FijiCare

ANNUAL REPORT 2016

Dear Stakeholders,

It is now already four years since control over the company changed. Given the devastating effect of Cyclone Winston in February, the initial outlook for 2016 was anything but promising. However, an improved claims environment in the second half of the year assisted in a recovery with eventual underlying results being comparable to 2015.

Net Profit after Income Tax of the Group of FJD722, 778 and at the holding company level of FJD664, 423 are pleasing. It is noted that the 2015 profits had been enhanced by real estate revaluations whereas 2016 results were not similarly impacted. Other noteworthy matters for 2016 were:

- The Group's Gross Written Premium ("GWP") volume increased from FJD12.5 million to FJD13.9 million. Whilst GWP at FijiCare grew by FJD0.6 million, the subsidiary VanCare managed to add almost FJD0.8 million in GWP.
- Actuaries reassessed IBNR reserves with a resulting reduction of FJD140, 415 which commensurately enhanced our Net Profit.
- VanCare achieved a Net Profit equivalent to FJD50, 822 after an increase in IBNR reserves and an allocation of FJD34, 499 in head office expenses. This was an excellent result considering that VanCare had been trading for only two years.
- We continue to develop in-house the next generation of management who will be at the helm of FijiCare.
- The market is subject to significant competition. We find a great deal of business that is offered to us at unacceptable terms and pricing. This appears to be driven by some competitors pursuing market share rather than profitability.
- After careful consideration, we decided to cease writing property insurance mainly due to the high cost of reinsurance. However, this is expected to have a positive impact on profitability moving forward.

We have recently entered into discussions with a prominent financial services business with a view to their appointment as our local agent in Tonga.

After taking into consideration the above mentioned results and the company's financial position, I am pleased to advise that the Board will recommend a final dividend of 4 cents per share in respect of the 2016 year. The Dividend Reinvestment option will apply as per preceding years.

I conclude with special thanks to FijiCare's management and staff who remain dedicated to the company's vision of gradually expanding throughout the Pacific as a focused term life, health and motor own damage underwriter.

Yours sincerely,

Mr Philipp Thomas
Chairman

FijiCare INSURANCE LIMITED

CORPORATE GOVERNANCE

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

Principle	FIL Comments
Establish Clear Responsibilities for Board Oversight	The FIL's Memorandum & Articles of Association sets out the powers and duties of directors in terms of managing the company effectively & efficiently. Board Charter clearly sets out the objectives of the Board.
Constitute as Effective Board	The FIL's Memorandum & Articles of Association specifies the number of Directors may be not less than the number required by the Corporations Act, nor more than nine. The Board currently comprises of 3 directors: Philipp Thomas – Non- Executive Chairman Peter McPherson – Managing Director Tukana Bovoro – Independent Director
Appointment of Chief Executive Officer	Directors are expected to exercise due diligence in appointing Managing Director & such executive appointments are made by the Board.
Board & Company Secretary	FIL as a public listed company has appointed suitable qualified & competent board secretary. The company secretary maintains a close link with the Board & Executive officers and the company to ensure all duties & responsibilities are effectively discharged.
Timely and Balanced Disclosure	FIL complies with its disclosure obligations under the SPSE Listing Rules and the Companies Act, has in place well developed procedures for dealing with compliance.
Promote Ethical & Responsible Decision Making	FIL promotes and believes that all directors and employees uphold high ethical standards, honesty, fairness and equity in all aspects of their employment and association with the company.
Register of Interests	Directors and officers of the company are obliged to disclose any conflicts of interest that may arise in the course of the business.
Respect the Rights of Shareholders	An Annual General Meeting is held every year in accordance with the Articles of Association & shareholders are encouraged to participate. The Annual Report is also published each year & circulated to the shareholders prior to the AGM.

Accountability & Audit	FIL is audited annually by independent auditors who provide their report to the shareholders. The Audit Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, reviewing adequacy of the internal audit function and discussing risk management policies and practices with management. FIL has appointed Internal Auditor Mr Bruce Sutton who brings in more than 35 years of expertise in the field of internal audit.
Recognise & Manage Risk	FIL has in place a Risk Management Policy to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage these risks.

FijiCare Insurance Limited has 2 Subcommittee's that help the Board in fulfilling its responsibilities by providing recommendations, advice and information. These Subcommittees are chaired by Non-Executive Directors.

Audit & Risk Commitee	
Tukana Bovoro	Committee Chairman
Pretti Pratap	Committee Secretary
Peter McPherson	Member
Victor Robert	Member
Philipp Thomas	Member

Treasury and Investment Committee	
Philipp Thomas	Committee Chairman
Victor Robert	Committee Secretary
Peter McPherson	Member
Tukana Bovoro	Member

The **Executive Management of FijiCare Insurance Limited** comprises of the Managing Director, Finance Manager, Corporate Governance & HR Executive, Claims Manager, IT Manager and Business Development Manager. The Managing Director is advised by internal department meetings which meets on a regular basis to consider the day to day operations of the company.

