

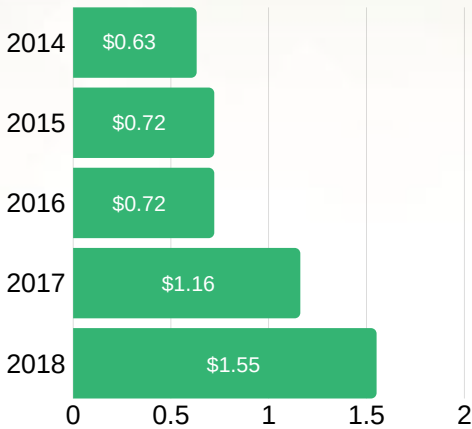
2018 ANNUAL REPORT

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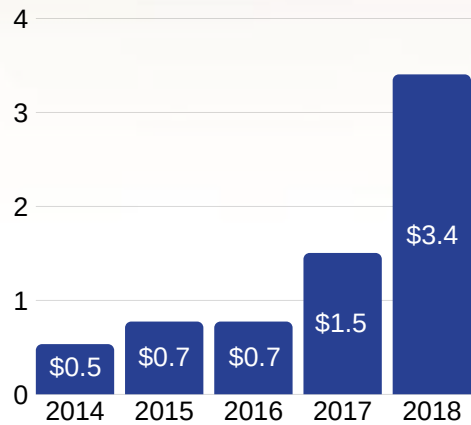
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2018 Snapshot

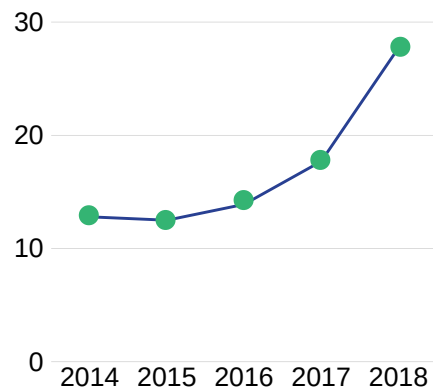
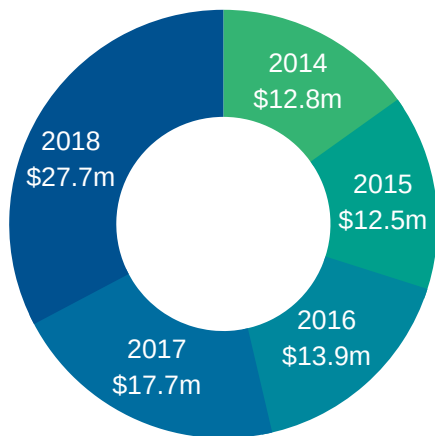
FijiCare Share Price



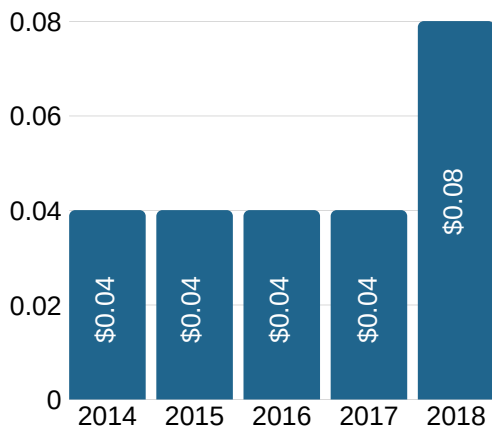
Net Profit After Tax (\$m)



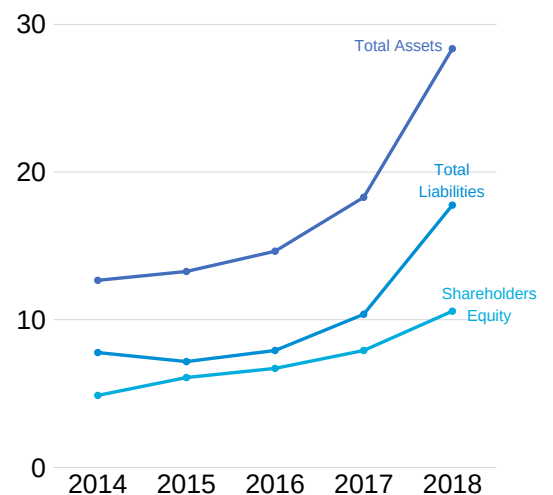
Gross Written Premium Revenue (\$m)



