FijiCare

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2011

Insurance Limited

"better health for Fiji"

FijiCare
INSURANCE LIMITED

Chairman's Report

FijiCare has continued to work hard to reverse the previous poor trading results of the past 2 years.

And whilst, the company has posted a trading loss before tax of $324,997 for the 2011 year, the board is confident that the company is now in a position to produce improved underwriting profits and thus an overall trading improvement in the 2012 year ahead.

In particular, our motor portfolio has grown strongly and with another year of steady new business, this portfolio will prove to be a strong bottom line performer for the business.

Our life and mortgage protection portfolio is performing well whilst Medical continues to be challenging in a dynamic environment both locally and internationally.

We have commenced writing motor business in the Kingdom of Tonga and this is hopefully the start of FijiCare moving into other countries in the South Pacific.

FijiCare is entering its 12th year since becoming a publicly listed company in 2000. Fiji has seen many changes and each year has presented itself as challenging, however, the company has continued to cement itself as a viable and important part of the country's financial services industry.

I take this opportunity to list some major highlights of FijiCare over the years:

Since December 2000, when we listed the company on the SPSE, the company achieved the following:-

- Medically evacuated 804 policy holders overseas for live saving medical treatment.
- Paid out in excess of 1200 mortgage protection claims.
- Paid out 220 life insurance claims.
- Assisted in excess of 15 Fiji Islanders to study and attain university degrees.
- Set up our own Medical Centre which is now a profit centre in it's own right.
- Purchased the property which houses the Medical Centre.
- 15 employees achieved 10 or more year's service with the company.
- FIL is one of the largest corporate investors in shares listed on the SPSE.

FijiCare is now a household name, it has great products, a wonderful team of employees who literally live and breathe the business.
In closing, I wish to thank our shareholders, intermediaries, clients and importantly our staff.

Ross Porter

Chairman

"better health for Fiji"

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FijiCare
INSURANCE LIMITED

CORPORATE GOVERNANCE

FijiCare Insurance Limited supports the Reserve Bank of Fiji's Corporate Governance Code for capital markets. We are committed to delivering best practice in corporate governance and transparency in reporting. During the reporting period, FIL has been compliant with all RBF guidelines & procedures.

Principle	FIL Comments
Establish Clear Responsibilities for Board Oversight	The FIL's Memorandum & Articles of Association sets out the powers and duties of directors in terms of managing the company effectively& efficiently. The Company continuously reviews its policy guidelines to strengthen the oversight role.
Constitute as effective Board	The FIL's Memorandum & Articles of Association specifies the number of Directors may be not less than the number required by the Corporations Act, nor more than nine. The Board currently comprises of 6 directors: Ross Porter - Chairman Peter McPherson - Managing Director Joeli Randio- Operations Director Philipp Thomas - Non Executive Director Kaliopate Tavola - Independent Director Max Storck- Independent Director
Appointment of Chief Executive Officer	Directors are expected to exercise due diligence in appointing Managing Director & such executive appointments are made by the Board.
Board & Company Secretary	FIL as a public listed company has appointed suitable qualified & competent board secretary. The company secretary maintains a close link with the Board & Executive officers and the company to ensure all duties & responsibilities are effectively discharged.
Timely and Balanced Disclosure	FIL complies with its disclosure obligations under the SPSE Listing Rules and the Companies Act, has in place well developed procedures for dealing with compliance.
Promote Ethical & Responsible Decision Making	FIL promotes and believes that all directors and employees uphold high ethical standards, honesty, fairness and equity in all aspects of their employment and association with the company.
Register of interests	Directors and officers of the company are obliged to disclose any conflicts of interest that may arise in the course of the business.
Respect the rights of shareholders	An Annual General Meeting is held every year in accordance with the Articles of Association & shareholders are encouraged to participate. The Annual Report is also published each year & circulated to the shareholders prior to the AGM.

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Accountability & Audit	FIL is audited annually by independent auditors who provide their report to the shareholders. The Compliance, Legal & Audit Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, reviewing adequacy of the internal audit function and discussing risk management policies and practices with management.
Recognise & Manage Risk	FIL has in place a Risk Management Policy to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage these risks by the Risk Management & Reinsurance Committee.

FIJICARE INSURANCE LIMITED
AND SUBSIDIARY COMPANY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the statement of financial position of the company and of the group as at 31 December 2011, the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date and report as follows:

Directors

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

Ross Porter – Chairman	Peter McPherson
Carl Philipp Thomas	Joeli Randio
Max Storck	Kaliopate Tavola

Principal Activities

The principal activities of the holding company during the year were that of underwriting of medical, health, workers compensation, personal accident, term life and general insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating medical clinic and medical centre.

Except for exclusion of underwriting of marine insurance risk by the holding company, there were no significant changes in the nature of these activities during the financial year.

Results

The loss after income tax of the company for the year was $428,013 (2010: $14,789). Total loss, including comprehensive loss, for the year was $411,089 (2010; $42,763).

The consolidated loss after income tax attributable to the members of the company for the financial year was $425,018 (2010: $36,265). Total consolidated loss, including comprehensive loss, for the year was $408,094 (2010: $64,239).

Dividends

The directors did not declare or propose any dividends to be paid for the year ended 31 December 2011.

Reserves

Except for the movements disclosed in the statement of changes in equity, it is proposed that no other amounts be transferred to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

Basis of Accounting - Going Concern

Notwithstanding the holding company's accumulated losses, the financial statements have been prepared on a going concern basis on the understanding that sufficient funds will be obtained from future operations to enable the company and the group to meet its obligations as and when they fall due.

DIRECTORS' REPORT [CONT'D]

Bad and Doubtful Debts

Prior to the completion of the company's and group's financial statements, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of allowance for doubtful debts. In the opinion of the directors, adequate allowance has been made for doubtful debts.

As 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 allowance for doubtful debts in the company or the group, inadequate to any substantial extent.

Current and Non - Current Assets

Prior to the completion of the financial statements of the company and the group, the directors took reasonable steps to ascertain whether any current or non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the company and of the group. Where necessary, these assets have been written down or adequate allowance 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 current or non-current assets in the company's and the group's financial statements misleading.

Unusual Transactions

In the opinion of the directors, the results of the operations of the group or any company in the group during the financial year were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of an abnormal character likely, in the opinion of the directors, to affect substantially the results of the operations of the group or any company in the group in the current financial year.

Significant Events during the Year

1. With effect from 1 January 2011, the holding company ceased to provide insurance coverage on marine insurance risk.

2. In accordance with special resolution passed at the extraordinary general meeting of the company held on 12 October 2011:

    a) The articles of association of the company were amended to provide for the transfer of shares of micro shareholders to a trustee.

       The company is in the process of completing the required formalities for establishing appropriate structure for holding shares of micro shareholders with whom the company has no contact.

    b) The articles of association of the company were also amended to provide for the compulsory acquisition provisions in the event of any offer for purchase of all shares of the company.

       The company is in the process of completing the required formalities in respect to the above.

DIRECTORS' REPORT [CONT'D]

Events Subsequent to Balance Date

Subsequent to balance date:

a) In January 2012, the Income Tax (Amendment) Decree 2012 (Decree No. 6 of 2012) was gazetted. In relation to the provisions for the carry forward of income tax losses, significant amendments had been made effective from 1 January 2012. Consequent to the amendment, all tax losses prior to 1 January 2012 ceased to continue from 1 January 2012.

b) In January 2012, the Value Added Tax (Amendment) Decree 2012 (Decree No. 11 of 2012) was promulgated. Consequent to the amendment, with the exception of life and medical insurance, all other insurance products are subject to VAT.

c) With effect from 5 March 2012, the holding company closed its Nadi office and centralised the operations with its Suva office.

Apart from the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group or the company, the results of those operations, or the state of affairs of the group or the company in future financial years.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of any company in the group 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 any company in the group could become liable; and

(iii) no contingent liabilities or other liabilities of any company in the group 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 company or the group 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 which would make adherence to the existing method of valuation of assets or liabilities of the company and the group misleading or inappropriate.

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements of the company and the group) by reason of a contract made by any company in the group 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 27 day of March 2012.

....

