

Fiji Public Trustee
Corporation Limited

Fiji Public Trustee Corporation Pte Limited

Annual Report

2018



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER 69/2020

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CHAIRMAN'S FOREWORD



Dear Shareholders

On behalf of the Board of Directors and Management of the Fiji Public Trustee Corporation Pte Limited (FPTCL) it gives me great pleasure to present the 2018 annual report of the Company.

This is my first annual report after being appointed as Chairman in July 2018 along with two additional members, so essentially, we at the Board were a set of new recruits except for one existing member.

I am therefore pleased to report that the notable growth in profitability for the 2018 year compared to that of the previous year can be attributed to the focussed and committed leadership of the new board. Profitability for the 2018 year grew by almost 50 percent which is a high achievement by most standards for business.

Our Focus and Strategy

As a new Board, we were strongly committed to the implementation of the Corporate Plan for the three years from 2018 to 2020 which we inherited and had the opportunity to review for immediate implementation.

In addition to the Corporate Plan, the Board mobilised the implementation of the Digitisation Plan during the 2018 year for better service delivery and performance of the Corporation. In keeping with the focus on better performance and to maintain our premier status as the preferred service provider of trustee services and estate planning and related advisory service, the Board appointed two sub-committees: Audit, Governance & Risk and Legal & Human Resources. These two committees will ensure the adherence to best practice for risk evaluation and

better management and application of our human resources capabilities.

Legal Framework

The business operations of the Corporation is guided and monitored by the Fiji Public Trustee Corporation Act, 2006 and I am pleased to note that with the newly appointed Board Team we find ourselves better equipped with relevant credentials to ensure sound practice and management of the Corporation's pivotal role in estate management service offerings to the public of Fiji.

Having set our strategic direction and in keeping with our Mission to become "Fiji's trusted service provider of Estate and Trust administration services" we are aiming to deliver on that with utmost pride and commitment and to support our Management team in driving this agenda.

As a Government owned entity adherence to and working within the ambit of the legal framework set out by the Fiji Public Trustee Corporation Act, 2006 is mandatory to ensure the perception of independence is maintained at all times. The Board will remain mindful and focussed on this perception of the Corporation.

Future Direction

We at the Board of Directors believe that FPTCL has to direct attention and energies to growing the business with sustainability as this will ensure continuity of the company while providing the much needed estate services and education in this space to all Fijians.

We want to become accessible and readily available to all Fijians.

Finally, I wish to express my gratitude to all my fellow Board members for their support and service to the Corporation. I also wish to acknowledge the hard and committed work of the Chief Executive Officer and his Management Team in achieving the commendable financial performance for the 2018 year.

Sunil Sharma
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



The year 2018 was challenging but a productive one for the Fiji Public Trustee Corporation Pte Limited as we shifted our focus towards our “2018-2020” Vision which is “To be Fiji’s trusted independent Estates and Trust administration service provider”, with the primary goal “To be financially viable”, whilst providing services to the people of Fiji at no cost to the Fijian Government.

Financial & Operational Performance

The Corporation recorded a net profit after taxes of \$875,565 compared to \$455,925 in 2017. Income increased as a result of high-value estates settled, increase in investment fees and the increase in net value of our investments. The Team accepted a total value of \$3.96 million of Estates and Trust compared to \$3.98 million in 2017. We settled a total value of \$8.04 million compared to \$7.37 million in 2017. A total of 287 wills were prepared in 2018 compared to 240 last year.

Our Services & Our People

Work was focussed on delivering quality frontline services and responding to the changing needs of our clients and the community. Our services have spread through new marketing and awareness activities such as presentations to workers, community groups, roadshows as well as participating in various expos throughout Fiji. The use of social media has attracted a wider audience that extends to Fijians overseas.

An enduring strength of the Fiji Public Trustee is the people who work here. We provide a broad and encompassing training initiative, which helps to ensure employees receive professional development upon joining, and ongoing capacity building as they progress in their career with us.

This programme also includes developing skills to better recognise and serve the special needs of clients. A group of Managers were engaged in exploring other services through a study visit to the Public Trust in New Zealand and research is underway in developing new trust services to provide to the people of Fiji.

Governance & the Digital journey

Keeping in line with Corporate Governance, we are working on recommendations from internal audits which focus on strengthening value-adding changes to the current business processes in key risk areas as determined by the internal auditors. The Board is leading the charge on this enhancement initiative and we now have in place recommendations which are practical and monitored strictly, together with the Management on critical actions and tasks.

We initiated a digitisation project that we believe will deliver organisational efficiencies and sustainable improvement in business processes. Increased digital capabilities will also enhance our clients’ experience, as we make it easier, faster and more efficient for people to access our information and services whether that is online, over the telephone, or in person.

Corporate Social Responsibility

As part of the Corporation’s Corporate Social Responsibility, in 2018 the former board Chair opened the newly renovated Penang Primary School – Kindergarten which was funded by the Corporation through the “Prime Minister’s Adopt a School Programme” for schools destroyed during Tropical Cyclone Winston.

I wish to thank the Board, Management and Staff for another successful year.

Atonio Takala
Chief Executive Officer

SNAPSHOT OF FIJI PUBLIC TRUSTEE 2018



Permanent Secretary for Public Enterprises Jitendra Singh (second from left), received the dividend cheque of \$500,000 from Fiji Public Trustee Corporation Limited board members (from left) Lorraine Seeto, Sunil Sharma, Bernie Nicholls



The Corporation funded the renovation works for Penang Primary School – Kindergarten school that was destroyed during Tropical Cyclone Winston



Pinktober celebrations at the Corporation Headquarters



Estate Charity donation to St Christopher's Home



Adopting a School Project



Fiji Public Trustee Corporation Limited CEO Antonio Takala (centre) and his Management sit before the Parliamentary Standing Committee on Social Affairs



The Government Services Expo Roadshow in Lau



Community awareness and outreach in Rakiraki

BOARD OF DIRECTORS



Sunil Sharma

Mr Sharma was appointed Chairman of the Corporation in July 2018. He is a Senior Partner of PKF aliz pacific, Chartered Accountants and Business Advisors. He comes with more than 28 years' of experience in Auditing/ Assurance, Taxation and Business Advisory, of which 20 years have been in executive leadership roles.

He is a current Independent Director of Merchant Finance Limited, Chair of the University of South Pacific Grants Committee, Executive Board Member & Company Secretary/Treasurer of the Fiji Chamber of Commerce & Industry (FCCI), a member of the Employer Panel of the Arbitration Court and a member of National Employment Centre Board (as a representative of the FCCI).

He is also a member of the Australian Institute of Company Directors and holds post graduate qualifications in Management. His interests as a professional lie in the area of business development for growth prospects and risk management. This is well served through his various executive and advisory roles.



Lorraine Seeto

Ms Seeto was appointed director in July 2018 and she is the Chair of the Audit, Risk and Finance sub-committee. Ms Seeto is a career central banker and is Chief Manager Governor's Office. She joined the Reserve Bank of Fiji in 1981 and was the Bank's first female executive, promoted in 1998 as Chief Manager Currency and Corporate Services. She has also performed the role of Chief Manager Corporate Planning and Assurance, Advisor to the Governors and Chief Manager Risk Management and Communications.



Sera B Nicholls

Ms Nicholls was appointed as director in 2013 and was re-appointed in 2017. She is the Chair of the Human Resource & Legal sub-committee. She has held a range of roles including Trade Liaison with the British High Commission and Regional Representative for Crown Agents for Overseas Governments. She is a Managing Director of her company Plumbing & Property Services.



