



FIJI PUBLIC TRUSTEE CORPORATION LIMITED ANNUAL REPORT 2016

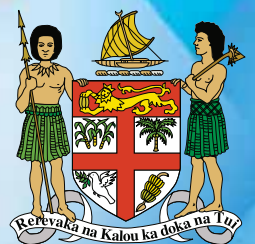


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Chairman's Report

I am delighted to introduce this report, which is a comprehensive record of Fiji Public Trustee Corporation Limited's activities and achievements for 2016. The report contains information on which decisions have been made, and the subsequent results.

In spite of the challenges faced, the audited financial statements show yet another pleasing result for the 11th time in 11 years!

This could not have been achieved without the sound leadership of our CEO. He and all the staff have worked hard to ensure that FPTCL's goals are met. Board Director Bernie Nicholls has been a tower of strength, especially in the areas of Governance and Human Resources.

As Chair of the Board, I thank them and the Permanent Secretary and senior officials of the Ministry of Public Enterprises for always being available for consultations and advice. Their efforts made my job easier.

Vinaka vakalevu everybody.

Ikbal Jannif
Chairman

Chief Executive Officer's Report

The year 2016 marks the eleventh year of operation since the corporatisation of the Public Trustee Office to the Fiji Public Trustee Corporation Limited. It has been a journey with a lot of challenges and opportunities that has contributed to the positive growth of the entity.

The Corporation administered 74 new Estates at a value of \$3.4M, settled and distributed 34 estates at a value of \$2.65M compared to 27 estates at a value of \$1.44M in 2015. This includes the transfer of wealth to the beneficiaries through inheritance and through Wills.

The Corporation also embarked on a public awareness campaign on Wills and last year we drafted 237 wills from the public. The Trust administration services recorded 123 new trusts at a value of \$193K and settled 324 trusts at a value of \$1.07M.

Last year was the second year of the Strategic Plan 2015-2017, which focused on recognising that vital transformation, will be required for the long-term financial sustainability and viability of the organisation. Essential to the transformation is the improvement in the standard of services, which also includes the simplification and standardising of the business processes, systems and procedures. The Corporation completed and implemented the new standard operating procedures with the assistance of Mr. Peter Goffin, a Wills and Estates lawyer sponsored by the Australian Volunteer International. The new SOP's included the "Deceased Estates Administration, Trust Administration and Wills Drafting". The work on the operating software and IT processes will be next in the transformation programme.

We recorded a net profit before income tax of \$444,126 compared to \$477,921 in 2015. The total income increased by 5% compared to an increase of 4% in 2015. The increase in income was a result of an increase in fees and charges by 1% and interest income from investments recording an increase of 11% compared to prior year. The total expenses increased in 2016 by 14% mainly on human resource costs. We celebrated our tenth anniversary last year with a dividend payment of \$1.5M to Government.

Looking back at our performance in the last ten years, the average increase in our income was 10%, average increase in our expenses was 12% and net profit before taxes was 13%. We continue the profitability trend since corporatisation for the eleventh year, whilst being self-funded and provided services at no cost to government.

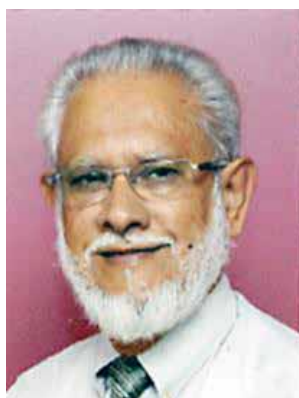
The devastation of Cyclone Winston in early 2016 also affected a number of estate properties mainly those in the northern Vitilevu and a few in the West. We contributed to Governments "*Sponsor a school programme*" to a primary school devastated by the Cyclone, whilst the social club raised funds for school stationaries.

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

I wish to thank the Directors, my management team and our hard working staff for the achievements of another successful year 2016.

Atonio Takala
Chief Executive Officer

Members of the Board of Directors



Mr. Ikbal Jannif
Chairman

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

He received the Officer of Order of Fiji award in 1998 for service to the community. He is a Justice of the Peace.



Mrs. Sera B Nicholls
Director

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

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

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

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

Management Team



Mr. Atonio **Takala**
Chief Executive Officer

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



Mrs Loi Mateiwai
Manager Finance &
Administration

Mrs. Mateiwai was appointed Manager Finance & Administration in July 2016. She is a Chartered Accountant with FIA and an associate of CPA Australia. She holds an M.Com and B.Com in Accounting from USP. She had leadership experience in audit and risk management in retail and banking industry and in local government.