Director Director

STATEMENT BY DIRECTORS

In accordance with a resolution of the board of directors of FijiCare Insurance Limited, we state that in the opinion of the directors:

[i] the accompanying statement of comprehensive income of the company and of the group is drawn up so as to give a true and fair view of the results of the company and of the group for the year ended 31 December 2011;

[ii] the accompanying statement of changes in equity of the company and of the group is drawn up so as to give a true and fair view of the changes in equity of the company and of the group for the year ended 31 December 2011;

[iii] the accompanying statement of financial position of the company and of the group is drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 31 December 2011;

[iv] the accompanying statement of cash flows of the company and of the group is drawn up so as to give a true and fair view of the cash flows of the company and of the group for the year ended 31 December 2011;

[v] the financial statements have been properly prepared in accordance with International Financial Reporting Standards;

[vi] at the date of this statement, there are reasonable grounds to believe that the company and the group will be able to pay their debts as and when they fall due; and

[vii] all related party transactions have been adequately recorded in the books of the company and the group.

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

Dated this 27 day of March 2012.

....

Director Director

G. LAL + CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the members of FijiCare Insurance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of FijiCare Insurance Limited (holding company) and the group, which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 8 to 39.

Director's and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT [CONT'D]

To the members of FijiCare Insurance Limited (Cont'd)

Opinion

In our opinion:

(a) proper books of account have been kept by the holding company and the group, so far as it appears from our examination of those books; and

(b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:

i) are in agreement with the books of account;

ii) to the best of our information and according to the explanations given to us:

(a) give a true and fair view of the state of affairs of the holding company and of the group as at 31 December 2011 and of the results, cash flows and changes in shareholders' equity of the holding company and of the group for the year ended on that date; and

(b) give the information required by the Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

SUVA, FIJI
27 MARCH 2012

CHARTERED ACCOUNTANTS.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

		Consolidated		Holding Company	
	Notes	**2011**	**2010**	**2011**	**2010**
		$	**$**	**$**	**$**
Revenue	5	7,306,599	6,885,390	7,160,736	6,767,161
Incurred claims		(4,449,924)	(4,251,271)	(4,639,678)	(4,410,416)
Commission expense, net	6	(924,872)	(901,641)	(924,872)	(901,641)
Other direct costs		(216,420)	(174,769)	-	-
Net revenue		1,715,383	1,557,709	1,596,186	1,455,104
Other revenue	7	355,527	392,950	379,527	399,354
		2,070,910	1,950,659	1,975,713	1,854,458
Advertising and promotion Expenses		(53,727)	(37,498)	(51,907)	(35,855)
Other operating expenses		(2,342,180)	(1,973,406)	(2,251,798)	(1,857,372)
Finance costs		-	(7,355)	-	(7,355)
		(2,395,907)	(2,018,259)	(2,303,705)	(1,900,582)
Loss before income tax	20	**(324,997)**	**(67,600)**	**(327,992)**	**(46,124)**
Income tax benefit / (expense)	8(a)	(100,021)	31,335	(100,021)	31,335
Loss for the year		**(425,018)**	**(36,265)**	**(428,013)**	**(14,789)**
Other comprehensive income/ (loss)					
Fair value gain / (loss) on available-for-sale financial assets	19	16,924	(27,974)	16,924	(27,974)
Total comprehensive income/ (loss) for the year		**(408,094)**	**(64,239)**	**(411,089)**	**(42,763)**
Loss per share					
Basic loss per share – cents	22	6.56	0.56		
Diluted loss per share – cents	22	6.56	0.56		

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated				
	Share Capital	**Share Premium Reserve**	**Investment Revaluation Reserve**	**Retained Earnings / (Losses)**	**Total**
	($)	**($)**	**($)**	**($)**	**($)**
Balance as at 31 December 2009	**3,238,040**	**324,550**	**85,740**	**183,078**	**3,831,408**
Loss for the year	-	-	-	(36,265)	(36,265)
Other comprehensive income/ (loss) for the year	-	-	(27,974)	-	(27,974)
Total comprehensive income/ (loss) for the year	-	-	(27,974)	(36,265)	(64,239)
Balance as at 31 December 2010	**3,238,040**	**324,550**	**57,766**	**146,813**	**3,767,169**
Loss for the year	-	-	-	(425,018)	(425,018)
Other comprehensive income/ (loss) for the year	-	-	16,924	-	16,924
Total comprehensive income/ (loss) for the year	-	-	16,924	(425,018)	(408,094)
Balance as at 31 December 2011	**3,238,040**	**324,550**	**74,690**	**(278,205)**	**3,359,075**

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

	Holding Company				
	Share Capital	**Share Premium Reserve**	**Investment Revaluation Reserve**	**Retained Earnings / (Losses)**	**Total**
	($)	**($)**	**($)**	**($)**	**($)**
Balance as at 31 December 2009	**3,238,040**	**324,550**	**85,740**	**145,471**	**3,793,801**
Loss for the year	-	-	-	(14,789)	(14,789)
Other comprehensive income/ (loss) for the year	-	-	(27,974)	-	(27,974)
Total comprehensive income/ (loss) for the year	-	-	(27,974)	(14,789)	(42,763)
Balance as at 31 December 2010	**3,238,040**	**324,550**	**57,766**	**130,682**	**3,751,038**
Loss for the year	-	-	-	(428,013)	(428,013)
Other comprehensive income/ (loss) for the year	-	-	16,924	-	16,924
Total comprehensive income/ (loss) for the year	-	-	16,924	(428,013)	(411,089)
Balance as at 31 December 2011	**3,238,040**	**324,550**	**74,690**	**(297,331)**	**3,339,949**

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

		Consolidated		Holding Company	
	Notes	2011	2010	2011	2010
		$	$	$	$
CURRENT ASSETS					
Cash on hand and at bank		211,437	159,528	209,568	133,094
Trade and other receivables	9	1,389,432	1,539,618	1,380,113	1,533,419
Inventories – medical supplies		3,542	-	-	-
Held-to-maturity investments	10(a)	4,542,592	3,510,198	4,542,592	3,510,198
Deferred costs	11	459,492	696,949	459,492	696,949
Current tax assets	8 (b)	332,000	255,094	332,000	255,094
Total current assets		**6,938,495**	**6,161,387**	**6,923,765**	**6,128,754**
NON-CURRENT ASSETS					
Available-for-sale financial assets	10 (b)	543,832	542,394	543,832	542,394
Held-to-maturity investments	10 (a)	300,000	1,747,658	300,000	1,747,658
Investment in subsidiary	10 (c)	-	-	-	-
Investment property	12	-	-	424,227	421,499
Property, plant and equipment	13	575,588	594,687	134,894	162,896
Deferred tax assets	8 (c)	-	100,021	-	100,021
Total non-current assets		**1,419,420**	**2,984,760**	**1,402,953**	**2,974,468**
TOTAL ASSETS		**8,357,915**	**9,146,147**	**8,326,718**	**9,103,222**
CURRENT LIABILITIES					
Trade and other payables	14	797,492	866,531	793,303	845,265
Insurance contract liabilities	15	4,137,073	4,448,697	4,137,073	4,448,697
Employee entitlements	16	64,275	63,750	56,393	58,222
Total current liabilities		**4,998,840**	**5,378,978**	**4,986,769**	**5,352,184**
TOTAL LIABILITIES		**4,998,840**	**5,378,978**	**4,986,769**	**5,352,184**
NET ASSETS		**3,359,075**	**3,767,169**	**3,339,949**	**3,751,038**
SHAREHOLDERS' EQUITY					
Share capital	17	3,238,040	3,238,040	3,238,040	3,238,040
Share premium reserve	18	324,550	324,550	324,550	324,550
Investment revaluation reserve	19	74,690	57,766	74,690	57,766
Retained earnings / (losses)		(278,205)	146,813	(297,331)	130,682
TOTAL SHAREHOLDERS' EQUITY		**3,359,075**	**3,767,169**	**3,339,949**	**3,751,038**

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.