Timaima Vakadewabuka

Ms Vakadewabuka was appointed as a director in July 2018. She is the Principal Legal Officer with the Office of the Attorney-General/Office of the Solicitor-General. She also serves on the Film Fiji Board and is a Legal Advisor to Maritime Affairs Coordinating Committee and also a Member of the Fiji Fisheries Licensing Committee. She was also a member of the Fiji Delegation to COP 21, COP 22, COP 23 and COP 24.

MANAGEMENT TEAM



Atonio Takala

Chief Executive Officer

Mr Takala joined the Corporation in November 2008 as the Manager Finance & Administration and was appointed Chief Executive Officer in August 2013. Mr Takala holds an MBA and a Bachelor's in Commerce from the University of the South Pacific (USP) and is an Associate of the Society of Trust & Estates Practitioners of New Zealand, an accredited mediator from the Singapore Mediation Centre and a member of the Fiji Institute of Accountants (FIA). Prior to joining FPTCL, he was employed with other organisations and accounting firms.



Salaseini Drekeni

Manager Estates & Trust

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



John Mow

Manager Finance & Administration/Board Secretary

Mr Mow joined the Corporation in 2018. He holds a Bachelor's in Commerce (Accounting & Economics) from the USP. He was previously employed as a senior financial analyst with the Ministry of Public Enterprises and as an auditor with PricewaterhouseCoopers. He is a provisional member of the FIA. He is an associate member of CPA Australia.

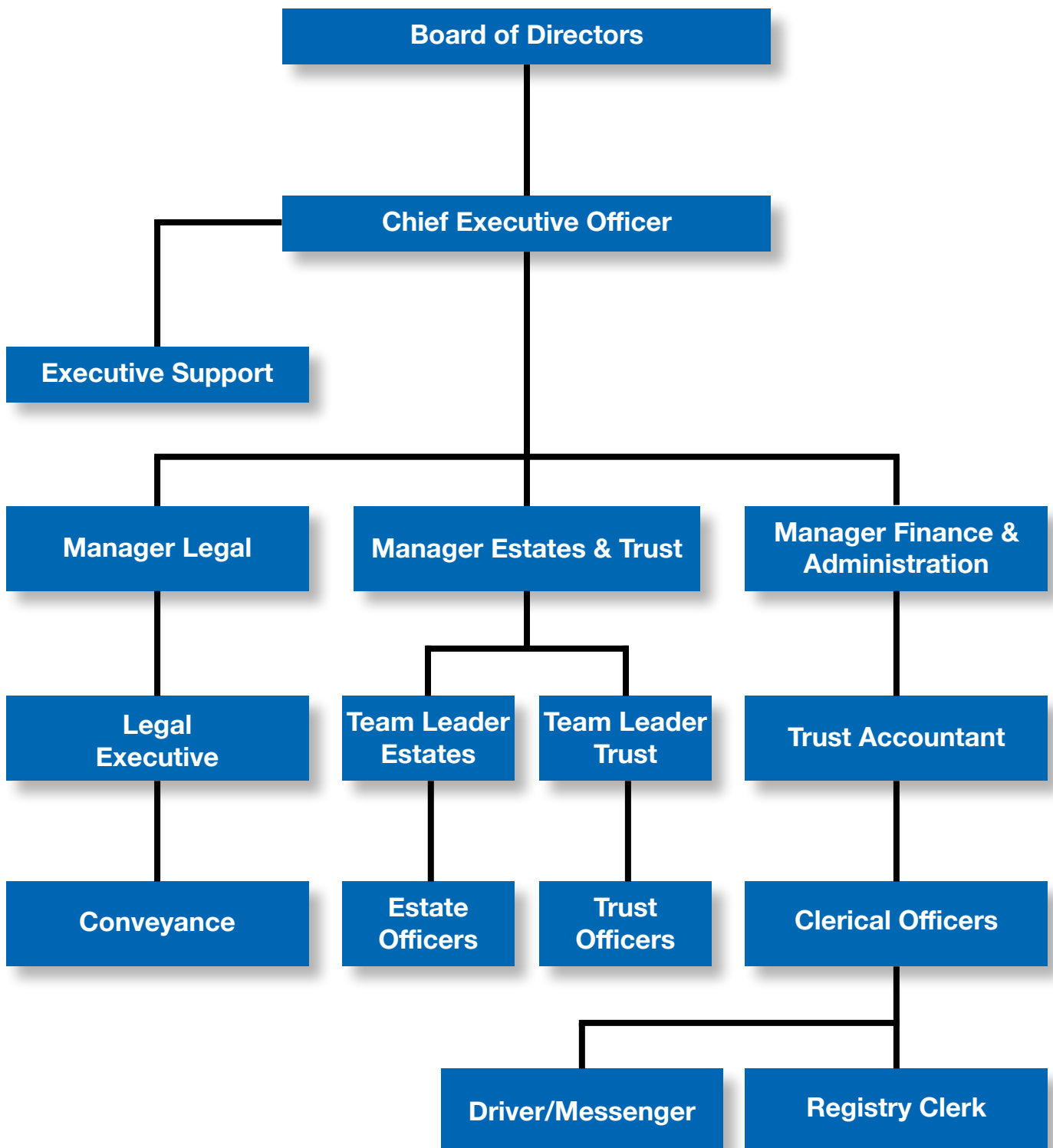


Priya Lal

Manager Legal

Ms Lal joined the Corporation in 2018 and is the Manager Legal. She holds a Bachelor of Laws (LLB) and Professional Diploma in Legal Practice from USP. She holds a valid legal practicing certificate for Fiji. Prior to joining FPTCL, she was employed as a Senior Legal Officer with the Legal Aid Commission.

ORGANISATION CHART



STRATEGIC PLAN 2018–2020

Vision

To be Fiji's trusted independent Estates and Trust administration and service provider

Mission

To provide Fijians with specialised estate and trustee services

Values

Our people will continue to provide services to the people with the following values:

- Respect
- Integrity
- Professional Service

Customer Service

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

People and Culture

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

Business Improvements

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

Stakeholder Partnerships

We will strengthen our business relationships with Government, agencies and business partners that play an important role in our business

Our strategies are

- Improve communication with customers
 - Work on simplifying processes and improve turnaround time
 - Implement suggestions from customers on how we can better serve them
- Develop staff to be experts and specialists in our Business
 - Succession Planning
 - Enhance staff wellbeing
- Sustainable and profitable business
 - Upgrade and enhance our ICT capabilities
 - Effective marketing awareness and public engagement
- Enhance better working relationships and understanding with stakeholders
 - Improve our engagement with the community
 - Explore business practices externally

WORKFORCE & HUMAN RESOURCES

As at 31st December 2018, the Corporation staff workforce complement was 23 compared to 22 in 2017. During the year, four Staff were recruited while three resigned. The workforce comprised 60 percent female and 40 percent male. Females represent 50 percent of the Management Team. In the same trend, the Board composition was 75 percent female and 25 percent male. While the Corporation ensures the best team is in place, gender equality and diversity are addressed in all requirements, training and development, promotion and outsourcing of services in our operations. The years of service of Staff ranges from two years to 15 years. The Corporation's offices include the headquarters in Suva and branches in Lautoka and Labasa where two staff each are stationed respectively.

Our strategies in maintaining and developing our people includes training in leadership, governance, risk and quality management, customer services, legal and trust updates provided inhouse and also by various training providers, consultants and industry experts.