Dividend Per Share



Financial Position (\$m)



Summary Of Key Financials Results For The Previous Five Years

Consolidated:

	2018	2017	2016	2015	2014
Net Profit / (Loss) after Tax	3,458,967	1,531,971	722,778	774,115	534,709
Current Assets	28,327,379	16,571,580	13,069,832	11,087,480	10,758,345
Non - Current Assets	3,523,880	3,416,455	2,626,917	2,744,372	2,000,433
Total Assets	31,851,259	19,988,035	15,696,749	13,831,852	12,758,778
Current Liabilities	20,247,477	11,665,814	9,161,708	7,975,386	7,858,404
Non - Current Liabilities	146,636	142,205	74,336	68,225	0
Total Liabilities	20,394,113	11,808,019	9,236,044	8,043,611	7,858,404
Shareholders Equity	11,457,146	8,180,016	6,460,705	5,788,241	4,900,374

Holding company:











	2018	2017	2016	2015	2014
Net Profit / (Loss) after Tax	2,730,213	1,260,356	664,423	1,255,693	579,124
Current Assets	24,516,873	14,339,006	11,285,820	9,808,759	10,171,437
Non - Current Assets	3,837,455	3,957,095	3,361,118	3,461,545	2,505,462
Total Assets	28,354,328	18,296,101	14,646,938	13,270,304	12,676,899
Current Liabilities	17,619,411	10,230,859	7,855,260	7,109,108	7,789,359
Non - Current Liabilities	146,636	142,338	73,680	67,579	0
Total Liabilities	17,766,047	10,373,197	7,928,940	7,176,687	7,789,359
Shareholders Equity	10,588,281	7,922,904	6,717,998	6,093,617	4,887,540

Company Profile

History

FijiCare's history can be traced back to the initial acquisition of the business operations of Insurance Welfare Society (a "mutual" association) in 1989. In 1993, the name of the association was changed to FijiCare Insurance Welfare Society and in 1995 the entity was "demutualised" into an unlisted public company and changed its name to FijiCare Insurance Limited. In 2000, FijiCare was publicly listed on the South Pacific Stock Exchange ("SPSE") as the first listed general insurer. In 2014, FijiCare diversified into comprehensive motor vehicle insurance. In 2014, VanCare Insurance Limited was established in Vanuatu as a wholly-owned subsidiary of FijiCare. VanCare provides Compulsory Third Party and Comprehensive Motor Vehicle insurance products and has recently launched medical insurance products.

Our Services

 Hospitalisation	 Funeral	 Optical	 Maternity	 Term Life
 Total Permanent Disability (TPD)	 Motor Vehicle	 Mortgage Protection	 Personal Accident	 Outpatient Reimbursement

Bundled Microinsurance

THE PACIFIC'S FIRST AFFORDABLE BUNDLED MICROINSURANCE PRODUCT




\$52 PER YEAR (OR 1 SAQAMOLI A WEEK)

\$10,000 COMBINED COVER LIMIT

 FUNERAL EXPENSES \$1,000	 PERSONAL ACCIDENT \$3,000
 TERM LIFE \$3,000	 FIRE ON MAIN DWELLING HOUSE \$3,000



Mission

FijiCare Insurance Limited is dedicated to providing insurance products that provide quality protection with value pricing. We will achieve & maintain FijiCare's customer service policy where Customers Are Really Everything (CARE).

Vision

"Better Health For Fiji"

Core Values

FijiCare is a company with a value-driven culture of shared, deeply held beliefs that guides our behavior and affects our decisions on how to conduct business.

Highest
Ethical
Standards

Commitment
To
Excellence

Respect For
Individuals

Investment
In Our
People

Accountability

DIRECTORY

DIRECTORS

Avi Raju
Peter McPherson
Tukana Bovoro

COMPANY SECRETARY

Victor Robert

AUDITORS

BDO Chartered Accountants

BANKERS

ANZ
Westpac
HFC

SOLICITORS

Jamnadas & Associates

REGISTERED OFFICE

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

SHARE REGISTER

Central Share Registry Pte Limited
Shop 1 and 11, Sabrina Building, Victoria
Parade, Suva.
GPO Box 11689
Suva, Fiji.

Chairman's Report



It is with a deep sense of gratitude that I address you to highlight FijiCare's key achievements in 2018.