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Director

....
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated		Holding Company	
	Inflows/ (Outflows) 2011	Inflows/ (Outflows) 2010	Inflows/ (Outflows) 2011	Inflows/ (Outflows) 2010
	$	$	$	$
Cash flows from operating activities				
Premium and fees received	7,871,008	8,547,228	7,757,184	8,364,194
Reinsurance premium, net	(868,962)	(1,093,024)	(868,962)	(1,093,024)
Claims and capitation fees paid, net	(5,086,333)	(5,189,942)	(5,290,671)	(5,334,761)
Payments to brokers, suppliers and employees	(2,451,211)	(2,178,699)	(2,118,581)	(1,880,807)
Cash generated from / (used in) operations	(535,498)	85,563	(521,030)	55,602
Income tax paid		-	-	-
Interest received	33,146	62,223	33,146	62,223
Dividend received	28,247	21,701	28,247	21,701
Net cash provided by/ (used in) operating activities	(474,105)	169,487	(459,637)	139,526
Cash flows from investing activities				
Payments for property, plant and equipment	(32,679)	(535,451)	(22,582)	(107,586)
Payments for investment property	(7,174)	-	(7,174)	(423,900)
Payment for investments	(300,000)	(1,247,658)	(300,000)	(1,247,658)
Proceeds on maturity of investments	865,867	1,410,035	865,867	1,410,035
Net cash provided by/ (used in) investing activities	526,014	(373,074)	536,111	(369,109)
Net increase / (decrease) in cash and cash equivalents	**51,909**	**(203,587)**	**76,474**	**(229,583)**
Cash and cash equivalents at the beginning of the year	159,528	363,115	133,094	362,677
Cash and cash equivalents at the end of the year (Note 21)	**211,437**	**159,528**	**209,568**	**133,094**

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

NOTE 1. GENERAL INFORMATION

FijiCare Insurance Limited is a publicly listed company limited by shares, incorporated and domiciled in Fiji under the Companies Act, 1983. Its principal activities, registered office and principal place of business are disclosed in Note 31 and Note 32 to the financial statements.

NOTE 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Standards and Amendments issued but not yet effective

The following new standards and amendments to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2012 or later periods, and the company has not early adopted them.

- IAS 1, (Amendment) Presentation of Financial Statements (effective from 1 July 2012).
- IAS 19, (Revised) Employee Benefits (effective from 1 January 2013).
- IFRS 9, Financial Instruments – Classification and Measurement (effective from 1 January 2013).
- IFRS 10, Consolidated Financial Statements (effective from 1 January 2013).

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the company and the group are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

a) Statement of Compliance

The financial statements of the company and the group have been drawn up in accordance with the provisions of the Companies Act 1983 and International Financial Reporting Standards ("IFRS").

b) Basis of accounting - Going Concern

Notwithstanding the holding company's accumulated losses, the financial statements have been prepared on a going concern basis on the understanding that sufficient funds will be obtained from future operations to enable the company and the group to meet its obligations as and when they fall due.

c) Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention using the accounting policies described below and except where stated do not take into account current valuations of non-current assets.

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

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Basis of Preparation (Cont'd)

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

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 4.

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

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

d) Basis of Consolidation

The consolidated financial statements include the financial statements of FijiCare Insurance Limited and its subsidiary company, which is listed in Note 25.

Subsidiary

A subsidiary is an entity over which the group has power to govern the financial and operating policies, generally comprising a shareholding of more than one half of the voting power. Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date control is transferred out of the group.

All inter-company balances and transactions between the holding company and its subsidiaries including any unrealised profits or losses have been eliminated on consolidation. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

e) Borrowing Costs

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

All other borrowing costs are recognised as an expense in the year in which they are incurred.

f) Cash and Cash Equivalents

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

g) Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Earnings per share

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing profit or loss after income tax attributable to members of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

i) Employee Entitlements

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

Annual leave

The liability for annual leave is recognized in the provision for employee entitlements. These benefits are expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of the settlement.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

j) Financial Assets

The group classifies its financial assets in the following categories: held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity.

Held-to-maturity investments are measured at subsequent reporting dates at amortised cost.

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Financial Assets (Cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

Investments in subsidiaries are classified as available-for-sale investments and are accounted for at cost in the individual financial statements of the company.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of the available-for-sale financial assets are recognised in equity. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as 'gains and losses'.

Dividends on available-for-sale financial assets are recognised in the profit or loss as part of other revenue when the company's right to receive payments is established.

The company assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss.

k) Foreign Currency Transactions

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions during the year are translated to Fiji currency using the rate of exchange ruling at the date of transaction. Amounts payable and receivable in foreign currencies at balance date are converted at rates ruling at that date. All gains and losses arising from fluctuations in exchange rates are brought to account in determining the results for the year.

l) Impairment of assets

The carrying amounts of the company's and group's assets are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m) Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The group also provides for deferred capital gains tax liability that may arise if capital assets were to be ultimately sold or traded.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and the eligible tax losses can be utilised.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited outside profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss, or where it arises from the initial accounting for a business combination, in which case tax effect is included in the accounting for the business combination.

n) Investment property

Investment property principally comprising freehold land and buildings held to earn rentals and/or for capital appreciation, is measured at its cost less accumulated depreciation and impairment loss at the reporting date. Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Freehold land is not depreciated. Depreciation on buildings is calculated on a straight-line basis over their estimated useful life of 40 years.

o) Insurance Contracts

General

All of the general insurance products and reinsurance products on offer, or utilised, meet the definition of an insurance contract (a contract under which one party, the insurer, accepts significant insurance risk from another party, the policyholder, by agreeing to compensate the policyholder if a specified uncertain future event, the insured event, adversely affects the policyholder) and none of the contracts contain embedded derivatives or are required to be unbundled. Insurance contracts that meet the definition of a financial guarantee contract are accounted for as insurance contracts. This means that all of the general insurance products are accounted for in the same manner.

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Insurance Contracts (Cont'd)

i) Premium Income

Premium revenue comprises amounts charged to policyholders (direct premium) for insurance contracts. Premium is recognised as earned on a proportionate basis over the period for which cover is provided using the 365 days pro-rata method.

The unearned portion of premium is recognised as an unearned premium liability on the statement of financial position.

ii) Commission Income

Commission income comprises amounts received from reinsurers for reinsurance contracts. Commission is recognised as earned on a proportionate basis over the period for which cover is provided using the 365 days pro-rata method. Commission income is offset with commission costs incurred in insurance contracts with policyholders.

The unearned portion of commission is recognised as an unearned commission liability on the statement of financial position.

iii) Reinsurance Premium

Reinsurance premium is recognised as an expense on a proportionate basis over the period for which cover is provided. Accordingly, a portion of reinsurance premium expense is deferred and presented as deferred reinsurance expenses on the statement of financial position at the reporting date.

iv) Deferred Commission Costs

Commission cost paid to agents and brokers associated with obtaining general insurance contracts are referred to as acquisition cost. These costs are presented as deferred commission costs and are amortised and charged to expenses on the same basis as the recognition of premium income. The balance of the deferred commission costs at the reporting date represents the commission costs relating to unearned premium.

v) Provision for Outstanding Claims

Provision for outstanding claims are stated net of amounts recoverable from reinsurers and are assessed by reviewing individual claims. The company has procedures for recording all claims received by way of an incoming claims register.

Provision is also made for insurance claims incurred but not reported (IBNR).

Provision is also made for claim administration expenses in accordance with guidelines issued by Reserve Bank of Fiji.

Claims expenses represent claim payments adjusted for the movement in the outstanding claims liability.

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p) Inventories

Inventories consist of medical supplies and consumables. Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

q) Reinsurance Contracts

The group cedes insurance risk in the normal course of business for most categories of its insurance policies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision.

Ceded reinsurance arrangements do not relieve the group from its obligation to policyholders.

r) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

s) Operating segments

An operating segment is a component of the group which may earn revenues and incur expenses and the operation results are regularly reviewed by the group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

t) Property, plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised.

Freehold land is not depreciated. All other assets are depreciated on a straight-line basis over their estimated useful lives using the following rates:

Building	2.5%
Furniture & Fittings and Office Equipment	10% - 25%
Motor vehicles	20%

Profit and loss on disposal of property, plant and equipment is taken into account in determining the results for the year.

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

u) Trade and Other Receivables and Allowance for Doubtful Debts

Trade and other receivables are stated at amounts due less any allowance for doubtful debts.

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

v) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company and the group prior to the end of the financial year and which are unpaid.

w) Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of VAT, except:

(i) Where the amount of VAT incurred is not recoverable from the taxable authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and

(ii) For trade receivables and trade payables which are recognised inclusive of VAT.

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

x) Revenue Recognition

Premium income is recognised as detailed in Note 3 (o) (i).

Commission income is recognised as detailed in Note 3 (o) (ii).

Revenue from medical clinics and medical centre is recognized upon the delivery of service to patients.

Dividend income from investments is recognised when the right to receive dividend is established.

Revenue from the rendering of management services are recognised upon rendering of services.

Rental income is recognised on an accrual basis.

Interest income is recognised on a time-proportion basis using the effective interest method.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements are discussed below.

(a) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual as well as on a collective level. At a collective level all debtors in the + 90 days category (excluding those covered by a specific impairment provision) are estimated to have been impaired and are accordingly provided for.

(b) Impairment of property, plant and equipment

The group assesses whether there are any indicators of impairment of all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. For the year ended 31 December 2011, no provision for impairment has been made as the group reasonably believes that no indicators for impairment exist.