Furthermore, our focus on "Change Management" is vital as we commence the digitisation of operations through the new document and workflow management system that is expected to lift our level of services and enhance staff competencies and skills.

Several Staff are enrolled at local universities for courses and programmes such as business management, commerce and law. These are provided under the Corporation's education

assistance programme that helps Staff achieve formal qualifications.

The strengthening of our human resources management systems also began in 2018 with the appointment of a board sub-committee, the audit of our HR system and structure, which led to the development and enhancement of policies, standards and best practices in people management. A group of executives including a Director, the CEO and two Managers went on a week's study programme to the New Zealand Public Trust (NZPT). The study visit provided the Team with insights and knowledge on better business practices through technological advancement and services provided by NZPT. The outcome of this visit has seen the commencement of work on new services to be provided to Fijians in the coming year and technological advancement in our operations.

Our staff welfare initiatives include medical benefits, health activities such as Team and group walks, staff and family fun day and staff involvement in the community through charity fundraising activities for breast cancer and prostate cancer patients. Furthermore, our engagement with the community through our estate charity distribution awareness and advocacy activities include the Team's participation at the National Financial Inclusion Taskforce's Financial Literacy Working Group's Retirement Expo, the Ministry for Women's National Women's Expo, the Fijian Government Services Expo to the rural areas of Fiji and the outer islands of Kadavu and the Lau group.



Corporation Staff and Families at the Family Day outing on Mosquito Island

MARKETING & AWARENESS

The Corporation carried out awareness drives around the country to enhance its profile and presence in the community. These awareness or information sessions were to advise and educate the general public about FPTCL and its services. The feedback our Team established, was the need to be visible and our Will services be readily available to the public.

These awareness drives also helped the Corporation in improving its services to meet our customers' expectations.

The Corporation organised an Outreach programme - Wills week, mobilising teams to Sigatoka, Nadi, Lautoka, Ba, Tavua and Rakiraki and in Labasa and Savusavu.

The Corporation's Marketing Team also partnered with stakeholders like the National Financial Inclusion Taskforce's Financial Literacy working group organisers of the Retirement Expo and the National Women's Expo.

We also participated in the annual Government Services Expo to Lau. This enabled the Corporation to take our services to the doorstep of customers and have their Wills drafted.



Our team participating at the Retirement Expo

The Corporation has realised the need to invest in digital marketing. Online marketing using social media platforms, has a far greater reach. Consumers are spending more time online shopping and researching new products. Digital Marketing has made it easier for us to connect with our customers through our Facebook, Twitter and LinkedIn accounts. This has also seen the effectiveness of digital marketing in growing our business brand.



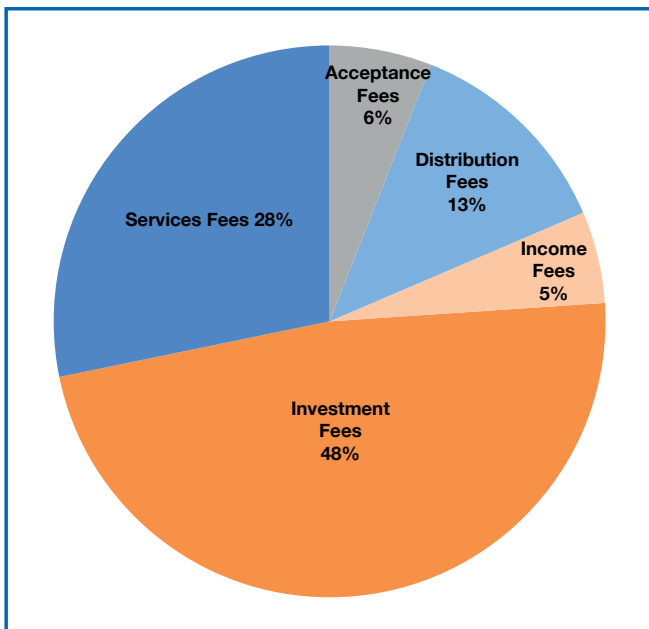
CEO Atonio Takala (fourth from left) presenting to stakeholders in Rakiraki town

OPERATIONAL PERFORMANCE

The Corporation's revenue is derived from fees and charges, interest on investments and other income. The fees charged by the Corporation are as legislated under the Fiji Public Trustee Corporation Act, 2006.

Estate administration fees are determined by the timing of services provided and the valuation of assets under administration. The major fees and charges are the investment fees, service fees, distribution fees, acceptance fees, and income fees.

Fees and Charges – 2018



In 2018, income from fees and charges from core business increased by 61 percent, whilst income from investments reduced by 13 percent. Total revenue in 2018 was \$1.98 million compared to \$1.19 million in 2017.

The Team accepted a total value of \$3.96 million of Estates and Trusts compared to \$3.98 million in 2017. We settled a total value of \$8.04 million compared to \$6.71 million in 2018.

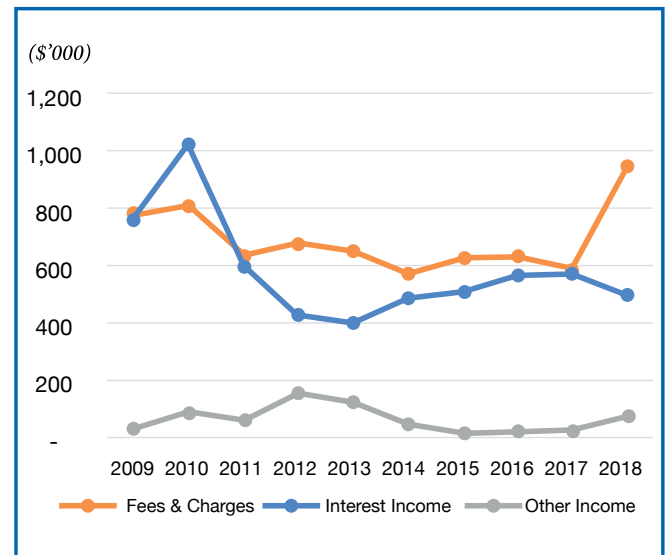
A total of 238 wills were prepared in 2018, 287 wills were prepared in 2017 compared to 240 in 2016.

The revenue growth was attributed to the increase in value of estates administered, the revaluation of financial assets to revenue and the increase in investment fees.

In the last 10 years, the drop in income from superannuation had an impact on our Trust business and income from investments depended largely on the volatility of the financial market.

The Corporation continues working towards being a viable business amongst competition in the legal/estate and trust services industry. It has continued to innovate by introducing other services to the people to complement our core business; invest on client services to maintain customer loyalty and increase marketing and awareness.

Income Trend



We anticipate that our investments in technology will improve operational and customer services, business efficiencies and risks associated with the safe custody of documents and records in the Corporation.

