# ANNUAL REPORT
# FOR THE YEAR ENDED
# 31st DECEMBER 2013

**FijiCare Insurance Limited**
Company Address - Level 9, FNPF Place, Victoria
Parade, Suva, Fiji Islands
Email Address - fijicare@connect.com.fj
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Dear stakeholders,

This is the second time around that following the 2012 change in control the reconstituted board is accountable to you for what happened during a finalized financial year.

A number of initiatives taken in 2012 and during the year, continued to bear fruit:

- The state of the art integrated IT solution purchased from E-Meditek in India was implemented without major issues. It allows us to manage a 50% larger portfolio without having to add staff and enhances client and intermediary satisfaction.
- Internal audit is in the hands of a seasoned accounting professional. This enhances our compliance with regulatory requirements and results in a more predictable and stable business.
- Our marketing team did a great job increasing the top line by 52%.
- We retained an Australian qualified external actuary who is specialized in medical portfolios. In addition to having our claims reserves examined we are looking forward to in the future receiving advice on differentiated pricing based on historical claims experience and international practice.
- The enhanced business volume together with a reduced expense ratio (more or less constant absolute expenses divided by a larger book resulted in a 5% drop in the expense ratio) allowed the company to show an increase in post-tax profits by $304,012 to $679,745. Subject to AGM approval, the company is going to resume paying a dividend after a four year dry spell.

There were two extraordinary contributors to the annual profit:

- We managed to more or less amicably settle a litigation which for over 10 years had been sitting in the courts. This resulted in an extraordinary gain of F$ 68k.
- Payment was obtained – after some insistence – in respect of an old and almost forgotten reinsured claim of F$ 57k

No similar F$ 125k easy picks are on the horizon for 2014, the entire profit will thus need to be derived in the normal course of business.

Where we failed so far:

- Our investment yield continues to be pitiful, but this plight is shared with the worldwide insurance industries. It is the consequence of fiscal suppression, i.e. national banks ensuring excessively low market yields in order to stimulate growth. We would like to move towards some direct lending, e.g. car loans and home mortgages.
- We had intended to write F$1m in annual property premiums. There were some teething problems associated with this account but we are confident that things will accelerate during the course of 2014.

- Our Pan-Pacific strategy has not really taken off yet. However, the board of our prospective Vanuatu JV partner is still considering their becoming a 49% JV partner in VanCare Insurance Ltd., a new insurance company that is subject to RBV approval to become operational in the near future.

The Pan-Pacific topic leads me to the rights issue the Board will be proposing to a separate EGM to be held later this year. There are two reasons for this:

- Any allocation of shareholders' funds to a new foreign venture will reduce solvency back home as the earmarked funds will no longer count towards solvency at the parent organization level.
- In order to not cede too many of our gross profits to reinsurers we are currently running a F$ 500k retention per event. We could thus be affected by a string of such claims which would wipe out a good part of our F$ 4m capital. Our external actuary advised us that she would be more comfortable if we had a supplementary capital cushion to absorb such unlikely but still possible blows.
- Worldwide there is a trend to replace the current somewhat simplistic Solvency I approach with a more sophisticated risk based modeling process called Solvency II. The EU will be doing this as from 2016. Such new capital requirements invariably are more onerous than those they replace. In anticipation of such a move by the RBF we might as well proactively get ourselves in line with what the – as yet unpublished – standard might be in a couple of years' time.

The board hopes to be able to let you know about further progress of the company, but since we are in the risk business there is always scope for negative surprises.

In concluding I would like to convey my personal thanks to the staff who have been putting in many extra hours and weekend days to ensure implementation of the new IT software, marketing the reborn FijiCare to the public and processing the considerably increased volume of business. Our 2013 results are after their well-deserved bonuses.

**Philipp Thomas**

**Chairman**

## 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. Board Charter clearly sets out the objectives of the Board. |
| **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 4 directors:<br><br>Philipp Thomas – Non- Executive Chairman<br>Peter McPherson – Managing Director<br>Max Storck- Independent Director<br>Kaliopate Tavola – 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. |

| | |
|---|---|
| **Accountability & Audit** | FIL is audited annually by independent auditors who provide their report to the shareholders. The 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.<br>FIL has appointed Internal Auditor Mr Bruce Sutton who brings in more than 35 years of expertise in the field of internal audit. |
| **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. |

**FijiCare Insurance Limited has 4 SubCommittee's that help the Board in fulfilling its responsibilities by providing recommendations advice and information. These SubCommittes's are chaired by Non-Executive Directors.**

| **Compliance Legal and Audit Committee** | |
|---|---|
| Kaliopate Tavola | Committee Chairman |
| Jasmeen Khan | Committee Secretary |
| Peter McPherson | Member |
| Victor Robert | Member |

| **Treasury and Investment Committee** | |
|---|---|
| Max Storck | Committee Chairman |
| Victor Robert | Committee Secretary |
| Peter McPherson | Member |
| Jasmeen Khan | Member |

| **Reinsurance & Risk Management  Committee** | |
|---|---|
| Philipp Thomas | Committee Chairman |
| Jasmeen Khan | Committee Secretary |
| Peter McPherson | Member |
| Victor Robert | Member |

| **Human Resource & Remuneration Committee** | |
|---|---|
| Philipp Thomas | Committee Chairman |
| Jasmeen Khan | Committee Secretary |
| Peter McPherson | Member |
| Joeli Randio | Member |
| Victor Robert | Member |

FIJICARE INSURANCE LIMITED
AND SUBSIDIARY COMPANY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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## DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the statements of financial position of FijiCare Insurance Limited (the holding company) and of the group as at 31 December 2013, the related statements of profit or loss and other comprehensive income, statements of changes in equity and statements 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:

| | |
|---|---|
| Philipp Thomas - Chairman | Peter McPherson |
| Max Storck | Kaliopate Tavola |

### Principal Activities

The principal activities of the holding company during the year were that of underwriting of medical, term life, mortgage protection, worker's compensation, personal accident, public liability, funeral benefits, motor vehicle and property insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating a medical clinic offering family medicine, immigration medicals, womens' health counseling and minor surgery services.

There were no significant changes in the nature of these activities during the financial year.

### Results

The profit after income tax of the holding company for the year was $632,436 (2012: profit after income tax was $356,254). Total profit, including comprehensive income, for the year was $670,008 (2012: Total profit, including comprehensive income, was $363,864).

The consolidated profit after income tax for the year was $679,745 (2012: consolidated profit after income tax was $375,733). Total consolidated profit, including comprehensive income, for the year was $717,317 (2012: Total consolidated income, including comprehensive income, was $383,343).

### Dividends

The directors did not declare or propose any dividends to be paid for the year ended 31 December 2013.

### Reserves

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

### Bad and Doubtful Debts

Prior to the completion of the financial statements of the holding company and the group, 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 holding company or the group, inadequate to any substantial extent.

DIRECTORS' REPORT [CONT'D]

**Current and Non-Current Assets**

Prior to the completion of the financial statements of the holding 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 holding 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 financial statements of the holding company and the group misleading.

**Unusual Transactions**

In the opinion of the directors, the results of the operations of the holding company and 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 holding company and the group in the current financial year.

**Significant Events during the Year**

During the year, the holding company:

1. commenced property insurance underwriting upon securing a reinsurance program.

2. purchased and installed a specialised insurance computer system.

**Events Subsequent to Balance Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the holding company and the group, the results of those operations, or the state of affairs of the holding company and the group 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 the group have become or are 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 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 holding company and the group misleading or inappropriate.

**DIRECTORS' REPORT [CONT'D]**

**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 holding 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 26 day of March 2014.

.............................. 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 statements of profit or loss and other comprehensive income of the holding company and of the group is drawn up so as to give a true and fair view of the results of the holding company and of the group for the year ended 31 December 2013;

[ii] the accompanying statements of changes in equity of the holding company and of the group is drawn up so as to give a true and fair view of the changes in equity of the holding company and of the group for the year ended 31 December 2013;

[iii] the accompanying statements of financial position of the holding company and of the group is drawn up so as to give a true and fair view of the state of affairs of the holding company and of the group as at 31 December 2013;

[iv] the accompanying statements of cash flows of the holding company and of the group is drawn up so as to give a true and fair view of the cash flows of the holding company and of the group for the year ended 31 December 2013;

[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 holding company and of 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 holding company and of the group.