Since taking over as Chairman of the Board in April 2018, I have been pleased to be a part of an extraordinary year for FijiCare, significantly surpassing FijiCare's 2017 performance. The Group's Gross Written Premiums increased by 56% in 2018 to FJD 27.73mn and our Net Profit increased by 126% to FJD 3.46mn.

Although Medical underwriting continues to be a core growth driver of our business, it is now less than 50% of our Group's Gross Written Premiums. This is due to the growth in other underwriting sectors such as motor vehicle, term life and compulsory third party underwriting. We will continue to work to diversify our portfolio, to mitigate reliance on a specific underwriting sector.

The significant increase in our Net Profit was driven by the increase in underwriting premiums as well as an increase in other income from equity investments and interest from term deposits.

Our VanCare subsidiary operating in Vanuatu has performed very well, with a Net Profit of FJD 815,212 after only 4 years of operations. The VanCare business is primarily CTP and Comprehensive Motor Insurance and we have started to introduce medical insurance coverage as well.

At the end of August 2018, we entered into a partnership with the Fijian Government to provide insurance cover for civil servants and social welfare recipients. FijiCare's bundled microinsurance product is the first of its kind in the Pacific and designed to be affordable for low income earners. We currently have more than 120,000 people insured under this program, for social welfare recipients, civil servants as well as for farmers in the sugar cane, dairy, copra rice sectors.

Prior to the introduction of this program, it has been estimated that only 12% of the Fijian population had insurance. We are proud to be a part of this important microinsurance partnership and thank all our partners for their assistance in making this program a reality.

In 2018, we increased our investments in IT solutions and IT infrastructure. Our new Management Information Systems will enable us to seamlessly grow and scale our business as well as expand our regional footprint. These investments to digitalize and improve our operational efficiency should provide visible results and improve our profile with current and prospective customers.

Our management team continues to govern and manage in a proper and prudent fashion. We remain cautious and take careful measures in achieving our financial targets to build sustainable long-term successes.

Going forward our focus is to continue to introduce innovative insurance products, continuous investment on technology to help the growth of business and our clients, increase in our regional foot print and greater diversification of our underwriting.



For the successful year 2018, the Board of directors of FijiCare Insurance Limited will propose a record dividend of 8 cents per share relating to the 2018 financial year for approval by the shareholders at the forthcoming Annual General meeting.

This is 100% higher than the dividend of 4 cents per share paid in respect of the 2017 financial year. Shareholders will have the option of either receipt of dividends in cash or reinvestment in shares.

I would like to take this opportunity to thank all our employees for their outstanding efforts and contribution to our performance this year. Our employees' work ethic, integrity, technical qualifications and operational expertise allow us to provide superior service to our customers.

I would also like to extend my gratitude to the shareholders, the members of the Board and the rest of the Management Team for their invaluable support throughout 2018.

We look forward to another outstanding year of financial and operational achievements.

Mr. Avi Raju
Non - Executive Chairman

Managing Director's Report



It is with great pride and appreciation that I share with you the key highlights of FijiCare's achievements over the last year. As previously noted by the Chairman, 2018 was deemed a remarkable year for the FijiCare team, as both Gross Written Premiums and Net Profit significantly exceeded both the prior year amounts and budget. The Chairman has also mentioned many of the key developments in 2018. I would like to elaborate further and also briefly mention certain other developments that occurred during 2018 along with key initiatives that we are planning for 2019.

FijiCare's successful new "bundled" microinsurance product involved the support of partners including the Government of Fiji and Pacific Financial Inclusion Programme (A joint UNCDF, UNDP programme funded by the Australian Government, the European Union and the New Zealand Government. This product has also received funding from the Russian Federation and the UNDP RESPAC Programme). This product provides low-cost term life, funeral, property and personal accident insurance to over 120,000 Fijians who did not previously have access to any form of insurance. This success was established under a dedicated microinsurance operating team under the leadership of an experienced insurance manager. This team was put in place to ensure a high standard of service and prompt turnaround of claims to the new customers. FijiCare also opened a new office in Lautoka to help maintain the standard of service.

We were honoured that our microinsurance product was recognised as the winner of the "Reuben J Summerlin Innovation Award, 2018" for innovative financial inclusion products, and that the Chairman and I were also invited to make presentations regarding the product at international conferences in Senegal and Zambia.

