged Statement of Financial Position – 2017 (Yaqara Pastoral Company Limited)

Description	2017 ($)	2016 ($)
Cash and cash equivalents	4,627,508	4,209,037
Trade receivables	70,118	64,403
Other debtors and prepayments	384,243	201,477
Advance tax	2,877,874	2,166,749
Biological assets	2,905,035	3,300,075
Held to maturity investments	1,973,117	1,924,075
Inventories	70,148	38,979
Property, plant and equipment	1,399,950	1,421,741
Deferred tax assets	4,294	11,534
Total Assets	**14,312,287**	**13,338,070**
Creditors and Accruals	335,478	105,951
Employee Benefits Liability	61,430	43,230
Provision for Dividend	7,928,841	5,289,080
Total Liabilities	**8,325,749**	**5,438,261**
Net Assets	**5,986,538**	**7,899,809**
Share Capital	1,191,846	1,191,846
Retained Earnings	4,794,692	6,707,963
Total Equity	**5,986,538**	**7,899,809**

Net assets decreased by 24% or $1,913,271 in 2017 compared to 2016. The decrease was mainly due to the increase in liabilities attributed by the increase in provision for dividend recorded by the Company during the year.

Fiji Meat Industry Board

Abridged Statement of Financial Performance – 2018 (Fiji Meat Industry Board)

Description	2018 ($)	2017 ($)
Operating income	3,242,818	3,373,303
Release of deferred income	114,570	73,600
Other income	323,642	170,762
Total Income	**3,681,030**	**3,617,665**
Changes in inventories - finished goods	944,076	766,267
Raw materials and consumables used	212,440	283,544
Staff costs	1,037,531	977,784
Depreciation expense	310,167	258,725
Other operating expenses	1,424,840	1,144,281
(Loss)/profit from operations	**(248,024)**	**187,064**
Finance Cost	(57,730)	(68,900)
Net (loss)/profit	**(305,754)**	**118,164**
Other comprehensive income	---	---
Land sale	---	900,000
Total comprehensive (loss)/income for the year	**(305,754)**	**1,018,164**

The Board incurred a loss of $305,754 in 2018 compared to a profit of $1,018,164 in 2017. This was a direct result of the increase in slaughtering costs, staff costs, operation, and maintenance costs. In 2017, land sale of $900,000 was also recorded which attributed to the profit.

Abridged Statement of Financial Position – 2018 (Fiji Meat Industry Board)

Description	2018 ($)	2017 ($)
Cash & cash equivalents	478,128	780,292
Held to maturity investment	201,957	201,957
Receivables	693,725	648,435
Prepayments	---	12,838
Inventories	82,189	92,344
Property, plant and equipment	1,903,414	1,640,509
Total Assets	**3,359,413**	**3,376,375**
Payables	177,169	132,287
Interest bearing borrowings	607,656	759,338
Deferred income	582,630	287,500
Provision for annual leave	46,316	45,854
Income received in advance	100,000	---
Total Liabilities	**1,513,771**	**1,224,979**
Net Assets	**1,845,642**	**2,151,396**

Net assets decreased by 14% or $305,754 in 2018 compared to 2017. This was mainly attributed by the decrease in cash held by $302,164 or 38% and increase in payables mostly the other creditors and accruals by $50,904 or 38%.

Abridged Statement of Financial Performance – 2019 (Fiji Meat Industry Board)

Description	2019 ($)	2018 ($)
Operating income	3,206,872	3,242,818
Release of deferred income	120,974	114,570
Other income	456,963	323,642
Total Income	**3,784,809**	**3,681,030**
Changes in inventories - finished goods	1,050,553	944,076
Raw materials and consumables used	175,167	212,440
Staff costs	1,016,861	1,037,531
Depreciation expense	312,616	310,167
Other operating expenses	1,349,016	1,424,840
Total Expenses	**3,904,213**	**3,929,054**
Loss from operations	**(119,404)**	**(248,024)**
Finance Cost	(43,537)	(57,730)
Net loss	**(162,941)**	**(305,754)**

The Board incurred a loss of $162,941 in 2019 compared to a loss of $305,755 in 2018. This was a direct result of an increase in other income by $133,321 or 41% which was attributed by increase in income generated by slaughtering of cattle infected by tuberculosis. Ministry of Agriculture as part of the tuberculosis eradication program, provides grant to FMIB to cater for expenses incurred for slaughtering of infected cattle.

