FIJICARE INSURANCE LIMITED
AND SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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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 its subsidiary companies (together "the group") as at 31 December 2015, 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
Arivakisati Bovoro aka Tukana Bovoro

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 medical clinic and medical centre.

The principal activity of the subsidiary company, VanCare Insurance Limited, during the year was that of underwriting of general insurance risks.

There were no significant changes in the nature of the principal activities of the group.

Results

The profit after income tax of the holding company for the year was $1,255,693 (2014 restated: $579,124).

The consolidated profit after income tax was $774,115 (2014 restated: $534,709). Total consolidated comprehensive income for the year was $937,483 (2014 restated: $506,044).

Dividends

The directors declared dividends of $278,920 during the year ended 31 December 2015 out of retained earnings as at 31 December 2014.

Reserves

Except for the movements disclosed in the statements of changes in equity, it is proposed that no other amounts be transferred to / from reserves within the meaning of the Seventh Schedule of the 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 and 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 and 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.

Events Subsequent to Balance Date

Subsequent to balance date, in February 2016, tropical cyclone Winston hit Fiji and severely affected certain parts of Fiji. Based on preliminary assessment, in the opinion of the directors, insurance claims resulting from the cyclone is estimated to be less than $200,000.

The financial effect of the above event, which has occurred after balance date, will be incorporated in the financial statements for the year ending 31 December 2016.

Apart from the above, no other matters or circumstances have arisen since the end of the financial year which would require adjustment to, or disclosure in, the financial statements of the holding company and the group.

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 holding company and 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 30 day of March 2016.

....
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 2015;

[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 2015;

[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 2015;

[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 2015;

[v] the financial statements have been prepared in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1983;

[vi] at the date of this statement, there are reasonable grounds to believe that the companies in 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 the group entities.

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

Dated this 30 day of March 2016.

.... Director

.... Director

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To the Members of FijiCare Insurance Limited

We have audited the accompanying financial statements of FijiCare Insurance Limited ("the holding company") and its subsidiary companies (together "the group"), which comprise the statements of financial position as at 31 December 2015, 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 45.

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 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.

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 2015, and its financial performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards.

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

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 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
30 MARCH 2016

BDO
CHARTERED ACCOUNTANTS

	Notes	Consolidated 2015	Consolidated 2014 (restated)	Holding Company 2015	Holding Company 2014 (restated)
		$	$	$	$
Revenue	5	11,650,840	11,903,704	11,337,502	11,703,286
Incurred claims		(7,468,750)	(7,863,187)	(7,526,818)	(8,092,098)
Commission expense	6	(1,334,515)	(1,289,350)	(1,302,028)	(1,289,350)
Other direct costs		(261,169)	(295,700)	-	-
Net revenue		2,586,406	2,455,467	2,508,656	2,321,838
Other revenue	7	956,821	414,040	1,124,035	437,695
		3,543,227	2,869,507	3,632,691	2,759,533
Advertising and promotion Expenses		(59,569)	(44,369)	(37,384)	(40,873)
Other operating expenses		(2,547,894)	(2,231,103)	(2,180,390)	(2,082,835)
		2,607,463	(2,275,472)	(2,217,774)	(2,123,708)
Profit before income tax	21	**935,764**	**594,035**	**1,414,917**	**635,825**
Income tax expense	8(a)	(161,649)	(59,326)	(159,224)	(56,701)
Profit for the year		**774,115**	**534,709**	**1,255,693**	**579,124**
Other comprehensive income / (loss):					
Items that may be reclassified subsequently to profit or loss:					
Fair value gain on investment properties reclassified to PPE upon consolidation (Note 13)		133,802	-	-	-
Exchange gain / (loss) on translating foreign operation		29,566	(28,665)	-	-
Total comprehensive income for the year		**937,483**	**506,044**	**1,255,693**	**579,124**
Earnings per share					
Basic earnings per share - cents	23	**10.77**	**7.90**		
Diluted earnings per share - cents	23	**10.77**	**7.90**		

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated						
	Share Capital	Share Premium Reserve	Investment Revaluation Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total
	$	$	$	$	$	$	$
Balance as at 1 January 2014 (As previously reported)	3,238,040	324,550	119,872	-	-	777,273	4,459,735
Adjustment relating to change in accounting policy (Note 10(b))	-	-	(119,872)	-	-	119,872	-
Balance as at 1 January 2014 (Restated)	3,238,040	324,550	-	-	-	897,145	4,459,735
Additional shares issued	248,461	9,938	-	-	-	-	258,399
Dividends declared	-	-	-	-	-	(323,804)	(323,804)
Profit for the year (Restated)	-	-	-	-	-	534,709	534,709
Other comprehensive loss for the year:							
- Exchange loss on translating foreign operation	-	-	-	-	(28,665)	-	(28,665)
Balance as at 31 December 2014	**3,486,501**	**334,488**	**-**	**-**	**(28,665)**	**1,108,050**	**4,900,374**
Additional shares issued (Note 18)	204,735	24,569	-	-	-	-	229,304
Dividends declared (Note 20)	-	-	-	-	-	(278,920)	(278,920)
Profit for the year	-	-	-	-	-	774,115	774,115
Other comprehensive income for the year:							
- Fair value gain on investment properties reclassified to PPE upon consolidation (Note 13)	-	-	-	133,802	-	-	133,802
- Exchange gain on translating foreign operation	-	-	-	-	29,566	-	29,566
Balance as at 31 December 2015	**3,691,236**	**359,057**	**-**	**133,802**	**901**	**1,603,245**	**5,788,241**

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Holding Company				
	Share Capital	Share Premium Reserve	Investment Revaluation Reserve	Accumulated Profits	Total
	$	$	$	$	$
Balance as at 1 January 2014 (As previously reported)	3,238,040	324,550	119,872	691,359	4,373,821
Adjustment relating to change in accounting policy (Note 10(b))	-	-	(119,872)	119,872	-
Balance as at 1 January 2014 (Restated)	3,238,040	324,550	-	811,231	4,373,821
Additional shares issued	248,461	9,938	-	-	258,399
Dividends declared	-	-	-	(323,804)	(323,804)
Profit for the year (Restated)	-	-	-	579,124	579,124
Balance as at 31 December 2014	**3,486,501**	**334,488**	**-**	**1,066,551**	**4,887,540**
Additional shares issued (Note 18)	204,735	24,569	-	-	229,304
Dividends declared (Note 20)	-	-	-	(278,920)	(278,920)
Profit for the year	-	-	-	1,255,693	1,255,693
Balance as at 31 December 2015	**3,691,236**	**359,057**	**-**	**2,043,324**	**6,093,617**