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

Dated this 26 day of March 2014.

| | |
|---|---|
| .......................... | .......................... |
| Director | Director |

BDO

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GPO Box 855
Suva, Fiji



**INDEPENDENT AUDITORS' REPORT**

**To the members of FijiCare Insurance Limited**

We have audited the accompanying financial statements of FijiCare Insurance Limited ("the holding company") and the group, which comprise the statements of financial position as at 31 December 2013, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements 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 43.

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

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act, 1983, and for such internal control as the directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**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.

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

## Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the holding company and the group as at 31 December 2013, and its financial performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards.

## Report on other legal and regulatory requirements

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;

b) the financial statements are in agreement with the books of account; and

c) to the best of our information and according to the explanations given to us, the financial statements give the information required by the Fiji 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.

BDO

SUVA, FIJI
26 MARCH 2014

BDO
CHARTERED ACCOUNTANTS

**FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY**
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2013**

| | | Consolidated | | Holding Company | |
|---|---|---|---|---|---|
| | **Notes** | **2013** | **2012** | **2013** | **2012** |
| | | $ | $ | $ | $ |
| **Revenue** | 5 | 9,971,219 | 6,681,456 | 9,802,508 | 6,492,995 |
| Incurred claims | | (6,013,951) | (3,430,638) | (6,293,118) | (3,635,939) |
| Commission expense, net | 6 | (1,051,585) | (902,337) | (1,051,585) | (902,337) |
| Other direct costs | | (262,288) | (263,318) | - | - |
| Net revenue | | 2,643,395 | 2,085,163 | 2,457,805 | 1,954,719 |
| Other revenue | 7 | 379,032 | 234,288 | 413,032 | 258,288 |
| | | 3,022,427 | 2,319,451 | 2,870,837 | 2,213,007 |
| Advertising and promotion expenses | | (30,095) | (39,835) | (28,113) | (37,851) |
| Other operating expenses | | (2,171,406) | (1,936,103) | (2,072,724) | (1,851,122) |
| | | (2,201,501) | (1,975,938) | (2,100,837) | (1,888,973) |
| **Profit before income tax** | 21 | **820,926** | **343,513** | **770,000** | **324,034** |
| Income tax (expense) /benefit | 8(a) | (141,181) | 32,220 | (137,564) | 32,220 |
| **Profit for the year** | | **679,745** | **375,733** | **632,436** | **356,254** |
| **Other comprehensive income:** | | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | | |
| Fair value gain on available-for-sale financial assets | 20 | 37,572 | 7,610 | 37,572 | 7,610 |
| Total comprehensive income for the year | | **717,317** | **383,343** | **670,008** | **363,864** |
| **Earnings per share** | | | | | |
| Basic earnings per share - cents | 23 | 10.50 | 5.80 | | |
| Diluted earnings per share - cents | 23 | 10.50 | 5.80 | | |

The accompanying notes form an integral part of these statements of profit or loss and other comprehensive income.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

| | Consolidated | | | | |
|---|---|---|---|---|---|
| | Issued Capital | Share Premium Reserve | Investment Revaluation Reserve | Accumulated Profits / (Losses) | Total |
| | $ | $ | $ | $ | $ |
| Balance as at 31 December 2011 | 3,238,040 | 324,550 | 74,690 | (278,205) | 3,359,075 |
| Profit for the year | - | - | - | 375,733 | 375,733 |
| Other comprehensive income for the year | - | - | 7,610 | - | 7,610 |
| **Balance as at 31 December 2012** | **3,238,040** | **324,550** | **82,300** | **97,528** | **3,742,418** |
| Profit for the year | - | - | - | 679,745 | 679,745 |
| Other comprehensive income for the year | - | - | 37,572 | - | 37,572 |
| **Balance as at 31 December 2013** | **3,238,040** | **324,550** | **119,872** | **777,273** | **4,459,735** |

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
STATEMENTS OF CHANGES IN EQUITY [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2013

| | Holding Company | | | | |
|---|---|---|---|---|---|
| | Share Capital | Share Premium Reserve | Investment Revaluation Reserve | Accumulated Profits / (Losses) | Total |
| | $ | $ | $ | $ | $ |
| Balance as at 31 December 2011 | 3,238,040 | 324,550 | 74,690 | (297,331) | 3,339,949 |
| Profit for the year | - | - | - | 356,254 | 356,254 |
| Other comprehensive income for the year | - | - | 7,610 | - | 7,610 |
| **Balance as at 31 December 2012** | **3,238,040** | **324,550** | **82,300** | **58,923** | **3,703,813** |
| Profit for the year | - | - | - | 632,436 | 632,436 |
| Other comprehensive income for the year | - | - | 37,572 | - | 37,572 |
| **Balance as at 31 December 2013** | **3,238,040** | **324,550** | **119,872** | **691,359** | **4,373,821** |

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

**STATEMENTS OF FINANCIAL POSITION**
**AS AT 31 DECEMBER 2013**

| | | Consolidated | | Holding Company | |
|---|---|---|---|---|---|
| | Notes | 2013 | 2012 | 2013 | 2012 |
| | | $ | $ | $ | $ |
| CURRENT ASSETS | | | | | |
| Cash on hand and at bank | | 3,142,378 | 536,866 | 3,088,362 | 509,394 |
| Trade and other receivables | 9 | 1,345,071 | 1,468,786 | 1,322,555 | 1,456,330 |
| Inventories - medical supplies | | 6,016 | 2,041 | - | - |
| Held-to-maturity investments | 10(a) | 3,908,464 | 3,832,249 | 3,908,464 | 3,832,249 |
| Deferred costs | 11 | 465,356 | 491,989 | 465,356 | 491,989 |
| Current tax assets | 8 (b) | 125,360 | 433,142 | 124,362 | 433,142 |
| **Total current assets** | | **8,992,645** | **6,765,073** | **8,909,099** | **6,723,104** |
| NON-CURRENT ASSETS | | | | | |
| Trade and other receivables | 9 | 91,124 | - | 91,124 | - |
| Available-for-sale financial assets | 10 (b) | 809,659 | 570,298 | 809,659 | 570,298 |
| Held-to-maturity investments | 10 (a) | 200,000 | 200,000 | 200,000 | 200,000 |
| Investment in subsidiary | 10 (c) | - | - | 10,000 | - |
| Investment property | 12 | - | - | 420,972 | 425,649 |
| Property, plant and equipment | 13 | 614,089 | 598,379 | 171,154 | 151,848 |
| Intangible assets | 14 | 229,943 | 28,358 | 229,943 | 28,358 |
| Deferred tax assets | 8 (c) | 12,021 | 32,220 | 11,636 | 32,220 |
| **Total non-current assets** | | **1,956,836** | **1,429,255** | **1,944,488** | **1,408,373** |
| **TOTAL ASSETS** | | **10,949,481** | **8,194,328** | **10,853,587** | **8,131,477** |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 15 | 765,044 | 855,945 | 761,891 | 839,895 |
| Insurance contract liabilities | 16 | 5,662,303 | 3,536,160 | 5,662,303 | 3,536,160 |
| Employee entitlements | 17 | 62,399 | 59,805 | 55,572 | 51,609 |
| **Total current liabilities** | | **6,489,746** | **4,451,910** | **6,479,766** | **4,427,664** |
| **TOTAL LIABILITIES** | | **6,489,746** | **4,451,910** | **6,479,766** | **4,427,664** |
| **NET ASSETS** | | **4,459,735** | **3,742,418** | **4,373,821** | **3,703,813** |
| SHAREHOLDERS' EQUITY | | | | | |
| Share capital | 18 | 3,238,040 | 3,238,040 | 3,238,040 | 3,238,040 |
| Share premium reserve | 19 | 324,550 | 324,550 | 324,550 | 324,550 |
| Investment revaluation reserve | 20 | 119,872 | 82,300 | 119,872 | 82,300 |
| Accumulated profits | | 777,273 | 97,528 | 691,359 | 58,923 |
| **TOTAL SHAREHOLDERS' EQUITY** | | **4,459,735** | **3,742,418** | **4,373,821** | **3,703,813** |

The accompanying notes form an integral part of these statements of financial position.