Our Vanuatu subsidiary, VanCare, has also continued to show exceptional results and has now become an established leader in Compulsory Third Party and Comprehensive Motor Vehicle insurance products in Vanuatu. VanCare's product range is now expanding with the recent introduction of medical underwriting products. We expect further opportunities in 2019 including further new innovative insurance products and investments. Following VanCare's success, we will seek to establish another operation within the Pacific region within the medium term.

Improvements in underwriting and claims management processes were achieved through the FijiCare group with implementation of enhanced IT solutions. This improved the overall efficiency and profitability for various business lines. In particular, the change in processes relating to motor vehicle insurance resulted in improved claims outcomes. The FijiCare group processed a record of 62,000 claims during the year. Six graduates were employed under our "Graduate Trainee Program" whereby they will gain a broader experience across the range of FijiCare's various activities. A revised system of KPIs were also introduced as a basis to provide further incentives to our management team. I would like to take this opportunity to thank my hard working management team and staff for their incomparable effort and performance in 2018 and the Board for their continued support. I would also like to thank our customers, brokers and agents for their unrelenting support throughout this time.

A handwritten signature in black ink, appearing to read 'Peter McPherson', written over a dotted line.

Peter McPherson
Managing Director

Meet Our Board



Avi Raju

Non - Executive Chairman

Avi Raju is the Founder and Managing Director of the Mount Sophia Group, a Hong Kong based private investment group with investments globally. Over the last 4 years, Avi has focused his investments in Fiji, his birthplace. He now has investments in insurance, health care, real estate and technology sectors in Fiji.

Avi has over 20 years of experience working in the technology, real estate and investment industries in the Asia Pacific region. Until May 2014, Avi was the Chief Information Officer for Asia Pacific at Savills Limited, an international property services group listed on the London Stock Exchange. He was responsible for the strategic development and management of business systems across all of Savills' 15 Asian offices with over 17,000 employees.

Avi has a Master of Business Administration (MBA) from the Richard Ivey School of Business (University of Western Ontario, Canada) and a Bachelors' Degree in Commerce from the University of Auckland, New Zealand.

Avi was born in Fiji and currently resides in Singapore. Prior to Singapore, Avi has lived and worked in Hong Kong, Australia and New Zealand.

Peter McPherson was born in Sydney, Australia and holds a Masters of Management from the University of Western Sydney. Peter was the author of a thesis on "Death Factors in Fiji" which was published in medical journals in Fiji, New Zealand and Australia.

Peter has over 45 years of insurance experience whereby his first employment was with Reed Insurance Brokers from 1970 to 1982 following which he joined Zurich Australia Insurance from 1982 to 1997. Peter had numerous managerial roles at Zurich with his last role being National Development Manager for Australia, New Zealand, PNG and Solomon Islands.

In October, 1997 Peter joined FijiCare as Managing Director and he has now been based in Fiji for more than 20 years and is a Fiji citizen. He has a wealth of knowledge in medical and general insurance. Peter was instrumental in the design and implementation of the recently introduced bundled microinsurance product. Peter is currently Chair of the Insurance Association of Fiji and a board member of the National Fire Authority.



Peter McPherson
Managing Director



Tukana Bovoro

Independent Director

Tukana A Bovoro has a BA in Accounting and Management and a Masters in Business Administration from the University of the South Pacific. He is a Fellow of the Financial Services Institute of Australasia (FINSIA) and is an Honorary Member of the Association of Development Financing Institutions in Asia and the Pacific.

He has been in the banking and finance sector for over 35 years, and Chief Executive Officer of three financial institutions in the Pacific. He has worked closely with the boards of these financial institutions in developing strategies, policies and implementing changes needed to achieve desired outcomes. He has work, commercial and business experiences in Fiji, the Republic of Palau and Vanuatu.

Management Team



Peter McPherson
Managing Director



Victor Robert
Finance Manager



Ronald Narayan
Information
Technology Manager



Sima Mala
Motor Vehicle Insurance
Manager



Sunita Reddy
Micro Insurance Manager



Lemeki Kororua
General Manager VanCare



Joni Naverebalavu
Business Development
Manager



Pretti Pratap
HR & Corporate Governance
Executive



Jasmine Chand
Claims Manager

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.

Establish Clear Responsibilities for Board Oversight

The FIL's 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.

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:

Avi Raju – Non - Executive Chairman
Peter McPherson – Managing Director
Tukana Bovoro – Independent Director

Constitute as Effective Board

Appointment of Chief Executive Officer

Directors are expected to exercise due diligence in appointing Managing Director & such executive appointments are made by the Board.