Delegation of Authority- all the claims processing and expenditure in the company must be authorized in accordance with the respective delegations, policies and procedures. The Board and Management receives monthly reports comparing the actual outcomes against budget. The Delegation of Authority is updated regularly to ensure that we are compliant.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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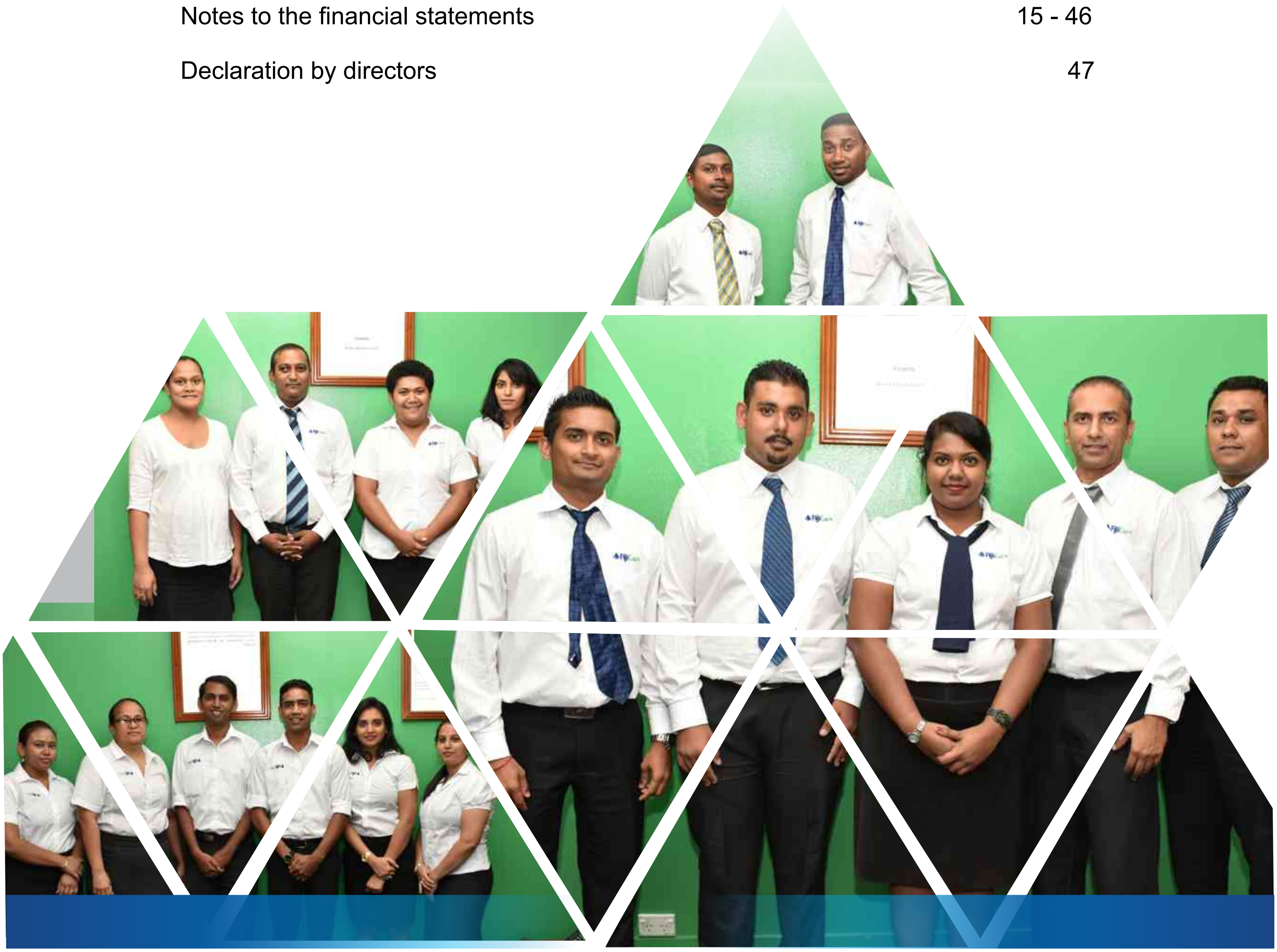

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

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 2016, 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.

On 30 November 2016, the holding company has decided to cease underwriting property insurance for the time being. This decision also applied to subsidiary company, VanCare insurance Limited in Vanuatu.

Apart from the above, there were no other significant changes in the nature of the principal activities of the group during the year.

Results

The profit after income tax of the holding company for the year was $664,423 (2015: $1,255,693).

The consolidated profit after income tax was $722,778 (2015: $774,115). Total consolidated comprehensive income for the year was $712,527 (2015: $937,483).

Dividends

The directors declared dividends of $295,298 during the year ended 31 December 2016 out of retained earnings as at 31 December 2015.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

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.

Significant Events during the Year

During the year, on 30 November 2016, the holding company has decided to cease underwriting property insurance for the time being. This decision also applied to subsidiary company, VanCare insurance Limited in Vanuatu.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which would require adjustment to, or disclosure in, the financial statements.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

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 board of directors.

Dated this 30th day of March 2017.

....
Director Director

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

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 are 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 2016;

[ii] the accompanying statements of changes in equity of the holding company and of the group are 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 2016;

[iii] the accompanying statements of financial position of the holding company and of the group are 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 2016;

[iv] the accompanying statements of cash flows of the holding company and of the group are 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 2016;

[v] the financial statements have been prepared in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 2015;

[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 become due payable; 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 board of directors.

Dated this 30th day of March 2017.

....
Director

....
Director

BDO

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Fax: +679 330 1841
Email: info@bdo.com.fj
Offices in Suva and Lautoka

BDO
Chartered Accountants
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Suva, Fiji

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FijiCare Insurance Limited

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Report on the Audit of the Financial Statements

Opinion

We have audited the 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 2016, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Measurement of outstanding claims liabilities and related assets arising from reinsurance contracts and other recoveries ($2,508,503) Refer to Note 3(j) (iv), Note 4(a) and (b) and Note 16 to the financial statements The estimation of outstanding claims liabilities and related assets, including reinsurance assets, is a key audit matter owing to higher degree of uncertainty that is inherent in estimating the expected future payments for claims incurred.	Our audit procedures included, amongst others: • The evaluation and testing of key controls around the claims handling process of the group. We examined evidence of the operation of controls over estimating of individual claims. • For a sample of major outstanding claims, performed independent re estimation of claims liabilities to assess the reasonableness of management's outstanding claims liability calculations.

INDEPENDENT AUDITOR'S REPORT [CONT'D]

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

Key Audit Matters (Cont'd)

Key audit matter (Cont'd)	How our audit addressed the matter (Cont'd)
In particular, judgement arises over the estimation of payments for claims that have been incurred at the reporting date but have not yet been reported to the group (IBNR). There is generally less information available in relation to these claims. Classes of business where there is a greater length of time between the initial claim event and settlement also tend to display greater variability between initial estimates and final settlement. The valuation of outstanding claims relies on the quality of the underlying data. It involves complex and subjective judgements about future events, both internal and external to the business, for which changes in assumptions can result in material impacts to the estimates. The valuation of reinsurance assets requires a significant level of judgement, given its inherent dependence on underlying estimates of gross outstanding claims.	• Evaluating the effectiveness and implementation of key actuarial controls, including integrity of the key data used, estimates and assumptions made by actuary including claims ratios and expected frequency of claims and management's review of the estimates. • Evaluating whether the group's actuarial methodologies were reasonable and consistent with prior periods. • Obtaining audit evidence over the data and process for estimating reinsurance recoveries on outstanding claims and evaluated the reasonability of estimates and calculations.

Other Information

The management and directors are responsible for the other information. The other information that we reviewed comprises chairman's report and listing requirements of South Pacific Stock Exchange in holding company's annual report for the year ended 31 December 2016, but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT [CONT'D]

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's and directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the management and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT [CONT'D]

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the management and directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and;

a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

b) the holding company and the group have kept financial records sufficient to enable the financial statements to be prepared and audited.