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

............................ Director

............................ Director

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

| | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | Inflows/ (Outflows) 2013 | Inflows/ (Outflows) 2012 | Inflows/ (Outflows) 2013 | Inflows/ (Outflows) 2012 |
| | $ | $ | $ | $ |
| **Cash flows from operating activities** | | | | |
| Premium and fees received | 11,776,052 | 7,442,221 | 11,618,396 | 7,252,557 |
| Reinsurance premium paid, net | (682,040) | (778,808) | (682,040) | (778,808) |
| Claims and capitation fees paid, net | (5,937,577) | (5,082,418) | (6,203,514) | (5,296,059) |
| Payments to brokers, suppliers and employees | (2,079,986) | (2,225,297) | (1,695,243) | (1,857,315) |
| Cash generated from/ (used in) operations | 3,076,449 | (644,302) | 3,037,599 | (679,625) |
| Income tax refunds, net | 215,000 | - | 220,000 | - |
| Interest received | 44,182 | 27,953 | 44,182 | 27,953 |
| Dividend received | 28,490 | 19,348 | 28,490 | 19,348 |
| Net cash provided by/ (used in) operating activities | 3,364,121 | (597,001) | 3,330,271 | (632,324) |
| **Cash flows from investing activities** | | | | |
| Payments for property, plant and equipment | (126,465) | (103,968) | (119,159) | (94,248) |
| Payments for intangible assets | (308,388) | - | (308,388) | - |
| Payments for investment property | - | (6,002) | - | (6,002) |
| Payments for investments - term deposits | (100,000) | (650,000) | (100,000) | (650,000) |
| Payments for investments - shares | (213,247) | - | (213,247) | - |
| Advances to/ repayment by Kontiki Growth Fund Limited, net | (150,717) | - | (150,717) | - |
| Proceeds from sale of plant and equipment | 30,705 | - | 30,705 | - |
| Proceeds on maturity of investments | 109,503 | 1,682,400 | 109,503 | 1,682,400 |
| Net cash provided by/ (used in) investing activities | (758,609) | 922,430 | (751,303) | 932,150 |
| **Net increase in cash and cash equivalents** | **2,605,512** | **325,429** | **2,578,968** | **299,826** |
| Cash and cash equivalents at the beginning of the year | 536,866 | 211,437 | 509,394 | 209,568 |
| **Cash and cash equivalents at the end of the year (Note 22)** | **3,142,378** | **536,866** | **3,088,362** | **509,394** |

The accompanying notes form an integral part of these statements of cash flows.

## NOTE 1. GENERAL INFORMATION

FijiCare Insurance Limited is a licensed general insurance and publicly listed company, listed on South Pacific Stock Exchange, limited by shares, incorporated and domiciled in Fiji under the Fiji Companies Act, 1983.

Its principal activities, registered office and principal place of business are disclosed in Note 32 and Note 33 to the financial statements.

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

### a) New Standards and Amendments effective for year ending 31 December 2013

A number of new standards and amendments effective for the first time for periods beginning on (or after) 1 July 2012 and 1 January 2013, have been adopted in these financial statements. The nature and effect of each new standard and amendment adopted by the holding company and the group is detailed below. Not all new standards and amendments effective for the first time for periods beginning on (or after) 1 January 2013 effect the holding company and the group's annual consolidated financial statements.

*Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income*

The amendments introduce new terminology, whose use is not mandatory. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' (and the 'income statement' is renamed as the 'statement of profit or loss'). The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

(i) Items that will not be reclassified subsequently to profit or loss; and
(ii) Items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

*IFRS 10 - Consolidated Financial Statements*

IFRS 10 replaces the parts of IAS 27 - Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 - Consolidation - Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when:

(i) it has power over the investee;
(ii) it is exposed, or has rights, to variable returns from its involvement with the investee; and
(iii) has the ability to use its power to affect its returns.

All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

**NOTE 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)**

**a) New Standards and Amendments effective for year ending 31 December 2013 (Cont'd)**

*IFRS 10 - Consolidated Financial Statements (Cont'd)*

Other changes introduced by IFRS 10 include:

- The introduction of the concept of 'de facto' control for entities with less than a 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders.
- Potential voting rights are only considered when determining if there is control when they are substantive (holder has practical ability to exercise) and the rights are exercisable when decisions about the investees activities that affect the investors return will or can be made.
- Specific guidance for the concept of 'silos', where groups of assets (and liabilities) within one entity are ring-fenced, and each group is considered separately for consolidation.

The adoption of IFRS 10 did not result in having a significant impact to the group.

*IFRS 12 - Disclosure of Interests in Other Entities*

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

*IFRS 13 - Fair Value Measurement*

IFRS 13 sets out the framework for determining the measurement of fair value and the disclosure of information relating to fair value measurement, when fair value measurements and/or disclosures are required or permitted by other IFRSs.

As a result, the guidance and requirements relating to fair value measurement that were previously located in other IFRSs have now been relocated to IFRS 13.

While there has been some rewording of the previous guidance, there are few changes to the previous fair value measurement requirements. Instead, IFRS 13 is intended to clarify the measurement objective, harmonise the disclosure requirements, and improve consistency in application of fair value measurement.

IFRS 13 did not materially affect any fair value measurements of the group's assets or liabilities, with changes being limited to presentation and disclosure, and therefore has no effect on the group's financial position or performance.

In addition, IFRS 13 is to be applied prospectively and therefore comparative disclosures have not been presented.

See note 4 *Critical accounting estimates and judgements*for more details and further references related to fair value measurement.

## NOTE 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONT'D)

**b) New Standards and Amendments effective for year ending 31 December 2013 that have no significant impact to the group**

The following new standards and amendments are also effective for the first time in these financial statements. However, none have a material effect on the group.

- IFRS 7 - Financial Instruments: Disclosures (Amendments - Offsetting Financial Assets and Financial Liabilities).
- IAS 16 - Property, Plant & Equipment (Improvements to IFRSs (2009 - 2011 Cycle)).
- IAS 1 - Presentation of Financial Statements (Improvements to IFRSs (2009 - 2011 Cycle)).
- IAS 19 - Employee Benefits (Revised in 2011).
- IAS 32 - Financial Instruments: Presentation (Improvements to IFRSs (2009 - 2011 Cycle)).
- Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12).
- IAS 27 - Separate Financial Statements (Amendments).
- IAS 28 - Investments in Associates and Joint Ventures (Amendments).

**c) New standards and amendments not yet effective**

The following new standards and amendments, which are not yet effective and have not been adopted early in these financial statements, may have an effect on the group's future financial statements:

- Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1January 2014).
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities (effective for annual periods beginning on or after 1 January 2014).
- IFRS 9 - Financials Instruments (effective for annual periods beginning on or after 1 January 2015).
- Amendments to IFRS 7 and IFRS 9 (effective for annual periods beginning on or after 1 January 2015).

## NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**Statement of Compliance**

The financial statements have been prepared in accordance with the Fiji Companies Act, 1983 and International Financial Reporting Standards ('IFRS') as required by the Fiji Institute of Accountants.

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention except for financial assets and financial liabilities at fair value through statement of profit or loss and other comprehensive income. Historical cost is based on the fair values of the consideration given in exchange for assets.

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

**Basis of Preparation (Cont'd)**

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

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

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

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

### a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of FijiCare Insurance Limited and its subsidiary company which is listed in note 26.Control is achieved when the holding company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The holding company reassess whether or not it controls the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the holding company has less than a majority of the voting rights of the investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The holding company considers all relevant facts and circumstances in assessing whether or not the holding company's voting rights in the investee is sufficient to give it power, including:

- the size of the holding company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the holding company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the holding company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

### a) Basis of Consolidation (Cont'd)

Consolidation of a subsidiary begins when the holding company obtains control over the subsidiary and ceases when the holding company loses control of the subsidiary.