Mr. Abdul **Kamil**
Manager Estates & Trust

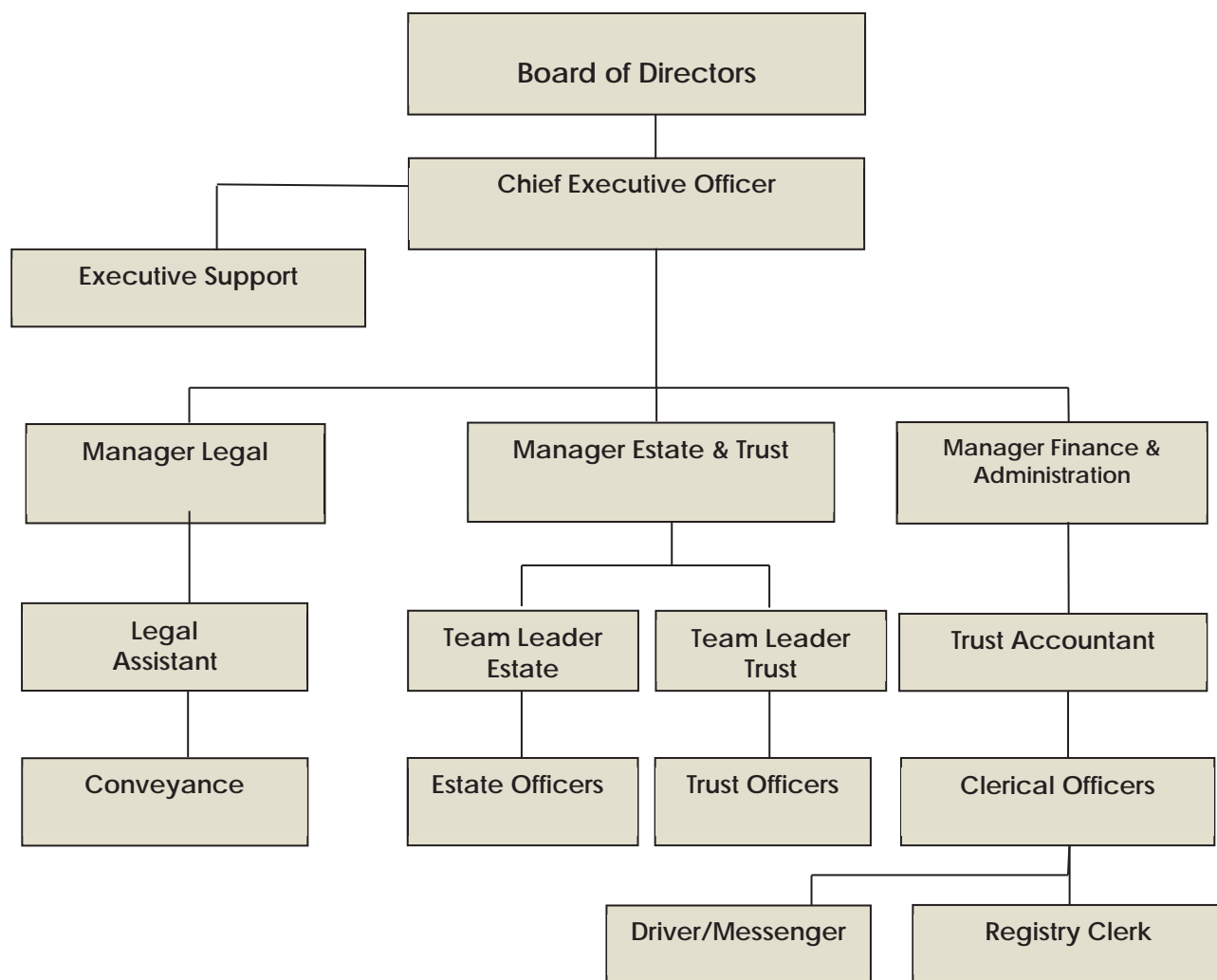
He was appointed Manager Estates and Trust in 2015 and he has been part team since 1993 and has worked in Titles Office, Births, Death & Marriage section, AG's office and Official Receiver within the Ministry of Justice. His long and varied experience has been very useful in handling complex cases and in mentoring new recruits to FPTCL, he resigned in July.



Mrs. Ronda **May**
Manager Legal

She joined FPTCL in September 2014 and holds a LLB Degree, PDLP, and PGC-DIA from USP. Prior to joining FPTCL, she was employed as a Legal Officer at the Land Transport Authority and has worked with various Law firms in the past.

Organisation Chart



Workforce and Human Resources

The total number of staff within the organisation at the end of 2016 was 22, which was the same number in 2015. The workforce includes 18 staff members, 3 managers and the CEO. There are currently two offices with the Headquarters in Suva, a branch in Lautoka and a new branch expected in the Northern division in 2017.

The training and development provided to the workforce in 2016, included training on customer services, quality management, OHS, Leadership and others as provided by the NTPA/FNU. One staff is enrolled in Law with FNU under the Corporation's education assistance programme, which helps staff achieve formal qualifications.

In 2016 the staff was offered education assistance through a cost sharing programme for staff wishing to earn formal qualification from a local university. There is also a medical benefit scheme available to staff.

The performance management system rewards for the years 2013 and 2014 was paid last year and the 2015 rewards in 2017. The use of PMS in assessing performance for rewards, training needs and development of staff continues to benefit the organisation and we are working to continue to improve this assessment methods.

The Job Evaluation Exercise for management positions was conducted in late 2016.

Vision and Mission

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

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

Our Purpose

The company's major business activities are as follows:

- a) Administration of deceased persons' estate;
- b) Trustee Services;
- c) Will Making;
- d) Power of Attorney services;

Our Values

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

- a) **Honesty**
Being open and honest in all our dealings;
- b) **Integrity**
Adhering to moral and ethical principles of the business and maintaining the highest integrity at all times;
- c) **Respect**
Treating all with high regard and self-esteem through our services;
- d) **Professionalism**
Discharging our duties with integrity, providing quality service and being reliable and responsible.
- e) **Customer Service**
Providing timely and accurate information;

Implementing suggestion from customers on how better we can serve them;
- f) **Timeliness**
Committing towards creating and meeting realistic deadlines.
- g) **Our People**
Training, developing, maintaining and rewarding our people.