BDO

BDO
CHARTERED ACCOUNTANTS

Nalin Patel
Partner
Suva
30 March 2017

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Consolidated		Holding Company	
		2016	2015	2016	2015
		$	$	$	$
Revenue	5	12,712,778	11,650,840	11,486,933	11,337,502
Incurred claims		(8,085,781)	(7,468,750)	(7,878,022)	(7,526,818)
Commission expense	6	(1,433,584)	(1,334,515)	(1,277,819)	(1,302,028)
Other direct costs		(296,664)	(261,169)	-	-
Net revenue		2,896,749	2,586,406	2,331,092	2,508,656
Other revenue	7	446,177	956,821	499,282	1,124,035
		3,342,926	3,543,227	2,830,374	3,632,691
Advertising and promotion Expenses		(48,960)	(59,569)	(36,772)	(37,384)
Other operating expenses		(2,492,114)	(2,547,894)	(2,055,088)	(2,180,390)
		(2,541,074)	(2,607,463)	(2,091,860)	(2,217,774)
Profit before income tax	21	**801,852**	**935,764**	**738,514**	**1,414,917**
Income tax expense	8(a)	(79,074)	(161,649)	(74,091)	(159,224)
Profit for the year		**722,778**	**774,115**	**664,423**	**1,255,693**
Other comprehensive income:					
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		(10,251)	29,566	-	-
Total comprehensive income for the year		**712,527**	**937,483**	**664,423**	**1,255,693**
Earnings per share					
Basic earnings per share - cents	23	**9.50**	**10.77**		
Diluted earnings per share - cents	23	**9.50**	**10.77**		

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 2016

	Consolidated					
	Share Capital	Share Premium Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total
	$	$	$	$	$	$
Balance as at 1 January 2015	3,486,501	334,488	-	(28,665)	1,108,050	4,900,374
Additional shares issued (Note 18 (a))	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**
Transfer from share premium reserve (Note 18 (b))	359,057	(359,057)	-	-	-	-
Additional shares issued (Note 18 (a))	255,256	-	-	-	-	255,256
Dividends declared (Note 20)	-	-	-	-	(295,298)	(295,298)
Profit for the year	-	-	-	-	722,778	722,778
1% transitional tax on undistributed earnings - 2015	-	-	-	-	(21)	(21)
Other comprehensive income for the year:						
- Exchange loss on translating foreign operation	-	-	-	(10,251)	-	(10,251)
Balance as at 31 December 2016	**4,305,549**	**-**	**133,802**	**(9,350)**	**2,030,704**	**6,460,705**

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 2016

	Holding Company			
	Share Capital	Share Premium Reserve	Accumulated Profits	Total
	$	$	$	$
Balance as at 1 January 2015	3,486,501	334,488	1,066,551	4,887,540
Additional shares issued (Note 18 (a))	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**
Transfer from share premium reserve (Note 18 (b))	359,057	(359,057)	-	-
Additional shares issued (Note 18 (a))	255,256	-	-	255,256
Dividends declared (Note 20)	-	-	(295,298)	(295,298)
Profit for the year	-	-	664,423	664,423
Balance as at 31 December 2016	**4,305,549**	**-**	**2,412,449**	**6,717,998**

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	Consolidated		Holding Company	
		2016	2015	2016	2015
		$	$	$	$
CURRENT ASSETS					
Cash on hand and at bank		2,086,283	1,146,167	1,456,806	830,691
Trade and other receivables	9	3,027,835	2,337,512	2,571,422	2,047,724
Inventories - medical supplies		2,462	2,660	-	-
Held-to-maturity investments	10(a)	5,395,215	5,272,925	4,785,779	4,671,199
Financial assets at fair value through profit or loss	10(b)	1,737,823	1,584,147	1,737,823	1,584,147
Deferred costs	11	767,341	635,980	680,793	568,905
Current tax assets	8(b)	52,873	108,089	53,197	106,093
Total current assets		**13,069,832**	**11,087,480**	**11,285,820**	**9,808,759**
NON-CURRENT ASSETS					
Trade and other receivables	9	219,357	231,900	402,094	415,465
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	1,560,000	1,900,000	1,900,000
Property, plant and equipment	13	512,108	567,838	119,103	189,928
Intangible assets	14	19,240	69,502	5,766	22,230
Deferred tax assets	8(c)	16,212	15,132	14,234	14,001
Total non-current assets		**2,626,917**	**2,744,372**	**3,361,118**	**3,461,545**
TOTAL ASSETS		**15,696,749**	**13,831,852**	**14,646,938**	**13,270,304**
CURRENT LIABILITIES					
Trade and other payables	15	831,980	644,239	737,049	506,502
Insurance contract liabilities	16	8,236,560	7,234,103	7,041,356	6,512,600
Employee entitlements	17	93,168	97,044	76,855	90,006
Total current liabilities		**9,161,708**	**7,975,386**	**7,855,260**	**7,109,108**
NON-CURRENT LIABILITIES					
Deferred tax liabilities	8(d)	74,336	68,225	73,680	67,579
Total non-current liabilities		**74,336**	**68,225**	**73,680**	**67,579**
TOTAL LIABILITIES		**9,236,044**	**8,043,611**	**7,928,940**	**7,176,687**
NET ASSETS		**6,460,705**	**5,788,241**	**6,717,998**	**6,093,617**
SHAREHOLDERS' EQUITY					
Share capital	18	4,305,549	3,691,236	4,305,549	3,691,236
Share premium reserve	19	-	359,057	-	359,057
Foreign currency translation reserve		(9,350)	901	-	-
Asset revaluation reserve		133,802	133,802	-	-
Accumulated profits		2,030,704	1,603,245	2,412,449	2,043,324
TOTAL SHAREHOLDERS' EQUITY		**6,460,705**	**5,788,241**	**6,717,998**	**6,093,617**