Income and expenses of the subsidiary are included in the consolidated statement of profit or loss and other comprehensive income from the date the holding company gains control until the date when the holding company ceases to control subsidiary.

Profit and loss and each component of other comprehensive income are attributable to the owners of the holding company.

All inter-company balances and transactions between the holding company and its subsidiary entity including any unrealised profits or losses have been eliminated on consolidation.

### b) Allowance for Doubtful Debts

The group establishes an allowance for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period when they are identified.

### c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their 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.

### d) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

### e) Comparatives

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

### f) 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 holding 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.

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

### g) Financial Assets

The group classifies its financial assets in the following categories: held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose for which the financial assets were acquired and is determined at the time of 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 management has the positive intention and ability to hold to maturity.

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

*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 group 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.

*Loans and receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are classified as non-current assets. The group's receivables comprise 'trade and other receivables' disclosed in the statements of financial position (note 9).

Trade receivables and other receivables are recorded at amortised cost less impairment.

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

### h) 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*

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the profit or loss in the period in which they arise.

### i) Impairment of Non-Financial assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### j) Income Tax

*Current 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.

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

### j) Income Tax (Cont'd)

*Deferred tax*

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

*Current and deferred tax for the period*

Current and deferred tax is recognised as an expense or income in the statements of profit or loss except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

*Capital gains tax*

Capital Gains Tax (CGT) is applicable at 10% on capital gains realised on the sale or disposal of 'capital assets' as set out in the Capital Gains Tax Decree. Accordingly, the group provides for deferred tax liability that may arise if capital assets were to be ultimately sold or traded.

### k) 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.

*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.

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

### k) Insurance Contracts (Cont'd)

*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 holding 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.

### l) 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.

### m) Intangible Assets

Computer software is recorded at cost less accumulated amortisation and any impairment losses. Amortisation is charged on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

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

### n) Investment Property

Investment property principally comprising freehold land and building is held to earn rentals and/or for capital appreciation, is measured initially at its cost including transaction costs. Subsequent to initial recognition, investment property is measured at its cost less any accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated. Building is depreciated on a straight line basis over its estimated useful life of 40 years.

Investment property is derecognised when either it has been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is taken into consideration in determining the results for the period.

### o) Leased Assets

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

*Group as lessor*

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

*Group as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### p) Segment Reporting

*Operating Segment*

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.

*Geographic Segment*

A geographical segment constitutes the provision of products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The group operates only in Fiji. Accordingly, the group is in one geographical area for reporting purposes.

### q) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition and installation of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

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

### q) Property, Plant and Equipment (Cont'd)

Depreciation is provided on property, plant and equipment, including buildings but excluding freehold land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

Freehold land is not depreciated. Other property, plant and equipment is depreciated on a straight-line basis over its estimated useful life using the following rates:

| | |
|---|---|
| Building | 2.5% |
| Furniture, fittings and office equipment | 10% - 40% |
| Motor vehicles | 20% |

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

Capital work in progress principally relates to costs incurred in respect of property construction. Capital work in progress is not depreciated.

### r) Provision for 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 and sick leave*

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

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates prevailing at that time.

*Defined contribution plans*

Contributionsto Fiji National Provident Fund are expensed when incurred.

### s) Reinsurance Contracts

The holding company 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 and/or reinsurance contract terms.

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

### t) Revenue Recognition

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

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

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

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

### t) Revenue Recognition (Cont'd)

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.

### u) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### v) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Allowance is made on a specific debtor level. Significant financial difficulties of the debtors and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. Impairment assessed at a collective level is based on past experience and data in relation to actual write-offs.

Subsequent recoveries of amounts previously written off are credited in the profit or loss.

### w) Trade and Other Payables

Trade payables and other accounts payable are recognised when the group becomes obliged to make future payments resulting from the purchase of goods and services.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### x) Value Added Tax (VAT)

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

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

ii) for receivables and payables which are recognised inclusive of VAT.

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

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

## 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) 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 holding company 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.

*(b) 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.

Actuaries used several actuarial valuation methods to value the liabilities to help inform the choice of the most appropriate method and to help assess the inherent estimation errors. Actuaries selected the method that gave the highest answer based on the company's own data and increased where the benchmark gave a higher answer and weighted the valuation towards higher side.

*(c) Fair value measurement*

Certain assets and liabilities included in the group's financial statements require measurement at, and/or disclosure of, fair value.

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models.

Transaction costs are included in the determination of net fair value.

*(d) 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.

## NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS [CONT'D]

*(e) 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 2013, no provision for impairment has been made as the group reasonably believes that no indicators for impairment exist.

*(f) 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.

## NOTE 5. REVENUE

| | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Gross written premium | 11,264,103 | 7,411,977 | 11,264,103 | 7,411,977 |
| Reinsurance premium | (435,257) | (852,589) | (435,257) | (852,589) |
| | 10,828,846 | 6,559,388 | 10,828,846 | 6,559,388 |
| Unearned premium, net movement | (891,021) | (79,311) | (891,021) | (79,311) |
| Deferred reinsurance premium, net movement | (135,317) | 12,918 | (135,317) | 12,918 |
| | 9,802,508 | 6,492,995 | 9,802,508 | 6,492,995 |
| Income from medical clinics and medical centre | 168,711 | 188,461 | - | - |
| Total revenue | 9,971,219 | 6,681,456 | 9,802,508 | 6,492,995 |

## NOTE 6. COMMISSION EXPENSE

| | | | | |
|---|---|---|---|---|
| Commission expense | 1,051,585 | 902,337 | 1,051,585 | 902,337 |
| Total commission expense, net | 1,051,585 | 902,337 | 1,051,585 | 902,337 |

## NOTE 7. OTHER REVENUE

| | | | | |
|---|---|---|---|---|
| Bad debts recovered | 67,881 | - | 67,881 | - |
| Creditors written back | 23,975 | - | 23,975 | - |
| Dividend income | 28,490 | 27,123 | 28,490 | 27,123 |
| Gain on sale of motor vehicle | 18,072 | - | 18,072 | - |
| Interest income | 152,178 | 177,561 | 152,178 | 177,561 |
| Rental income | 8,174 | 5,935 | 32,174 | 29,935 |
| Reversal of impairment loss | - | 11,081 | 10,000 | 11,081 |
| Reversal of allowance for doubtful debts | 56,631 | - | 56,631 | - |
| Miscellaneous income | 23,631 | 12,588 | 23,631 | 12,588 |
| Total other revenue | 379,032 | 234,288 | 413,032 | 258,288 |

## NOTE 8. INCOME TAX

| | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **a) Income tax expense /(benefit)** | | | | |
| Profit before income tax | 820,926 | 343,513 | 770,000 | 324,034 |
| Prima facie tax expense thereon at 20% | 164,185 | 68,703 | 154,000 | 64,807 |
| Tax effect of: | | | | |
| Non-taxable income | (7,698) | (7,641) | (7,698) | (7,641) |
| Non-deductible expenses | 15,563 | 6,676 | 12,575 | 5,714 |
| Recognition of deferred tax assets on temporary differences | - | (32,220) | - | (32,220) |
| Tax losses recouped during the year | (43,027) | (67,203) | (33,471) | (62,880) |
| Temporary differences and tax losses not recognised | - | (535) | - | - |
| Effect of decrease in tax rate from 20% to 10% | 12,158 | - | 12,158 | - |
| Income tax expense / (benefit) | 141,181 | (32,220) | 137,564 | (32,220) |
| Income tax expense / (benefit) comprises movement in: | | | | |
| Deferred tax assets | 20,199 | (32,220) | 20,584 | (32,220) |
| Current tax liability | 120,982 | - | 116,980 | - |
| | 141,181 | (32,220) | 137,564 | (32,220) |