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

	Notes	Consolidated 2015	Consolidated 2014 (Restated)	Holding Company 2015	Holding Company 2014 (Restated)
		$	$	$	$
CURRENT ASSETS					
Cash on hand and at bank		1,146,167	1,661,653	830,691	1,447,601
Trade and other receivables	9	2,337,512	2,873,513	2,047,724	2,878,202
Inventories - medical supplies		2,660	1,497	-	-
Held-to-maturity investments	10(a)	5,272,925	4,372,454	4,671,199	3,997,008
Financial assets at fair value through profit or loss	10(b)	1,584,147	1,167,582	1,584,147	1,167,582
Deferred costs	11	635,980	604,148	568,905	604,148
Current tax assets	8(b)	108,089	77,498	106,093	76,896
Total current assets		**11,087,480**	**10,758,345**	**9,808,759**	**10,171,437**
NON-CURRENT ASSETS					
Trade and other receivables	9	231,900	45,836	415,465	45,836
Held-to-maturity investments	10(a)	300,000	300,000	300,000	300,000
Investment in subsidiaries	10(c)	-	-	619,921	619,921
Investment properties	12	1,560,000	1,014,419	1,900,000	1,222,567
Property, plant and equipment	13	567,838	426,236	189,928	187,148
Intangible assets	14	69,502	200,452	22,230	117,324
Deferred tax assets	8(c)	15,132	13,490	14,001	12,666
Total non-current assets		**2,744,372**	**2,000,433**	**3,461,545**	**2,505,462**
TOTAL ASSETS		**13,831,852**	**12,758,778**	**13,270,304**	**12,676,899**
CURRENT LIABILITIES					
Trade and other payables	15	644,239	732,494	506,502	674,538
Insurance contract liabilities	16	7,234,103	7,054,973	6,512,600	7,054,973
Employee entitlements	17	97,044	70,937	90,006	59,848
Total current liabilities		**7,975,386**	**7,858,404**	**7,109,108**	**7,789,359**
NON-CURRENT LIABILITIES					
Deferred tax liabilities	8(d)	68,225	-	67,579	-
Total non-current liabilities		**68,225**	**-**	**67,579**	**-**
TOTAL LIABILITIES		**8,043,611**	**7,858,404**	**7,176,687**	**7,789,359**
NET ASSETS		**5,788,241**	**4,900,374**	**6,093,617**	**4,887,540**
SHAREHOLDERS' EQUITY					
Share capital	18	3,691,236	3,486,501	3,691,236	3,486,501
Share premium reserve	19	359,057	334,488	359,057	334,488
Foreign currency translation reserve		901	(28,665)	-	-
Asset revaluation reserve		133,802	-	-	-
Accumulated profits		1,603,245	1,108,050	2,043,324	1,066,551
TOTAL SHAREHOLDERS' EQUITY		**5,788,241**	**4,900,374**	**6,093,617**	**4,887,540**

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.

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Director Director

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Holding Company	
	Inflows/ (Outflows) 2015	Inflows/ (Outflows) 2014	Inflows/ (Outflows) 2015	Inflows/ (Outflows) 2014
	$	$	$	$
Cash flows from operating activities				
Premium and fees received	13,383,043	11,618,501	12,894,661	11,465,322
Reinsurance premium paid, net	(465,103)	(660,745)	(385,261)	(660,745)
Claims, commission and capitation fees paid, net	(9,511,218)	(8,695,307)	(9,379,276)	(8,695,307)
Payments to brokers, suppliers and employees	(2,490,032)	(2,040,240)	(2,195,069)	(1,862,825)
Cash generated from operations	916,690	222,209	935,055	246,445
Income tax paid, net	(126,724)	(12,932)	(122,177)	(10,265)
Interest received	83,801	62,977	74,010	62,977
Net cash provided by operating activities	873,767	272,254	886,888	299,157
Cash flows from investing activities				
Payments for property, plant and equipment	(133,557)	(134,185)	(114,870)	(117,205)
Payments for intangible assets	-	(110,559)	-	(27,431)
Payments for investment property	(46,989)	(810,159)	(46,989)	(810,159)
Payments for held-to-maturity investments	(4,497,009)	(3,808,464)	(4,497,009)	(3,808,464)
Payments for financial assets at fair value through profit or loss	(309,365)	(265,854)	(309,365)	(265,854)
Dividends received	39,164	34,528	39,164	34,528
Repayment by / (advances to) Kontiki Growth Fund Limited, net	(165,252)	59,948	(165,252)	59,948
Payments for investment in subsidiary company, VanCare Insurance Limited	-	-	-	(609,921)
Advance to VanCare Insurance Limited		-	(317,722)	(52,572)
Proceeds from sale of plant and equipment	60,852	14,153	60,852	14,153
Proceeds from held-to-maturity investments	3,897,009	3,708,464	3,897,009	3,708,464
Net cash used in investing activities	(1,155,147)	(1,312,128)	(1,454,182)	(1,874,513)
Cash flows from financing activities				
Dividends paid	(49,616)	(65,405)	(49,616)	(65,405)
Net cash used in financing activities	(49,616)	(65,405)	(49,616)	(65,405)
Net decrease in cash and cash equivalents	**(330,996)**	**(1,105,279)**	**(616,910)**	**(1,640,761)**
Effect of exchange rate movement on cash and cash equivalents	41,790	-	-	-
Cash and cash equivalents at the beginning of the year	2,037,099	3,142,378	1,447,601	3,088,362
Cash and cash equivalents at the end of the year (Note 22)	**1,747,893**	**2,037,099**	**830,691**	**1,447,601**

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

NOTE 1. GENERAL INFORMATION

a) Corporate Information

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

The registered office and principal place of business of the holding company is located at Level 9, FNPF Place, 343-359 Victoria Parade, Suva.

b) 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 medical clinic and medical centre.

The principal activity of the subsidiary company, VanCare Insurance Limited, during the year was that of underwriting of general insurance risks.

There were no significant changes in the nature of the principal activities of the group.

NOTE 2. BASIS OF PREPARATION

a) Basis of Preparation

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, property, plant and equipment and financial assets at fair value through profit or loss. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

In the application of International Financial Reporting Standards ('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 recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. 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.

NOTE 2. BASIS OF PREPARATION (CONT'D)

b) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and with the requirements of the Companies Act, 1983.

c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the holding company and its subsidiary companies which are 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 reassesses whether or not it controls an 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 an 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 an investee are 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 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.

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

Income and expenses of the subsidiary companies 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 or 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 companies including any recognised profits or losses have been eliminated on consolidation.

d) Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts. Also, prior year balances have been restated in relation to change in accounting policy. Refer note 10(b).

NOTE 2. BASIS OF PREPARATION (CONT'D)

e) Changes in Accounting Policies

New standards, interpretations and amendments effective from 1 January 2015

A number of amendments are effective for the first time for periods beginning on (or after) 1 January 2015. None of the amendments have a material impact on the holding company and the group's financial statements.

New standards, interpretations and amendments that have been issued but are not mandatorily effective as at 31 December 2015

There are certain new standards, interpretations and amendments, which are not yet mandatorily effective and have not been adopted early in these financial statements, will or may have an effect on the company's future financial statements. The company intends to adopt these standards, interpretations and amendments, if applicable, when they become effective.