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

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

Director

Director

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated		Holding Company	
	Inflows/ (Outflows) 2016	Inflows/ (Outflows) 2015	Inflows/ (Outflows) 2016	Inflows/ (Outflows) 2015
	$	$	$	$
Cash flows from operating activities				
Premium and fees received	13,117,808	13,383,043	12,150,951	12,894,661
Reinsurance premium paid, net	(472,144)	(465,103)	(275,647)	(385,261)
Claims, commission and capitation fees paid, net	(9,696,002)	(9,511,218)	(9,270,246)	(9,379,276)
Payments to brokers, suppliers and employees	(2,036,257)	(2,490,032)	(1,826,378)	(2,195,069)
Cash generated from operations	913,405	916,690	778,680	935,055
Income tax paid	(3,499)	(104,608)	-	(100,061)
Tax deducted at source - resident interest withholding tax	(15,327)	(22,116)	(15,327)	(22,116)
1% transitional tax on undistributed earnings - 2015	(21)	-	-	-
Interest received	209,503	83,801	192,536	74,010
Net cash provided by operating activities	1,104,061	873,767	955,889	886,888
Cash flows from investing activities				
Payments for property, plant and equipment	(44,273)	(133,557)	(15,417)	(114,870)
Proceeds from sale of plant and equipment	12,500	60,852	12,500	60,852
Payments for intangible assets	(1,536)	-	(1,536)	-
Payments for investment property	-	(46,989)	-	(46,989)
Payments for held-to-maturity investments	(5,085,779)	(4,497,009)	(5,085,779)	(4,497,009)
Proceeds from held-to-maturity investments	4,971,199	3,897,009	4,971,199	3,897,009
Payments for financial assets at fair value through profit or loss	(87,284)	(309,365)	(87,284)	(309,365)
Dividends received	68,936	39,164	68,936	39,164
Repayment by / (advances to) Kontiki Growth Fund Limited, net	55,753	(165,252)	55,753	(165,252)
Advance to VanCare Insurance Limited	-		(208,104)	(317,722)
Net cash used in investing activities	(110,484)	(1,155,147)	(289,732)	(1,454,182)
Cash flows from financing activities				
Dividends paid	(40,042)	(49,616)	(40,042)	(49,616)
Net cash used in financing activities	(40,042)	(49,616)	(40,042)	(49,616)
Net increase / (decrease) in cash and cash equivalents	**953,535**	**(330,996)**	**626,115**	**(616,910)**
Effect of exchange rate movement on cash and cash equivalents	(5,709)	41,790	-	-
Cash and cash equivalents at the beginning of the year	1,747,893	2,037,099	830,691	1,447,601
Cash and cash equivalents at the end of the year (Note 22)	**2,695,719**	**1,747,893**	**1,456,806**	**830,691**

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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.

On 30 November 2016, the holding company has decided to cease underwriting property insurance for the time being. This decision also applied to subsidiary company, VanCare insurance Limited in Vanuatu.

Apart from the above, there were no other significant changes in the nature of the principal activities of the group during the year.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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, 2015.

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) Functional and Presentation Currency

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.

e) Comparatives

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 2. BASIS OF PREPARATION (CONT'D)

f) Changes in Accounting Policies

Amendments to standards and annual improvements effective from 1 January 2016

A number of amendments to standards and annual improvements are effective for the first time for periods beginning on (or after) 1 January 2016. None of the amendments have a material effect on the group's annual financial statements.

Amendments and annual improvements which are relevant to the group are presented below.

1. Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception.
2. Amendments to IAS 1 – Disclosure Initiative.
3. Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation.
4. Annual improvements to:
   - IFRS 7 - Financial Instruments - Disclosures.
   - IAS 19 – Employee Benefits.
   - IAS 34 - Interim Financial Statements.

New standards, amendments, annual improvements and interpretation that have been issued but are not mandatorily effective as at 31 December 2016

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

1. IFRS 4: Amendment – Applying IFRS 9: Financial Instruments.
2. IFRS 12: Amendment - Recognition of Deferred Tax Assets for Unrealised Losses.
3. IAS 7: Amendment - Disclosure Initiative.
4. IAS 40: Amendment – Transfers of Investment Property.
5. Annual Improvements to IFRSs 2014 – 2016 Cycle (IFRS 12, IFRS 1 and IAS 28).
6. IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration.
7. New Standards:
   - IFRS 9: Financial Instruments.
   - IFRS 15: Revenue from Contracts with Customers.
   - IFRS 16: Leases.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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

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.

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 statements of profit or loss.

For the purpose of presentation of the statements 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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

f) Financial Assets (Cont'd)

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.

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 2015, 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 statements 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

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 statements 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 statements of financial position at the reporting date.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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.

Investment properties are stated in the statements 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 statements of profit or loss and other comprehensive income and recorded as revaluation reserve in the statements 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 statements 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 statements 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

(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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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

(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 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 2016, no provision for impairment has been made as the group reasonably believes that no indicators for impairment exist.

NOTE 5. REVENUE	Consolidated		Holding Company	
	2016	2015	2016	2015
	$	$	$	$
Gross written premium	13,919,632	12,527,528	12,357,474	11,729,108
Reinsurance premium	(527,359)	(438,560)	(330,862)	(358,718)
	13,392,273	12,088,968	12,026,612	11,370,390
Unearned premium, net movement	(838,616)	(549,445)	(533,377)	(21,173)
Deferred reinsurance premium, net movement	(6,302)	(11,715)	(6,302)	(11,715)
	12,547,355	11,527,808	11,486,933	11,337,502
Income from medical clinic and medical centre	165,423	123,032	-	-
Total revenue, net	12,712,778	11,650,840	11,486,933	11,337,502

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 6. COMMISSION EXPENSE	Consolidated		Holding Company	
	2016	2015	2016	2015
	$	$	$	$
Commission expense	1,433,584	1,334,515	1,277,819	1,302,028

NOTE 7. OTHER REVENUE

Dividend income	54,323	68,391	54,323	68,391
Gain on sale of motor vehicle	891	29,197	891	29,197
Interest income	235,727	186,362	218,333	176,342
Management fees	-	-	46,499	19,432
Rental income	73,000	39,239	97,000	63,239
Fair value gain on equity investments, net	66,392	107,200	66,392	107,200
Fair value gain on investment properties	-	509,762	-	643,564
Miscellaneous income, net	15,844	16,670	15,844	16,670
Total other revenue, net	446,177	956,821	499,282	1,124,035

NOTE 8. INCOME TAX

Income Tax Rate

Income tax expense for the year ended 31 December 2016 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. 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.