### b) Current tax assets

Movements during the year were as follows:

| | Consolidated 2013 $ | Consolidated 2012 $ | Holding Company 2013 $ | Holding Company 2012 $ |
|---|---|---|---|---|
| Balance at the beginning of the year | (433,142) | (332,000) | (433,142) | (332,000) |
| Tax liability for the current year | 120,982 | - | 116,980 | - |
| Refunds during the year | 300,000 | - | 300,000 | - |
| Advance taxes paid during the year | (85,000) | - | (80,000) | - |
| Tax deducted at source - interest withholding tax | (28,200) | (101,142) | (28,200) | (101,142) |
| Balance at the end of the year | (125,360) | (433,142) | (124,362) | (433,142) |

### c) Deferred tax assets

Deferred tax assets comprises the estimated future benefit at future income tax rate of 10% in respect to the following:

| | Consolidated 2013 $ | Consolidated 2012 $ | Holding Company 2013 $ | Holding Company 2012 $ |
|---|---|---|---|---|
| Allowance for doubtful debts | 5,000 | 21,326 | 5,000 | 21,326 |
| Difference in cost base of property, plant and equipment for accounting and income tax purposes | 99 | 572 | 1,079 | 572 |
| Provision for employee entitlements | 6,922 | 10,322 | 5,557 | 10,322 |
| Total deferred tax assets | 12,021 | 32,220 | 11,636 | 32,220 |

## NOTE 9. TRADE AND OTHER RECEIVABLES

| | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Current** | | | | |
| Trade receivables (a) | 1,181,860 | 1,321,926 | 1,161,060 | 1,311,100 |
| Less: allowance for doubtful debts | (50,000) | (50,000) | (50,000) | (50,000) |
| | 1,131,860 | 1,271,926 | 1,111,060 | 1,261,100 |
| Advances to Kontiki Growth Fund Limited (b) | 59,593 | - | 59,593 | - |
| Prepayments | 20,567 | 87,016 | 18,851 | 85,386 |
| Deposits | 14,562 | 14,562 | 14,562 | 14,562 |
| Other receivables | 118,489 | 95,282 | 118,489 | 95,282 |
| Total current trade and other receivables, net | 1,345,071 | 1,468,786 | 1,322,555 | 1,456,330 |
| **Non-current** | | | | |
| Advances to Kontiki Growth Fund Limited (b) | 91,124 | - | 91,124 | - |
| Total non-current trade and other receivables | 91,124 | - | 91,124 | - |

(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.

(b) Advances to Kontiki Growth Fund Limited are subject to interest at the rate of 6% per annum compounded monthly and are secured by a registered senior charge over certain specified assets and a registered floating charge over the borrower's existing and future assets.

## NOTE 10. FINANCIAL ASSETS

### (a) Held-to-maturity investments

| | Consolidated 2013 | Consolidated 2012 | Holding Company 2013 | Holding Company 2012 |
|---|---|---|---|---|
| **Current** | | | | |
| Short term investments with commercial banks and financial institutions | 3,908,464 | 3,832,249 | 3,908,464 | 3,832,249 |
| Total current financial assets | 3,908,464 | 3,832,249 | 3,908,464 | 3,832,249 |
| **Non-current** | | | | |
| Long term investments with commercial banks and financial institutions | 200,000 | 200,000 | 200,000 | 200,000 |
| Total non-current financial assets | 200,000 | 200,000 | 200,000 | 200,000 |

## NOTE 10. FINANCIAL ASSETS (CONT'D)

**(b) Available-for-sale financial assets**

*Equity Investments*

| | Consolidated 2013 $ | Consolidated 2012 $ | Holding Company 2013 $ | Holding Company 2012 $ |
|---|---|---|---|---|
| Investments in listed companies | 610,777 | 451,672 | 610,777 | 451,672 |
| Investments in unlisted companies | 198,882 | 118,626 | 198,882 | 118,626 |
| | 809,659 | 570,298 | 809,659 | 570,298 |

**Reconciliation for available-for-sale financial assets**

| | Consolidated 2013 $ | Consolidated 2012 $ | Holding Company 2013 $ | Holding Company 2012 $ |
|---|---|---|---|---|
| Opening balance | 570,298 | 543,832 | 570,298 | 543,832 |
| Additions | 213,246 | | 213,246 | - |
| Fair value gain | 37,572 | 7,610 | 37,572 | 7,610 |
| Reversal of impairment loss / (impairment loss) - equity investments | (11,457) | 11,081 | (11,457) | 11,081 |
| Bonus shares | - | 7,775 | - | 7,775 |
| Total available-for-sale financial assets | 809,659 | 570,298 | 809,659 | 570,298 |

**(c) Investment in subsidiary** (Note 26)

| | Consolidated 2013 $ | Consolidated 2012 $ | Holding Company 2013 $ | Holding Company 2012 $ |
|---|---|---|---|---|
| Investment in FijiCare Medical Centre Limited | - | - | 10,000 | 10,000 |
| Less: accumulated impairment loss | - | - | - | (10,000) |
| | - | - | 10,000 | - |

During the year, the holding company reversed the provision for impairment on its investment in subsidiary as the subsidiary entity is deriving profits and positive cash flows.

## NOTE 11. DEFERRED COSTS

| | Consolidated 2013 $ | Consolidated 2012 $ | Holding Company 2013 $ | Holding Company 2012 $ |
|---|---|---|---|---|
| Deferred commission expenses | 451,131 | 342,447 | 451,131 | 342,447 |
| Deferred reinsurance expenses | 14,225 | 149,542 | 14,225 | 149,542 |
| Total deferred costs | 465,356 | 491,989 | 465,356 | 491,989 |

## NOTE 12. INVESTMENT PROPERTY

| | Consolidated 2013 $ | Consolidated 2012 $ | Holding Company 2013 $ | Holding Company 2012 $ |
|---|---|---|---|---|
| Freehold land - at cost | - | - | 250,000 | 250,000 |
| Building - at cost | - | - | 187,076 | 187,076 |
| Less: accumulated depreciation | - | - | (16,104) | (11,427) |
| Total investment property, net | - | - | 420,972 | 425,649 |

Investment property ofthe 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 | Total |
|---|---|---|---|---|---|
| | ($) | ($) | ($) | ($) | ($) |
| **Gross carrying amount** | | | | | |
| Balance at 1 January 2012 | 250,000 | 181,074 | 314,547 | 151,495 | 897,116 |
| Additions | - | 6,002 | 75,610 | - | 81,612 |
| **Balance at 31 December 2012** | 250,000 | 187,076 | 390,157 | 151,495 | 978,728 |
| Additions | - | - | 62,506 | 52,617 | 115,123 |
| Disposals | - | - | - | (39,895) | (39,895) |
| **Balance at 31 December 2013** | 250,000 | 187,076 | 452,663 | 164,217 | 1,053,956 |
| **Accumulated depreciation** | | | | | |
| Balance at 1 January 2012 | - | 6,847 | 275,603 | 55,018 | 337,468 |
| Depreciation expense | - | 4,580 | 8,002 | 30,299 | 42,881 |
| **Balance at 31 December 2012** | - | 11,427 | 283,605 | 85,317 | 380,349 |
| Depreciation expense | - | 4,677 | 51,620 | 30,482 | 86,779 |
| Disposals | | - | - | (27,261) | (27,261) |
| **Balance at 31 December 2013** | - | 16,104 | 335,225 | 88,538 | 439,867 |
| **Net book value** | | | | | |
| As at 31 December 2012 | 250,000 | 175,649 | 106,552 | 66,178 | 598,379 |
| As at 31 December 2013 | 250,000 | 170,972 | 117,438 | 75,679 | 614,089 |