Abridged Statement of Financial Position – 2019 (Fiji Meat Industry Board)

Description	2019 ($)	2018 ($)
Cash & cash equivalents	644,001	478,128
Held to maturity investment	201,957	201,957
Receivables	293,582	693,725
Inventories	60,521	82,189
Property, plant and equipment	1,756,079	1,903,414
Investment property	31,900,000	---
Total Assets	**34,856,140**	**3,359,413**
Payables	146,458	177,169
Interest bearing borrowings	493,595	607,656
Deferred income	491,556	582,630
Provision for annual leave	66,303	46,316
Income received in advance	75,527	100,000
Total Liabilities	**1,273,439**	**1,513,771**
Net Assets	**33,582,701**	**1,845,642**

Net assets significantly increased by 1720% or $31,737,059 in 2019 compared to 2018. This was mainly attributed to the valuation and recording of investment property of $31,900,000.

Abridged Statement of Financial Performance – 2020 (Fiji Meat Industry Board)

Description	2020 ($)	2019 ($)
Operating income	2,764,285	3,206,872
Release of deferred income	137,445	120,974
Other income	252,446	456,963
Total Income	**3,154,176**	**3,784,809**
Changes in inventories - finished goods	782,095	1,050,553
Raw materials and consumables used	204,361	175,167

Description	2020 ($)	2019 ($)
Staff costs	949,014	1,016,861
Depreciation expense	338,018	312,616
Other operating expenses	1,053,164	1,349,016
Total Expenses	**3,326,652**	**3,904,213**
Loss from operations	**(172,476)**	**(119,404)**
Finance Cost	44,495	43,537
Net loss	**(216,971)**	**(162,941)**

The Board incurred a loss of $216,971 in 2020 compared to a loss of $162,941 in 2019. This was a direct result of the reduction in operating income of $442,587 or 14% generated from slaughter fees and magiti sales. Income generated from cattle slaughter and magiti sales are the main income streams of the Board. COVID-19 pandemic had directly impacted these income streams.

Abridged Statement of Financial Position – 2020 (Fiji Meat Industry Board)

Description	2020 ($)	2019 ($)
Cash & cash equivalents	368,098	644,001
Held to maturity investment	201,957	201,957
Receivables	365,287	293,582
Inventories	59,416	60,521
Property, plant and equipment	1,928,618	1,756,079
Investment property	31,900,000	31,900,000
Total Assets	**34,823,376**	**34,856,140**
Payables	115,024	146,458
Interest bearing borrowings	554,379	493,595
Deferred income	645,461	491,556
Provision for annual leave	55,712	66,303
Income received in advance	87,070	75,527
Total Liabilities	**1,457,646**	**1,273,439**
Net Assets	**33,365,730**	**33,582,701**

Net assets decreased by 0.65% or $216,971 in 2020 compared to 2019. This was mainly attributed to the reduction in cash held $275,903 or 43% arising from the acquisition of motor vehicle, plant, furniture and equipment.

Abridged Statement of Financial Performance - 2021

Description	2021 ($)	2020 ($)
Operating income	2,794,497	2,764,285
Release of deferred income	180,914	137,445
Other income	167,953	252,446
Total Income	**3,143,364**	**3,154,176**
Changes in inventories - finished goods	709,803	782,095
Raw materials and consumables used	192,140	204,361
Staff costs	895,884	949,014
Depreciation expense	352,500	338,018
Other operating expenses	1,069,274	1,053,164
Total Expenses	**3,219,601**	**3,326,652**
Loss from operations	**(76,237)**	**(172,476)**
Finance Cost	(39,509)	(44,495)
Net loss	**(115,746)**	**(216,971)**

The Board incurred a loss of $115,746 in 2021 compared to a loss of $216,971 in 2020. This was a direct result of increase in operating income of $30,212 or 1% relating to fees received from abattoir, magiti and release of deferred income by $43,469 or 32%.

Abridged Statement of Financial Position – 2021 (Fiji Meat Industry Board)

Description	2021 ($)	2020 ($)
Cash & cash equivalents	438,240	368,098
Held to maturity investment	201,957	201,957
Receivables	312,465	365,287
Inventories	57,439	59,416
Property, plant, and equipment	2,057,494	1,928,618
Investment property	31,900,000	31,900,000
Total Assets	**34,967,595**	**34,823,376**
Payables	137,423	115,024
Interest bearing borrowings	516,896	554,379
Deferred income	863,846	645,461
Provision for annual leave	49,446	55,712
Income received in advance	150,000	87,070
Total Liabilities	**1,717,611**	**1,457,646**
Net Assets	**33,249,984**	**33,365,730**

Net assets decreased by 0.35% or $115,746 in 2021 compared to 2020. This was mainly attributed to the increase in deferred income by $218,385 or 34% and increase in income received in advance by $62,930 or 72%.