Fiji Public Trustee Corporation Limited - Strategic Plan 2015–2017

Vision

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

Mission

To provide Fijians with expert, professional and timely service

Values

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

Customer Service

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

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

People and Culture

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

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

Business Improvements

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

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

Stakeholder Partnerships

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

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

Operations Performance

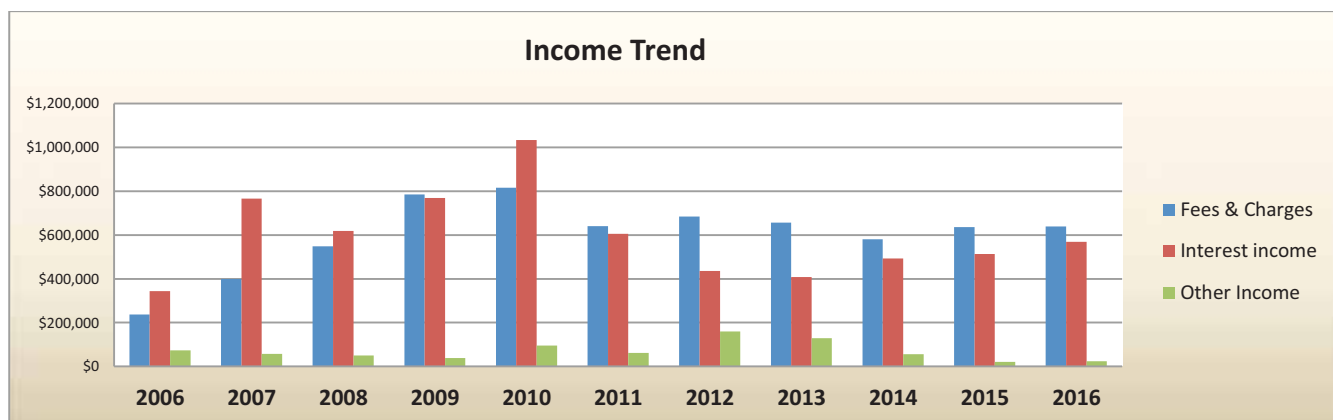


Figure 1

The Corporation income is derived from Fees and Charges and interest on investments. The fees charged by the Corporation are as legislated under the Fiji Public Trustee Corporation Act. 2006. Estate Administration fees are reorganised on the timing of services provided and based on the valuation of assets under administration.

In 2016, fees and charges from core-business increased by 1%, whilst income from investments increased by 14% resulting in total income of \$1.12 million in 2016 compared to \$1.11 million in 2015. The financial objectives of our current strategic plan is to work towards increasing our core business income from fees and charges by 3% with the overall income growth of 4% in 2016, this was achieved in 2016.

The operations performance in the last ten years as reflected in the Figure.1, The average increase in our income was 10%, average increase in our expenses was 12% and net profit before taxes was 13%. We continue the profitability trend since corporatisation for the eleventh year, whilst being self-funded and provided services at no cost to government.

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

The challenges in our business arise from competition in the market, certain legislation and policy changes affecting our trust business and staying ahead to meet customers changing demands. We have over the years worked on innovating and identifying new services based on customer demand and generates the much needed income to supplement our core business.

Wills awareness and marketing has been successful in reaching out to the public and being part of the community. Awareness was done through group presentations, government expeditions, radio and TV talkback shows and promotions through the social media. The feedback has been positive with the increasing number of Wills drafted, queries online and through our offices.

Whilst our primary objective is the long-term financial viability of our business and in ensuring that we remain a relevant part of the economy, we also provide quasi-judicial duties at our own cost.

Financial Highlights

Financial Performance

The financial performance of the Corporation over the years has been affected by a lot of factors. The income is made of Fees and Charges 56%, Investment Income 44% and other income 2% in 2016. The Fees and charges are legislated and charged at various stages of the administration process based on the valuation of estates or trust. Value of assets is the major factor in determining fees. There are no inheritance taxes in Fiji; however Capital Gains Taxes (CGT) is applicable on the distribution and settlement of an Estate.

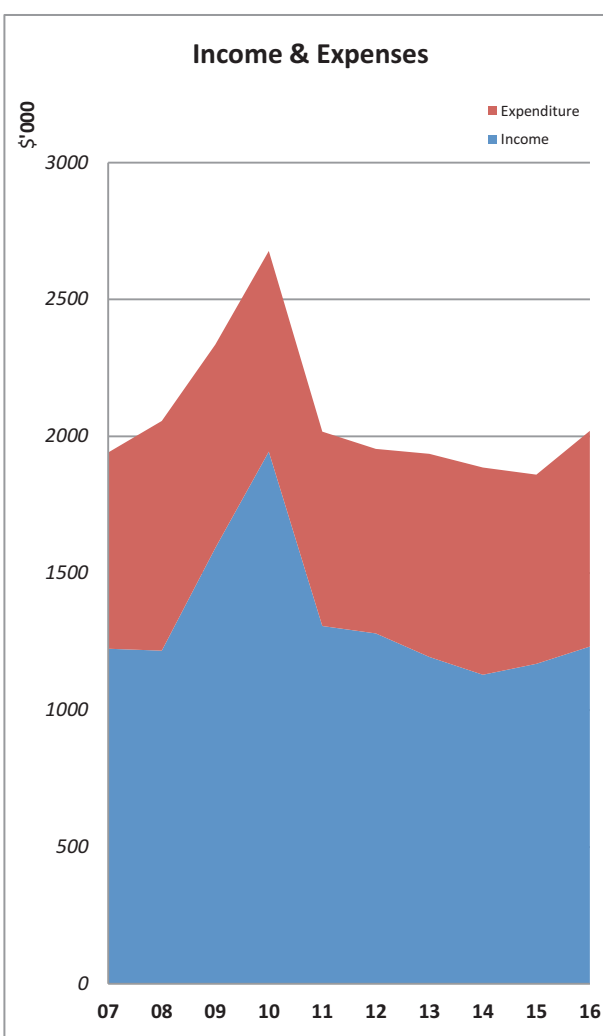
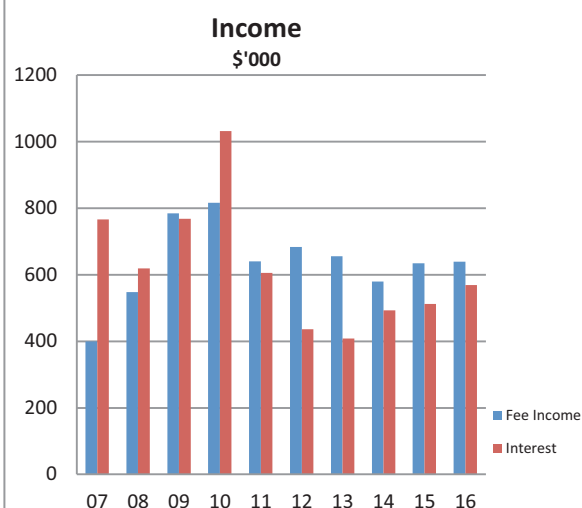
Investment income has been volatile in the past years mainly due to the performance of the financial markets. The Corporation investments are 76% in financial assets and 24% in real property. We saw an average drop of 25% between 2010-2013 and a recovery of 7% in the last 3 years. The Corporation will be exploring further investment strategies to improve income from investments.