(c) Deferred tax assets

Deferred tax assets are recognised for all tax losses to the extent that taxable profits will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely level of future taxable profits together with future planning strategies. The management's assessment of taxable profit forecast involves making a judgement, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

(d) Provision for outstanding claims

Provision for outstanding claims is assessed after reviewing individual claims. Provision is assessed after taking into account claim information available at the time the claim is received or additional information brought to the notice of the group till reporting date. Whilst all reasonable steps are taken to ensure that adequate information is obtained, given the uncertainty in claims provision, it is likely that the final outcome will differ from the original liability established.

Provision for IBNR is also assessed by the management on an annual basis based on the latest available actuarial valuation report and recent claims experience and underwriting results.

(e) Actuarial valuation – claims incurred but not reported

Valuation is obtained from independent licensed actuaries for the adequacy of provision for claims incurred but not reported on a periodic basis.

The actuarial valuation methodology adopted for the current period is the deterministic method of estimating the central estimate of outstanding claims liabilities (IBNR's) and claims delay triangulation method.

NOTE 5. REVENUE

	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Gross written premium	7,545,019	8,253,586	7,545,019	8,253,586
Reinsurance premium	(743,310)	(1,135,464)	(743,310)	(1,135,464)
	6,801,709	7,118,122	6,801,709	7,118,122
Unearned premium, net movement	542,363	(271,041)	542,363	(271,041)
Deferred reinsurance premium, net movement	(183,336)	(79,920)	(183,336)	(79,920)
	7,160,736	6,767,161	7,160,736	6,767,161
Income from medical clinics and medical centre	145,863	118,229	-	-
Total revenue	7,306,599	6,885,390	7,160,736	6,767,161

NOTE 6. COMMISSION EXPENSE

Commission expense	948,146	963,501	948,146	963,501
Commission income	(23,274)	(61,860)	(23,274)	(61,860)
Total commission expense, net	924,872	901,641	924,872	901,641

NOTE 7. OTHER REVENUE

Dividend income	28,247	21,701	28,247	21,701
Management fees	1,627	9,000	1,627	9,000
Interest income	304,026	334,269	304,026	334,269
Rental income	4,277	2,764	28,277	13,724
Reversal of excess allowance for doubtful debts	-	3,771	-	-
Other income	17,350	21,445	17,350	20,660
Total other revenue	355,527	392,950	379,527	399,354

NOTE 8. INCOME TAX

	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
a) Income tax benefit				
Loss before income tax	(324,997)	(67,600)	(327,992)	(46,124)
Prima facie tax benefit thereon at 28%	(90,999)	(18,928)	(91,838)	(12,915)
Tax effect of:				
Non-taxable income	(7,909)	(6,076)	(7,909)	(6,076)
Non-deductible expenses	53,946	16,951	53,918	15,910
Effect of change in tax rates	-	(27,448)	-	(27,448)
Temporary differences and tax losses not recognised	44,962	4,972	45,829	-
Prior year deferred tax assets derecognised (e)	100,021	-	100,021	-
Over provision in prior year	-	(806)	-	(806)
Income tax benefit / (expense)	100,021	(31,335)	100,021	(31,335)
Income tax benefit / (expense) comprises movement in:				
Deferred tax assets	100,021	(31,335)	100,021	(31,335)
	100,021	(31,335)	100,021	(31,335)
b) Current tax assets				
Movements during the year were as follows:				
Balance at the beginning of the year	(255,094)	(155,111)	(255,094)	(155,111)
Tax deducted at source – interest withholding tax	(76,906)	(99,983)	(76,906)	(99,983)
Balance at the end of the year	(332,000)	(255,094)	(332,000)	(255,094)
c) Deferred tax assets				
Deferred tax assets comprises the estimated future benefit at future income tax rate in respect to the following:				
Allowance for doubtful debts	-	14,000	-	14,000
Difference in cost base of property, plant and equipment for accounting and income tax purposes	-	6,033	-	6,033
Provision for employee entitlements	-	16,302	-	16,302
Unused tax losses	-	63,686	-	63,686
Total deferred tax assets	-	100,021	-	100,021

NOTE 8. INCOME TAX (CONT'D)

	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
d) Benefit of income tax losses not brought to account				
Tax losses not recognised as an asset because recovery is not considered to be probable	718,843	349,309	366,523	-

e) Prior year deferred tax assets derecognised

Prior year deferred tax assets relating to temporary differences and tax losses amounting to $100,021 have been de-recognised as it is considered that adequate future taxable profit may not be available against which these can be utilized.

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated 2011	Consolidated 2010	Holding Company 2011	Holding Company 2010
Trade receivables (a)	1,117,271	1,242,887	1,109,157	1,236,788
Less*:* allowance for doubtful debts	(50,000)	(50,000)	(50,000)	(50,000)
	1,067,271	1,192,887	1,059,157	1,186,788
Receivable from related parties:				
Family Assurance (Tonga) Limited	-	10,500	-	10,500
Unity Limited	-	28,407	-	28,407
	-	38,907	-	38,907
Prepayments	31,062	30,745	29,857	30,745
Deposits	21,226	18,703	21,226	18,703
Other receivables	269,873	258,376	269,873	258,276
Total trade and other receivables, net	1,389,432	1,539,618	1,380,113	1,533,419

(a) Trade receivables principally comprise of premium amounts outstanding from policyholders. Trade receivables are non-interest bearing and generally settled on 30 – 60 days term.

NOTE 10. FINANCIAL ASSETS

	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
10(a) Held-to-maturity investments				
Current				
Short term investments with commercial banks and financial institutions	4,542,592	3,510,198	4,542,592	3,510,198
Total current financial assets	4,542,592	3,510,198	4,542,592	3,510,198
Non-current				
Long term investments with commercial banks and financial institutions	300,000	1,747,658	300,000	1,747,658
10(b) Available-for-sale financial assets				
Equity Investments				
Investment in listed companies	432,982	431,015	432,982	431,015
Investment in unlisted companies	110,850	111,379	110,850	111,379
	543,832	542,394	543,832	542,394
10(c) Investment in subsidiary (Note 25)				
Investment in FijiCare Medical Centre Limited	-	-	10,000	10,000
Less: impairment loss	-	-	(10,000)	(10,000)
	-	-	-	-
Reconciliation for available-for-sale financial assets				
Opening balance	542,394	604,232	542,394	604,232
Fair value gain / (loss)	16,924	(27,974)	16,924	(27,974)
Impairment loss	(15,486)	(33,864)	(15,486)	(33,864)
Total available-for-sale financial assets	543,832	542,394	543,832	542,394

NOTE 11. DEFERRED COSTS

Deferred commission expenses	322,868	376,989	322,868	376,989
Deferred reinsurance expenses	136,624	319,960	136,624	319,960
Total deferred costs	459,492	696,949	459,492	696,949

NOTE 12. INVESTMENT PROPERTY

Freehold land – at cost	-	-	250,000	250,000
Building – at cost	-	-	181,074	173,900
Less: accumulated depreciation	-	-	(6,847)	(2,401)
Total investment property, net	-	-	424,227	421,499

Investment property for the holding company relates to Land and Building rented to the subsidiary company, FijiCare Medical Center Limited. Investment property is re-grouped to Property, Plant and Equipment upon consolidation.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED

	Land ($)	Buildings ($)	Furniture, fittings and office equipment ($)	Motor vehicles ($)	Leased motor vehicles ($)	Total ($)
Gross carrying amount						
Balance at 1 January 2010	-	-	938,616	-	60,600	999,216
Additions	250,000	173,900	20,656	90,895	-	535,451
Transfers	-	-	-	60,600	(60,600)	-
Balance at 31 December 2010	250,000	173,900	959,272	151,495	-	1,534,667
Additions	-	7,174	32,679	-	-	39,853
Disposals	-	-	(175,819)	-	-	(175,819)
Balance at 31 December 2011	250,000	181,074	816,132	151,495	-	1,398,701
Accumulated depreciation and amortisation						
Balance at 1 January 2010	-	-	889,010	-	-	889,010
Depreciation expense	-	2,401	23,850	24,719	-	50,970
Balance at 31 December 2010	-	2,401	912,860	24,719	-	939,980
Depreciation expense	-	4,446	24,207	30,299	-	58,952
Disposals	-	-	(175,819)	-	-	(175,819)
Balance at 31 December 2011	-	6,847	761,248	55,018	-	823,113
Net book value						
As at 31 December 2010	250,000	171,499	46,412	126,776	-	594,687
As at 31 December 2011	250,000	174,227	54,884	96,477	-	575,588