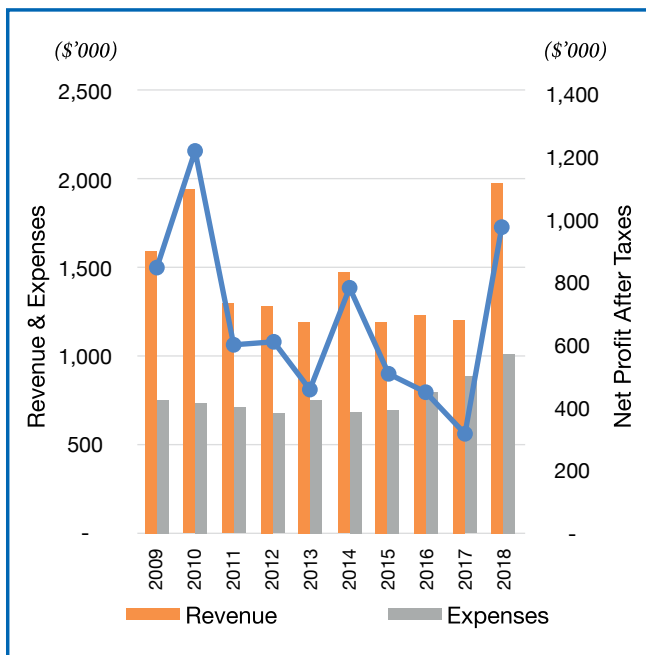
FINANCIAL PERFORMANCE

Financial Performance

Over the last 10 years, the average annual increase in revenue was four percent, and the average increase in net profit before tax was 36 percent.

The Corporation continues the trend of achieving profitability for the 13th consecutive year despite facing numerous business challenges.

Financial Performance



As at 31st December 2018, the Corporation adopted the changes in International Financial Reporting Standards (IFRS). This included IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers).

The challenges in our business arise from aggressive competition in the market, certain legislation and policy changes affecting our trust business, increasing cost of doing business and innovating to meet customers' changing demands.

Over the years, we have been working on identifying new services based on customers' demand and this has generated the much-needed income to supplement the Corporation's core business.

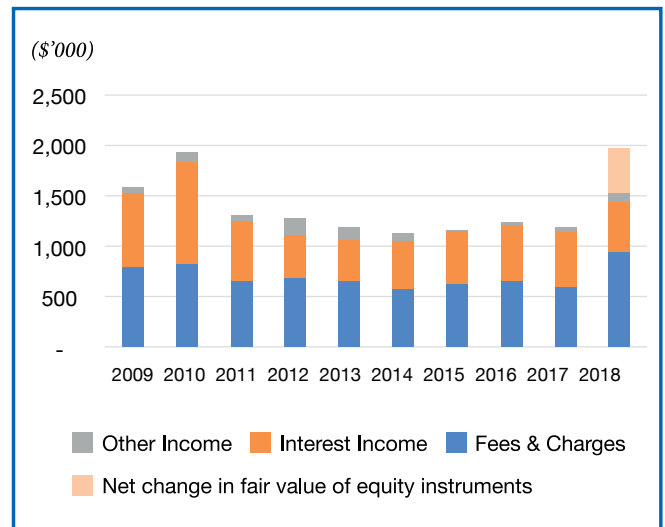
However, despite the business challenges faced and also the reduction in revenue for the 2017

financial year and net profit after tax in the current period, the Corporation has declared a dividend of \$500,000 for the 2017 financial year, taking the total dividend paid to Government in the last 10 years to \$5 million, which on average is 34 percent of the total shareholders' funds.

Revenue Composition

The financial performance of the Corporation over the years has been affected by many factors in 2018 the revenue comprises fees and charges, interest income from investment, other Income and net change in fair value of equity instruments (managed funds).

Revenue



The fees and charges are legislated fees charged at various stages of the administration process and based on the value of the estates or trusts.

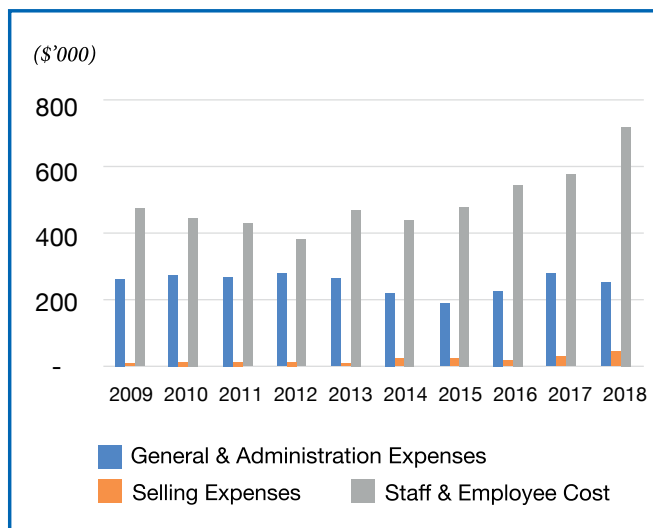
Other income comprises rental income and training grants reimbursed. Net change in fair value of equity instrument comprises gain in revaluation of investments in managed funds.

Interest income from investments has been volatile in the past years mainly due to the performance of the financial markets. The Corporation's investments are 78 percent in financial assets and 22 percent in real property.

Expenditure Trend

As a provider of estate and trust administration services, the Corporation is a labour intensive business. Maintaining staff over the years had its challenges, resulting in high staff turnover. A staff salary review was conducted in 2013 and management in 2016. In addition, training and development costs increased over the years including general administration and marketing expenses.

Expenditure



Financial Position

Total assets of the Corporation as at 31st December 2018 was \$15.75 million an increase of three percent from 2017. Total assets comprised the following:

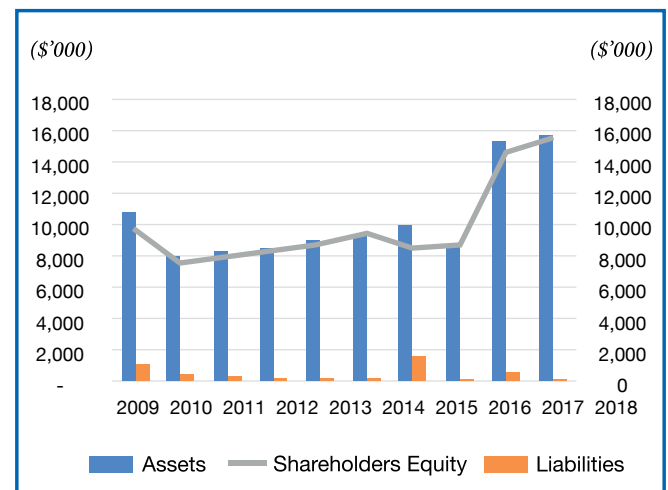
Type of Assets	Composition (%)
Financial Assets	78
Property, Plant & Equipment	12
Trade & Other Receivables	4
Cash & Cash Equivalent	2
Other Assets	4
Total	100

Total liabilities of the Corporation as at 31st December 2018 was \$0.16 million comprising the following:

Type of Liabilities	Composition (%)
Trade & Other Payables	73
Provisions	27
Total	100

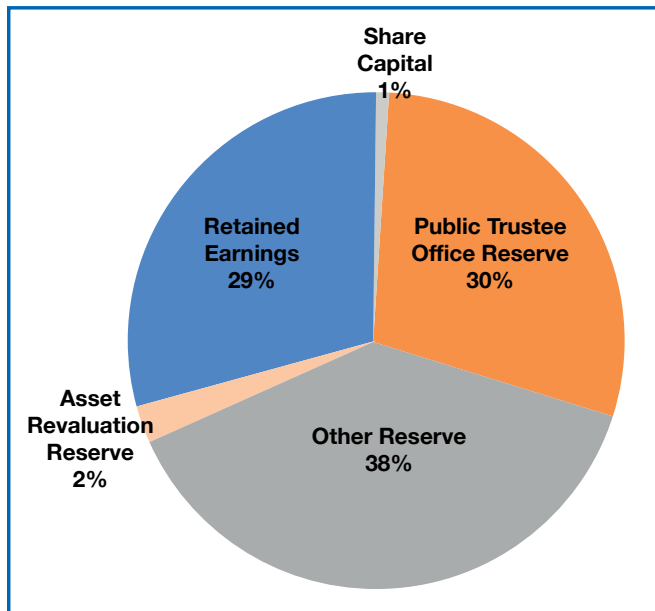
In 2017, \$500,000 dividend was recorded as payable, which was paid to Government in 2018. The current liabilities are mainly debts from operations that are cleared within the year.