The expenses over the last ten years increased on average of 12%. The major increases are the HR related costs together with our general administration costs. This relates to salaries, training and development and depreciation costs on our assets. The Net profit before taxes on average was 13% in the last ten years.

Major financial achievements over the years were:

- Paid \$4.6 million from Capital Reserves to Government;
- Paid \$1.5 million in dividend to Government.
- Paid over \$4 million in income taxes and other statutory taxes;
- Distributed over \$10 million since 2006 in interest to beneficiaries of Estates & Trust held in our custody.

The Corporation is continuing to innovate and identify new services to complement our core business and supplement income from Estates & Trust.



Financial Highlights

Statement of Financial Position

Total Assets of the Corporation as at 31st December 2016 was \$8,875,740 comprising of the following:

Financial Assets	69%
Property, Plant & Equipment	22%
Receivables	5%
Cash & Cash Equivalents	3%
Other Assets	1%

Total Assets decreased by 11% in 2016 after the payment of dividend and the redemption of some capital reserves. The Financial Assets, which includes term deposits and investments in managed funds represent majority of the Assets.

Total Liabilities of the Corporation as at 31st December 2016 were \$64,436 comprising of the following:

Trade & Other Payables	100%
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The current liabilities are mainly debts from operations that are cleared within 12 months period.

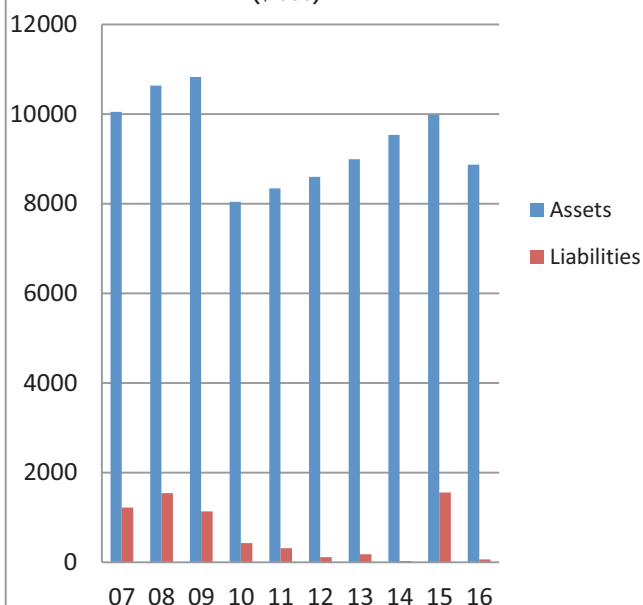
Total Shareholders' Equity of the Corporation as at 31st December 2016 was \$8,811,304 comprising of the following:

Capital Reserve	52%
Retained Earnings	43%
Revaluation Reserve	4%
Share Capital	1%

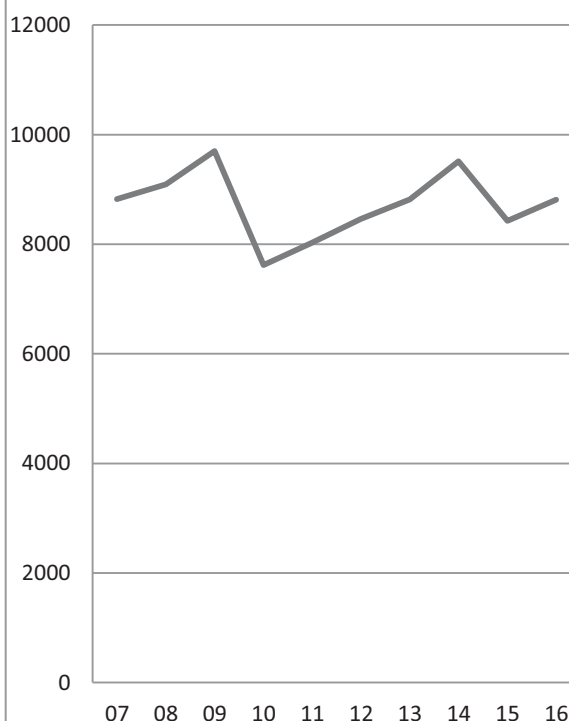
The capital reserves of 52% or \$4.8M consist of the surplus funds as per Sect. 12 of the FPTC Act. 2006. The retained earnings are \$3.7M total todate after dividend payments of \$1.5M in the past. The revaluation reserves are gains and losses recorded through the revaluation of certain assets and share capital remains at 1%.

Cash flow and Liquidity continue to be favorable, improving the solvency status of the Corporation.