1. IFRS 9 : Financial Instruments
2. IFRS 15 : Revenue from Contracts with Customers
3. IFRS 16 : Leases
4. Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization
5. Amendments to IAS 1 : Disclosure Initiative

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Allowance for Doubtful Debts

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

The group periodically assesses whether there is any objective evidence of impairment. Trade and other receivables are presented net of allowances for doubtful debts. The group has individually assessed allowances against individually significant trade and other receivables.

b) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash on hand, cash in banks and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Dividend Distribution

Dividend distribution to the holding company's shareholders is recognised as a liability in holding company's and group's financial statements in the period in which the dividends are declared by the company's directors.

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

d) 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.

e) Expenditure Recognition

Expenses are recognised in the profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the investment properties and property, plant and equipment in a state of operational service has been charged to the statement of profit or loss.

For the purpose of presentation of the statement of profit or loss and other comprehensive income, the "function of expenses" method has been adopted, on the basis that it fairly presents the elements of the holding company's and group's performance.

f) Financial Assets

The group classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments and financial assets at fair value through profit or loss. The classification depends on the nature and purpose for which the financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

Loans and 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 balance date, which are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' as disclosed in the statements of financial position (Note 9). Bad debts are written off during the period in which they are identified.

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are carried at amortised cost using the effective interest method less any impairment.

Held-to-maturity investments in commercial banks and financial institutions by the group are recorded at their amortised cost and not re-measured to market values as they are considered likely to be held to maturity in line with investment objectives and fixed price nature of the investments.

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

f) Financial Assets (Cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprises of equity investments in listed and unlisted companies. Subsequent to initial recognition, during prior years and until 31 December 2014, equity investments in listed and unlisted companies were classified as available-for-sale financial assets. Effective from 1 January 2015, equity investments in listed and unlisted companies have been reclassified as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months.

Financial assets at fair value through profit or loss are measured initially and subsequently at fair value, and gains and losses arising from changes in fair value are included in the statement of profit or loss.

Transaction costs are recognised in the statement of profit or loss. Dividend income is recognised in the statement of profit or loss as part of other revenue when the holding company's right to receive payments is established.

g) Foreign Currency Translations

Functional and presentation currency

The group operates in Fiji and Vanuatu, however the financial statements are presented in Fiji dollars, which is the holding company'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.

Foreign controlled entity

As the foreign controlled subsidiary company of the group, VanCare Insurance Limited, is a self-sustaining entity, its assets and liabilities are translated to Fiji dollar at the average year-end buying and selling exchange rates, while its revenues and expenses are translated at the average of buying and selling rates ruling during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve.

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

h) 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 recognised 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.

i) 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.

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.

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

i) Income Tax (Cont'd)

Deferred tax (Cont'd)

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 recognised 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 Income Tax Act. Accordingly, the group provides for deferred tax liability that may arise if capital assets stated at fair values are ultimately sold or traded.

j) 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.

ii) 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.

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

j) Insurance Contracts (Cont'd)

iii) 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.

iv) 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.

k) Inventories

Inventories consist of medical supplies and consumables. Inventories are stated at the lower of cost and net recognised 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 recognised value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

l) 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 financial year.

m) Investment Properties

Investment properties principally comprising freehold land and buildings are held to earn rentals and/or for capital appreciation, are measured initially at its cost including transaction costs. During prior years and until 31 October 2015, subsequent to initial recognition, investment properties were measured at cost less accumulated depreciation and impairment.

Effective from 1 November 2015, investment properties are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

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

n) 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. Initial indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Group as a 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.

o) Segment Reporting

Operating Segment

An operating segment is a component of the group which may earn revenues and incur expenses and the operating 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 in Fiji and Vanuatu.

p) Property, Plant and Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Freehold land and buildings are stated at fair value, less any subsequent accumulated depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Any revaluation increase arising on the revaluation of such property is credited as other comprehensive income in the statement of profit or loss and other comprehensive income and recorded as revaluation reserve in the statement of changes in equity. Decreases that off-set previous increases of the same asset are charged against other comprehensive income and revaluation reserves in the equity; all other decreases are charged as expense in the statement of profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to the statements of profit or loss during the financial period in which they are incurred.

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

p) 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. Depreciation on other assets is calculated on a straight-line basis over their estimated useful lives using the following rates:

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken into account in determining the results for the year.

q) 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

The liability for annual leave is recognised 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.

Bonus plans

The companies under the group pay bonuses to employees based on performance of the group and achievement of individual objectives by the employees. The group accrues bonus where contractually obliged or where there is a past practice, subject to performance evaluation.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

r) 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.

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

s) Revenue Recognition

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

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

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

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

Rental income is recognised on an accrual basis. Rental income represents income earned from renting out of building space and is stated net of Value Added Tax.

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

t) 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.

u) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful debts. An allowance for doubtful debts 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 assessed to be doubtful. Doubtful debts 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 statements of profit or loss and other comprehensive income.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments are considered indicators that a specific debtor balance is assessed to be doubtful. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within administration and operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statements of profit or loss and other comprehensive income.

v) Trade and Other Payables

Trade and other payables 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.

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

w) Value Added Tax (VAT)

Revenues, expenses, assets and liabilities 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 the asset or as part of an item of expense; and

ii) For trade receivables and trade 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

In application of the group's accounting policies, which are described in Note 3, the directors and the management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

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 material adjustment to the carrying amounts of assets and liabilities within the next financial year and in future 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.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

(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 use appropriate 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 holding 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.

(e) Impairment of property, plant and equipment and investment properties

The group assesses whether there are any indicators of impairment of all property, plant and equipment and investment properties at each reporting date. Property, plant and equipment and investment properties 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 2015, no provision for impairment has been made as the group reasonably believes that no indicators for impairment exist.

NOTE 5. REVENUE

	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$
Gross written premium	12,527,528	12,822,107	11,729,108	12,822,107
Reinsurance premium	(438,560)	(549,266)	(358,718)	(549,266)
	12,088,968	12,272,841	11,370,390	12,272,841
Unearned premium, net movement	(549,445)	(617,018)	(21,173)	(617,018)
Deferred reinsurance premium, net movement	(11,715)	47,463	(11,715)	47,463
	11,527,808	11,703,286	11,337,502	11,703,286
Income from medical clinic and medical centre	123,032	200,418	-	-
Total revenue, net	11,650,840	11,903,704	11,337,502	11,703,286

NOTE 6. COMMISSION EXPENSE

Commission expense	1,334,515	1,289,350	1,302,028	1,289,350
Total commission expense	1,334,515	1,289,350	1,302,028	1,289,350

NOTE 7. OTHER REVENUE

Dividend income	68,391	34,528	68,391	34,528
Gain on sale of motor vehicle	29,197	39,970	29,197	39,970
Interest income	186,362	144,344	176,342	143,999
Management fees	-	-	19,432	-
Rental income	39,239	6,287	63,239	30,287
Fair value gain on equity investments, net	107,200	103,812	107,200	103,812
Fair value gain on Investment properties	509,762	-	643,564	-
Miscellaneous income, net	16,670	85,099	16,670	85,099
Total other revenue, net	956,821	414,040	1,124,035	437,695

NOTE 8. INCOME TAX

Income Tax Rate

Income tax expense for the year ended 31 December 2015 has been computed using tax rate of 10% for the holding company, 20% for the subsidiary company, FijiCare Medical Centre Limited and 0% for the subsidiary company, VanCare Insurance Limited. (2014: 10% for the holding company, 20% for the subsidiary company, FijiCare Medical Centre Limited and 0% for the subsidiary company, VanCare Insurance Limited.). Deferred tax assets and liabilities have been computed using tax rate of 10% for the holding company and 20% for the subsidiary company, FijiCare Medical Centre Limited (2014: 10% for holding company and 20% for the subsidiary company, FijiCare Medical Centre Limited).