Walesi Pte Limited

Abridged Statement of Financial Performance - 2018 (Walesi Pte Limited)

Description	2018 ($)	2017 ($)
Income		
Revenue	11,050,020	2,634,957
Cost of Sales	(9,362,409)	(1,281,561)
Other Income	17,846	80,576
Total Income	**1,705,457**	**1,433,972**
Expenditure		
Administrative Expense	52,808	109,090
Marketing Expense	326,731	105,511
Personnel Expense	832,957	173,002
Other Operating Expense	4,308,788	993,895
Depreciation	4,313,055	1,240,706
Total Expenditure	**9,834,339**	**2,622,204**
Loss before Income Tax	(8,128,882)	(1,188,232)
Income Tax Expenses	-	-
Loss for the Year after Income Tax	**(8,128,882)**	**(1,188,232)**

Net loss increased by $6,940,650 or 584% in 2018 compared to 2017. This was mainly due to the increase in cost of sales by $8,080,848 or 631%, increase in other operating expense by $3,314,893 or 334% and the increase in depreciation expense by $3,072,349 or 248%.

The increase in revenue was from the increase in sale of Set Top Box of $1,199,740 or 9,408% in 2018 compared to 2017. In addition, the Grant Income also increased by $4,139,783 or 288% in 2018 when compared to 2017.

Other Operating expenses increased by $3,314,893 or 334% in 2018 when compared to 2017. The increase was due to the new expense incurred on Wifi Project Expense of $1,108,193 in 2018 and the increase in License fees by $1,452,513 or 926% in 2018 when compared to 2017.

Abridged Statement of Financial Position - 2018 (Walesi Pte Limited)

Description	2018 ($)	2017 ($)
Assets		
Cash and Cash Equivalents	4,346,150	4,098,749
Inventory	2,855,366	6,539,636
Trade & Other Receivables	9,943,510	380,239
Intangible Assets	-	1,035
Property, Plant and Equipment	31,196,410	25,779,508
Total Assets	**48,341,436**	**36,799,167**
Liabilities		
Trade and Other Payables	880,166	428,321
Deferred Income	48,559,091	29,339,785
Total Liabilities	**49,439,257**	**29,768,106**
Net Assets	**(1,097,821)**	**7,031,061**

Net assets decreased by $8,128,882 or 116% in 2018 compared to 2017. This was mainly attributed to the decrease in inventory by $3,684,270 or 56% and the increase in deferred income by $19,219,306 or 66%.

Abridged Statement of Financial Performance - 2019 (Walesi Pte Limited)

Description	2019 ($)	2018 ($)
Income		
Revenue	13,589,818	11,050,020
Cost of Sales	(3,251,017)	(9,362,409)
Other Income	27,198	17,846
Total Income	**10,365,999**	**1,705,457**
Expenditure		
Administrative Expense	31,560	52,808
Marketing Expense	515,536	326,731
Personnel Expense	1,697,337	832,957
Other Operating Expense	4,022,737	4,308,788
Depreciation	6,468,362	4,313,055
Total Expenditure	**12,735,532**	**9,834,339**
Loss before Income Tax	(2,369,533)	(8,128,882)
Income Tax Expenses	-	-
Loss for the Year after Income Tax	**(2,369,533)**	**(8,128,882)**

Net loss decreased by $5,759,349 or 71% in 2019 compared to 2018. This was mainly due to an increase in revenue by $2,539,798 or 23% and decrease in cost of sales by $6,111,392 or 65%.

The major revenue comprised of Grant Income of $6,356,592 and Amortization Income of $6,291,774 during the year 2019.

Abridged Statement of Financial Position - 2019 (Walesi Pte Limited)

Description	2019 ($)	2018 ($)
Assets		
Cash and Cash Equivalents	6,867,620	4,346,150
Inventory	2,995,955	2,855,366
Trade & Other Receivables	4,047,855	9,943,510
Property, Plant and Equipment	32,024,805	31,196,410
Right-of-use Asset	615,909	-
Total Assets	**46,552,144**	**48,341,436**
Liabilities		
Trade and Other Payables	876,532	880,166
Deferred Income	48,512,795	48,559,091
Lease Liability	630,171	-
Total Liabilities	**50,019,498**	**49,439,257**
Net Assets	**(3,467,354)**	**(1,097,821)**

There was a decrease in net assets by $2,369,533 or 216% in 2019 compared to 2018. This was mainly attributed to the decrease in trade and other receivables by $5,895,655 or 59%, increase in right-of-use asset by $615,909 or 100% and the increase in lease liability by $630,171 or 100%.