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:

Profit before income tax	801,852	935,764	738,514	1,414,917
Prima facie income tax expense	76,354	141,774	73,851	141,492
Tax effect of:				
Non-taxable income	(11,575)	(16,798)	(11,575)	(16,798)
Non-deductible expenses	14,491	32,184	12,510	30,015
Under / over provision of income tax in prior year	(3,153)	843	(3,652)	760
Reversal of deferred tax asset	-	1,681	-	1,681
Recognition of deferred income tax liability not recognized in prior years	2,957	1,965	2,957	2,074
Income tax expense	79,074	161,649	74,091	159,224

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 8. INCOME TAX (CONT'D)

	Consolidated		Holding Company	
	2016	2015	2016	2015
	$	$	$	$
Income tax expense comprises movement in:				
Current tax liabilities	74,043	95,066	68,223	92,980
Deferred tax assets	(1,081)	(1,642)	(233)	(1,335)
Deferred tax liability	6,112	68,225	6,101	67,579
	79,074	161,649	74,091	159,224

b) Current tax assets

Movements during the year were as follows:

	Consolidated 2016	Consolidated 2015	Holding Company 2016	Holding Company 2015
Balance at the beginning of the year	108,089	77,498	106,093	76,896
Tax liability for the current year	(74,043)	(95,066)	(68,223)	(92,980)
Income tax penalty	-	(1,067)	-	-
Advance taxes paid during the year	3,500	104,608	-	100,061
Tax deducted at source – resident interest withholding tax	15,327	22,116	15,327	22,116
Balance at the end of the year	52,873	108,089	53,197	106,093

c) Deferred tax assets

Deferred tax assets comprise the estimated future benefit at future income tax rate in respect to the following:

	Consolidated 2016	Consolidated 2015	Holding Company 2016	Holding Company 2015
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	1,548	-	1,548	-
Provision for employee entitlements	9,664	10,132	7,686	9,001
Total deferred tax assets	16,212	15,132	14,234	14,001

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:

	Consolidated 2016	Consolidated 2015	Holding Company 2016	Holding Company 2015
Difference in cost base of investment property and plant and equipment for accounting and income tax purposes	71,005	65,390	70,348	64,744
Unrealized gain on investment in unlisted shares	3,331	2,835	3,332	2,835
	74,336	68,225	73,680	67,579

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 9. TRADE AND OTHER RECEIVABLES	Consolidated		Holding Company	
	2016	2015	2016	2015
	$	$	$	$
Current				
Trade receivables (a)	2,710,967	1,992,363	1,858,773	1,516,406
Less: allowance for doubtful debts	(50,000)	(50,000)	(50,000)	(50,000)
	2,660,967	1,942,363	1,808,773	1,466,406
Advance to Kontiki Growth Fund Limited (b)	59,193	55,753	59,193	55,753
Receivable from Rawlinson Jenkins Limited (c)	8,956	12,082	8,956	12,082
Receivable from VanCare Insurance Limited (e)	-	-	421,642	194,161
Receivable from FijiCare Medical Centre Limited	-	-	1,000	12,000
Prepayments	63,725	35,571	44,319	18,665
Deposits	21,893	17,952	15,422	15,422
Other receivables (f)	213,101	273,791	212,117	273,235
Total current trade and other receivables, net	3,027,835	2,337,512	2,571,422	2,047,724
Non-current				
Advance to Kontiki Growth Fund Limited (b)	141,075	200,268	141,075	200,268
Receivable from Rawlinson Jenkins Limited (c)	-	8,956	-	8,956
Advance to VanCare Insurance Limited (d)	-	-	182,737	183,565
Other receivables	78,282	22,676	78,282	22,676
Total non-current trade and other receivables	219,357	231,900	402,094	415,465

(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, management fees, interest and reinsurance premium income. Balance is not subject to interest and repayable on demand.

(f) Other receivables include advance amounting to $Nil (2015: $17,472) receivable from Managing Director. The advance was unsecured, subject to market interest rate and repayable on a fortnightly basis and fully recovered during the year.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 10. FINANCIAL ASSETS

	Consolidated		Holding Company	
	2016	2015	2016	2015
(a) Held-to-maturity investments	$	$	$	$
Current				
Term investments with commercial banks and financial institutions	5,395,215	5,272,925	4,785,779	4,671,199
Non-current				
Term investments with commercial banks and financial institutions	300,000	300,000	300,000	300,000
(b) Financial assets at fair value through profit or loss				
Equity Investments				
Investments in listed companies	1,137,117	988,406	1,137,117	988,406
Investments in unlisted companies	600,706	595,741	600,706	595,741
	1,737,823	1,584,147	1,737,823	1,584,147
Reconciliation of financial assets at fair value through profit or loss				
Balance at 1 January	1,584,147	1,167,582	1,584,147	1,167,582
Add: Fair value gain on investment in listed / unlisted companies, net	66,392	107,200	66,392	107,200
Add: Purchase of financial assets at fair value through profit or loss	87,284	309,365	87,284	309,365
Balance at 31 December	1,737,823	1,584,147	1,737,823	1,584,147
(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 2016	Consolidated 2015	Holding Company 2016	Holding Company 2015
Deferred commission expenses	723,670	586,007	637,122	518,932
Deferred reinsurance expenses	43,671	49,973	43,671	49,973
Total deferred costs	767,341	635,980	680,793	568,905

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12. INVESTMENT PROPERTIES

	Consolidated		
	Freehold Land	Building	Total
	($)	($)	($)
Gross carrying amount			
Balance at 1 January 2015	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
Balance at 31 December 2016	565,000	995,000	1,560,000
Accumulated depreciation			
Balance at 1 January 2015	-	14,278	14,278
Depreciation expense	-	11,170	11,170
Adjustment upon revaluation	-	(25,448)	(25,448)
Balance at 31 December 2015	-	-	-
Balance at 31 December 2016	-	-	-
Net book value			
As at 31 December 2015	565,000	995,000	1,560,000
As at 31 December 2016	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.

	Holding Company		
	Freehold Land	Building	Total
	($)	($)	($)
Gross carrying amount			
Balance at 1 January 2015	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
Balance at 31 December 2016	705,000	1,195,000	1,900,000
Accumulated depreciation			
Balance at 1 January 2015	-	24,668	24,668
Depreciation expense	-	13,120	13,120
Adjustment upon revaluation	-	(37,788)	(37,788)
Balance at 31 December 2015	-	-	-
Balance at 31 December 2016	-	-	-
Net book value			
As at 31 December 2015	705,000	1,195,000	1,900,000
As at 31 December 2016	705,000	1,195,000	1,900,000

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 12. INVESTMENT PROPERTIES (CONT'D)

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

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.

In prior 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 was brought to account in the financial statements of the holding company for the year ended 31 December 2015. The directors believed that it was 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 was 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.