NOTE 8. INCOME TAX (CONT'D)

	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$

The prima facie income tax payable on profit is reconciled to the income tax expense as follows:

a) Income tax expense

The prima facie income tax payable on profit is reconciled to the income tax expense as follows:

	Consolidated 2015 $	Consolidated 2014 $	Holding Company 2015 $	Holding Company 2014 $
Profit before income tax (restated)	935,764	594,035	1,414,917	635,825
Prima facie income tax expense	141,774	64,622	141,492	63,583
Tax effect of:				
Non-taxable income	(16,798)	(13,835)	(16,798)	(13,835)
Non-deductible expenses	32,184	9,033	30,015	7,447
Under provision of income tax in prior year	843	38	760	38
Over provision of deferred income tax in prior year	-	(532)	-	(532)
Reversal of deferred tax asset	1,681	-	1,681	-
Recognition of deferred income tax liability not recognized in prior years	1,965	-	2,074	-
Income tax expense	161,649	59,326	159,224	56,701
Income tax expense comprises movement in:				
Current tax assets	95,066	60,794	92,980	57,731
Deferred tax assets	(1,642)	(1,468)	(1,335)	(1,030)
Deferred tax liability	68,225	-	67,579	-
	161,649	59,326	159,224	56,701

b) Current tax assets

Movements during the year were as follows:

	Consolidated 2015 $	Consolidated 2014 $	Holding Company 2015 $	Holding Company 2014 $
Balance at the beginning of the year	77,498	125,360	76,896	124,362
Tax liability for the current year	(95,066)	(60,794)	(92,980)	(57,731)
Refunds during the year	-	(143,507)	-	(143,507)
Income tax penalty	(1,067)	-	-	-
Advance taxes paid during the year	104,608	130,018	100,061	127,351
Tax deducted at source - resident interest withholding tax	22,116	26,421	22,116	26,421
Balance at the end of the year	108,089	77,498	106,093	76,896

NOTE 8. INCOME TAX (CONT'D)

	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$
c) Deferred tax assets				
Deferred tax assets comprise the estimated future benefit at future income tax rate in respect to the following:				
Allowance for doubtful debts	5,000	5,000	5,000	5,000
Difference in cost base of property, plant and equipment for accounting and income tax purposes	-	875	-	1,681
Provision for employee entitlements	10,132	7,615	9,001	5,985
Total deferred tax assets	15,132	13,490	14,001	12,666
d) Deferred tax liabilities				
Deferred tax liabilities comprise the estimated future expense at future income tax and capital gains tax rate in respect to the following:				
Difference in cost base of investment property and plant and equipment for accounting and income tax purposes	65,390	-	64,744	-
Unrealized gain on investment in unlisted shares	2,835	-	2,835	-
	68,225	-	67,579	-

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated 2015	Consolidated 2014	Holding Company 2015	Holding Company 2014
Current				
Trade receivables (a)	1,992,363	2,646,352	1,516,406	2,602,050
Less: allowance for doubtful debts	(50,000)	(50,000)	(50,000)	(50,000)
	1,942,363	2,596,352	1,466,406	2,552,050
Advance to Kontiki Growth Fund Limited (b)	55,753	63,269	55,753	63,269
Receivable from Rawlinson Jenkins Limited (c)	12,082	10,511	12,082	10,511
Receivable from VanCare Insurance Limited (e)	-	-	194,161	52,572
Receivable from FijiCare Medical Centre Limited	-	-	12,000	-
Prepayments	35,571	29,184	18,665	27,339
Deposits	17,952	16,223	15,422	14,815
Other receivables (f)	273,791	157,974	273,235	157,646
Total current trade and other receivables, net	2,337,512	2,873,513	2,047,724	2,878,202
Non-current				
Advance to Kontiki Growth Fund Limited (b)	200,268	27,500	200,268	27,500
Receivable from Rawlinson Jenkins Limited (c)	8,956	18,336	8,956	18,336
Advance to VanCare Insurance Limited (d)	-	-	183,565	-
Other receivables	22,676	-	22,676	-
Total non-current trade and other receivables	231,900	45,836	415,465	45,836

NOTE 9. TRADE AND OTHER RECEIVABLES (CONT'D)

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

(c) Receivable from Rawlinson Jenkins Limited is in relation to holding company's motor vehicle sold to Rawlinson Jenkins Limited and is subject to interest at the rate of 7.50% per annum.

(d) Advance to VanCare Insurance Limited is subject to interest at the rate of 5% per annum and is unsecured. The principal amount including any accrued interest is repayable on 31 December 2020.

(e) Receivable from VanCare Insurance Limited is in relation to reimbursement of expenses paid on behalf of VanCare Insurance Limited. Balance is not subject to interest and repayable on demand.

(f) Other receivables include advance amounting to $17,472 receivable from Managing Director. The advance is unsecured, subject to market interest rate and repayable on a fortnightly basis.

NOTE 10. FINANCIAL ASSETS

	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$
(a) Held-to-maturity investments				
Current				
Term investments with commercial banks and financial institutions	5,272,925	4,372,454	4,671,199	3,997,008
Total current held-to-maturity investments	5,272,925	4,372,454	4,671,199	3,997,008
Non-current				
Term investments with commercial banks and financial institutions	300,000	300,000	300,000	300,000
Total non-current held-to-maturity investments	300,000	300,000	300,000	300,000
(b) Financial assets at fair value through profit or loss				
Equity Investments				
Investments in listed companies	988,406	867,273	988,406	867,273
Investments in unlisted companies	595,741	300,309	595,741	300,309
	1,584,147	1,167,582	1,584,147	1,167,582

Effective from 1 January 2015, equity investments in listed and unlisted companies have been reclassified as financial assets at fair value through profit or loss. In the prior years, these investments were classified as available-for-sale financial assets. The directors believe that the reclassification is appropriate as these equity investments are managed and their performance are evaluated on a fair value basis in accordance with the company investment strategy.

The effect of this change in accounting policy has been applied retrospectively. The accumulated fair value gain in prior year on remeasurement of available-for-sale financial assets previously reported under investment revaluation reserve as at 1 January 2014 amounting to $119,872 has been transferred to retained earnings.