Financial Position



Total Shareholders' Equity of the Corporation as at 31st December 2018 was \$15.60 million, an increase of six percent.

Shareholder's Equity



The share capital remains at \$0.1 million, the Public Trustee Office reserves at \$4.5 million consist of the surplus funds as per section 12 of the FPTC Act. 2006.

Other reserves amounting to \$5.98 million relates to building reserve fund for extensions to the headquarters building; the retained earnings are \$4.5 million prior year profits less dividends paid to Government amounting to \$5 million to date.

The revaluation reserves are gains and losses recorded through the revaluation of property, plant and equipment and financial assets over the years.

Cash flow and liquidity continue to be favourable, improving the solvency status of the Corporation. The table shows the key liquidity and solvency ratios.

Ratio (%)	2014	2015	2016	2017	2018
Return on Assets	7	4	3	2	6
Return on Equity	8	5	3	2	6
Current Ratio	83:1	1:1	12:1	2:1	10:1
Debt to Equity	0	19	1	4	1

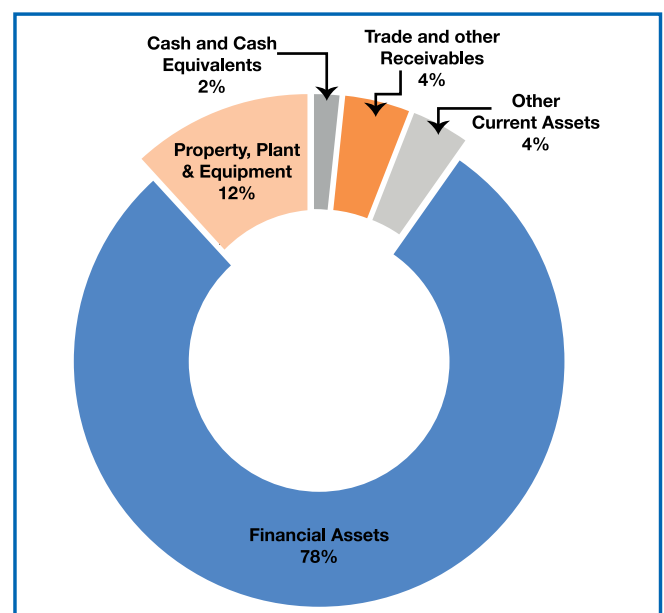
Major Financial Achievements

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

- 13th consecutive year recording net profit after tax and average growth in net profit after tax of 36 percent in the last 10 years
- Paid a total of \$5 million in dividends and reserves to Government in the last 10 years
- Stable cash flow position with no overdraft recorded in the past 10 years from 2009 to 2018
- Zero long term borrowings for the last 10 years
- Stable liquidity and solvency position

Total assets of the Corporation as at 31st December 2018 is depicted below.

Total Assets



ESTATES SERVICES

The Estates Team provides executor and administration services for the distribution of a deceased person's estate. The Corporation 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 Corporation administers estates where:

- There is a Will appointing the Fiji Public Trustee as the executor
- There is no Will and the beneficiaries or close relatives appoint Fiji Public Trustee to act
- An existing executor is unable to fulfill the task and renounces it in favour of Fiji Public Trustee
- When the High Court appoints Fiji Public Trustee to administer

Administering deceased 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.



An Estate comprises everything you own

The Estates Team 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, the Corporation actively seeks to locate the beneficiaries entitled to share in the distribution of the estate under the laws of intestacy.

In 2018, the Estate Team opened 41 estates valued at \$3.9 million and settled and finalised 33 estates at a value of \$8.04 million.

	2014	2015	2016	2017	2018
Number of New Estates	57	66	74	56	41
Value of New Estates (\$m)	3.7	4.1	3.4	3.9	3.9
Number of Estates settled and Closed	19	27	34	108	33



Your Will guides us through your Estate plan in distributing your assets to your listed beneficiaries

Estates staff carry out their important role with empathy, tact and professionalism. Staff always consult with beneficiaries, particularly regarding the sale of property and personal effects. Ultimately, we ensure that the wishes of the deceased are met.



Protect your loved ones and your wishes with a will

TRUST 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 Fiji National Provident Fund/ 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 Corporation 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.

We also manage trust funds for a number of people with unsound mind and those with disabilities and incapacities 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 declined mainly from FNPF (minor trust which is now administered by the High Court through changes in the FNPF Act 2011).

In 2018, there were 78 new trusts accepted with a value of \$161,764 and settled 218 trust accounts valued at \$1.3 million compared to 280 trusts settled and valued at \$1.4 million in 2017.

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

Trust Funds on hand as 31st December:

	2014	2015	2016	2017	2018
Number of Trust Accounts on Hand	9,821	9,309	9,108	11,418	6,614
Value of Trusts (\$m)	19.4	17.3	15.8	15.1	12.6



Excited Children of St Christopher's Home during the Estate Charity Donation on behalf of the late Joyce Heerman

The Corporation'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

Life interest is a trust created by a Will to allow a nominated beneficiary to live in a property for the duration of their lifetime.

The Fiji Public Trustee retains ownership of the property for the life of the beneficiary known as the life tenant. On the death of the life tenant, the Will usually directs the Corporation to distribute the house to another beneficiary or beneficiaries who are referred to as remainderman.



The Estate Charity Donation on behalf of the late Mrs Forster to Dilkusha Home

LEGAL SERVICES

The Legal and Conveyance 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 Corporation
- 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 includes Executor services
- Application for grant to the High Court
- Transfer of Property including Stamp Duties application and Capital Gains Tax lodgments
- Tax clearance
- Searches (Title, Wills, Probates etc)
- Legal conveyance work
- Deed poll
- Deed of family arrangements

The new services were introduced after collaboration and research work by Staff including a review by the Corporation.

The Legal Team also conducts regular refresher training for staff on the various Acts and legislations that directly affects the services provided by the Corporation. This includes amendments to legislations, lessons from various estates, trust and Will 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.



Our Awareness Team on the go

The other legal services provided in 2018 were as follows:

Services	2017	2018
Application for Court Grants	29	30
Application for Property Transfers	12	8
Other Conveyance services	9	20
Other legal services	24	26



Specialists in Wills, Trust & Estate Administration

FIJI PUBLIC TRUSTEE CORPORATION PTE LIMITED
FINANCIAL STATEMENTS
31st DECEMBER 2018

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**FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 (Pte) Limited ("the Corporation") as at 31 December 2018, the related statement of comprehensive income, the statement of changes in equity and the 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 Sunil Sharma (Chairman) – appointed 19 July 2018
Ms Bernadette Nicholls
Ms Lorraine Seeto – appointed 19 July 2018
Ms Timaima Vakadewabuka – appointed 19 July 2018
Mr Ikbal Jannif - retired on 17 July 2018

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 total comprehensive income for year was \$875,565 (2017: \$455,925).

The operating profit after income tax for the year was \$875,565 (2017: \$259,523) after providing \$89,367 (2017: \$52,461) for income tax.