Appendix C: Entities not Subject to Audit by the Auditor-General

Entity
1. Fiji Pine Limited
2. Fiji Sugar Corporation
3. Fiji Airways
4. Air Terminal Services
5. Fiji Ships & Heavy Industries Ltd
6. Fiji Ports Corporation Limited
7. Energy Fiji Limited

Appendix D: Glossary

Term	Definition
Accountability	Responsibility of public sector entities to achieve their objectives in reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws.
Accounting estimates	An approximation of a monetary amount in the absence of a precise means of measurement. This term is used for an amount measured at fair value where there is estimation uncertainty, as well as for other amounts that require estimation.
Amortised	Gradually write-off the initial cost of an asset.
Assessment for impairment	Assessment done to ensure that an entity's assets are not carried at more than their recoverable amount. (i.e. the higher of fair value less costs of disposal and value in use)
Audit committee	Committee of the board of directors responsible for the oversight of the internal audit function, external audits and general financial reporting and disclosures.
Audit evidence	A difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Backlog	Accumulation of draft financial statements not submitted for audit. Draft financial statements prior to 2019 not submitted to Auditor-General for audit is taken as a backlog audit.
Business continuity risk	Business interruption can result from natural occurrences and accidental or deliberate criminal acts. Those interruptions can have significant financial and operational ramifications. Over time, an organization will experience an event that will result in the loss of information, access to properties (tangible or intangible), or the services of personnel. Exposure to those types of risks and the planning for business continuity is an integral part of an organizations risk management process.
Capital works	Amount capitalized to the balance sheet for contributions by an entity to major assets owned by the entity, including expenditure on: • capital renewal of existing assets that returns the service potential or the life of the asset to that which it had originally.

Term	Definition
	• capital expansion which extends an existing asset at the same standard to a new group of users.
Consolidated fund account	The main bank account of the government where public funds are paid into for the operations of government. Trust money is not paid into this account.
Credit rating	A credit rating is an assessment of a borrower's credit worthiness. It takes into account their ability to repay a debt or their likelihood of defaulting.
Customer credit risk	A credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments.
Deferred income	Deferred income refers to money received by an entity before it provides the related goods or services to the customer.
Deficiencies	Failing, weakness or shortcoming.
Depreciation	The systematic allocation of a fixed asset's capital value as an expense over its expected useful life to take account of normal usage, obsolescence, or the passage of time.
Estimated useful lives	Estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to an entity's operations.
Express an opinion	A written expression of the auditor's overall conclusion on the financial report based on audit evidence obtained.
Fraud	An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.
Governance	Governance is defined as the manner in which those in vested authority uses its powers to achieve the institution's objectives, including its powers to design, implement and innovate the organization's policies, rules, systems and processes and to engage and involve its stakeholders.
Governing bodies	A body of persons or officers having ultimate control. Mainly constituted for the purpose of administration.
Impairment	When an asset's carrying amount exceeds the amount that can be recovered through use or sale of the asset.
Internal audit	Is an independent, objective assurance and consulting activity designed to add value to and improve business processes and organization operations.

Term	Definition
International Financial Reporting Standards	Standards adopted by Fiji Institute of Accountants for financial reporting by large and medium entities in Fiji.
International Financial Reporting Standards (IFRS) 16 – Leases	Deals with the recognition, measurement and disclosure requirement of leases. (The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.)
Loan risk grade	Rating systems measure credit risk and differentiate individual credits and groups of credits by the risk they pose.
Management	Those with the executive responsibility for conducting an entity's operations.
Management Letter	Management Letter highlighting areas where improvements can be made by an entity following an audit.
Management services	Organisation and coordination of the activities of a business done by another person or entity outside the business.
Material misstatement	A significant difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Materiality	This relates to the size or nature of the item or error judged in the particular circumstances of its omission or misstatement. Information is material if its omission or misstatement could influence the economic decisions of users, taken on the basis of the financial statements.
Misstatement	A difference between the amounts, classification, presentation, or disclosure of a reported financial report item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.
Other Entity	Entities not following under the provisions of Public Enterprise Act 2019.

Term	Definition
Other significant matters	Include control weaknesses, which *could cause* or *is causing* severe disruption of the process or severe adverse effect on the ability of an auditee to achieve process objectives and comply with relevant legislation. It is likely that these issues may have an impact on the operations of the entities in future, if necessary action is not taken to address them.
Operating cash flow	Cash flow provided by operations and is a measure of amount of cash generated by a company's normal business operations.
Provision for loan accounts	A provision made to allow for the possibility that some debts due for payment in the future may never be paid.
Reasonable assurance	A high but not absolute level of assurance
Revaluation	The action of assessing the value of something again.
Risks	The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action
Risk Management Policy	Provides method of identifying, assessing, controlling, monitoring and reporting existing and potential risks faced by an entity.
Standards on auditing	International Standards on Auditing adopted by Fiji Institute of Accountants and applied by Office of the Auditor-General for audits carried out.
Leasehold land	Real property held by a tenant (lessee) under a lease for a fixed term, after which it is returned to the owner (the lessor).
Valuation	The process of determining the fair value of an asset.
Value-adding	Financial or non-financial gains arising from improved compliance or mitigation of risks.
Work in progress	The total value of the materials and labor for unfinished projects.
Written- down value	The value of an asset after accounting for depreciation or amortization.
Zero-book values	Arises when fixed assets are fully depreciated.

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