## NOTE 13. PROPERTY, PLANT AND EQUIPMENT - HOLDING COMPANY

| | Furniture, fittings and office equipment | Motor vehicles | Total |
|---|---|---|---|
| | ($) | ($) | ($) |
| **Gross carrying amount** | | | |
| Balance at 1 January 2012 | 209,938 | 151,495 | 361,433 |
| Additions | 65,890 | - | 65,890 |
| **Balance at 31 December 2012** | 275,828 | 151,495 | 427,323 |
| Additions | 55,200 | 52,617 | 107,817 |
| Disposals | - | (39,895) | (39,895) |
| **Balance at 31 December 2013** | 331,028 | 164,217 | 495,245 |
| **Accumulated depreciation** | | | |
| Balance at 1 January 2012 | 173,312 | 55,018 | 228,330 |
| Depreciation expense | 16,846 | 30,299 | 47,145 |
| **Balance at 31 December 2012** | 190,158 | 85,317 | 275,475 |
| Depreciation expense | 45,396 | 30,482 | 75,878 |
| Disposals | - | (27,262) | (27,262) |
| **Balance at 31 December 2013** | 235,554 | 88,537 | 324,091 |
| **Net book value** | | | |
| As at 31 December 2012 | 85,670 | 66,178 | 151,848 |
| As at 31 December 2013 | 95,474 | 75,680 | 171,154 |

## NOTE 14. INTANGIBLE ASSETS

| | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Computer software | 849,674 | 529,943 | 849,674 | 529,943 |
| Less: accumulated amortisation | (619,731) | (501,585) | (619,731) | (501,585) |
| | 229,943 | 28,358 | 229,943 | 28,358 |

## NOTE 15. TRADE AND OTHER PAYABLES

| | | | | |
|---|---|---|---|---|
| Capitation fees | 18,184 | 16,857 | 45,712 | 30,957 |
| Payable to reinsurers | 164,435 | 411,218 | 164,435 | 411,218 |
| Other payables and accrued liabilities | 582,425 | 427,870 | 551,744 | 397,720 |
| Total trade and other payables | 765,044 | 855,945 | 761,891 | 839,895 |

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.

Trade and other payables of the holding company includes $34,920 (2012 $17,151) payable to subsidiary company, FijiCare Medical Centre Limited.

| NOTE 16. INSURANCE CONTRACT LIABILITIES | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| **Unearned premiums** | | | | |
| Balance as at 1 January | 2,653,506 | 2,574,195 | 2,653,506 | 2,574,195 |
| Movement during the year, net | 891,021 | 79,311 | 891,021 | 79,311 |
| Balance as at 31 December | 3,544,527 | 2,653,506 | 3,544,527 | 2,653,506 |
| **Outstanding claims** | | | | |
| Gross claims outstanding as at 1 January | 445,121 | 1,181,137 | 445,121 | 1,181,137 |
| Movement during the year, net | 293,525 | (736,016) | 293,525 | (736,016) |
| Balance as at 31 December | 738,646 | 445,121 | 738,646 | 445,121 |
| Less: | | | | |
| Reinsurance recoveries as at 1 January | 196,944 | 194,800 | 196,944 | 194,800 |
| Movement during the year, net | (174,074) | 58,775 | (174,074) | 58,775 |
| Less allowance for doubtful debts | - | (56,631) | - | (56,631) |
| Balance as at 31 December | 22,870 | 196,944 | 22,870 | 196,944 |
| Outstanding claims, net | 715,776 | 248,177 | 715,776 | 248,177 |
| **Claims administration provision** | | | | |
| Balance as at 1 January | 59,600 | 95,270 | 59,600 | 95,270 |
| Movement during the year, net | 135,400 | (35,670) | 135,400 | (35,670) |
| Balance as at 31 December | 195,000 | 59,600 | 195,000 | 59,600 |
| **Claims incurred but not reported** | | | | |
| Gross claims outstanding as at 1 January | 746,877 | 724,271 | 746,877 | 724,271 |
| Movement during the year, net | 460,123 | 22,606 | 460,123 | 22,606 |
| Balance as at 31 December | 1,207,000 | 746,877 | 1,207,000 | 746,877 |
| Less: | | | | |
| Reinsurance recoveries as at 1 January | 172,000 | 243,000 | 172,000 | 243,000 |
| Movement during the year, net | (172,000) | (71,000) | (172,000) | (71,000) |
| Balance as at 31 December | - | 172,000 | - | 172,000 |
| Claims incurred but not reported, net | 1,207,000 | 574,877 | 1,207,000 | 574,877 |
| Total insurance contract liabilities | 5,662,303 | 3,536,160 | 5,662,303 | 3,536,160 |

| NOTE 17. EMPLOYEE ENTITLEMENTS | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Provision for annual leave | 62,399 | 59,805 | 55,572 | 51,609 |
| Total employee entitlements | 62,399 | 59,805 | 55,572 | 51,609 |

## NOTE 18. 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 19. 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 Fiji Companies Act, 1983.

## NOTE 20. INVESTMENT REVALUATION RESERVE

| | | | | |
|---|---|---|---|---|
| Balance as at 1 January | 82,300 | 74,690 | 82,300 | 74,690 |
| Fair value gain | 37,572 | 7,610 | 37,572 | 7,610 |
| Balance as at 31 December | 119,872 | 82,300 | 119,872 | 82,300 |

## NOTE 21. PROFIT BEFORE INCOME TAX

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

| | | | | |
|---|---|---|---|---|
| Auditors' remuneration for: | | | | |
| - Audit fees | 35,541 | 38,342 | 29,135 | 32,317 |
| - Other services | 16,493 | 22,983 | 11,554 | 18,233 |
| Consultancy fees | 79,867 | 83,705 | 79,867 | 83,705 |
| Depreciation and amortisation | 204,925 | 58,588 | 198,702 | 53,516 |
| Directors' remuneration for: | | | | |
| - Salaries | 243,930 | 270,765 | 243,930 | 270,765 |
| - Fees | 28,000 | 28,357 | 28,000 | 28,357 |
| FNPF contribution | 66,496 | 58,251 | 63,221 | 55,038 |
| Legal and advisory fees | 19,009 | 9,945 | 19,009 | 9,945 |
| Impairment loss | 11,457 | - | 11,457 | - |
| Management fees | - | 126,500 | - | 126,500 |
| Operating leases | 81,288 | 90,716 | 80,070 | 88,976 |
| Salaries, wages, training levy and allowances | 663,006 | 484,748 | 623,305 | 451,913 |

## NOTE 22. NOTES TO THE STATEMENTS OF CASH FLOWS

### a) Cash and Cash Equivalents

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

| | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Cash on hand and at bank | 3,142,378 | 536,866 | 3,088,362 | 509,394 |
| Total cash and cash equivalents | 3,142,378 | 536,866 | 3,088,362 | 509,394 |

## NOTE 23. EARNINGS PER SHARE

| | Consolidated | |
|---|---|---|
| | 2013 | 2012 |
| | $ | $ |
| Profit for the year used in calculating earnings per share | 679,745 | 375,733 |
| Weighted average number of ordinary shares outstanding used in calculating basic earnings per share | 6,476,080 | 6,476,080 |
| Weighted average number of ordinary shares outstanding used in calculating diluted earnings per share | 6,476,080 | 6,476,080 |
| Basic earnings per share - cents | 10.50 | 5.80 |
| Diluted earnings per share - cents | 10.50 | 5.80 |

## NOTE 24. COMMITMENTS

| a) Capital commitments | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| Capital expenditure approved and committed | - | 472,478 | - | 472,478 |
| Total capital expenditure commitments | - | 472,478 | - | 472,478 |

Capital expenditure commitment in the prior year related to the purchase of E-Meditek software of which the implementation was fully completed during the year.

## NOTE 24. COMMITMENTS (CONT'D)

| | Consolidated | | Holding Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ |
| b) Operating lease expense commitments contracted for rentals are as follows: | | | | |
| Not later than one year | 144,461 | 118,440 | 144,461 | 118,440 |
| Later than one year but not two years | - | 25,340 | - | 25,340 |
| Total commitments | 144,461 | 143,780 | 144,461 | 143,780 |
| c) Operating lease income commitments contracted for rentals are as follows: | | | | |
| Not later than one year | 6,261 | 6,261 | 30,261 | 30,261 |
| Total commitments | 6,261 | 6,261 | 30,261 | 30,261 |

## NOTE 25. CONTINGENT LIABILITIES

Contingent liabilities exist with respect to the following:

| | Consolidated 2013 | Consolidated 2012 | Holding Company 2013 | Holding Company 2012 |
|---|---|---|---|---|
| Indemnity guarantees | 750 | 750 | 750 | 750 |
| Litigations (a) | 71,202 | 115,972 | 71,202 | 115,972 |
| Total contingent liabilities | 71,952 | 116,722 | 71,952 | 116,722 |

(a) The holding company is subject to various claims arising in the ordinary course of business. On the basis of advice received from the solicitors representing the holding 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 holding company.