NOTE 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

HOLDING COMPANY

	Furniture, fittings and office equipment ($)	Motor vehicles ($)	Leased Motor vehicles ($)	Total ($)
Gross carrying amount				
Balance at 1 January 2010	848,068	-	60,600	908,668
Additions	16,691	90,895	-	107,586
Transfers	-	60,600	(60,600)	-
Balance at 31 December 2010	864,759	151,495	-	1,016,254
Additions	22,582	-	-	22,582
Disposals	(175,819)	-	-	(175,819)
Balance at 31 December 2011	711,522	151,495	-	863,017
Accumulated depreciation and amortisation				
Balance at 1 January 2010	808,487	-	-	808,487
Depreciation expense	20,152	24,719	-	44,871
Balance at 31 December 2010	828,639	24,719	-	853,358
Depreciation expense	20,285	30,299	-	50,584
Disposals	(175,819)	-	-	(175,819)
Balance at 31 December 2011	673,105	55,018	-	728,123
Net book value				
As at 31 December 2010	36,120	126,776	-	162,896
As at 31 December 2011	38,417	96,477	-	134,894

NOTE 14. TRADE AND OTHER PAYABLES	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Capitation fees	18,010	32,578	32,306	46,904
Payable to reinsurers	337,437	487,899	337,437	487,899
Payable to related party (a)	800	800	800	800
Other payables and accrued liabilities	441,245	345,254	422,760	309,662
Total trade and other payables	797,492	866,531	793,303	845,265

Trade payables principally comprise amounts outstanding for reinsurance premium and on-going costs. Trade payables are non-interest bearing and generally settled on 30 - 90 days term.

(a) Payable to related party is in respect to AFA Management Services Pty Limited, and is unsecured, interest free and repayable on demand.

NOTE 15. INSURANCE CONTRACT LIABILITIES

Unearned premiums				
Balance as at 1 January	3,116,558	2,845,517	3,116,558	2,845,517
Movement during the year, net	(542,363)	271,041	(542,363)	271,041
Balance as at 31 December	2,574,195	3,116,558	2,574,195	3,116,558
Unearned commission income				
Balance as at 1 January	25,264	40,974	25,264	40,974
Movement during the year, net	(25,264)	(15,710)	(25,264)	(15,710)
Balance as at 31 December	-	25,264	-	25,264
Outstanding claims				
Gross claims outstanding as at 1 January	1,025,811	1,050,072	1,025,811	1,050,072
Movement during the year, net	155,326	(24,261)	155,326	(24,261)
Balance as at 31 December	1,181,137	1,025,811	1,181,137	1,025,811
Less:				
Reinsurance recoveries as at 1 January	261,170	339,537	261,170	339,537
Movement during the year, net	(66,370)	(78,367)	(66,370)	(78,367)
Balance as at 31 December	194,800	261,170	194,800	261,170
Outstanding claims, net	986,337	764,641	986,337	764,641
Claims administration provision				
Balance as at 1 January	86,859	91,770	86,859	91,770
Movement during the year, net	8,411	(4,911)	8,411	(4,911)
Balance as at 31 December	95,270	86,859	95,270	86,859
Claims incurred but not reported				
Gross claims outstanding as at 1 January	711,375	781,375	711,375	781,375
Movement during the year, net	12,896	(70,000)	12,896	(70,000)
Balance as at 31 December	724,271	711,375	724,271	711,375
Less:				
Reinsurance recoveries as at 1 January	256,000	326,000	256,000	326,000
Movement during the year, net	(13,000)	(70,000)	(13,000)	(70,000)
Balance as at 31 December	243,000	256,000	243,000	256,000
Claims incurred but not reported, net	481,271	455,375	481,271	455,375
Total insurance contract liabilities	4,137,073	4,448,697	4,137,073	4,448,697

NOTE 16. EMPLOYEE ENTITLEMENTS

	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Provision for annual leave	64,275	63,750	56,393	58,222
Total employee entitlements	64,275	63,750	56,393	58,222

NOTE 17. SHARE CAPITAL

Authorised capital				
10,000,000 ordinary shares of $0.50 each	5,000,000	5,000,000	5,000,000	5,000,000
Issued and paid up capital				
6,476,080 ordinary shares of $0.50 each	3,238,040	3,238,040	3,238,040	3,238,040

NOTE 18. SHARE PREMIUM RESERVE

Share premium reserve	324,550	324,550	324,550	324,550

Share premium reserve relates to share issue proceeds received in excess of the par value of shares and is legally required by Section 60 of the Companies Act, 1983.

NOTE 19. INVESTMENT REVALUATION RESERVE

Balance as at 1 January	57,766	85,740	57,766	85,740
Fair value gain / loss	16,924	(27,974)	16,924	(27,974)
Balance as at 31 December	74,690	57,766	74,690	57,766

NOTE 20. LOSS BEFORE INCOME TAX

Loss before income tax has been determined after charging the following expenses:

Auditors' remuneration for:				
- Audit fees	37,863	34,900	32,363	29,900
- Other services	15,446	16,960	11,238	11,960
Depreciation	58,952	50,970	55,030	47,272
Directors' remuneration for:				
- Emoluments	300,210	259,368	300,210	259,368
- Fees	25,492	18,000	25,492	18,000
FNPF contribution	61,837	57,026	58,778	52,750
Legal and advisory fees	347,154	15,726	347,154	15,726
Impairment loss	15,486	33,864	15,486	33,864
Management and consultancy fees	296,999	300,000	296,999	300,000
Operating leases	103,082	135,360	102,177	124,009
Salaries, wages, TPAF levy and allowances	475,455	466,494	426,081	411,831

NOTE 21. NOTES TO THE STATEMENT OF CASH FLOWS

Cash and cash equivalents consist of cash on hand and balance with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
Cash on hand and at bank	211,437	159,528	209,568	133,094
Total cash and cash equivalents	211,437	159,528	209,568	133,094

NOTE 22. LOSS PER SHARE

	Consolidated	
	2011	2010
	$	$
Loss for the year used in calculating loss per share	425,018	36,265
Weighted average number of ordinary shares outstanding used in calculating basic loss per share	6,476,080	6,476,080
Weighted average number of ordinary shares outstanding used in calculating diluted loss per share	6,476,080	6,476,080
Basic loss per share – cents	6.56	0.56
Diluted loss per share – cents	6.56	0.56

NOTE 23. COMMITMENTS

	Consolidated		Holding Company	
	2011	2010	2011	2010
	$	$	$	$
a) Capital commitments				
Capital expenditure approved and committed	-	-	-	-
Total capital expenditure commitments	-	-	-	-
b) Operating lease commitments contracted for rentals are as follows:				
Not later than one year	142,805	169,043	141,970	167,133
Later than one year but not than two years	-	70,969	-	70,969
Total commitments	142,805	240,012	141,970	238,102

c) The holding company, FijiCare Insurance Limited, agreed to provide necessary financial support to the subsidiary, FijiCare Medical Centre Limited to meet its liabilities as and when they fall due.

NOTE 24. CONTINGENT LIABILITIES

	Consolidated		Holding Company	
	2011	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**
Contingent liabilities exist with respect to the following:				
Indemnity guarantees	750	750	750	750
Litigations	193,785	262,760	193,785	262,760
Total contingent liabilities	194,535	263,510	194,535	263,510

The group is subject to various claims arising in the ordinary course of business. On the basis of advice received from the solicitors representing the company and assessment carried out by the management, it is the opinion of the directors that the disposition or ultimate determination of such claims will not have a material effect on the financial position of the group.

NOTE 25. INVESTMENTS IN SUBSIDIARY COMPANY

Entity	Place of Incorporation	% Owned	Investment Book Value ($) 2011	Investment Book Value ($) 2010
FijiCare Medical Centre Limited	Fiji	100%	10,000	10,000
Less : Impairment loss			(10,000)	(10,000)
			-	-

NOTE 26. SEGMENT INFORMATION

(a) Operating segment

The group operates predominantly in the insurance industry and operating of medical centre.