Dividends

The Directors recommended that no dividend to be paid for the year.

Bad and Doubtful Debts

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

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

Non-Current Assets

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

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

Related Party Transactions

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

Other Circumstances

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

Unusual Transactions

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

Events Subsequent to Balance Date

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

Other Circumstances

As at the date of this report:

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

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.

**FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
DIRECTORS' REPORT (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

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

Dated this 11th day of December 2019.


.....
Chairman


.....
Director

**FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
DIRECTORS DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

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


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

- a) In the opinion of the Directors, the financial statements of the Corporation for the financial year ended 31 December 2018:
 - i. Comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Corporation as at 31 December 2018 and of the performance and cash flows of the Corporation for the year ended 31 December 2018; and
 - ii. Have been prepared in accordance with the Companies Act, 2015.
- b) At the date of this declaration, in the opinion of the Directors, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

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

Dated this 11th day of December 2019.


.....
Chairman


.....
Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements of Fiji Public Trustee Corporation (Pte) Ltd

Opinion

I have audited the accompanying financial statements of Fiji Public Trustee Corporation (Pte) Limited ("the Corporation"), which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
11 December 2019

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Fees	3	951,182	592,446
Interest income		501,001	578,633
Other income	3	528,972	28,682
Total Revenue		1,981,155	1,199,761
General and administration expenses	4	251,711	280,979
Selling expenses		41,779	26,811
Staff and employee costs	4	722,733	579,987
Total Expenses		1,016,223	887,777
Operating profit before income tax		964,932	311,984
Income tax expense	6	89,367	52,461
Operating profit after income tax		875,565	259,523
Other comprehensive income		-	196,402
Total Comprehensive Income for the year		875,565	455,925

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

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	5	265,097	456,747
Trade and other receivables	8	705,571	469,048
Other current assets	7	622,244	120,808
Total Current Assets		1,592,912	1,046,603
Non-Current Assets			
Financial assets	9	12,261,652	12,410,943
Property, plant and equipment	10	1,902,094	1,881,646
Deferred tax asset	6	2,358	-
Total Non-Current Assets		14,166,104	14,292,589
Total Assets		15,759,016	15,339,192
Current Liabilities			
Trade, other payables and provisions	12	118,996	118,327
Dividend payable		-	500,000
Provision for income tax	12	43,590	-
Total Current Liabilities		162,586	618,327
Total Liabilities		162,586	618,327
Net Assets		15,596,430	14,720,865
Shareholder's Equity			
Share capital	13	100,000	2
Share premium reserve		-	99,998
Public Trustee Office reserve	13	4,583,342	4,583,342
Other reserve	13	5,983,778	5,983,778
Asset revaluation reserve	13	351,220	578,326
Retained earnings		4,578,090	3,475,419
Total Shareholder's Equity		15,596,430	14,720,865

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 (PTE) LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Share Capital			
Opening balance		2	2
Transfer from share premium reserve		99,998	-
Closing balance		100,000	2
Reserves			
Share Premium Reserve			
Balance at the beginning of the financial year		99,998	99,998
Transfer to share capital		(99,998)	-
Balance at the end of the financial year		-	99,998
Public Trustee Office Reserve			
Balance at the beginning of the financial year		4,583,342	4,583,342
Balance at the end of the financial year		4,583,342	4,583,342
Other Reserve			
Building fund reserve		5,983,778	5,983,778
Asset Revaluation Reserve			
Balance at the beginning of the financial year		578,326	381,924
Effect of IFRS 9 impact – transfer to retained earnings		(227,106)	196,402
Balance at the end of the financial year		351,220	578,326
Total Reserves		11,018,340	11,245,446
Retained Earnings			
Opening balance		3,475,419	3,746,038
Dividend Tax (1%)		-	(30,142)
Net profit after tax for the year		875,565	259,523
Dividend declared		-	(500,000)
Effect of IFRS 9 impact – transfer from asset revaluation reserve		227,106	-
Closing balance		4,578,090	3,475,419
Total Shareholders' Equity	13	15,596,430	14,720,865

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

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Cash Flows from Operating Activities			
Receipts from customers		792,922	585,331
Payments to suppliers and employees		(1,435,854)	(796,084)
Interest received		501,001	578,633
Income taxes paid		(48,135)	(52,461)
Net cash (used in)/provided by Operating Activities	15	<u>(190,066)</u>	<u>315,419</u>
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		(101,583)	(26,059)
Proceeds from investments		600,000	(85,405)
Net cash provided/(used) by Investing Activities		<u>498,417</u>	<u>(111,464)</u>
Cash Flows from Financing Activities			
Dividends paid		(500,000)	-
Dividend tax paid		-	(30,142)
Net cash (used by) Financing Activities		<u>(500,000)</u>	<u>(30,142)</u>
Net (decrease)/ increase in cash		(191,650)	173,813
Cash at the beginning of the year		456,747	282,934
Cash at the end of the year	5	<u>265,097</u>	<u>456,747</u>

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

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Corporate Information

Fiji Public Trustee Corporation (Pte) Limited is a limited liability company incorporated and domiciled in Fiji. These financial statements were authorised for issue by the Directors on 11 December 2019.

The principal activities of the Corporation are described in Note 19.

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) Changes in Accounting Policy and Disclosures

New and amended standards and interpretations

The following standards, amendments and interpretations to existing standards were published and are mandatory for the annual periods beginning on or after 1 January 2018 or later periods:

There were no significant changes to the Corporation's accounting policies during the financial year.

IFRS 9 Financial Instruments

IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

The Corporation has adopted the new standard on the required effective date of 1 January 2018 and will not restate comparative information. The introduction of this standard did not have any material impact on the Corporation's financial statements, accordingly there are no retrospective adjustments. The adoption of IFRS 9 has changed the Corporation's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward looking expected credit loss (ECL) approach.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. IFRS 15 is effective for annual periods beginning on or after 1 January 2018.

The Corporation has adopted this standard from 1 January 2018. The introduction of this standard did not have any material impact on the Corporation's financial statements, accordingly there are no retrospective adjustments.

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

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

(b) Changes in Accounting Policy and Disclosures (cont'd)

IFRS 15 Revenue from Contracts with Customers (cont'd)

Additional disclosures of the Corporation's unchanged revenue accounting policies as required by the standard are included in Note 3.

The Corporation is in the business of acting as custodians and providing administrative services to estates of those persons who are deceased, of unsound mind or person incapable of conducting their own affairs. The services are sold both on their own in separate identified contracts with customers and together as a bundled package of services.

IFRS 16 Leases - applies 1 January 2019

The Corporation has not early adopted any new standards, amendments to standards and interpretations.

The expected impacts on the Corporation of significant new and revised accounting standards, which are not yet effective, are summarised below.

Broadly, this standard will require recognition of a right of use asset and lease liability based on the discounted value of committed lease payments. These payments, currently expensed within EBIT, will be replaced by the straight-line depreciation of the right of use asset and will reduce the lease liability. As the lease liability will be carried at present value, an interest expense will arise over the duration of the lease term. The principal component of lease payments will be reclassified in the statement of cash flows from operating to financing activities. The management team has completed loading lease agreements to a new lease accounting system, determined the impact to the Corporation's opening balance sheet and 2019 income statement and setup policies and processes to manage the new ongoing accounting requirements. There are no significant concerns in relation to this standard with respect to the Corporation's funding, tax and dividend obligations.