## NOTE 26. INVESTMENTS IN SUBSIDIARY COMPANY

| Entity | Place of Incorporation | % Owned | Investment Book Value 2013 ($) | Investment Book Value 2012 ($) |
|---|---|---|---|---|
| FijiCare Medical Centre Limited | Fiji | 100% | 10,000 | 10,000 |
| Less : Impairment loss | | | - | (10,000) |
| | | | 10,000 | - |

## NOTE 27. SEGMENT INFORMATION

(a) Operating segments

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

| | | Medical and Health | Term Life | General Insurance | Clinic services | Total |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| **Revenue** | Dec 13 | 6,073,771 | 2,920,568 | 808,169 | 168,711 | 9,971,219 |
| | Dec 12 | 5,286,594 | 727,449 | 478,952 | 188,461 | 6,681,456 |
| **Result (Revenue less allocated costs)** | Dec 13 | 1,032,883 | 61,499 | (212,205) | 57,309 | 939,486 |
| | Dec 12 | 311,025 | 295,559 | (68,593) | 19,479 | 557,470 |
| Add: **Unallocated - other revenue:** Management fees, bad debts recovered, dividend, rental income, reversal of impairment loss, gain on sale of fixed assets and other income | Dec 13 | | | | | 379,032 |
| | Dec 12 | | | | | 234,288 |
| Less: **Unallocated - expenses and income tax** | Dec 13 | | | | | 638,773 |
| | Dec 12 | | | | | 416,025 |
| **Profit after income tax** | Dec 13 | | | | | 679,745 |
| | Dec 12 | | | | | 375,733 |

### 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 only in Fiji. Accordingly, the group is in one geographical area for reporting purposes.

## NOTE 28. RELATED PARTY DISCLOSURES

(a) Directors

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

Philipp Thomas - Chairman
Peter McPherson
Kaliopate Tavola
Max Storck

(b) Holding company transaction with related parties

Transactions with related parties during the year ended 31 December 2013 with approximate transaction values are summarized as follows:

| Related Party | Relationship | Nature of transaction | 2013 ($) | 2012 ($) |
|---|---|---|---|---|
| FijiCare Medical Centre Limited | Subsidiary company | Capitation and Professional fees | 279,167 | 220,771 |
| FijiCare Medical Centre Limited | Subsidiary company | Rent income | 24,000 | 24,000 |
| AFA Management Services (Pty) Limited | Previous Shareholder/ director related entity | Management and Consultancy fee expense | - | 126,500 |
| Kontiki Growth Fund Limited | Shareholder | Advances given | 181,513 | - |

(c) 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 Chief Executive Officer (2012: Chief Executive Officer and executive director (till May 2012)) was identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the holding company.

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

| | 2013 $ | 2012 $ |
|---|---|---|
| Short term benefits (directors fees, remuneration and benefits) | 299,930 | 307,500 |
| Long term benefits - FNPF | 19,634 | 20,359 |

## NOTE 28. RELATED PARTY DISCLOSURES (CONT'D)

(d) 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 15)

(e) New IT Software

During the year, the holding company completed the purchase and installation of a new IT software for USD 140,000 from E-Meditek Technologies Limited, Gurgaon India. This is a related entity of E-Meditek Solutions Limited, in which holding company director, Mr Philipp Thomas, holds a directorship. However, he does not have any equity interest in either of these entities.

## NOTE 29. 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.

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.

## NOTE 29. INSURANCE CONTRACTS RISK MANAGEMENT (CONT'D)

### (a) Risk management objectives and policies for mitigating insurance risk (Cont'd)

- 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 holding 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.

### (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) 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 holding company 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 an 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 30. FINANCIAL RISK MANAGEMENT

The group is exposed to a variety of financial risks in the normal course of business; market risk (including foreign exchange risk, fair value interest rate risk and equity price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units.

### (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 group's exposure to market risk.

### (i) Foreign exchange risk

The group does not have significant transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations is minimal.

### (ii) 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.

### (iii) 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; and

d) Appropriate investments limits that covers asset allocation, concentration, regional location and currency.

### (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.

## NOTE 30. FINANCIAL RISK MANAGEMENT (CONT'D)

### (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 group. 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 31. MATURITY ANALYSIS

The following analysis of monetary assets and liabilities as at 31 December 2013 is based on contractual terms.

| | 31 December 2013- 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 | 3,142,378 | - | - | - | - | - | 3,142,378 |
| Trade and other receivables | - | 1,208,920 | 45,028 | 91,123 | - | - | 1,345,071 |
| Available-for-sale financial assets | - | - | - | - | - | 809,660 | 809,660 |
| Held-to maturity investments | - | - | 3,908,464 | 200,000 | - | - | 4,108,464 |
| Current tax assets | - | - | 125,360 | - | - | - | 125,360 |
| | 3,142,378 | 1,940,253 | 3,481,891 | 200,000 | - | 809,660 | 9,574,182 |
| **Liabilities** | | | | | | | |
| Trade and other payables | - | 765,044 | - | - | - | - | 765,044 |
| Insurance contract liabilities, net of unearned premium | - | 2,117,776 | - | - | - | - | 2,117,776 |
| | - | 2,882,820 | - | - | - | - | 2,882,820 |

## NOTE 31. MATURITY ANALYSIS (CONT'D)

| | 31 December 2012- 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 | 536,866 | - | - | - | - | - | 536,866 |
| Trade and other receivables | - | 1,468,786 | - | - | - | - | 1,468,786 |
| Available-for-sale financial assets | - | - | - | - | - | 570,298 | 570,298 |
| Held-to maturity investments | - | - | 3,832,249 | 200,000 | - | - | 4,032,249 |
| Current tax assets | - | - | 433,142 | - | - | - | 433,142 |
| | 536,866 | 1,860,926 | 3,873,251 | 200,000 | - | 570,298 | 7,041,341 |
| **Liabilities** | | | | | | | |
| Trade and other payables | - | 855,945 | - | - | - | - | 855,945 |
| Insurance contract liabilities, net of unearned premium | - | 882,654 | - | - | - | - | 882,654 |
| | - | 1,738,599 | - | - | - | - | 1,738,599 |

## NOTE 32. PRINCIPAL ACTIVITIES

The principal activities of the holding company during the year were that of underwriting of medical, term life, mortgage protection, worker's compensation, personal accident, public liability, funeral benefits, motor vehicle and property insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating a medical clinic offering family medicine, immigration medicals, womens' health counseling and minor surgery services.

There were no significant changes in the nature of these activities during the financial year.

## NOTE 33. HOLDING COMPANY DETAILS

### Company Incorporation

The holding company was incorporated in Fiji under the Fiji 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 34. SIGNIFICANT EVENTS DURING THE YEAR

During the year, the holding company:

1. commenced property insurance underwriting upon securing a reinsurance program.

2. purchased and installed a specialised insurance computer system.

## NOTE 35. EVENTS SUBSEQUENT TO BALANCE DATE

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 holding company, the results of those operations, or the state of affairs of the group or the holding company in future financial years.