		Medical and Health	Term Life	Clinic services	Others	Total
		$	**$**	**$**	**$**	**$**
Revenue	Dec 11	5,653,247	884,210	145,863	623,279	7,306,599
	Dec 10	5,332,706	892,813	118,229	541,642	6,885,390
Result (Revenue less allocated costs)	Dec 11	47,112	(69,036)	2,995	137,831	118,902
	Dec 10	309,271	157,597	(21,476)	(437,202)	8,190
Add: **Unallocated - other revenue:** Management fees, dividend, interest income and other income	Dec 11					355,527
	Dec 10					392,950
Less: **Unallocated – expenses and income tax**	Dec 11					899,447
	Dec 10					437,405
Loss after income tax	Dec 11					(425,018)
	Dec 10					(36,265)

NOTE 26. SEGMENT INFORMATION (CONT'D)

Segment Assets and Liabilities

Assets and liabilities cannot be reasonably allocated between the operating segments. Accordingly, this information has not been provided under segment information.

Additional Information

Similarly, depreciation and other non-cash items cannot be reasonably allocated between the operating segments. Accordingly, this information has not been provided under segment information.

(b) Geographical segment

The group operates in Fiji and is therefore one geographical area for reporting purposes.

NOTE 27. RELATED PARTY TRANSACTIONS

(a) Ultimate holding company

The ultimate holding company is Family Assurance Holdings (Pty) Limited, a company incorporated in Australia.

(b) Directors

The names of persons who were directors of the holding company at any time during the financial year are as follows:

Ross Porter – Chairman
Carl Philipp Thomas
Kaliopate Tavola
Mesake Nawari
Peter McPherson
Joeli Randio
Max Storck

(c) Holding company transaction with related parties

Transactions with related parties during the year ended 31 December 2011 with approximate transaction values are summarized as follows:

Related Party	Relationship	Nature of transaction	2011	2010
FijiCare Medical Centre Limited	Subsidiary company	Capitation and Professional fees	189,754	159,145
FijiCare Medical Centre Limited	Subsidiary company	Rent income	24,000	10,960
AFA Management Services (Pty) Limited	Shareholder/ director related entity	Management and Consultancy fee expense	296,999	300,000
Family Assurance (Tonga) Limited	Shareholder/ director related entity	Management fees Income	1,627	9,000
Family Assurance (Tonga) Limited	Shareholder/ director related entity	Premium income	19,009	8,039
Family Assurance (Tonga) Limited	Shareholder/ director related entity	Commission expense	3,516	808
AFA Pty Limited	Shareholder/ director related entity	Professional Indemnity Insurance expense	-	54,654
Unity Limited	Shareholder/ director related entity	Accommodation expenses	1,602	-

NOTE 27. RELATED PARTY TRANSACTIONS (CONT'D)

(d) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following directors and executives were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the holding company.

Name	Current title
Ross Porter	Chairman (Non-executive)
Peter McPherson	Managing Director (Executive)
Joeli Radio	Director (Executive)
Carl Philipp Thomas	Director (Non-executive)
Max Storck	Director (Non-executive)
Kaliopate Tavola	Director (Non-executive)

The remuneration of the key management personnel during the year was as follows:

	2011	2010
	$	$
Non-Executive Director		
Directors fees	13,492	6,000
Executive Directors		
Short term benefits (directors fees, remuneration and benefits)	367,543	334,899
Long term benefits – FNPF	23,914	20,687

The two executive directors also receive motor vehicle benefits. The value of vehicle benefits amounts to $7,664 as determined for the purpose of PAYE tax deductions.

Refer Notes 27 (c) and 27 (f) in respect to management and consultancy fee payments to AFA Management Services (Pty) Ltd, a shareholder/ director related entity.

(e) Amounts due to, and receivable from related parties:

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements. (Refer Notes 9 and 14)

(f) Brief details of contracts and arrangements with related parties

i) Consultancy Agreement with AFA Management Services Pty Ltd, Australia

The company has entered into Consultancy Agreement with AFA Management Services Pty Ltd of Australia, a company in which director, Mr Ross Porter has material interest, for provision of management and consulting services to FijiCare Insurance Limited. The Agreement covers the provision of services including financial, accounting, system reporting, reinsurance, claims and executive services. Pursuant to this Agreement, management and consultancy fees were paid to AFA Management Services Pty Ltd. The Consultancy Agreement for the period 1 January 2011 to 31 December 2011 was executed on 17 August 2011.

The fees of $299,000 is payable by the company for a term of 12 months ending 31 December 2011 pursuant to Management Agreement.

NOTE 27. RELATED PARTY TRANSACTIONS (CONT'D)

(f) Brief details of contracts and arrangements with related parties (Cont'd)

i) Consultancy Agreement with AFA Management Services Pty Ltd, Australia (Cont'd)

The management and consultancy fee expense of $296,999 was incurred for year ended 31 December 2011 (2010:$ 300,000).

ii) Management Agreement with Family Assurance Limited, Tonga

The company had entered into Management Agreement with Family Assurance Limited of Tonga, a company in which director, Mr Ross Porter has material interest, for provision of advisory and consulting services by Fijicare Insurance Limited. The Agreement covers the provision of services including claims, underwriting, management and administrations and other matters. The Management Agreement dated 1 January 2010 was for the period commencing from 1 January 2010 was executed on 12 August 2010. The fee of $2,000 per month was receivable pursuant to Management Agreement. The Management Agreement was terminated effective from 30 June 2010.

The management fee income of $1,627 was received for year ended 31 December 2011 (2010:$ 9,000).

iii) Accommodation Arrangements with Unity Limited

The company had made arrangements with Unity Limited, a company in which director, Mr Ross Porter has material interest and director Mr Peter McPherson has minority interest, for use of hotel apartment (Golf Terrace Apartment, Denarau, Nadi) by management and executive staff members and directors during business trips.

The accommodation charges of $1,602 was paid to Unity Limited during year ended 31 December 2011 (2010 - Nil).

iv) Professional Indemnity Insurance

In 2010, the company had obtained Professional Indemnity and Directors & Officers Insurance cover from Chubb Insurance Company of Australia Limited. The insurance cover was arranged through a shareholder/ director related entity, AFA Pty Limited, Australia, a company in which director, Mr Ross Porter has material interest.

The premium expense incurred for the year ended 31 December 2011 was $Nil (2010 : $54,654).

Effectively from 2011, the insurance cover has been arranged directly with the underwriters.

NOTE 28. INSURANCE CONTRACTS RISK MANAGEMENT

A key risk from operating in the general insurance industry is the exposure to insurance risk arising from underwriting general insurance contracts. The insurance contracts transfer risk to the insurer by indemnifying the policyholders against adverse affects arising from the occurrence of specified uncertain future events. The risk is that the actual amount of claims to be paid in relation to contracts will be different to the amount estimated at the time a product was designed and priced. The consolidated entity is exposed to this risk because the price for a contract must be set before the losses relating to the product are known. Hence the insurance business involves inherent uncertainty. The consolidated entity also faces other risks relating to the conduct of the general insurance business including financial risks (refer principally to Note 29).

A fundamental part of the overall risk management strategy is the effective governance and management of the risks that impact the amount, timing and uncertainty of the cash flows arising from insurance contracts.

(a) Risk management objectives and policies for mitigating insurance risk

The insurance activities primarily involve the underwriting of risks and the management of claims. A disciplined approach to risk management is adopted rather than a premium volume or market share oriented approach. It is believed this approach provides the greatest long term likelihood of being able to meet the objectives of all stakeholders, including policyholders, lenders and equity holders.

The risk management activities can be broadly separated into underwriting (acceptance and pricing risk), claims management and investment management. The objective of these risk management functions is to enhance the longer term financial performance of the overall insurance operations.

The key policies in place to mitigate risks arising from underwriting insurance contracts include the following:

- Acceptance of risk – Insurance and reinsurance policies are written in accordance with local management practises and regulations within each jurisdiction. Maximum limits are set for the acceptance of risk on an individual contract basis. Management information systems are maintained that provide up-to-date, reliable data on the risks to which the business is exposed at any point in time. Efforts are made, including plain language policy terms, to ensure there is no misalignment between what policyholders perceive will be paid when a policy is initially sold and what is actually paid when a claim is made.
- Pricing – Statistical models are used which combine historical and projected data to calculate premiums and monitor claims patterns for each class of business. The data used includes historical pricing and claims analysis for each class of business as well as current developments in the respective markets and classes of business.
- Reinsurance – The use of reinsurance to limit exposure to large single claims and the accumulation of claims that arise from the same event or the accumulation of similar events. This includes the monitoring of reinsurers' credit risk to control exposure to reinsurance counterparty default.
- Claims management – Initial claim determination is managed by claims officers with the requisite degree of experience and competence with the assistance, where appropriate, or other party with specialist knowledge. It is the company's policy to respond and settle claims quickly whenever possible and to pay claims fairly, based on the policyholders full entitlements.
- Investment management – Assets and liabilities are managed so as to effectively match the expected pattern of claims payments with the assets that are held to back insurance liabilities.