Fair value gain on remeasurement of available-for-sale financial assets previously reported under investment revaluation reserve for the year ended 31 December 2014 amounting to $103,812 has been transferred to other revenue. Accordingly, prior year opening investment revaluation reserve, retained earnings and prior year other revenue and income tax expense amounts have been restated.

NOTE 10. FINANCIAL ASSETS (CONT'D)

	Consolidated 2015	Consolidated 2014	Holding Company 2015	Holding Company 2014
	$	$	$	$
(c) Investment in subsidiary companies (Note 26)				
Investment in FijiCare Medical Centre Limited	-	-	10,000	10,000
Investment in VanCare Insurance Limited	-	-	609,921	609,921
	-	-	619,921	619,921

NOTE 11. DEFERRED COSTS

	Consolidated 2015	Consolidated 2014	Holding Company 2015	Holding Company 2014
Deferred commission expenses	586,007	542,460	518,932	542,460
Deferred reinsurance expenses	49,973	61,688	49,973	61,688
Total deferred costs	635,980	604,148	568,905	604,148

NOTE 12. INVESTMENT PROPERTIES

	Consolidated		
	Freehold Land	Building	Total
	($)	($)	($)
Gross carrying amount			
Balance at 1 January 2014	125,000	93,538	218,538
Additions	400,000	410,159	810,159
Balance at 31 December 2014	525,000	503,697	1,028,697
Additions	-	46,989	46,989
Adjustment upon revaluation	-	(25,448)	(25,448)
Fair value gain	40,000	469,762	509,762
Balance at 31 December 2015	565,000	995,000	1,560,000
Accumulated depreciation			
Balance at 1 January 2014	-	8,052	8,052
Depreciation expense	-	6,226	6,226
Balance at 31 December 2014	-	14,278	14,278
Depreciation expense	-	11,170	11,170
Adjustment upon revaluation	-	(25,448)	(25,448)
Balance at 31 December 2015	-	-	-
Net book value			
As at 31 December 2014	525,000	489,419	1,014,419
As at 31 December 2015	565,000	995,000	1,560,000

Upon consolidation, investment properties rented to the subsidiary company, FijiCare Medical Centre Limited is re-grouped to property, plant and equipment.

NOTE 12. INVESTMENT PROPERTIES

	Holding Company		
	Freehold Land	Building	Total
	($)	($)	($)
Gross carrying amount			
Balance at 1 January 2014	250,000	187,076	437,076
Additions	400,000	410,159	810,159
Balance at 31 December 2014	650,000	597,235	1,247,235
Additions	-	46,989	46,989
Adjustment upon revaluation	-	(37,788)	(37,788)
Fair value gain	55,000	588,564	643,564
Balance at 31 December 2015	705,000	1,195,000	1,900,000
Accumulated depreciation			
Balance at 1 January 2014	-	16,104	16,104
Depreciation expense	-	8,564	8,564
Balance at 31 December 2014	-	24,668	24,668
Depreciation expense	-	13,120	13,120
Adjustment upon revaluation	-	(37,788)	(37,788)
Balance at 31 December 2015	-	-	-
Net book value			
As at 31 December 2014	650,000	572,567	1,222,567
As at 31 December 2015	705,000	1,195,000	1,900,000

Investment properties of the holding company include land and building rented to the subsidiary company, FijiCare Medical Centre Limited.

During prior years and until 31 October 2015, subsequent to initial recognition, investment properties were measured at cost less accumulated depreciation and impairment. Effective from 1 November 2015, investment properties are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent impairment losses.

During the year, land and buildings were revalued by the directors based on independent valuation by registered valuer. The valuation methodology adopted by the valuer was Market Value Method.

The investment properties were valued at $1,900,000. The excess market value over book value of $643,564 as at 31 October 2015 has been brought into account in the financial statements for the year ended 31 December 2015.

The directors believe that it is impracticable to determine accurately and reliably the period specific effects of excess market value over book value of $643,564 and therefore, the financial effect has been applied prospectively effective 1 November 2015.

The company uses valuation techniques that include valuation assessment and estimates based on observable and non-observable market data and observable internal financial data to estimate the fair value of investment properties. The directors believe that that chosen valuation techniques and assumption used are appropriate in determining the fair value of investment properties.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

	Consolidated				
	Land	Buildings	Furniture, fittings and office equipment	Motor vehicles	Total
	($)	($)	($)	($)	($)
Gross carrying amount					
Balance at 1 January 2014	125,000	93,538	452,663	164,217	835,418
Additions	-	-	37,688	96,497	134,185
Disposals	-	-	-	(60,600)	(60,600)
Balance at 31 December 2014	125,000	93,538	490,351	200,114	909,003
Additions	-	-	84,403	49,154	133,557
Disposals	-	-	-	(22,304)	(22,304)
Fair value gain	15,000	118,802	-	-	133,802
Adjustment upon revaluation	-	(12,340)	-	-	(12,340)
Balance at 31 December 2015	140,000	200,000	574,754	226,964	1,141,718
Accumulated depreciation					
Balance at 1 January 2014	-	8,052	335,225	88,538	431,815
Depreciation expense	-	2,338	65,113	41,071	108,522
Disposals	-	-	-	(57,570)	(57,570)
Balance at 31 December 2014	-	10,390	400,338	72,039	482,767
Depreciation expense	-	1,950	64,608	38,169	104,727
Disposals	-	-	-	(1,274)	(1,274)
Adjustment upon revaluation	-	(12,340)	-	-	(12,340)
Balance at 31 December 2015	-	-	464,946	108,934	573,880
Net book value					
As at 31 December 2014	125,000	83,148	90,013	128,075	426,236
As at 31 December 2015	140,000	200,000	109,808	118,030	567,838

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

	Holding Company		
	Furniture, fittings and office equipment	Motor vehicles	Total
	($)	($)	($)
Gross carrying amount			
Balance at 1 January 2014	331,029	164,217	495,246
Additions	20,708	96,497	117,205
Disposals	-	(60,600)	(60,600)
Balance at 31 December 2014	351,737	200,114	551,851
Additions	80,957	33,913	114,870
Disposals	-	(22,304)	(22,304)
Balance at 31 December 2015	432,694	211,723	644,417
Accumulated depreciation			
Balance at 1 January 2014	235,554	88,538	324,092
Depreciation expense	57,110	41,071	98,181
Disposals	-	(57,570)	(57,570)
Balance at 31 December 2014	292,664	72,039	364,703
Depreciation expense	54,669	36,391	91,060
Disposals	-	(1,274)	(1,274)
Balance at 31 December 2015	347,333	107,156	454,489
Net book value			
As at 31 December 2014	59,073	128,075	187,148
As at 31 December 2015	85,361	104,567	189,928

NOTE 14. INTANGIBLE ASSETS

	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$
Computer software	960,232	960,232	877,104	877,104
Less: accumulated amortisation	(890,730)	(759,780)	(854,874)	(759,780)
Total intangible assets, net	69,502	200,452	22,230	117,324

NOTE 15. TRADE AND OTHER PAYABLES

	Consolidated 2015	Consolidated 2014	Holding Company 2015	Holding Company 2014
Capitation fees	14,339	15,022	37,114	47,525
Payable to reinsurers	26,412	52,955	26,412	52,955
Other payables and accrued liabilities	603,488	664,517	442,976	574,058
Total trade and other payables	644,239	732,494	506,502	674,538

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 include $22,775 (2014: $32,503) payable to subsidiary company, FijiCare Medical Centre Limited.