Transition

The Corporation will initially apply the new standard using the modified retrospective approach, which requires no restatement of comparative information. Further, in relation to the opening balance of right of use assets, the Corporation has chosen to apply the following approach as is permitted by the standard to be equal to the opening lease liability.

Adjustments are also required for any prepayment or accrued lease payments recognised in the financial position prior to adoption.

Estimated impact from adoption of the standard the Corporation has carried out a preliminary assessment of the impact of the standard on the 2019 financial statements. Based on the work performed, the estimated impact is as follows:

Financial statements item – approximate impacts	
Balance sheet – as at 1 January 2019	\$
Right of use asset	30,000
Lease liability	(30,000)
Income statement – year ending 31 December 2019 nil	-

This impact predominantly relates to the Corporation's leasing of land and building assets in Fiji.

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

(c) 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 judgments, apart from those involving estimations, which has most significant effect on the amounts recognised in the financial statements:

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.

Expected Credit Loss

The adoption of IFRS 9 has fundamentally changed the Corporation's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Corporation to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

(d) 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.

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

(d) Taxes (cont'd)

Deferred Income Tax (cont'd)

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

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

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

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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.

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

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

(e) Property, plant and equipment

Land and Building Headquarters situated at Lot 83-85 Amy Street, Toorak, Suva, Fiji 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 recognise 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 offset 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.

Items of plant and equipment transferred from the former Public Trustee Office 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	-	12.5%
Motor vehicle	-	25%
Furniture and fittings	-	12.5%
Computers	-	25%
Building and 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.

(f) Inventories

The Corporation does not have any major inventories apart from stationeries and marketing merchandise which have been accounted as expenses. 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.

(g) Financial Assets

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.

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

(g) Financial Assets (cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through Other Comprehensive Income (OCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

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

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Corporation. The Corporation measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Corporation's financial assets at amortised cost includes trade receivables and term deposits.

Financial assets at fair value through OCI (debt instruments)

The Corporation measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Corporation's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Corporation can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

(g) Financial Assets (cont'd)

Subsequent measurement (cont'd)

Financial assets designated at fair value through OCI (equity instruments) (cont'd)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Corporation benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Corporation elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Corporation had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Impairment of financial assets

Aside from this note, other disclosures relating to impairment of financial assets (trade receivables) are included in Note 8.

The Corporation recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Corporation applies a simplified approach in calculating ECLs.

(h) 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.

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

(h) Financial Liabilities (cont'd)

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

Amortised cost of financial instruments

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

(i) 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.

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

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.

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

(i) Leases (cont'd)

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.

(j) 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 recorded in the in the profit or loss in the expense category consistent with the function of the intangible asset.

(k) 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.

(l) 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.

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

(m) Revenue Recognition

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

Fees and charges

The Corporation charges fees and other charges in accordance with Part 7 of the Fiji Public Trustee Corporation Act 2006. Management and administration fees are charged on a monthly basis while other fees and charges are accrued when the service is rendered.

Interest income

Revenue is recognised as interest accrues (using the effective interest method). Interest income is included in other income in the profit or loss.

Dividends

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

(n) 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.

(o) 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.

(p) Comparatives

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

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
 FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
3. Revenue		
<u>Fees</u>		
Acceptance fees	59,466	54,381
Distribution fees	120,654	100,604
Income fees	51,379	55,097
Investment fees	456,779	95,867
Legal fees	3,015	18,519
Service fees	259,889	267,978
Fee Revenue	951,182	592,446
<u>Other Income</u>		
Gain on disposal of property, plant and equipment	54,222	3,910
Net change in fair value of equity instruments	450,709	-
Rental income	22,770	22,784
Training grant	1,271	1,988
	528,972	28,682
4. Expenditure		
General and Administration Expenses		
Audit fees	15,406	10,261
Professional/Legal fees	1,692	1,165
Depreciation	81,136	78,088
Directors' remuneration	29,500	21,000
Operating lease rentals - office	13,095	7,590
Other operating expenses	110,882	162,875
	251,711	280,979
Staff and Employee Costs		
Wages and salaries	563,677	459,726
Superannuation	57,192	50,829
FNU levy	6,065	3,537
Training	40,560	9,804
Other costs	55,239	56,091
	722,733	579,987
5. Cash and Cash Equivalents		
Cash at bank	265,097	456,747

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

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
6. Income Tax		
The major components of income tax expense for the years ended 31 December 2018 and 2017 are:		
Income tax expense		
Current income tax charge	89,367	52,461
A reconciliation between tax expense and the product of accounting profit multiplied by the prima facie tax rate for the years ended 31 December 2018 and 2017 are:		
Accounting profit before income tax	964,932	311,984
Add/(Deduct)		
Exempt income	(546,692)	(82,249)
50% FNPf employer's contribution	28,596	25,415
(Over)/under provision in prior years	-	7,155
Chargeable Income	446,836	262,305
Prima facie tax payable at 20% (2017:20%)	89,367	52,461
Statement of Comprehensive Income		
<i>Current income tax:</i>		
Income tax expense attributable to current year	89,115	52,461
Provision attributable to future years	252	-
Current income tax charge	89,367	52,461
Deferred Income Tax (Liabilities)/Assets		
<i>Deferred income tax at 31 December relates to the following:</i>		
Provisions	2,358	-
Net deferred income tax	2,358	-
7. Other Current Assets		
Prepayments and deposits	12,856	16,373
Resident interest withholding taxes and others	61,800	62,902
Other receivable from trust	2,710	2,710
Accrued income	544,878	38,823
	622,244	120,808
8. Trade and Other Receivables		
Fees and VAT receivable from Trust and Estates	548,152	176,530
Interest receivable	157,015	271,293
Grant claimable	-	1,988
Other receivables	404	19,237
	705,571	469,048

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
 FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
9. Financial Assets		
<u>Non-current</u>		
Debt instruments		
- Term deposits	3,300,060	3,900,060
- Receivable from Trust and Estates	5,983,778	5,983,778
Equity instruments		
- Managed funds	2,977,814	2,527,105
	12,261,652	12,410,943

Surplus of assets over liabilities arising from the assumption of assets and liabilities of the former Office of the Public Trustee was transferred to the Corporation on establishment. In 2017, upon the review of the provisions in Trust it was assessed that the provision for investment impairment and part of the provision for trust claims be withdrawn, which was part of the surplus funds from establishment. The balance is the retained earnings placed with financial institutions in interest bearing term deposit and balance is cash at bank.