NOTE 28. INSURANCE CONTRACTS RISK MANAGEMENT (CONT'D)

(b) Terms and conditions of insurance contracts

The terms and conditions attaching to insurance contracts affect the level of insurance risk accepted. Insurance contracts are generally entered into on an annual basis and at the time of entering into a contract all terms and conditions are negotiable or, in the case of renewals, renegotiable. The majority of direct insurance contracts written are entered into on a standard form basis. Non-standard and long term policies may only be written if expressly approved by a person with appropriate delegated authority. There are no special terms and conditions in any non-standard contracts that would have a material impact on the financial statements.

(c) Credit risk

Financial assets or liabilities arising from insurance contracts are presented on the statement of financial position at the amount that best represents the maximum credit risk exposure at the reporting date.

The credit risk relating to insurance contracts relates primarily to premium receivable which is due from individual policyholders and intermediaries (brokers and agents). The brokers and agents collect premium from policyholders and remit the monies to the insurer in accordance with contractual arrangements. The recoverability of premium receivable is assessed and provision is made for impairment based on objective evidence and having regard to past default experience.

(d) Interest rate risk

The underwriting of general insurance contracts creates exposure to the risk that interest rate movements may materially impact the value of the outstanding claims liability. Movements in interest rates impact the determination of the liability through the selection of discount rates. Discounting the liability is in effect allowing for future investment earnings on the assets held to back the insurance liabilities. The funds held to pay outstanding claims are invested principally in fixed interest securities matched to the settlement durations of the outstanding claims. Movements in market interest rates affect the value of the fixed interest securities. Hence movements in interest rates should have minimal impact on the insurance profit for a year due to movements in investment income on assets backing insurance liabilities offsetting the impact of movements in discount rates on the claims liabilities.

(e) Operational risk

Operational risk is the risk of financial loss (including lost opportunities) resulting from external events and/or inadequate or failed internal processes, people and systems to perform as required. Operational risk can have overlaps with all of the other risk categories. When controls fail, operational risks can cause damage to reputation, can have legal or regulatory implications or can lead to financial loss. The company and the group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, is able to manage risks.

Operational risk is identified and assessed on a ongoing basis and the capital management strategy includes consideration of operational risk. Management and staff are responsible for identifying, assessing and managing operational risks in accordance with their roles and responsibilities.

NOTE 29. FINANCIAL RISK MANAGEMENT

The group is exposed to a variety of financial risks in the normal course of business; market risk (including fair value interest rate risk and equity price risk), credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that fair value of or future cash flows of a financial instrument will fluctuate because of changes in market prices. Procedures are in place to mitigate the company's exposure to market risk.

(i) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk results from the holding of financial assets and liabilities in the normal course of business.

Fixed interest rate assets and variable interest rate liabilities create exposure to fair value interest rate risk. The group mitigates interest rate risk by maintaining an appropriate mix of instruments.

(ii) Equity Price Risk

Equity price risk is defined as exposure to movements in investment prices /values, i.e., the dollar effect of a change in market price /value of investments. The holding company minimizes the risks by:

a) Diversifying the investments portfolio across assets classes;
b) Diversifying the equity and debt portfolios across sectors and securities to the prescribed limit;
c) Proper asset (stock) selection based on relative value after a research process;
d) Appropriate investments limits that covers asset allocation, concentration, regional location and currency; and
e) Pre-qualifying the financial institutions, broker /dealers, intermediaries, and advisers with which the company will do business.

(b) Credit risk

Credit risk is the risk of loss from a counterparty failing to meet their financial obligations. The consolidated entity's credit risk arises predominantly from investment activities and reinsurance activities.

The credit risk relating to investments is monitored and assessed, and maximum exposures are limited. The investments comprising assets held to back insurance liabilities are restricted to investment grade securities.

(c) Liquidity risk

Liquidity risk is concerned with the risk of there being insufficient cash resources to meet payment obligations without affecting the daily operations or the financial condition of the consolidated entity. Liquidity facilitates the ability to meet expected and unexpected requirements for cash. The liquidity position is derived from operating cash flows, investment portfolios and access to outside sources of liquidity such as bank, reinsurance arrangements and other sources.

Sound liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The nature of insurance activities means that the timing and amount of cash flows are uncertain.

Management of liquidity risk includes asset and liability management strategies. The assets held to back insurance liabilities consist predominantly of held-to-maturity investments. The assets are managed so as to effectively match the maturity profile of the assets with the expected pattern of claims payments.

NOTE 30. MATURITY ANALYSIS

The following analysis of monetary assets and liabilities as at 31 December 2011 is based on contractual terms.

31 December 2011-Consolidated

	At call	1 day to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 Years	No specific maturity	Total
	$	$	$	$	$	$	$
Assets							
Cash and bank balances	211,437	-	-	-	-	-	211,437
Trade and other receivables	-	1,389,432	-	-	-	-	1,389,432
Available-for-sale financial assets	-	-	-	-	-	543,832	543,832
Held-to maturity investments	-	3,392,251	1,150,341	300,000	-	-	4,842,592
Current tax assets	-	-	332,000	-	-	-	332,000
	211,437	4,781,683	1,482,341	300,000	-	543,832	7,319,293
Liabilities							
Trade and other payables	-	797,492	-	-	-	-	797,492
Insurance contract liabilities	-	1,363,186	1,211,009	-	-	1,562,878	4,137,073
	-	2,160,678	1,211,009	-	-	1,562,878	4,934,565

31 December 2010-Consolidated

	At call	1 day to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No specific maturity	Total
	$	$	$	$	$	$	$
Assets							
Cash and bank balances	159,528	-	-	-	-	-	159,528
Trade and other receivables	-	1,539,618	-	-	-	-	1,539,618
Available-for-sale financial assets	-	-	-	-	-	542,394	542,394
Held-to maturity investments	-	1,949,157	2,061,041	1,247,658	-	-	5,257,856
Current tax assets	-	-	255,094	-	-	-	255,094
	159,528	3,488,775	2,316,135	1,247,658	-	542,394	7,754,490
Liabilities							
Trade and other payables	-	866,531	-	-	-	-	866,531
Insurance contract liabilities	-	1,548,303	1,593,519	-	-	1,306,875	4,448,697
	-	2,414,834	1,593,519	-	-	1,306,875	5,315,228

NOTE 31. PRINCIPAL ACTIVITIES

The principal activities of the holding company during the year were that of underwriting of medical, health, workers compensation, personal accident, term life and general insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating medical clinic and medical centre.

Except for exclusion of underwriting of marine insurance risk by the holding company, there were no significant changes in the nature of these activities during the financial year.

NOTE 32. HOLDING COMPANY DETAILS

Company Incorporation

The holding company was incorporated in Fiji under the Companies Act, 1983.

Registered Office and Principal Place of Business

The registered office and principal place of business of the holding company is located at:

Level 9
FNPF Place
343-359 Victoria Parade
SUVA

NOTE 33. SIGNIFICANT EVENTS DURING THE YEAR

1. With effect from 1 January 2011, the holding company ceased to provide insurance coverage on marine insurance risk.
2. In accordance with special resolution passed at the extraordinary general meeting of the company held on 12 October 2011:
   a) The articles of association of the company were amended to provide for the transfer of shares of micro shareholders to a trustee.

      The company is in the process of completing the required formalities for establishing appropriate structure for holding shares of micro shareholders with whom the company has no contact.

   b) The articles of association of the company were also amended to provide for the compulsory acquisition provisions in the event of any offer for purchase of all shares of the company.

      The company is in the process of completing the required formalities in respect to the above.

NOTE 34. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date:

a) In January 2012, the Income Tax (Amendment) Decree 2012 (Decree No. 6 of 2012) was gazetted. In relation to the provisions for the carry forward of income tax losses, significant amendments had been made effective from 1 January 2012. Consequent to the amendment, all tax losses prior to 1 January 2012 ceased to continue from 1 January 2012.

b) In January 2012, the Value Added Tax (Amendment) Decree 2012 (Decree No. 11 of 2012) was promulgated. Consequent to the amendment, with the exception of life and medical insurance, all other insurance products are subject to VAT.

c) With effect from 5 March 2012, the holding company closed its Nadi office and centralised the operations with its Suva office.

Apart from the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group or the company, the results of those operations, or the state of affairs of the group or the company in future financial years.

NOTE 35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 27 March 2012.