NOTE 16. INSURANCE CONTRACT LIABILITIES	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$
Unearned premiums				
Unearned premiums as at 1 January	4,161,545	3,544,527	4,161,545	3,544,527
Movement during the year, net	549,290	617,018	21,173	617,018
Balance as at 31 December	4,710,835	4,161,545	4,182,718	4,161,545
Outstanding claims				
Gross outstanding claims as at 1 January	1,127,928	738,646	1,127,928	738,646
Movement during the year, net	(307,600)	389,282	(434,472)	389,282
Balance as at 31 December	820,328	1,127,928	693,456	1,127,928
Less: Reinsurance recoveries				
Reinsurance recoveries as at 1 January	15,551	22,870	15,551	22,870
Movement during the year, net	(5,551)	(7,319)	(5,551)	(7,319)
Balance as at 31 December	10,000	15,551	10,000	15,551
Outstanding claims, net	810,328	1,112,377	683,456	1,112,377
Claims administration provision				
Claims administration provision as at 1 January	188,031	195,000	188,031	195,000
Movement during the year, net	(26,544)	(6,969)	(39,044)	(6,969)
Balance as at 31 December	161,487	188,031	148,987	188,031
Claims incurred but not reported				
Claims incurred but not reported as at 1 January	1,593,020	1,207,000	1,593,020	1,207,000
Movement during the year, net	(41,567)	386,020	(95,581)	386,020
Claims incurred but not reported, net	1,551,453	1,593,020	1,497,439	1,593,020
Total insurance contract liabilities, net	7,234,103	7,054,973	6,512,600	7,054,973

NOTE 17. EMPLOYEE ENTITLEMENTS

	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$
Provision for annual leave	75,156	70,937	68,118	59,848
Provision for long service leave	21,888	-	21,888	-
Total employee entitlements	97,044	70,937	90,006	59,848

NOTE 18. SHARE CAPITAL

	Consolidated 2015	Consolidated 2014	Holding Company 2015	Holding Company 2014
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 7,382,472 ordinary shares of $0.50 each (2014: 6,973,001 ordinary shares of $0.50 each)	3,691,236	3,486,501	3,691,236	3,486,501

During the year, additional shares were issued by way of dividend reinvestment option exercised as follows:

Type	Number of Shares	Share Price ($)	Total Amount ($)	Increase in Share Capital ($)	Increase in Share Premium ($)
Dividend reinvestment	409,471	0.56	229,304	204,735	24,569
Total increase	**409,471**			**204,735**	**24,569**

NOTE 19. SHARE PREMIUM RESERVE

	Consolidated 2015	Consolidated 2014	Holding Company 2015	Holding Company 2014
Share premium reserve	359,057	334,488	359,057	334,488

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

NOTE 20. DIVIDENDS

	Consolidated 2015	Consolidated 2014	Holding Company 2015	Holding Company 2014
Final dividend	278,920	323,804	278,920	323,804

NOTE 21. PROFIT BEFORE INCOME TAX

	Consolidated		Holding Company	
	2015	2014	2015	2014
	$	$	$	$
Profit before income tax has been determined after charging the following expenses:				
Auditor's remuneration for:				
- Audit fees	42,994	34,526	31,587	29,026
- Other services	18,546	10,215	13,726	7,255
Consultancy fees	51,280	14,738	29,375	3,325
Actuarial services	77,179	30,644	77,179	30,644
Depreciation and amortisation	246,847	254,797	199,274	246,794
Directors' remuneration for:				
- Salaries	308,911	302,859	308,911	302,859
- Fees	39,429	27,804	18,118	27,804
FNPF contribution	104,801	78,728	93,726	74,531
Legal and advisory fees	53,619	9,132	47,420	9,132
Impairment loss	-	11,746	-	11,746
Operating leases	108,027	90,156	95,011	86,430
Salaries, wages, training levy and allowances	797,193	741,385	690,500	637,469

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:

Cash on hand and at bank	1,146,167	1,661,653	830,691	1,447,601
Short term deposits	601,726	375,446	-	-
Total cash and cash equivalents	1,747,893	2,037,099	830,691	1,447,601

b) Non-Cash Financing Activities

Dividends

During the year, the holding company declared dividends of $278,920 out of which $229,304 was re-invested under the dividend reinvestment option. The consideration for the dividend re-invested was issue of 409,471 shares of $0.50 each at premium of $0.06. These re-investment transactions are not reflected in the statements of cash flows.

NOTE 23. EARNINGS PER SHARE

	Consolidated 2015	2014
	$	$
Profit for the year used in calculating earnings per share	774,115	534,709
Weighted average number of ordinary shares outstanding used in calculating basic earnings per share	7,186,150	6,766,064
Weighted average number of ordinary shares outstanding used in calculating diluted earnings per share	7,186,150	6,766,064
Basic earnings per share - cents	10.77	7.90
Diluted earnings per share - cents	10.77	7.90

NOTE 24. COMMITMENTS

a) Capital expenditure commitments as at 31 December 2015 amounted to $Nil (2014: $Nil).

b) Operating lease expense commitments contracted for rentals are as follows:	Consolidated 2015	2014	Holding Company 2015	2014
	$	$	$	$
Not later than one year	131,705	154,761	131,705	147,721
Later than one year but not two years	-	38,861	-	38,861
Total operating lease expense commitments	131,705	193,622	131,705	186,582
c) Operating lease income commitments contracted for rentals are as follows:				
Not later than one year	31,200	6,261	55,200	30,261
Later than one year but not two years	-	-	24,000	24,000
Later than two years but not five years	-	-	-	24,000
Total operating lease income commitments	31,200	6,261	79,200	78,261

d) The subsidiary company, FijiCare Medical Centre Limited is committed to pay the holding company, FijiCare Insurance Limited , management fees of $12,000 (2014: $Nil) per annum.