Assets & Liabilities
(\$'000)



Shareholders Equity
(\$'000)



Estates Administration

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

The FPTCL administers estates where:

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

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

The Estate Department also manages estates for people who have died intestate, (without making a Will) usually at the request of beneficiaries of the deceased person, or where there is no obvious next of kin. Where there is no known next of kin, Public Trustee actively seeks to locate the beneficiaries entitled to share in the distribution of the estate under the laws of intestacy.

In 2016, the section opened 74 estates valued at \$3.4 million and settled and finalized 34 estates at a value of \$4.02. In the year, some long outstanding estates back dating 10 to 20 years were also settled and finalized. There are over 370 estates on hand as at 31 December 2016 with a total value of \$21 million.

Movement in Estates

	2012	2013	2014	2015	2016
New Estates	45	62	57	66	74
Value of New Estates	\$2.1M	\$2.7M	\$3.7M	\$4.12M	\$3.4M
Estates Settled & Closed	25	55	19	27	34

Trustee Services

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

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

The FPTCL's duties as trustee are to:

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

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

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

In the last two years, the total number of new trusts dropped mainly from FNPF minor trust which is now administered by the High Court through changes in the FNPF Decree. The Corporation has since made applications to court on a case-by-case basis to assist minors in the proper management of their trust funds. We are now offering other trust services based on customer demand such as personal management services to help people manage their financial affairs.

In 2016, there were 123 new trusts with a value of \$191K compared to 74 with a value of \$317K in 2015. There were 324 trust accounts valued at \$1.70 million fully settled in 2016 compared to 586 trusts valued at \$2.43 million in 2015.

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

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

	2012	2013	2014	2015	2016
No. of Trust A/C on Hand	12,436	10,171	9,821	9,309	9,108
Value of Trusts	\$25.0M	\$21.7M	\$19.4M	\$17.3M	\$15.8M

Legal Services

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

The Legal services team also assists in the conduct of:

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

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

- Executor assistance services;
- Application for grant to the High Court;
- Transfer of Property;
- Tax Clearance;
- Legal conveyance work.

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

The Legal team also conducts regular refresher training for staff on the various Acts and legislations that directly affect the services provided by the Corporation. This includes changes to legislations, lessons from various estates, trust and wills cases from the local and the commonwealth jurisdiction.

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of the Fiji Public Trustee Corporation Limited ("the corporation") as at 31 December 2016, the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

Directors

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

Mr. Ikbal Jannif (Chairman)
Mrs. Berny Nicholls

Principal Activities

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

Results

The net operating profit after income tax for the year was \$363,715 (2015: \$389,395) after providing \$80,411 (2015: \$88,526) for income tax.

The total comprehensive income for year was \$386,445 (2015: \$410,729).

Dividends

Directors recommended that no dividend be paid for the period ending 31st December 2016.

Reserves

The directors recommended that no transfer be made to reserves within the meaning of the Companies Act, 2015.

Bad and Doubtful Debts

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
DIRECTORS' REPORT - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

Non-Current Assets

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

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

Related Party Transactions

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

Other Circumstances

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

Unusual Transactions

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

Events Subsequent To Balance Date

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
DIRECTORS' REPORT - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

Other Circumstances

As at the date of this report:

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

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

Directors' Benefits

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

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

Dated this 24th day of May 2017.



Chairman



Director

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

In accordance with a resolution of the Board of Directors of Fiji Public Trustee Corporation Limited, we state that in the opinion of the directors:

- i. the accompanying statement of comprehensive income of the Corporation is drawn up so as to give a true and fair view of the results of the Corporation for the year ended 31 December 2016;
- ii. the accompanying statement of changes in equity of the Corporation is drawn up so as to give a true and fair view of the changes in equity of the Corporation for the year ended 31 December 2016;
- iii. the accompanying statement of financial position of the Corporation is drawn up so as to give a true and fair view of the state of affairs of the Corporation as at 31 December 2016;
- iv. the accompanying statement of cash flows of the Corporation is drawn up so as to give a true and fair view of the cash flows of the Corporation for the year ended 31 December 2016;
- v. at the date of this statement there are reasonable grounds to believe the Corporation will be able to pay its debts as and when they fall due; and
- vi. all related party transactions have been adequately recorded in the books of the Corporation.

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

Dated this 24th day of May 2017.


Chairman


Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Fiji Public Trustee Corporation Limited ("Corporation"), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Responsibilities of the Management and Directors for the Financial Statements

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

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

The management and directors are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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


 Ajay Nand
 AUDITOR GENERAL



Suva, Fiji
 26 May 2017

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Fees	3	639,025	635,250
Interest income		568,634	512,650
Other income		24,105	21,470
Total Revenue		1,231,764	1,169,370
General and administration expenses	4	223,314	187,793
Selling expenses		17,300	20,232
Staff and employee costs	4	547,024	483,424
Total Expenses		787,638	691,449
Operating profit before income tax		444,126	477,921
Income tax expense	6	80,411	88,526
Operating profit after income tax		363,715	389,395
Other comprehensive income	3	22,730	21,334
Total Comprehensive Income for the year		386,445	410,729

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	5	282,934	499,425
Trade and other receivables	7	433,251	490,027
Other current assets	8	80,522	229,493
Total Current Assets		796,707	1,218,945
Non-Current Assets			
Deferred tax assets	6	-	4,059
Financial assets	9	6,145,358	6,872,603
Property, plant and equipment	10	1,933,675	1,891,581
Total Non-Current Assets		8,079,033	8,768,243
Total Assets		8,875,740	9,987,188
Current Liabilities			
Trade payables and provision	12	64,436	60,410
Dividend payable		-	1,500,000
Total Current Liabilities		64,436	1,560,410
Non-Current Liabilities			
Deferred tax liability		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		64,436	1,560,410
Net Assets		8,811,304	8,426,778
Shareholder's Equity			
Share capital		2	2
Share premium reserve	13	99,998	99,998
Capital reserve	13	4,583,342	4,581,542
Revaluation reserve	13	381,924	359,194
Retained earnings		3,746,038	3,386,042
Total Shareholder's Equity		8,811,304	8,426,778