SOUTH PACIFIC STOCK EXCHANGE - LISTING REQUIREMENTS

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report)

1. Statement of interest (direct and indirect) of each director in the share capital of the company as at 31 December 2011.

Directors	Direct Interest (Number of Shares)	Indirect Interest (Number of Shares)
Ross Porter	-	3,502,056
Peter McPherson	8,128	332,148
Carl Philipp Thomas	-	399,484
Joeli Radio	20	-

2. Distribution of ordinary shareholders:

No. of Holders	Holding	Total % Holding
13269	Less than 500 shares	4.12
41	500 to 5,000 shares	0.95
7	5,001 to 10,000 shares	0.78
6	10,001 to 20,000 shares	1.25
5	20,001 to 30,000 shares	1.73
-	30,001 to 40,000 shares	-
-	40,001 to 50,000 shares	-
1	50,001 to 100,000 shares	0.8
8	100,001 to 1,000,000 shares	45.06
1	Over 1,000,000 shares	45.31
13,338	Total	100

Share Register

FijiCare Insurance Limited
Level 9. FNPF Place, 343-359 Victoria Parade
Suva, Fiji.

3. Disclosure on the trading results of the subsidiary company under Section 6.31:

FijiCare Medical Centre Limited

	2011	**2010**
Revenue $	335,617	277,374
Other income	0	4,556
Less :		
Depreciation	-3,922	-3,698
Other expenses	-328,700	-299,708
Income tax expense	-	-
	2,995	-21,476
Add loan from parent company written off/forgiven	-	-
Total comprehensive income for the year $	2,995	-21,476

	2011	**2010**
Total Assets	60,963	57,251
Total Liabilities	41,837	41,120
Shareholders Equity	19,126	16,131

4. Twenty Largest Shareholders

As at 31 December 2011, the twenty largest shareholders held 6,086,187 shares which is equal to 93.97% of the total issued 6,476,080 fully paid shares of 50 cents each.

1	**Family Assurance Limited**	2,934,003	2	**Kontiki Fund Limited**	723,986
3	**AFA Limited**	568,053	4	**Unit Trust of Fiji**	425,852
5	**Aequi-Libria Associates Ltd**	399,484	6	**Stronghold Investment Inc**	332,148
7	**Dominion Insurance Limited**	168,655	8	**Yasana Holdings Limited**	168,609
9	**Graham Barnett**	131,524	10	**Reddys' Enterprise Ltd**	51,561
11	**CEPAC SECRETARIAT**	24,407	12	**OceaniaMaristProvince**	22,561
13	**Jinita Prasad**	22,500	14	**Fijian Development Fund Board**	21,787
15	**Ken Kung**	20,759	16	**Jimaima T Schultz**	20,000
17	**Griffon Emose**	15,000	18	**WILLIAM HONWING**	12,993
19	**MehboobRaza**	11,690	20	**Fazal Khan**	10,615

FIJICARE INSURANCE LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE
(NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

(1) Disclosure under Section 6.31 (xii):

Summary of Key Financial results for the previous five years (Consolidated)

	2011	2010	2009	2008	2007	2006
Net Profit / (Loss) after Tax	-425,018	-36,265	-248,651	548,724	670,017	372,189
Current Assets	6,938,495	6,161,387	7,586,258	5,683,529	4,990,070	6,056,726
Non - Current Assets	1,419,420	2,984,760	1,283,124	2,847,668	3,022,380	1,975,872
Total Assets	**8,357,915**	**9,146,147**	**8,869,382**	**8,531,197**	**8,012,450**	**8,032,598**
Current Liabilities	4,998,840	5,378,978	4,997,574	4,366,872	4,461,964	5,045,263
Non - Current Liabilities	0	0	40,400	0	53,158	62,252
Total Liabilities	**4,998,840**	**5,378,978**	**5,037,974**	**4,366,872**	**4,515,122**	**5,107,515**
Shareholders Equity	**3,359,075**	**3,767,169**	**3,831,408**	**4,164,325**	**3,497,328**	**2,925,083**

Summary of Key financial results for the previous five years for the Holding company:

	2011	2010	2009	2008	2007	2006
Net Profit / (Loss) after Tax	-428,013	-14,789	-284,121	459,590	687,062	334,887
Current Assets	6,923,765	6,128,754	7,544,840	5,671,206	4,985,874	6,053,600
Non - Current Assets	1,402,953	2,974,468	1,273,099	2,835,632	3,102,890	2,026,578
Total Assets	**8,326,718**	**9,103,222**	**8,817,939**	**8,506,838**	**8,088,764**	**8,080,178**
Current Liabilities	4,986,769	5,352,184	4,983,738	4,344,650	4,451,281	5,022,891
Non - Current Liabilities	0	0	40,400	0	53,158	62,252
Total Liabilities	**4,986,769**	**5,352,184**	**5,024,138**	**4,344,650**	**4,504,439**	**5,085,143**
Shareholders Equity	**3,339,949**	**3,751,038**	**3,793,801**	**4,162,188**	**3,584,325**	**2,995,035**

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(2) Disclosure under Section 6.31 (xiii) (a):

Dividend declared per share:

	2011	2010	2009	2008	2007	2006
Cents per share	0	0	0.04	0.04	0	0

(3) Disclosure under Section 6.31 (xiii) (b):

Earnings / (Loss) per share (Consolidated):

Basic Earnings / (Loss) per share

	2011	2010	2009	2008	2007	2006
Cents per share	-6.56	-0.56	-3.92	9.15	11.63	6.46

Diluted earnings / (Loss) per share

	2011	2010	2009	2008	2007	2006
Cents per share	-6.56	-0.56	-3.92	9.15	11.62	6.42

(3) Disclosure under Section 6.31 (xiii) (c):

Net tangible assets per share (Group):

	2011	2010	2009	2008	2007	2006
Cents per share	0.52	0.58	0.59	0.67	0.61	0.51

(4) Disclosure under Section 6.31 (xiii) (d):

Share price during the year (Cents per share)	**2011**	**2010**
Highest	0.65	0.67
Lowest	0.50	0.65
On 31st December	0.50	0.65

FIJICARE INSURANCE LIMITED
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(5) Disclosure under Section 6.31 (vi):

Meetings of the Board
The regular business of the Board during its meetings covers business investments and strategic matters, governance and compliance, the Managing Directors report, financial report and performance of subsidiary company. To minimise cost four Board of Directors meeting were conducted via teleconferencing.

Director	Number of Meetings entitled to attend	Number of meetings attended	Apologies Received
Mr. Ross Porter	6	6	NA
Mr. Peter McPherson	6	6	NA
Mr. Joeli Randio	6	6	NA
Mr. Carl Philipp Thomas	6	6	NA
Mr. Kaliopate Tavola	4	3	1
Mr. Max Storck	4	2	2
Company Secretary			
Mr. David Fisk	6	4	2
Mr. Victor Robert	6	6	NA

The Board met 6 times during the financial year ended 31st December 2011

FIJICARE INSURANCE LIMITED
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(6) Disclosure under Section 6.31 (vii):

LISTED SECURITIES	QUANTITY	CURRENT VALUE		TOTAL VALUE
FOSTER'S GROUP PACIFIC LIMITED	**5,550**	$	10.50	**58,275**
ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED	**5,000**	$	0.77	**3,850**
R B PATEL GROUP LIMITED	**53,000**	$	2.05	**108,650**
COMMUNICATIONS (FIJI) LIMITED	**20,000**	$	2.10	**42,000**
VB HOLDINGS LTD	**3,143**	$	2.98	**9,366**
PLEASS BEVERAGE EQUIPMENT LTD	**60,000**	$	0.90	**54,000**
AMALGAMATED TELECOM HOLDINGS LIMITED	**50,000**	$	0.76	**38,000**
THE RICE COMPANY OF FIJI LIMITED	**18,600**	$	2.30	**42,780**
FIJI TELEVISION LIMITED	**9,000**	$	2.50	**22,500**
FLOUR MILLS OF FIJI LIMITED	**77,540**	$	0.50	**38,770**
KONTIKI GROWTH FUND LIMITED	**51,000**	$	0.29	**14,790**
TOTAL				**432,981**

UNLISTED SECURITIES	QUANTITY	CURRENT VALUE		TOTAL VALUE
THE FIJI GAS COMPANY LIMITED	**3,310**	$	10.00	**33,100**
YATU LAU COMPANY LIMITED	**50,162**	$	1.55	**77,751**
TOTAL				**110,851**

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Company Secretary

David Fisk
Victor Vikash Robert (Local)