Based on independent valuation carried out by registered valuers in October 2015, the carrying value of the freehold land and buildings were reviewed by directors as at 31 December 2016 and was assessed to be fair.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated				
	Land	Buildings	Furniture, fittings and office equipment	Motor vehicles	Total
	($)	($)	($)	($)	($)
Gross carrying amount					
Balance at 1 January 2015	125,000	93,538	490,351	200,114	909,003
Additions	-	-	84,403	49,154	133,557
Disposals	-	-	-	(22,304)	(22,304)
Revaluation 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
Additions	-	-	44,273	-	44,273
Disposals	-	-	-	(11,609)	(11,609)
Balance at 31 December 2016	140,000	200,000	619,027	215,355	1,174,382
Accumulated depreciation					
Balance at 1 January 2015	-	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
Depreciation expense	-	-	56,639	31,755	88,394
Balance at 31 December 2016	-	-	521,585	140,689	662,274
Net book value					
As at 31 December 2015	140,000	200,000	109,808	118,030	567,838
As at 31 December 2016	140,000	200,000	97,442	74,666	512,108

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2015	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
Additions	15,417	-	15,417
Disposals		(11,609)	(11,609)
Balance at 31 December 2016	448,111	200,114	648,225
Accumulated depreciation			
Balance at 1 January 2015	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
Depreciation expense	45,854	28,779	74,633
Balance at 31 December 2016	393,187	135,935	529,122
Net book value			
As at 31 December 2015	85,361	104,567	189,928
As at 31 December 2016	54,924	64,179	119,103

NOTE 14. INTANGIBLE ASSETS

	Consolidated		Holding Company	
	2016	2015	2016	2015
	$	$	$	$
Computer software	959,425	960,232	878,640	877,104
Less: accumulated amortisation	(940,185)	(890,730)	(872,874)	(854,874)
Total intangible assets, net	19,240	69,502	5,766	22,230

NOTE 15. TRADE AND OTHER PAYABLES

Capitation fees	17,326	14,339	45,520	37,114
Payable to reinsurers	81,627	26,412	81,627	26,412
Other payables and accrued liabilities	733,027	603,488	609,902	442,976
Total trade and other payables	831,980	644,239	737,049	506,502

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 $28,194 (2015: $22,775) payable to subsidiary company, FijiCare Medical Centre Limited.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 16. INSURANCE CONTRACT LIABILITIES	Consolidated		Holding Company	
	2016	2015	2016	2015
	$	$	$	$
Unearned premiums				
Unearned premiums as at 1 January	4,710,835	4,161,545	4,182,718	4,161,545
Movement during the year, net	838,616	549,290	533,377	21,173
Balance as at 31 December	5,549,451	4,710,835	4,716,095	4,182,718
Outstanding claims				
Gross outstanding claims as at 1 January	820,328	1,127,928	693,456	1,127,928
Movement during the year, net	322,431	(307,600)	213,463	(434,472)
Balance as at 31 December	1,142,759	820,328	906,919	693,456
Less: Reinsurance recoveries				
Reinsurance recoveries as at 1 January	10,000	15,551	10,000	15,551
Movement during the year, net	85,988	(5,551)	85,988	(5,551)
Balance as at 31 December	95,988	10,000	95,988	10,000
Outstanding claims, net	1,046,771	810,328	810,931	683,456
Claims administration provision				
Claims administration provision as at 1 January	161,487	188,031	148,987	188,031
Movement during the year, net	17,119	(26,544)	8,319	(39,044)
Balance as at 31 December	178,606	161,487	157,306	148,987
Claims incurred but not reported				
Claims incurred but not reported as at 1 January	1,551,453	1,593,020	1,497,439	1,593,020
Movement during the year, net	(89,721)	(41,567)	(140,415)	(95,581)
Claims incurred but not reported, net	1,461,732	1,551,453	1,357,024	1,497,439
Total insurance contract liabilities, net	8,236,560	7,234,103	7,041,356	6,512,600

NOTE 17. EMPLOYEE ENTITLEMENTS				
Provision for annual leave	64,379	75,156	48,066	68,118
Provision for long service leave	28,789	21,888	28,789	21,888
Total employee entitlements	93,168	97,044	76,855	90,006

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 18. SHARE CAPITAL

	Consolidated		Holding Company	
	2016	2015	2016	2015
	$	$	$	$
Issued and paid up capital				
Balance as 1 January 2016: 7,382,472 ordinary shares (2015: 6,973,001 ordinary shares)	3,691,236	3,486,501	3,691,236	3,486,501
Additional ordinary shares issued (a)	255,256	204,735	255,256	204,735
Transfer from share premium reserve account (b)	359,057	-	359,057	-
	4,305,549	3,691,236	4,305,549	3,691,236

(a) During the year, 440,096 additional ordinary shares were issued by way of dividend reinvestment option exercised (2015: 409,471 additional ordinary shares at $0.50 per share and at premium of $0.06 per share were issued by way of dividend reinvestment option exercised).

(b) In accordance with Section 737 of the Companies Act, 2015, the holding company's share premium account has become part of the holding company's total issued share capital.

NOTE 19. SHARE PREMIUM RESERVE

Share premium reserve (Note 18 (b))	-	359,057	-	359,057

NOTE 20. DIVIDENDS

Final dividend	295,298	278,920	295,298	278,920

NOTE 21. PROFIT BEFORE INCOME TAX

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

Auditor's remuneration for:				
- Audit fees	41,592	42,994	27,000	31,587
- Other services	19,985	18,546	15,611	13,726
Consultancy fees	16,980	51,280	5,039	29,375
Actuarial services	80,287	77,179	80,287	77,179
Depreciation and amortisation	139,254	246,847	92,633	199,274
Directors' remuneration for:				
- Salaries	316,591	308,911	316,591	308,911
- Fees	52,095	39,429	25,550	18,118
FNPF contribution	105,917	104,801	96,582	93,726
Legal and advisory fees	14,480	53,619	12,818	47,420
Operating leases	109,153	108,027	96,535	95,011
Salaries, wages, training levy and allowances	778,839	797,193	636,810	690,500

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	2,086,283	1,146,167	1,456,806	830,691
Short term deposits	609,436	601,726	-	-
Total cash and cash equivalents	2,695,719	1,747,893	1,456,806	830,691

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 22. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

b) Non-Cash Financing Activities

Dividends

During the year, the holding company declared dividends of $295,298 out of which $255,256 was re-invested under the dividend reinvestment option. The consideration for the dividend re-invested was issue of 440,096 shares. These re-investment transactions are not reflected in the statements of cash flows.