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

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


Chairman


Director

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Share Capital			
Opening balance		2	2
Issues during the year		-	-
Closing balance		<u>2</u>	<u>2</u>
Reserves			
<i>Share Premium Reserve</i>			
Balance at the beginning of the financial year		99,998	99,998
Balance at the end of the financial year		<u>99,998</u>	<u>99,998</u>
<i>Capital Reserve</i>			
Balance at the beginning of the financial year		4,581,542	5,679,592
Recovery on PTO debts/cases		1,800	1,950
Capital reserve redeemed		-	(1,100,000)
Balance at the end of the financial year		<u>4,583,342</u>	<u>4,581,542</u>
<i>Revaluation Reserve</i>			
Balance at the beginning of the financial year		359,194	337,860
Fair value movements - PPE		-	-
Unrealised gain/(losses) - Financial Assets		22,730	21,334
Balance at the end of the financial year		<u>381,924</u>	<u>359,194</u>
Total Reserves		<u>5,065,264</u>	<u>5,040,734</u>
Retained Earnings			
Opening balance		3,386,042	3,396,647
Dividend tax (1%)		(3,719)	-
Net profit after tax for the year		363,715	389,395
Dividend paid		-	(400,000)
Closing balance		<u>3,746,038</u>	<u>3,386,042</u>
Total Shareholders' Equity		<u>8,811,304</u>	<u>8,426,778</u>

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
Cash Flows from Operating Activities			
Receipt from customers		719,905	625,136
Payment to suppliers and employees		(573,437)	(594,729)
Interest received		568,634	512,650
Income tax paid		(80,411)	(88,526)
Net cash provided by operating activities	16	<u>634,691</u>	<u>454,531</u>
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(99,239)	(37,410)
Proceeds from investments		749,976	(1,400,000)
Net cash provided /(used) by investing activities		<u>650,737</u>	<u>(1,437,410)</u>
Cash Flows from Financing Activities			
Dividend paid		(1,500,000)	-
Recovery /(payment) on PTO debts/cases		1,800	1,950
Dividend tax paid		(3,719)	-
Net cash (used by) Financing Activities		<u>(1,501,919)</u>	<u>1,950</u>
Net decrease in cash		(216,491)	(980,929)
Cash at the beginning of the year		499,425	1,480,354
Cash at the end of the year	5	<u>282,934</u>	<u>499,425</u>

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Corporate Information

Fiji Public Trustee Corporation Limited is a limited liability company incorporated and domiciled in Fiji. These financial statements were authorized for issue by the Directors on 24th May 2017.

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

2. Statement of Significant Accounting Policies

Set out below is a summary of the significant accounting policies adopted by the Corporation in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

The financial statements have been prepared in accordance with the Companies Act, 2015 and International Financial Reporting Standards (IFRS) prescribed by the International Accounting Standards Board.

(a) Basis of Preparation

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

(b) Significant Accounting Judgments, Estimates and Assumptions

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

Judgments

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(b) Significant Accounting Judgments, Estimates and Assumptions (cont'd)

Operating Lease Commitments

The Corporation has entered in commercial property leases. The Corporation has determined based on an evaluation of the terms and conditions of the arrangements, that it does not retain all the significant risks and rewards of ownership of the property and so accounts for the contracts as operating leases.

Estimations and Key Assumptions

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

Impairment of Non-Financial Assets

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

(c) Taxes

Current Income Tax

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

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

Deferred Income Tax

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(c) Taxes (cont'd)

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

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

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

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(c) Taxes (cont'd)

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

Value Added Tax

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

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

(d) Property, plant and equipment

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

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(d) Property, plant and equipment (cont'd)

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

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

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

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

(e) Inventories

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

(f) Financial Assets

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(f) Financial Assets (cont'd)

Subsequent measurement

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

Financial assets at fair value through profit or loss

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

Impairment of financial assets carried at amortised cost

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(g) Financial Liabilities

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

Offsetting of financial instruments

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

Fair value of financial instruments

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(g) Financial Liabilities (cont'd)

Amortised cost of financial instruments

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

(h) Leases

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

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

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

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

(i) Intangible Assets

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(j) Impairment of Non-Financial Assets

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

(k) Provisions

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

(l) Revenue Recognition

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

Fees and charges

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Statement of Significant Accounting Policies (cont'd)

(l) Revenue Recognition (cont'd)

Interest income

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

Investment Fees

The Corporation charges investment fees for acting as trustees and managing the investment of Trust Funds. The fee is set as a percentage of funds under management as outlined in the Fiji Public Trustee Corporation Act, 2006. The investment fee is recognised at the time the service is provided and was 0.5% (2015: 0.5%).