NOTE 25. CONTINGENT LIABILITIES

Contingent liabilities exist with respect to the following:				
Indemnity guarantees	750	750	750	750
Litigations (a)	60,101	116,871	60,101	116,871
Total contingent liabilities	60,851	117,621	60,851	117,621

NOTE 25. CONTINGENT LIABILITIES (CONT'D)

(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 COMPANIES

Entity	Place of Incorporation	% Owned	Investment Book Value 2015 ($)	2014 ($)
FijiCare Medical Centre Limited	Fiji	100%	10,000	10,000
VanCare Insurance Limited	Vanuatu	100%	609,921	609,921
			619,921	619,921

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	Group Total
		$	$	$	$	$
Revenue	Dec 15	6,628,995	2,772,970	2,125,843	123,032	11,650,840
	Dec 14	6,834,655	3,098,721	1,769,910	200,418	11,903,704
Result (Revenue less allocated costs)	Dec 15	115,896	692,908	(248,117)	1,409	562,096
	Dec 14	836,719	413,704	(521,366)	5,195	734,252
Add: **Unallocated - other revenue:** Bad debts recovered, dividend income, interest income, rental income, reversal of impairment loss, gain on sale of fixed assets and miscellaneous income	Dec 15					956,821
	Dec 14					414,040
Less: **Unallocated - expenses and income tax**	Dec 15					744,802
	Dec 14					613,583
Profit after income tax	Dec 15					774,115
	Dec 14					534,709

NOTE 27. SEGMENT INFORMATION (CONT'D)

(a) Operating segments (Cont'd)

Segment Assets and Liabilities

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

Additional Information

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

(b) Geographical segment

The group operates in Fiji and Vanuatu.

Revenue from Fiji and Vanuatu operations amounts to $11,460,534 and $190,306, respectively. Profit after income tax from Fiji Operation amounts to $1,120,875 and loss after income tax from Vanuatu operations amounts to $346,760.

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
Arivakisati Bovoro aka Tukana Bovoro (appointed 22 January 2015)
Max Storck (resigned on 22 January 2015)

(b) Holding company transactions with related parties

Transactions with related parties during the year ended 31 December 2015 and 2014 with approximate transaction values are summarized as follows:

Related Party	Relationship	Nature of transaction	2015 ($)	2014 ($)
FijiCare Medical Centre Limited	Subsidiary company	Capitation and professional fees	284,104	288,910
		Rent income	24,000	24,000
		Management fees	12,000	-
VanCare Insurance Limited	Subsidiary company	Various expenses paid on behalf of the subsidiary to be reimbursed	134,157	52,572
		Management fees	7,432	-
		Advance given	183,565	-
Kontiki Growth Fund Limited	Shareholder company	Advances given	219,515	-
		Repayments received	54,263	59,948
		Interest income	14,902	7,400
Peter McPherson	Managing Director	Advance given	17,472	-

NOTE 28. RELATED PARTY DISCLOSURES (CONT'D)

(c) Amounts due to and receivable from related parties:

Appropriate disclosure of these amounts is contained in Note 9 and Note 15 to the financial statements.

(d) Ownership Interests

The ownership interests in subsidiary companies is disclosed in Note 26.

(e) 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, Chief Operating Officer - Vanuatu, Finance Manager, Corporate Governance Executive, Claims Manager, IT Manager, and Marketing Manager (2014: Chief Executive Officer, Chief Operating Officer - Vanuatu, Finance Manager and Senior Executive) were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the holding company and the group.

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

	2015	2014
	$	$
Salaries and other short-term employee benefits	759,355	532,373
Director fees - executive	4,800	6,000
Director fees - non executive	34,629	21,804

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 effects 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.

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

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

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

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

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

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

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

(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 group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, is able to manage risks.

Operational risk is identified and assessed on 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 (foreign exchange risk, 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 changes in the market prices, such as foreign exchange rates, interest rate and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

(i) Foreign exchange risk

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

NOTE 30. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (Cont'd)

(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 financial loss as a result of failure by a customer or counterparty to meet its contractual obligations. Credit risk is managed at group and at individual company level.

Credit risk relating to insurance contracts is disclosed in Note 29(c).

Credit risk also arises from cash at banks and deposits with banks. Deposits are made only with reputable financial institutions which are regulated by Reserve Bank of Fiji with known sound financial standing.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the group's maximum exposure to credit risk.

(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.

NOTE 30. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

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.

The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

(d) Other risk

(i) Regulatory risk

The group's profitability can be impacted by regulatory agencies established which govern the business sector in Fiji. Specifically financial transactions are monitored by Reserve Bank of Fiji (RBF) and Reserve Bank of Vanuatu (RBV), and as an authorised underwriter of insurance risks, the group is subject to licence and regulatory control by RBF and RBV.

The salaries and wages payable to workers are subject to relevant wages regulations and employment legislation.

NOTE 31. MATURITY ANALYSIS

The following analysis of monetary assets and liabilities as at 31 December 2015 and 2014 is based on contractual terms.

	31 December 2015 - Consolidated				
	At call	1 day to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Total
	$	$	$	$	$
Assets					
Cash on hand and at bank	1,146,167	-	-	-	1,146,167
Trade and other receivables	-	2,286,006	51,506	231,900	2,569,412
Financial assets at fair value through profit or loss	-	-	1,584,147	-	1,584,147
Held-to maturity investments	-	601,726	4,671,199	300,000	5,572,925
Current tax assets	-	-	108,089	-	108,089
	1,146,167	2,887,732	6,414,941	531,900	10,980,740
Liabilities					
Trade and other payables	-	644,239	-	-	644,239
Insurance contract liabilities, net of unearned premium	-	2,523,268	-	-	2,523,268
	-	3,167,507	-	-	3,167,507

NOTE 31. MATURITY ANALYSIS (CONT'D)

	31 December 2014 - Consolidated				
	At call	1 day to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Total
	$	$	$	$	$
Assets					
Cash on hand and at bank	1,661,653	-	-	-	1,661,653
Trade and other receivables	-	2,823,336	43,723	45,836	2,912,895
Financial assets at fair value through profit or loss	-	-	1,167,582	-	1,167,582
Held-to maturity investments	-	375,446	3,997,008	300,000	4,672,454
Current tax assets	-	-	77,498	-	77,498
	1,661,653	3,198,782	5,285,811	345,836	10,492,082
Liabilities					
Trade and other payables	-	726,040	-	-	726,040
Insurance contract liabilities, net of unearned premium	-	2,893,428	-	-	2,893,428
	-	3,619,468	-	-	3,619,468

NOTE 32. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date, in February 2016, tropical cyclone Winston hit Fiji and severely affected certain parts of Fiji. Based on preliminary assessment, in the opinion of the directors, insurance claims resulting from the cyclone is estimated to be less than $200,000.

The financial effect of the above event, which has occurred after balance date, will be incorporated in the financial statements for the year ending 31 December 2016.

Apart from the above, no other matters or circumstances have arisen since the end of the financial year which would require adjustment to, or disclosure in, the financial statements of the holding company and the group.

NOTE 33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 30 March 2016.

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 2015.