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.

Board & Company Secretary

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.

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.

Promote Ethical & Responsible Decision Making

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.

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 also outsourced its internal audit function to an established specialist service provider.

Accountability & 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 and Risk Committee

Tukana Bovoro	Committee Chairman
Pretti Pratap	Committee Secretary / Ex - Officio Member
Peter McPherson	Member
Victor Robert	Ex - Officio Member
Avi Raju	Member

Treasury and Investment Committee

Avi Raju	Committee Chairman
Victor Robert	Committee Secretary / Ex - Officio Member
Peter McPherson	Member
Tukana Bovoro	Member

The **Executive Management** of FijiCare Insurance Limited comprises of the Managing Director, Finance Manager, IT Manager, Motor Vehicle Insurance Manager, Micro Insurance Manager, General Manager VanCare, Business Development Manager, Corporate Governance & HR Executive and Claims 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.

Corporate Social Responsibility

Disaster Relief

In time, FijiCare has demonstrated its financial and moral support to the victims of different catastrophes.

Human Resource Activities

FijiCare values its employees, and is committed to affording all its employees and partners every opportunity to succeed both within the organization, as well as in their private lives.

Investment Initiatives

FijiCare focuses on investing in, and developing business relations with partners whose activities are of the highest quality standards, companies that operate in developing areas that have a major impact on durable development (for example, information technology), in the environmental, and unconventional energy areas, etc.

Community Activities

FijiCare has built a tradition of rewarding the communities where it operates, either by giving donations, raising funds, or volunteer activities, or by different other methods.



Highlights of 2018

March 2018

Dairy Farmers Covered

The launch of the bundled microinsurance product, is a partnership between FijiCare Insurance Ltd with the Fiji Cooperative Dairy Company Limited and the UNCDF Pacific Financial Inclusion Programme. The initiative is one of PFIP's many regional efforts to increase the use of financial instruments, especially insurance, to help Pacific Islanders cope with the various financial risks in their life. This project has been partially funded by the Australian Government and the Russian-Federation, UNDP administered Regional Disaster Resilience in the Pacific Small Island Developing States (RESPAC) Programme.



PC: Erica Lee, UNCDF PFIP

May 2018

Annual General Meeting

From Left: FijiCare Insurance Limited newly appointed Chairman Avi Raju, company shareholder and agent late Anandilal Amin with a staff member, FijiCare Insurance Limited Managing Director Peter McPherson, and Independent Director Tukana Bovoro after the company's Annual General Meeting at Fiji Club Suva 16th May 2018.



May 2018

Coconut & Rice Farmers Covered

150 Coconut farmers and 230 Rice farmers covered under insurance. The project is one of UN's Pacific Financial Inclusion Programme's efforts to help insure Pacific Islanders cope with disaster related risks in conjunction with FijiCare Insurance Limited.





PC: Erica Lee, UNCDF PFIP

June 2018 Dairy Farmers Micro-Insurance Scheme Pays First Claim

First microinsurance payout for the dairy microinsurance scheme was made by the Fiji Cooperative Dairy Company Limited (FCDCL) and FijiCare Insurance Limited.

August 2018 Government Signs Up With FijiCare Insurance Limited

The Attorney-General and Minister for Economy, Aiyaz Sayed-Khaiyum, signed the agreements which will start the insurance scheme covering 107,417 Fijians as announced in the 2018/2019 National Budget.



August 2018 Miss FijiCare Vodafone Fiji Hibiscus Festival

Miss FijiCare, Lice Lenora Yacadra, won 3rd runner up at the Vodafone Fiji Hibiscus Festival 2018.



September 2018

Ex-Corrections Officers Gets \$50k Payout

Two former Fiji Corrections Service (FCS) officers who were injured in the line of duty each received \$50,000 as part of their Total Permanent Disability (TPD) insurance claim. Both former officers were insured by FijiCare Insurance Limited.



October 2018

FijiCare Insurance Limited Wins 2018 RJS Innovation Award

FijiCare Insurance Limited got recognized by the United Nation's Pacific Financial Inclusion Programme (PFIP) by being awarded the 2018 Reuben James Summerlin (RJS) Innovation Award for its outstanding contribution to financial inclusion in the Pacific.