Dividends

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

(m) Cash and Cash Equivalents

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

(n) Employee Benefits

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

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

(o) Comparatives

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Revenue	2016	2015
	\$	\$
<u>Fees</u>		
Acceptance fees	57,755	60,083
Distribution fees	132,062	123,400
Income fees	55,779	54,515
Investment fees	96,953	102,605
Legal fees	34,340	28,306
Service fees	262,136	266,341
Fee Revenue	639,025	635,250
Other Comprehensive Income		
Land and Building		
Opening balance	1,821,022	1,791,959
Additions	11,549	29,063
Less depreciation	(77,283)	(54,467)
Net book-value	1,755,288	1,766,555
<i>Revaluation price as at 31 Dec</i>	-	-
Fair Value movement	-	-
Available-for-sale Assets (Financial Assets)		
Opening balance	1,107,974	586,640
Additions	1,000,000	500,000
Total	2,107,974	1,086,640
Market valuation as at 31 Dec	2,130,704	1,107,974
Unrealised Gain	22,730	21,334
Other Comprehensive Income	22,730	21,334
4. Expenditure		
General and Administration Expenses		
Audit fees	8,440	7,304
Professional/Legal fees	9,138	5,553
Depreciation	57,145	55,514
Directors remuneration	22,194	19,807
Operating lease rentals – office	7,590	7,508
Other operating expenses	118,807	92,107
	223,314	187,793

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
4. Expenditure (cont'd)		
Staff and Employee Costs		
Wages and salaries	413,128	394,052
Superannuation	48,410	43,797
NTPC Levy	4,903	4,311
Training	12,833	9,483
Other costs	67,750	31,781
	<u>547,024</u>	<u>483,424</u>
5. Cash and Cash Equivalents		
Cash on hand	-	-
Cash at bank	282,934	499,425
	<u>282,934</u>	<u>499,425</u>

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

6. Income Tax

The major components of income tax expense for the years ended 31 December 2016 and 2015 are:

Income tax expense		
Current income tax charge	80,411	88,526
Adjustments in respect of previous year	-	-
Origination/reversal of temporary differences	-	-
Income tax expense	<u>80,411</u>	<u>88,526</u>

A reconciliation between tax expense and the product of accounting profit multiplied by the prima facie tax rate for the years ended 31 December 2016 and 2015 are:

Accounting profit before income tax	444,126	477,921
<u>Add/(Deduct)</u>		
Exempt income	(51,881)	(41,221)
50% FNPF employer's contribution	24,205	21,898
Donations to charitable trusts @150%	-	(750)
(Over)/under provision in prior years	(14,393)	(15,218)
Chargeable income	<u>402,057</u>	<u>442,630</u>
Prima facie tax payable at 20% (2015:20%)	<u>80,411</u>	<u>88,526</u>
<u>Deferred tax asset relates to:</u>		
Employee entitlements	<u>-</u>	<u>4,059</u>

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
7. Trade and Other Receivables		
Fees and VAT receivable from Trust & Estates	171,449	380,333
Interest receivable	261,049	98,602
Grant claimable	-	10,540
Receivable others	753	552
	<u>433,251</u>	<u>490,027</u>
Trade receivables are non-interest bearing and are generally on 30 – 90 day terms. As at 31 December, trade and other receivables at initial value of nil (2015: nil) were impaired and fully provided for.		
8. Other Current Assets		
Prepayments & deposits paid	17,216	11,370
Resident Interest Withholding Taxes and Others	19,217	194,962
Other current assets	44,089	23,161
	<u>80,522</u>	<u>229,493</u>
9. Financial Assets		
Held-to-maturity investments	4,014,655	5,764,630
UTOF	1,126,962	574,755
FHUT	1,003,741	533,218
	<u>6,145,358</u>	<u>6,872,603</u>

Surplus of assets over liabilities arising from the assumption of assets and liabilities of the former Office of the Public Trustee was transferred to the Corporation on establishment. The balance is the retained earnings placed with financial institutions in interest bearing term deposit and balance is cash at bank.

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
10. Property, Plant and Equipment		
Land and Building		
Cost at the beginning of the year	1,821,022	1,791,959
Additions during the year	11,549	29,063
Fair value movements	-	-
Disposals	-	-
Cost at 31 December	<u>1,832,571</u>	<u>1,821,022</u>
Depreciation and impairment		
Accumulated balance at beginning of the year	54,467	31,958
Depreciation charge for the year (1.25%)	22,816	22,509
Disposals during the year	-	-
Accumulated balance at 31 December	<u>77,283</u>	<u>54,467</u>
Net book value – Land and Building	<u>1,755,288</u>	<u>1,766,555</u>
Furniture and Fittings		
Cost at beginning of the year	128,136	125,527
Additions during the year	1,395	2,609
Disposals during the year	(58,295)	-
Cost at 31 December	<u>71,236</u>	<u>128,136</u>
<i>Depreciation and impairment</i>		
Accumulated balance at beginning of the year	96,172	88,952
Depreciation charge for the year	7,032	7,220
Disposals during the year	(58,295)	-
Accumulated balance at 31 December	<u>44,909</u>	<u>96,172</u>
Net book value – Furniture and Fittings	<u>26,327</u>	<u>31,964</u>

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
10. Property, Plant and Equipment (continued)		
Office Equipment (WIP)		
New Server	13,979	-
Office Equipment		
Cost at the beginning of the year	156,578	155,817
Additions during the year	72,315	761
Disposals during the year	(57,082)	-
Cost at 31 December	171,811	156,578
<i>Depreciation and impairment</i>		
Accumulated balance at beginning of the year	120,044	106,582
Depreciation charge for the year	14,895	13,462
Disposals/adjustments during the year	(57,082)	-
Accumulated balance at 31 December	77,857	120,044
Net book value – Office Equipment	93,954	36,534
Motor Vehicles		
Cost at beginning of the year	68,890	63,913
Additions during the year	-	4,977
Disposals during the year	-	-
Cost at 31 December	68,890	68,890
<i>Depreciation and impairment</i>		
Accumulated balance at beginning of the year	12,362	36
Depreciation charge for the year	12,401	12,326
Disposals/adjustments during the year	-	-
Accumulated balance at 31 December	24,763	12,362
Net book value – Motor Vehicles	44,127	56,528
Net Written Down Value	1,933,675	1,891,581