Directors	Direct Interest (Number of Shares)	Indirect Interest (Number of Shares)
Peter McPherson	1,174,450	127,608
Philip Thomas	4,449,623	0

2. Distribution of ordinary shareholders:

Distribution of Shareholding	Total	Total % Holding
Less Then 500	13,269	3.63%
501 to 5,000	40	0.79%
5,001 to 10,000	5	0.46%
10,001 to 20,000	8	1.50%
20,001 to 30,000	5	1.55%
30,001 to 40,000	0	0.00%
40,001 to 50,000	0	0.00%
50,001 to 100,000	2	1.60%
100,001 to 1,000,000	5	14.29%
Over 1,000,000	2	76.18%
Total	13,336	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

	2015	2014
Revenue $	407,136	429,328
Other income	0	0
Less :		
Depreciation	-7,734	-7,962
Other expenses	-397,993	-416,171
Income tax expense	(2425)	(2625)
	(1016)	2,570
Add loan from parent company written off/forgiven	-	-
Total comprehensive income for the year $	(1016)	2,570

	2015	2014
Total Assets	159,944	147,485
Total Liabilities	62,476	49,001
Shareholders Equity	97,468	98,484

		2015	2014
Revenue	$	190,306	0
Other income		10,020	345
Less :			
Depreciation		-3,984	-38
Other expenses		-543,102	-47,292
Income tax expense		-	-
		-346,760	-46,985
Add loan from parent company written off/forgiven		-	-
Total comprehensive income for the year	$	-346,760	-46,985

	2015	2014
Total Assets	1,433,654	640,196
Total Liabilities	1,204,353	105,925
Shareholders Equity	229,301	534,271

4. Twenty Largest Shareholders

As of 31st December 2015, the twenty largest shareholders held 7,000,965 shares which is equal to 94.83% of the total issued 7,382,472 fully paid shares of 50 cents each.

1)	Aequi-Libria Associates Ltd	4,449,623	2)	Stronghold Investment Inc	1,174,450
3)	Unit Trust of Fiji	425,852	4)	Dominion Insurance Limited	180,701
5)	Kontiki Growth Fund Limited	179,127	6)	FHL Media Limited	141,472
7)	Peter McPherson	127,608	8)	Tutanekai Investments Limited	66,623
9)	Reddys' Enterprise Ltd	51,561	10)	Jinita Prasad	24,663
11)	CEPAC SECRETARIAT	24,407	12)	Oceania Marist Province	22,561
13)	Fijian Development Fund Board	21,787	14)	Ken Kung	20,759
15)	Jimaima T Schultz	20,000	16)	Griffon Emose	17,616
17)	Sowani Tuidrola & Makereta B Tuic	16,747	18)	WILLIAM HONWING	12,993
19)	Mehboob Raza	11,690	20)	Mark & Sue Halabe	10,725

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)

	2015	2014	2013	2012	2011	2010
Net Profit / (Loss) after Tax	774,115	534,709	679,745	375,733	-425,018	-36,265
Current Assets	11,087,480	10,758,345	8,992,645	6,765,073	6,938,495	6,161,387
Non - Current Assets	2,744,372	2,000,433	1,956,836	1,429,255	1,419,420	2,984,760
Total Assets	**13,831,852**	**12,758,778**	**10,949,481**	**8,194,328**	**8,357,915**	**9,146,147**
Current Liabilities	7,975,386	7,858,404	6,489,746	4,451,910	4,998,840	5,378,978
Non - Current Liabilities	68,225	0	0	0	0	0
Total Liabilities	**8,043,611**	**7,858,404**	**6,489,746**	**4,451,910**	**4,998,840**	**5,378,978**
Shareholders Equity	**5,788,241**	**4,900,374**	**4,459,735**	**3,742,418**	**3,359,075**	**3,767,169**

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

	2015	2014	2013	2012	2011	2010
Net Profit / (Loss) after Tax	1,255,693	579,124	632,436	356,254	-428,013	-14,789
Current Assets	9,808,759	10,171,437	8,909,099	6,723,104	6,923,765	6,128,754
Non - Current Assets	3,461,545	2,505,462	1,944,488	1,408,373	1,402,953	2,974,468
Total Assets	**13,270,304**	**12,676,899**	**10,853,587**	**8,131,477**	**8,326,718**	**9,103,222**
Current Liabilities	7,109,108	7,789,359	6,479,766	4,427,664	4,986,769	5,352,184
Non - Current Liabilities	67,579	0	0	0	0	0
Total Liabilities	**7,176,687**	**7,789,359**	**6,479,766**	**4,427,664**	**4,986,769**	**5,352,184**
Shareholders Equity	**6,093,617**	**4,887,540**	**4,373,821**	**3,703,813**	**3,339,949**	**3,751,038**

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:

	2015	2014	2013	2012	2011	2010
Cents per share	0	0.04	0.05	0	0	0

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

Earnings / (Loss) per share (Consolidated):

Basic Earnings / (Loss) per share

	2015	2014	2013	2012	2011	2010
Cents per share	10.77	7.90	10.50	5.80	(6.56)	(0.56)

Diluted earnings / (Loss) per share

	2015	2014	2013	2012	2011	2010
Cents per share	10.77	7.90	10.50	5.80	(6.56)	(0.56)

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

Net tangible assets per share (Group):

	2015	2014	2013	2012	2011	2010
Cents per share	0.77	0.67	0.65	0.57	0.52	0.58

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

Share price during the year (Cents per share)	2015	2014
Highest	0.72	0.63
Lowest	0.63	0.57
On 31st December	0.72	0.63

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 companies. To minimise cost three 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	5	5	NA
Mr. Peter McPherson	5	5	NA
Mr. Tukana Bovoro	5	5	NA
Company Secretary			
Mr. Victor Robert	5	5	NA

The Board met 5 times during the financial year ended 31st December 2015

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	**13,848**	$ 11.18	**154,821**
ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED	**23,000**	$ 0.95	**21,850**
R B PATEL GROUP LIMITED	**62,500**	$ 3.08	**192,500**
COMMUNICATIONS (FIJI) LIMITED	**35,000**	$ 4.16	**145,600**
VB HOLDINGS LTD	**3,143**	$ 3.60	**11,315**
PLEASS GLOBAL LIMITED	**60,000**	$ 1.25	**75,000**
AMALGAMATED TELECOM HOLDINGS LIMITED	**66,422**	$ 1.25	**83,028**
THE RICE COMPANY OF FIJI LIMITED	**22,000**	$ 3.55	**78,100**
FIJI TELEVISION LIMITED	**12,085**	$ 2.39	**28,883**
FMF FOODS LIMITED	**191,147**	$ 0.75	**143,360**
KONTIKI GROWTH FUND LIMITED	**51,000**	$ 0.45	**22,950**
TOYOTA TSUSHO (SOUTH SEA) LIMITED	**10,000**	$ 3.10	**31,000**
TOTAL			**988,406**

UNLISTED SECURITIES	**QUANTITY**	**CURRENT VALUE**	**TOTAL VALUE**
THE FIJI GAS COMPANY LIMITED	**3,310**	$ 16.00	**52,960**
YATU LAU COMPANY LIMITED	**417,524**	$ 1.30	**542,781**
TOTAL			**595,741**

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Company Secretary

Victor Vikash Robert