PC: Erica Lee, UNCDF PFIP

November 2018

UNCDF Knowledge Sharing Event

FijiCare Insurance Limited Chairman, Avi Raju, showcasing at UNCDF knowledge sharing event in conjunction with PFIP on digital financial service and micro insurance in Dakar, Senegal.





FijiCare Insurance Limited And Subsidiary Companies

Financial Statements

For The Year Ended 31 December 2018

Financial Statements

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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 2018, the related statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date and report as follows:

Directors

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

Avi Raju – Chairman
Peter McPherson
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 (under micro insurance project) insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating medical centre. The holding company’s shares in FijiCare Medical Centre Pte Limited were disposed on 20 June 2018.

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

Apart from discontinuation of medical centre business, there were no 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 \$2,730,213 (2017: \$1,260,356).

The consolidated profit after income tax was \$3,458,967 (2017: \$1,531,971). Total consolidated comprehensive income for the year was \$3,341,966 (2017: \$1,774,761).

Dividends

The directors declared dividends of \$328,047 during the year ended 31 December 2018 out of retained earnings as at 31 December 2017.

Basis of Accounting - Going Concern

The financial statements of the holding company and the group have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we believe that the holding company and group has adequate funds to meet their liabilities as and when they fall due over the next twelve months.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT [CONT'D]

Bad and Doubtful Debts (Cont'd)

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.

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 Event during the year

During the year:

- (i) FijiCare Insurance Limited received a Bidder's Statement on 6 February 2018 from Mount Sophia Investments (Fiji) Pte Limited in respect of between 75% and 80% of its issued shares. The holding company responded with a Target's Statement on 1 March 2018 in which the independent director, Mr Tukana Bovoro, recommended acceptance by shareholders. On 26 April 2018, FijiCare Insurance Limited announced that the takeover was completed successfully with Mount Sophia Investments (Fiji) Pte Limited acquiring 6,150,879 shares representing 75% shareholding of the company. Mr Avinesh Raju of Mount Sophia Investments (Fiji) Pte Limited was appointed as the Chairman of the Board on 28 April 2018 succeeding Mr Philipp Thomas. The acquisition did not significantly alter the strategy or operations of the holding company.
- (ii) On 20 June 2018, the holding company sold all its shareholding in the subsidiary company, FijiCare Medical Centre Pte Limited to director related entity, Premium Holdings (Fiji) Pte Limited for a consideration of \$10,273. Effective from 20 June 2018, FijiCare Medical Centre Pte Limited is no longer a subsidiary entity of the group.

Apart from the above, no other matters or circumstances have arisen since the end of the financial period which would require adjustment to, or disclosure in financial statements

Events Subsequent to Balance Date

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT [CONT'D]

Other Circumstances

As at the date of this report:

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

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report which would make adherence to the existing method of valuation of assets or liabilities of the holding company and the group misleading or inappropriate.

Directors' 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 28th day of March 2019.



.....
Director



.....
Director

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' DECLARATION

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 opinion of the directors, the financial statements of the holding company and the group for the financial year ended 31 December 2018:
 - i. comply with International Financial Reporting Standards and give a true and fair view of the financial position of the holding company and the group as at 31 December 2018 and of the performance and cash flows of the holding company and the group for the year ended 31 December 2018; and
 - ii. have been prepared in accordance with the Companies Act, 2015;
- b) The directors have received an independence declaration by the auditors as required by Section 395 of the Companies Act, 2015; and
- c) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the holding company and the group will be able to pay their debts as and when they become due and payable.

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

Dated this 28th day of March 2019.



.....
Director



.....
Director

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FIJICARE INSURANCE LIMITED

As group auditor for the audit of FijiCare Insurance Limited and subsidiary companies for the financial year ended 31 December 2018, I declare to the best of my knowledge and belief that there have been:

- a) no contraventions of the auditor independence retirements of the Companies Act, 2015 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Wathsala Suraweera
Partner
Suva, Fiji



BDO
CHARTERED ACCOUNTANTS

28 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FijiCare Insurance Limited

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 2018, 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 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards (IFRS).

Basis for Opinion

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
<p>Measurement of outstanding claims liabilities and related assets arising from reinsurance contracts and other recoveries (\$4,570,993)</p> <p>Refer to Note 3(j) (iv), and Note 17 to the financial statements</p> <p>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.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> 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 basis and calculations for estimation of claims liabilities to assess the reasonableness of management’s outstanding claims liability calculations.