NOTE 23. EARNINGS PER SHARE

	Consolidated	
	2016	**2015**
	$	**$**
Profit for the year used in calculating earnings per share	722,778	774,115
Weighted average number of ordinary shares outstanding used in calculating basic earnings per share	7,604,925	7,186,150
Weighted average number of ordinary shares outstanding used in calculating diluted earnings per share	7,604,925	7,186,150
Basic earnings per share - cents	9.50	10.77
Diluted earnings per share - cents	9.50	10.77

NOTE 24. COMMITMENTS

a) Capital expenditure commitments as at 31 December 2016 amounted to $Nil (2015: $Nil).

	Consolidated		Holding Company	
b) Operating lease expense commitments contracted for rentals are as follows:	**2016**	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Not later than one year	135,727	131,705	135,727	131,705
c) Operating lease income commitments contracted for rentals are as follows:				
Not later than one year	79,200	31,200	103,200	55,200
Later than one year but not five years	48,000	-	72,000	24,000
Total operating lease income commitments	127,200	31,200	175,200	79,200

d) The subsidiary company, FijiCare Medical Centre Limited is committed to pay the holding company, FijiCare Insurance Limited, management fees of $12,000 (2015: $12,000) per annum.

NOTE 25. CONTINGENT LIABILITIES

Contingent liabilities exist with respect to the following:				
Indemnity guarantees	750	750	750	750
Litigations (a)	39,601	60,101	39,601	60,101
Total contingent liabilities	40,351	60,851	40,351	60,851

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016 ($)	Investment Book Value 2015 ($)
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 16	7,545,904	2,399,969	2,601,482	165,423	12,712,778
	Dec 15	6,628,995	2,772,970	2,125,843	123,032	11,650,840
Result (Revenue less allocated costs)	Dec 16	841,091	48,804	(2,571)	12,516	899,840
	Dec 15	115,896	692,908	(248,117)	1,409	562,096
Add: **Unallocated - other revenue:** Dividend income, interest income, rental income, fair value gain on equity investments and on investment properties, gain on sale of fixed assets and miscellaneous income	Dec 16					446,177
	Dec 15					956,821
Less: **Unallocated - expenses and income tax**	Dec 16					623,239
	Dec 15					744,802
Profit after income tax	Dec 16					722,778
	Dec 15					774,115

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 27. SEGMENT INFORMATION (CONT'D)

Segment assets and liabilities

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

Additional information

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

(b) Geographical segment

The group operates in Fiji and Vanuatu.

Revenue from Fiji and Vanuatu operations amounts to $11,949,029 and $1,060,422, respectively. Profit after income tax from Fiji and Vanuatu operations amounts to $671,956 and $50,822, respectively.

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

(b) Holding company transactions with related parties

Transactions with related parties during the year ended 31 December 2016 and 2015 with approximate transaction values are summarized as follows:

Related Party	Relationship	Nature of transaction	2016 ($)	2015 ($)
FijiCare Medical Centre Limited	Subsidiary company	Capitation and professional fees	296,673	284,104
		Rent income	24,000	24,000
		Management fees	12,000	12,000
VanCare Insurance Limited	Subsidiary company	Various expenses paid on behalf of the subsidiary to be reimbursed	15,866	46,294
		Management fees	34,499	7,432
		Reinsurance premium income	192,238	87,863
		Outstanding claims	84,804	-
Kontiki Growth Fund Limited	Shareholder company	Interest income	13,845	14,902

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 Managing Director, Chief Operating Officer - Vanuatu, Business Development Manager, Finance Manager, Corporate Governance Executive, Claims Manager and IT Manager 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:

	2016	2015
	$	$
Salaries and other short-term employee benefits	761,015	759,355
Director fees - executive	6,000	4,800
Director fees – non executive	46,095	34,629

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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 practices 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 30. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

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

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

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 2016 and 2015 is based on contractual terms.

	31 December 2016 - 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	2,086,283	-	-	-	2,086,283
Trade and other receivables	-	3,005,427	22,408	219,357	3,247,192
Financial assets at fair value through profit or loss	-	-	1,737,823	-	1,737,823
Held-to maturity investments	-	609,436	4,785,779	300,000	5,695,215
Current tax assets	-	-	52,873	-	52,873
	2,086,283	3,614,863	6,598,883	519,357	12,819,386
Liabilities					
Trade and other payables	-	831,980	-	-	831,980
Insurance contract liabilities, net of unearned premium	-	2,687,109	-	-	2,687,109
	-	3,519,089	-	-	3,519,089

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 31. MATURITY ANALYSIS (CONT'D)

	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 32. SIGNIFICANT EVENTS DURING THE YEAR

During the year, on 30 November 2016, the holding company has decided to cease underwriting property insurance for the time being. This decision also applied to subsidiary company, VanCare insurance Limited in Vanuatu.

NOTE 33. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which would require adjustment to, or disclosure in, the financial statements.

NOTE 34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 30 March 2017.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

DECLARATION BY DIRECTORS
YEAR ENDED 31 DECEMBER 2016

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

The directors of the company have made a resolution that declares:

a) In the directors' opinion, the financial statements of the holding company and of the group for the financial year ended 31 December 2016:

   i. comply with the Accounting Standards and give a true and fair view of the financial position of the company and the group as at 31 December 2016 and of the performance and cash flows of the company and the group for the year ended 31 December 2016;

   ii. have been prepared in accordance with the Companies Act 2015.

b) The directors have received independence declaration by auditors as required by Section 395 of the Companies Act 2015;

c) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the company and its subsidiary companies will be able to pay their debts as and when they become due and payable.

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

Peter McPherson
Director

30 March 2017
Suva, Fiji

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 2016.