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
11. Intangible Assets		
<u>Computer Software</u>		
Cost at beginning of the year	99,035	99,035
Transfer from WIP during the year	-	-
Additions during the year	-	-
Cost at 31 December	<u>99,035</u>	<u>99,035</u>
 <i>Amortisation and impairment</i>		
Accumulated balance at beginning of the year	99,035	99,035
Depreciation charge for the year	-	-
Disposals during the year	-	-
Accumulated balance at 31 December	<u>99,035</u>	<u>99,035</u>
 Net book value - Intangible Assets	<u>-</u>	<u>-</u>
12. Trade, Other Payables and Provisions		
Trade payables and accruals	58,540	37,921
Amounts payable to Trust and Estates	-	2,200
	<u>58,540</u>	<u>40,121</u>
Provisions		
Provision for Employee Entitlements		
Balance at beginning of the year	20,289	13,352
Arising during the year	5,065	20,289
Amounts utilised/paid	(19,458)	(13,352)
Balance at the end of the year	<u>5,896</u>	<u>20,289</u>
Provision for Income Tax		
Balance at the beginning of the year	-	16,233
Arising during the year	80,411	88,526
Amounts paid including RIWT	(80,411)	(104,759)
Balance at the end of the year	<u>-</u>	<u>-</u>
Total Provisions	<u>5,896</u>	<u>20,289</u>
 Trade & Other Payables and Provisions	<u>64,436</u>	<u>60,410</u>

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
13. Capital		
<u>Authorised Capital</u>		
100,000,000 Ordinary Shares of \$1.00 each	100,000,000	100,000,000
<u>Issued and Paid Up Capital</u>		
2 Ordinary Shares at \$1.00 each	2	2
<u>Share Premium Reserve</u>		
Share premium paid on Ordinary Shares	99,998	99,998
<u>Capital Reserve</u>		
Balance at beginning of the year	4,581,542	5,679,592
Recovery / (Payment) on PTO debts/cases	1,800	1,950
Capital reserve redeemed	-	(1,100,000)
Balance at end of the year	4,583,342	4,581,542

The Capital reserve represents the Government of Fiji's contributed equity to the Corporation in the form of net assets of the former Office of Public Trustee. Excluded from these net assets were debts of Trust & Estate accounts that remained outstanding on establishment of the Corporation. The Corporation is required under section 12(5) of the Fiji Public Trustee Corporation Act 2006 that "*it shall continue to take all possible steps to recover the monies outstanding*". The recognition of debts previously not recognised on establishment, when collected by the Corporation is reflected as an increase in Capital Reserve.

<u>Revaluation Reserve</u>		
Balance at the beginning of the financial year	359,194	337,860
Unrealised gain/(losses) - Financial Assets	22,730	21,334
Balance at end of the financial year	381,924	359,194

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

14. Commitments

a) Commitments - Nil (2015: Nil)

b) Operating lease commitments

Future operating lease rentals not provided for in the financial statements and payable:

	2016	2015
	\$	\$
Not later than one year	7,590	35,087
Later than one year but not later than three years	-	-
Later than three years but not later than five years	-	-
Balance at end of the year	<u>7,590</u>	<u>35,087</u>

15. Trusts & Estates Under Management

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

	2016	2015
	\$	\$
<u>Assets</u>		
Cash at Bank	1,850,332	1,466,833
Investments in Pooled Funds	25,927,539	27,089,000
Investments held individually	55,530	49,531
Non Cash Assets	20,264,461	18,337,522
Balance at end of year	<u>48,097,862</u>	<u>46,942,886</u>
<u>Liabilities</u>		
Provision for Trust Claims	2,341,443	2,374,569
Fees and other payables to the Corporation	430,400	477,361
Interest Due for Distribution	842,474	830,030
Balance at end of year	<u>3,614,317</u>	<u>3,681,960</u>
Net Value	<u>44,483,545</u>	<u>43,260,926</u>

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

16. Notes to the Statement of Cash Flows	2016	2015
	\$	\$
i) Reconciliation of net cash inflows from operating activities to operating profit after income tax:		
Operating profit after income tax	363,715	389,395
Depreciation	57,145	55,517
Other comprehensive income	-	-
<i>Changes in assets and liabilities:</i>		
Decrease / (Increase) in receivables	56,775	(31,584)
Increase in accounts payable and accruals	4,026	34,201
Decrease / (Increase) in deferred tax asset	4,059	(1,388)
Decrease in other assets	148,971	8,390
Net cash provided by Operating Activities	634,691	454,531

17. Financial Risk Management Objectives and Policies

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

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

Market risk

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

Interest rate risk

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

17. Financial Risk Management Objectives and Policies (cont'd)

Foreign currency risk

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

Credit risk

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

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

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2016	2015
	\$	\$
Cash and cash equivalents	282,934	499,425
Trade and other receivables	433,251	490,027
Held-to-maturity investments	6,145,358	6,872,603
	<u>6,861,543</u>	<u>7,862,055</u>

Liquidity risk

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

18. Contingent Liabilities

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

19. Related Parties

Transactions with related entities during the year ended 31 December 2016 with approximate transaction values are summarized as follows:

a. The names of persons who were Directors of the Corporation at any time during the financial year are:			
Mr Ikbal Jannif			
Ms Berny Nicholls			
		2016	2015
		\$	\$
b. Transactions with Directors for the year were:			
	Directors' remuneration	22,194	19,801
	Management remuneration	185,717	87,329

20. Principal Activities

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

21. Subsequent Events

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

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

FIJI PUBLIC TRUSTEE CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - *continued*
FOR THE YEAR ENDED 31 DECEMBER 2016

22. Registered Office

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

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