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INDEPENDENT AUDITOR'S REPORT [CONT'D]

To the Shareholders of FijiCare Insurance Limited [Cont'd]

Key Audit Matters

Key Audit Matter (Cont'd)	How Our Audit Addressed the Matter (Cont'd)
<p>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.</p> <p>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.</p> <p>The valuation of reinsurance assets requires a significant level of judgement, given its inherent dependence on underlying estimates of gross outstanding claims.</p>	<ul style="list-style-type: none"> • 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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we will 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have nothing to report in this regard, as other information was not available to us for our review during the audit.

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.
- Obtain sufficient appropriate audit evidence regarding the holding company and group's financial information to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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
CHARTERED ACCOUNTANTS



Wathsala Suraweera
Partner
Suva, Fiji
28 March 2019

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Consolidated		Holding Company	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue	6	21,613,723	15,044,361	19,279,046	13,302,154
Incurring claims		(13,527,478)	(9,738,305)	(12,896,170)	(9,696,820)
Commission expense	7	(2,133,347)	(1,653,210)	(1,912,823)	(1,511,087)
Other direct costs		(116,746)	(344,784)	-	-
Net revenue		5,836,152	3,308,062	4,470,053	2,094,247
Other revenue	8	1,183,818	1,421,166	1,341,934	1,664,394
		7,019,970	4,729,228	5,811,987	3,758,641
Advertising and promotion Expenses		(93,711)	(91,204)	(69,109)	(54,139)
Other operating expenses		(3,243,669)	(2,982,347)	(2,783,368)	(2,326,555)
		(3,337,380)	(3,073,551)	(2,852,477)	(2,380,694)
Profit before income tax	21	3,682,590	1,655,677	2,959,510	1,377,947
Income tax expense	9(a)	(223,623)	(123,706)	(229,297)	(117,591)
Profit after income tax		3,458,967	1,531,971	2,730,213	1,260,356
Discontinued Operations					
Loss on sale of discontinued operations - FijiCare Medical Centre Pte Limited	5	(23,798)	-	-	-
Profit for the year		3,435,169	1,531,971	2,730,213	1,260,356
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Fair value gain on investment properties reclassified to revaluation reserve for PPE upon consolidation (Note 14)		-	135,000	-	-
Exchange gain / (loss) on translating foreign operation		(93,203)	107,790	-	-
Total comprehensive income for the year		3,341,966	1,774,761	2,730,213	1,260,356
Earnings per share					
Basic earnings per share - cents	23	41.14	19.06		
Diluted earnings per share - cents	23	41.14	19.06		

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 2018

	Consolidated				Total
	Share Capital	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Profits	
Balance as at 1 January 2017	\$ 4,305,549	\$ 133,802	\$ (9,350)	\$ 2,030,704	\$ 6,460,705
Total comprehensive income	-	-	-	1,531,971	1,531,971
Profit for the year					
Other comprehensive income for the year:					
- Fair value gain on investment properties reclassified to revaluation reserve for PPE upon consolidation (Note 14)	-	135,000	-	-	135,000
- Exchange gain on translating foreign operation	-	-	107,790	-	107,790
Total comprehensive income	-	135,000	107,790	1,531,971	1,774,761
Transactions with owners of the group					
Additional shares issued (Note 19 (a))	257,453	-	-	-	257,453
Dividends declared (Note 20)	-	-	-	(312,903)	(312,903)
Total transactions with owners of the group	257,453	-	-	(312,903)	(55,450)
Balance as at 31 December 2017	4,563,002	268,802	98,440	3,249,772	8,180,016

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

	Consolidated				
	Share Capital	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total
	\$	\$	\$	\$	\$
Total comprehensive income					
Transfer of Asset Revaluation Reserve upon disposal of subsidiary company, FijiCare Medical Centre Pte Limited	-	(268,802)	-	268,802	-
Profit for the year	-	-	-	3,435,169	3,435,169
Other comprehensive income for the year:					
- Exchange gain on translating foreign operation	-	-	(93,203)	-	(93,203)
Total comprehensive income	-	(268,802)	(93,203)	3,703,971	3,341,966
Transactions with owners of the group					
Additional shares issued (Note 19 (a))	263,211	-	-	-	263,211
Dividends declared (Note 20)	-	-	-	(328,047)	(328,047)
Total transactions with owners of the group	263,211	-	-	(328,047)	(64,836)
Balance as at 31 December 2018	4,826,213	-	5,237	6,625,696	11,457,146