Directors	Direct Interest (Number of Shares)	Indirect Interest (Number of Shares)
Peter McPherson	136,408	1,255,447
Philip Thomas	0	4,756,493

2. Distribution of ordinary shareholders:

Distribution of Shareholding	Total	Total % Holding
Less Then 500	13,269	3.42%
501 to 5,000	40	0.75%
5,001 to 10,000	5	0.44%
10,001 to 20,000	8	1.43%
20,001 to 30,001	5	1.46%
30,001 to 40,000	0	0.00%
40,001 to 50,000	0	0.00%
50,001 to 100,000	2	1.51%
100,001 to 1,000,000	5	14.13%
Over 1,000,000	2	76.85%
Total	13,336	100%

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

VANCARE INSURANCE LIMITED

	2016	2015
	$	$
Revenue	1,060,422	190,306
Other income	17,394	10,020
Less :		
Depreciation	(5,768)	(3,984)
Other expenses	(1,021,226)	(543,102)
Income tax expense	-	-
	50,822	(346,760)
Add loan from parent company written off/forgiven	-	-
Total comprehensive income/(loss) for the year	50,822	(346,760)

	2016	2015
Total Assets	2,238,372	1,433,654
Total Liabilities	1,964,404	1,204,353
Shareholders Equity	273,968	229,301

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

FIJICARE MEDICAL CENTRE LIMITED

	2016	2015
	$	$
Revenue	462,096	407,136
Other income	0	0
Less :		
Depreciation	(8,073)	(7,734)
Other expenses	(441,507)	(397,993)
Income tax expense	(4,983)	(2,425)
	7,533	(1,016)
Add loan from parent company written off/forgiven	-	-
Total comprehensive income/(loss) for the year	7,533	(1,016)

	2016	2015
Total Assets	150,184	159,944
Total Liabilities	45,204	62,476
Shareholders Equity	104,980	97,468

SOUTH PACIFIC STOCK EXCHANGE - LISTING REQUIREMENTS [CONT'D]

4. Twenty Largest Shareholders

As of 31st December 2016, the twenty largest shareholders held 7,440,509 shares which is equal to 95.12% of the total issued 7,822,565 fully paid shares.

1)	Aequi-Libria Associates Ltd	4,756,493	2)	Stronghold Investment Inc	1,255,447
3)	Unit Trust of Fiji	455,222	4)	Kontiki Growth Fund Limited	191,480
5)	Dominion Insurance Limited	180,701	6)	FHL Media Limited	141,472
7)	Peter McPherson	136,408	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)	Sowani Tuidrola & Makereta B Tuidrola	17,901
17)	Griffon Emose	17,616	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)

	2016	2015	2014	2013	2012	2011
Net Profit / (Loss) after Tax	722,778	774,115	534,709	679,745	375,733	(425,018)
Current Assets	13,069,832	11,087,480	10,758,345	8,992,645	6,765,073	6,938,495
Non - Current Assets	2,626,917	2,744,372	2,000,433	1,956,836	1,429,255	1,419,420
Total Assets	**15,696,749**	**13,831,852**	**12,758,778**	**10,949,481**	**8,194,328**	**8,357,915**
Current Liabilities	9,161,708	7,975,386	7,858,404	6,489,746	4,451,910	4,998,840
Non - Current Liabilities	74,336	68,225	0	0	0	0
Total Liabilities	**9,236,044**	**8,043,611**	**7,858,404**	**6,489,746**	**4,451,910**	**4,998,840**
Shareholders Equity	**6,460,705**	**5,788,241**	**4,900,374**	**4,459,735**	**3,742,418**	**3,359,075**

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

	2016	2015	2014	2013	2012	2011
Net Profit / (Loss) after Tax	664,423	1,255,693	579,124	632,436	356,254	(428,013)
Current Assets	11,285,820	9,808,759	10,171,437	8,909,099	6,723,104	6,923,765
Non - Current Assets	3,361,118	3,461,545	2,505,462	1,944,488	1,408,373	1,402,953
Total Assets	**14,646,938**	**13,270,304**	**12,676,899**	**10,853,587**	**8,131,477**	**8,326,718**
Current Liabilities	7,855,260	7,109,108	7,789,359	6,479,766	4,427,664	4,986,769
Non - Current Liabilities	73,680	67,579	0	0	0	0
Total Liabilities	**7,928,940**	**7,176,687**	**7,789,359**	**6,479,766**	**4,427,664**	**4,986,769**
Shareholders Equity	**6,717,998**	**6,093,617**	**4,887,540**	**4,373,821**	**3,703,813**	**3,339,949**

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:

	2016	2015	2014	2013	2012	2011
Cents per share	0.04	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

	2016	2015	2014	2013	2012	2011
Cents per share	9.50	10.77	7.90	10.50	5.80	(6.56)

Diluted earnings / (Loss) per share

	2016	2015	2014	2013	2012	2011
Cents per share	9.50	10.77	7.90	10.50	5.80	(6.56)

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

Net tangible assets per share (Group):

	2016	2015	2014	2013	2012	2011
Cents per share	0.82	0.77	0.67	0.65	0.57	0.52

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

Share price during the year (Cents per share)	2016	2015
Highest	0.72	0.72
Lowest	0.72	0.63
On 31st December	0.72	0.72

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	No of Meetings Apology Given
Mr. Carl Philipp Thomas	5	5	n/a
Mr. Peter McPherson	5	5	n/a
Mr. Tukana Bovoro	5	4	1
Company Secretary			
Mr. Victor Robert	5	5	n/a

The Board met 5 times during the financial year ended 31st December 2016

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	$	12.10	167,561
ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED	23,000	$	1.05	24,150
R B PATEL GROUP LIMITED	62,500	$	3.15	196,875
COMMUNICATIONS (FIJI) LIMITED	35,000	$	4.35	152,250
VB HOLDINGS LTD	3,143	$	3.98	12,509
PLEASS GLOBAL LIMITED	60,000	$	1.48	88,800
AMALGAMATED TELECOM HOLDINGS LIMITED	66,422	$	1.27	84,356
THE RICE COMPANY OF FIJI LIMITED	22,000	$	3.75	82,500
FIJI TELEVISION LIMITED	12,085	$	1.51	18,248
FMF FOODS LIMITED	191,147	$	0.80	152,918
KINETIC GROWTH FUND LIMITED	51,000	$	0.45	22,950
TOYOTA TSUSHO (SOUTH SEA) LIMITED	10,000	$	3.20	32,000
VISIONS INVESTMENTS LTD	50,000	$	2.04	102,000
TOTAL				1,137,117

UNLISTED SECURITIES	QUANTITY		CURRENT VALUE	TOTAL VALUE
THE FIJI GAS COMPANY LIMITED	3,310	$	17.50	57,925
YATU LAU COMPANY LIMITED	417,524	$	1.30	542,781
TOTAL				600,706

SOUTH PACIFIC STOCK EXCHANGE - LISTING REQUIREMENTS

Address

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

Company Secretary

Victor Vikash Robert

FijiCare