10. Property, Plant and Equipment

	\$	\$
Land and Building		
Cost at the beginning of the year	1,834,503	1,832,571
Additions during the year	-	1,932
Cost at 31 December	1,834,503	1,834,503
Depreciation and impairment		
Accumulated balance at beginning of the year	100,370	77,283
Depreciation charge for the year (1.25%)	22,770	23,087
Accumulated balance at 31 December	123,140	100,370
Net book value – Land and Building	1,711,363	1,734,133
Land and Building (WIP)		
Labasa Office	-	1,966
Furniture and Fittings		
Cost at beginning of the year	72,347	71,236
Additions during the year	44,000	1,111
Disposals during the year	(5,960)	-
Cost at 31 December	110,387	72,347
Depreciation and impairment		
Accumulated balance at beginning of the year	51,819	44,909
Depreciation charge for the year	6,969	6,910
Disposals during the year	(4,916)	-
Accumulated balance at 31 December	53,872	51,819
Net book value – Furniture and Fittings	56,515	20,528

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
 FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
10. Property, Plant and Equipment (cont'd)		
Office Equipment		
Cost at the beginning of the year	206,839	171,811
Additions during the year	23,061	35,028
Disposals during the year	(41,575)	-
Cost at 31 December	<u>188,325</u>	<u>206,839</u>
Depreciation and impairment		
Accumulated balance at beginning of the year	113,599	77,857
Depreciation charge for the year	36,167	35,742
Disposals/adjustments during the year	(40,998)	-
Accumulated balance at 31 December	<u>108,768</u>	<u>113,599</u>
Net book value – Office Equipment	<u>79,557</u>	<u>93,240</u>
Motor Vehicles		
Cost at beginning of the year	68,890	68,890
Additions during the year	65,596	-
Disposals during the year	(68,895)	-
Cost at 31 December	<u>65,591</u>	<u>68,890</u>
Depreciation and impairment		
Accumulated balance at beginning of the year	37,111	24,763
Depreciation charge for the year	15,066	12,348
Disposals/adjustments during the year	(41,245)	-
Accumulated balance at 31 December	<u>10,932</u>	<u>37,111</u>
Net book value – Motor Vehicles	<u>54,659</u>	<u>31,779</u>
Net Written Down Value	<u>1,902,094</u>	<u>1,881,646</u>
11. Intangible Assets		
<u>Computer Software</u>		
Cost at beginning of the year	99,035	99,035
Cost at 31 December	<u>99,035</u>	<u>99,035</u>
Amortisation and impairment		
Accumulated amortization at beginning of the year	99,035	99,035
Accumulated balance at 31 December	<u>99,035</u>	<u>99,035</u>
Net book value – Intangible Assets	<u>-</u>	<u>-</u>

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
12. Trade, Other Payables and Provisions		
Current		
Trade payables and accruals	107,205	105,276
Provisions		
Provision for Employee Entitlements		
Balance at beginning of the year	13,051	5,896
Arising during the year	3,389	8,890
Amounts utilised/paid	(4,649)	(1,735)
Balance at the end of the year	11,791	13,051
Trade, Other Payables and Provisions	118,996	118,327
Non-Current		
Provision for Income Tax		
Balance at the beginning of the year	-	-
Current income tax charge	89,115	-
Under-provision from prior year	2,610	-
Amount paid	(48,135)	-
Balance at the end of the year	43,590	-
13. Capital		
Share capital	2	2
Contributed capital	99,998	-
	100,000	2

The Corporation's capital comprises of ordinary shares only and these carry the same rights, references and restrictions. Under the provisions of s194 and s735 of the Fiji Companies Act 2015, the authorized capital concept has been abolished. In addition, under the provisions of s196(a) and 737 of the same, the Share Premium Reserve has been reclassified as part of the Corporation's capital representing the owner's contributed capital to establish the Corporation.

Reserves

Public Trustee Office reserve	4,583,342	4,583,342
<u>Other Reserve</u>		
Building reserve	5,983,778	5,983,778

The Public Trustee Office reserve represents the Fiji Government's contributed equity to the Corporation in the form of net assets of the former Public Trustee Office. In 2017 upon review of the provisions in the Trust it was decided that the provision for investment impairment and part of the provision for trust claims be withdrawn which was part of the surplus funds from the establishment. A board resolution was further made to transfer the provision to a Building Reserve fund which will be utilized to construct a new building extension to the Corporation's headquarters. Excluded from these net assets were debts of Trust & Estate accounts that remained outstanding on establishment of the Corporation.

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Capital (cont'd)

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".

Asset Revaluation Reserve

	2018	2017
	\$	\$
Balance at the beginning of the financial year	578,326	381,924
Unrealised gain/ (losses) – Financial assets	-	196,402
Effect of IFRS 9 impact – transfer to retained earnings	(227,106)	-
Balance at the end of the financial year	351,220	578,326

The asset revaluation reserve consists of increments arising from the revaluation of the Corporation's property, plant and equipment. Unrealised gain in fair value on financial assets have been transferred to retained earnings after the designation of the financial assets as at Fair Value through Profit and Loss (FVTPL).

14. Trusts & Estates Under Management (cont'd)

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.

Assets

Cash at bank	2,140,842	2,084,524
Investments in pooled funds	24,674,040	25,576,518
Investments held individually	64,290	48,505
Non cash assets	32,884,266	21,446,717
Other receivables	5,926	4,608
Balance at end of year	59,769,364	49,160,872

Liabilities

Provision for trust claims	1,374,884	1,373,945
Fees and other payables to the Corporation	702,555	445,465
Investment from the Corporation	5,983,778	5,983,778
Interest due for distribution	542,467	874,821
Balance at end of year	8,603,684	8,678,009

Net Value

51,165,680	40,482,863
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(a) 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 2.5% (2017: 0.5%).

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

15. Notes to the Statement of Cash Flows

Reconciliation of net cash inflows from operating activities to operating profit after income tax:

	2018	2017
	\$	\$
Operating profit after income tax	875,565	259,523
Depreciation	81,136	78,088
Other comprehensive income		
<i>Changes in assets and liabilities:</i>		
(Increase) in deferred tax asset	(2,358)	-
(Increase)/decrease in receivables	(236,523)	(35,798)
Increase in accounts payable and accruals	44,259	53,892
(Increase)/decrease in other assets	(501,436)	(40,286)
(Increase)/decrease in investment	(450,709)	-
Net cash provided by Operating Activities	(190,066)	315,419

16. 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, interest rate risk, credit risk, liquidity risk and operational 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.

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 and approved by the Directors during the year.

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Credit risk (cont'd)

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

	Carrying amount	
	2018	2017
	\$	\$
Cash and cash equivalents	265,097	456,747
Trade and other receivables	705,571	469,048
Financial assets	12,261,652	12,410,943
	13,232,320	13,336,738

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 Financial Assets.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Corporation's processes, personnel and technology and from external factors other than market, interest rate, and credit risk such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Corporation manages operational risk as part of the day to day operations and oversight and the responsibility for development and implementation of controls to address operational risk is assigned to management.

17. Contingent Liabilities

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

18. Related Parties

Transactions with related entities during the year ended 31 December 2018 with approximate transaction values are summarised as follows:

The names of persons who were Directors of the Corporation at any time during the financial year are:

Mr Sunil Sharma
 Ms Bernadette Nicholls
 Ms Lorraine Seeto
 Ms Timaima Vakadewabuka
 Mr Ikbal Jannif (retired on 17 July 2018)

	2018	2017
	\$	\$
Transactions with Directors for the year were:		
Directors remuneration	29,500	21,000
Management remuneration	242,890	208,768

FIJI PUBLIC TRUSTEE CORPORATION (PTE) LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2018

19. 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.

20. Subsequent Events

The Public Enterprises Act (PE Act) 2019 has come into force from 19 July 2019. The Corporation is listed as a public enterprise under Schedule 1 of the PE Act 2019. As required under the Companies Act 2015, the Corporation has also changed its name from Fiji Public Trustee Corporation Ltd to Fiji Public Trustee Corporation (Pte) Ltd.

There has not arisen in the interval between the end of the financial period and the date of this report any other 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.

21. Corporation Details

Registered Office

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

Fiji Public Trustee Corporation (Pte) Limited
Public Trustee House
Lot 83-85 Amy Street, Toorak, Suva, Fiji
PO Box 2276, Government Buildings
Suva

Number of employees

As at balance date, the Corporation employed a total of 26 employees (2017: 22 employees).





Fiji Public Trustee Corporation Pte Limited
2018
Annual Report