## NOTE 36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 26 March 2014.

**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 2013.

| Directors | Direct Interest (Number of Shares) | Indirect Interest (Number of Shares) |
|---|---|---|
| Peter McPherson | 999,999 | 108,652 |
| Philip Thomas | 3,788,165 | 0 |

2. Distribution of ordinary shareholders:

| Distribution of Shareholding | Total | Total % Holding |
|---|---|---|
| Less Then 500 | 13,269 | 4.13% |
| 501 to 5,000 | 42 | 0.96% |
| 5,001 to 10,000 | 6 | 0.65% |
| 10,001 to 20,000 | 7 | 1.51% |
| 20,001 to 30,001 | 6 | 2.19% |
| 30,001 to 40,000 | 0 | 0.00% |
| 40,001 to 50,000 | 0 | 0.00% |
| 50,001 to 100,000 | 1 | 0.80% |
| 100,001 to 1,000,000 | 6 | 31.26% |
| Over 1,000,000 | 1 | 58.49% |
| Total | 13,338 | 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**

| | **2013** | **2012** |
|---|---|---|
| Revenue $ | 447,878 | 393,762 |
| Other income | 0 | 0 |
| Less : | | |
| Depreciation | -6,455 | -5,072 |
| Other expenses | -380,497 | -369,211 |
| Income tax expense | -3617 | - |
| | 57,309 | 19,479 |
| Add loan from parent company written off/forgiven | - | - |
| Total comprehensive income for the year $ | 57,309 | 19,479 |

| | **2013** | **2012** |
|---|---|---|
| Total Assets | 141,794 | 80,362 |
| Total Liabilities | 45,880 | 41,757 |
| Shareholders Equity | 95,914 | 38,605 |

4. Twenty Largest Shareholders

As of 31st December 2013, the twenty largest shareholders held 6,093,315 shares which is equal to 94.09% of the total issued 6,476,080 fully paid shares of 50 cents each.

| | | | | | |
|---|---|---|---|---|---|
| 1 | **Aequi-Libria Associates Ltd** | 3,788,165 | 2 | **Stronghold Investment Inc** | 999,999 |
| 3 | **Unit Trust of Fiji** | 425,852 | 4 | **Dominion Insurance Limited** | 168,655 |
| 5 | **Yasana Holdings Limited** | 168,609 | 6 | **Kontiki Growth Fund Limited** | 152,520 |
| 7 | **Peter McPherson** | 108,652 | 8 | **Reddys' Enterprise Ltd** | 51,561 |
| 9 | **Tutanekai Investments Limited** | 30,000 | 10 | **CEPAC SECRETARIAT** | 24,407 |
| 11 | **Oceania Marist Province** | 22,561 | 12 | **Jinita Prasad** | 22,500 |
| 13 | **Fijian Development Fund Board** | 21,787 | 14 | **Ken Kung** | 20,759 |
| 15 | **Jimaima T Schultz** | 20,000 | 16 | **Kontiki Fund Limited** | 16,990 |
| 17 | **Griffon Emose** | 15,000 | 18 | **WILLIAM HONWING LEE** | 12,993 |
| 19 | **Mehboob Raza** | 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)

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| **Net Profit / (Loss) after Tax** | 679,745 | 375,733 | -425,018 | -36,265 | -248,651 | 548,724 |
| **Current Assets** | 8,992,645 | 6,765,073 | 6,938,495 | 6,161,387 | 7,586,258 | 5,683,529 |
| **Non - Current Assets** | 1,956,836 | 1,429,255 | 1,419,420 | 2,984,760 | 1,283,124 | 2,847,668 |
| **Total Assets** | **10,949,481** | **8,194,328** | **8,357,915** | **9,146,147** | **8,869,382** | **8,531,197** |
| **Current Liabilities** | 6,489,746 | 4,451,910 | 4,998,840 | 5,378,978 | 4,997,574 | 4,366,872 |
| **Non - Current Liabilities** | 0 | 0 | 0 | 0 | 40,400 | 0 |
| **Total Liabilities** | **6,489,746** | **4,451,910** | **4,998,840** | **5,378,978** | **5,037,974** | **4,366,872** |
| **Shareholders Equity** | **4,459,735** | **3,742,418** | **3,359,075** | **3,767,169** | **3,831,408** | **4,164,325** |

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

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| **Net Profit / (Loss) after Tax** | 632,436 | 356,254 | -428,013 | -14,789 | -284,121 | 459,590 |
| **Current Assets** | 8,909,099 | 6,723,104 | 6,923,765 | 6,128,754 | 7,544,840 | 5,671,206 |
| **Non - Current Assets** | 1,944,488 | 1,408,373 | 1,402,953 | 2,974,468 | 1,273,099 | 2,835,632 |
| **Total Assets** | **10,853,587** | **8,131,477** | **8,326,718** | **9,103,222** | **8,817,939** | **8,506,838** |
| **Current Liabilities** | 6,479,766 | 4,427,664 | 4,986,769 | 5,352,184 | 4,983,738 | 4,344,650 |
| **Non - Current Liabilities** | 0 | 0 | 0 | 0 | 40,400 | 0 |
| **Total Liabilities** | **6,479,766** | **4,427,664** | **4,986,769** | **5,352,184** | **5,024,138** | **4,344,650** |
| **Shareholders Equity** | **4,373,821** | **3,703,813** | **3,339,949** | **3,751,038** | **3,793,801** | **4,162,188** |

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

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

Dividend declared per share:

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| **Cents per share** | 0 | 0 | 0 | 0 | 0.04 | 0.04 |

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

**Earnings / (Loss) per share (Consolidated):**

Basic Earnings / (Loss) per share

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| **Cents per share** | 10.50 | 5.80 | -6.56 | -0.56 | -3.92 | 9.15 |

Diluted earnings / (Loss) per share

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| **Cents per share** | 10.50 | 5.80 | -6.56 | -0.56 | -3.92 | 9.15 |

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

Net tangible assets per share (Group):

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| **Cents per share** | 0.57 | 0.53 | 0.52 | 0.58 | 0.59 | 0.67 |

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

| **Share price during the year (Cents per share)** | **2013** | **2012** |
|---|---|---|
| Highest | 0.57 | 0.53 |
| Lowest | 0.53 | 0.50 |
| On 31st December | 0.57 | 0.53 |

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

(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 one Board of Directors meeting were conducted via teleconferencing.

| Director | Number of Meetings entitled to attend | Number of meetings attended | Apologies Received |
|---|---|---|---|
| Mr. Carl Philipp Thomas | 3 | 3 | NA |
| Mr. Peter McPherson | 3 | 3 | NA |
| Mr. Kaliopate Tavola | 3 | 2 | 1 |
| Mr. Max Storck | 3 | 3 | NA |
| **Company Secretary** | | | |
| Mr. Victor Robert | 3 | 3 | NA |

The Board met 3 times during the financial year ended 31st December 2013

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

(6) Disclosure under Section 6.31 (vii):

| LISTED SECURITIES | QUANTITY | CURRENT VALUE | TOTAL VALUE |
|---|---|---|---|
| PARADISE BEVERAGES (FIJI) LIMITED | **9,115** | $ 12.20 | **111,203** |
| ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED | **23,000** | $ 0.70 | **16,100** |
| R B PATEL GROUP LIMITED | **62,500** | $ 2.44 | **152,500** |
| COMMUNICATIONS (FIJI) LIMITED | **20,000** | $ 2.90 | **58,000** |
| VB HOLDINGS LTD | **3,143** | $ 3.08 | **9,680** |
| PLEASS GLOBAL LIMITED | **60,000** | $ 0.89 | **53,400** |
| AMALGAMATED TELECOM HOLDINGS LIMITED | **66,422** | $ 0.62 | **41,182** |
| THE RICE COMPANY OF FIJI LIMITED | **22,000** | $ 2.30 | **50,600** |
| FIJI TELEVISION LIMITED | **12,085** | $ 3.04 | **36,738** |
| FMF FOODS LIMITED | **138,290** | $ 0.44 | **60,848** |
| KONTIKI GROWTH FUND LIMITED | **51,000** | $ 0.29 | **14,790** |
| **TOTAL** | | | **605,041** |

| UNLISTED SECURITIES | QUANTITY | CURRENT VALUE | TOTAL VALUE |
|---|---|---|---|
| THE FIJI GAS COMPANY LIMITED | **3,310** | $ 11.80 | **39,058** |
| YATU LAU COMPANY LIMITED | **110,223** | $ 1.45 | **159,823** |
| **TOTAL** | | | **198,881** |

**Address**

FijiCare Insurance Limited
Level 9. FNPF Place, 343-359 Victoria Parade
Suva, Fiji.
PO Box 15808. Suva, Fiji.
Phone: 3302 717
Fax : 3302 119
fijicare@connect.com.fj
www.fijicare.com.fj

**Company Secretary**

Victor Vikash Robert