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 2018 [CONT'D]

	Holding Company		Total
	Share Capital	Accumulated Profits	
	\$	\$	\$
Balance as at 1 January 2017	4,305,549	2,412,449	6,717,998
Total comprehensive income			
Profit for the year	-	1,260,356	1,260,356
Other comprehensive income for the year	-	-	-
Total comprehensive income	-	1,260,356	1,260,356
Transactions with owners of the company			
Additional shares issued (Note 19 (a))	257,453	-	257,453
Dividends declared (Note 20)	-	(312,903)	(312,903)
Total transactions with owners of the company	257,453	(312,903)	(55,450)
Balance as at 31 December 2017	4,563,002	3,359,902	7,922,904
Total comprehensive income			
Profit for the year	-	2,730,213	2,730,213
Other comprehensive income for the year	-	-	-
Total comprehensive income	-	2,730,213	2,730,213
Transactions with owners of the company			
Additional shares issued (Note 19 (a))	263,211	-	263,211
Dividends declared (Note 20)	-	(328,047)	(328,047)
Total transactions with owners of the company	263,211	(328,047)	(64,836)
Balance as at 31 December 2018	4,826,213	5,762,068	10,588,281

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

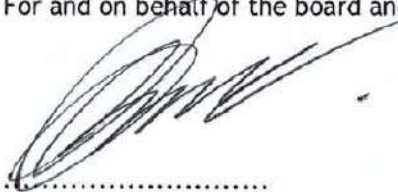
FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES


STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	Consolidated		Holding Company	
		2018	2017	2018	2017
		\$	\$	\$	\$
CURRENT ASSETS					
Cash on hand and at bank		6,450,976	3,293,226	3,933,014	1,760,644
Trade and other receivables	10	8,692,038	4,331,741	8,711,446	4,320,464
Inventories - medical supplies		-	3,034	-	-
Held-to-maturity investments	11(a)	9,801,194	5,818,688	8,622,808	5,192,825
Financial assets at fair value through profit or loss	11(b)	2,183,175	2,063,472	2,183,175	2,063,472
Deferred costs	12	1,199,996	966,513	1,066,430	907,301
Current tax assets	9(b)	-	94,906	-	94,300
Total current assets		28,327,379	16,571,580	24,516,873	14,339,006
NON-CURRENT ASSETS					
Trade and other receivables	10	166,582	159,236	166,582	322,521
Held-to-maturity investments	11(a)	197,668	497,668	-	300,000
Investment in subsidiaries	11(c)	-	-	609,921	619,921
Investment properties	13	2,570,000	2,095,000	2,570,000	2,570,000
Property, plant and equipment	14	453,655	641,372	392,188	122,792
Intangible assets	15	116,049	564	78,838	564
Deferred tax assets	9(c)	19,926	22,615	19,926	21,297
Total non-current assets		3,523,880	3,416,455	3,837,455	3,957,095
TOTAL ASSETS		31,851,259	19,988,035	28,354,328	18,296,101
CURRENT LIABILITIES					
Trade and other payables	16	1,845,944	1,134,850	1,661,050	1,079,681
Insurance contract liabilities	17	18,150,454	10,436,462	15,714,052	9,069,963
Employee entitlements	18	140,541	94,502	133,771	81,215
Current tax liability	9(b)	110,538	-	110,538	-
Total current liabilities		20,247,477	11,665,814	17,619,411	10,230,859
NON-CURRENT LIABILITIES					
Deferred tax liabilities	9(d)	146,636	142,205	146,636	142,338
Total non-current liabilities		146,636	142,205	146,636	142,338
TOTAL LIABILITIES		20,394,113	11,808,019	17,766,047	10,373,197
NET ASSETS		11,457,146	8,180,016	10,588,281	7,922,904
SHAREHOLDERS' EQUITY					
Share capital	19	4,826,213	4,563,002	4,826,213	4,563,002
Foreign currency translation reserve		5,237	98,440	-	-
Asset revaluation reserve		-	268,802	-	-
Accumulated profits		6,625,696	3,249,772	5,762,068	3,359,902
TOTAL SHAREHOLDERS' EQUITY		11,457,146	8,180,016	10,588,281	7,922,904

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

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


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Director


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Director

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Consolidated		Holding Company	
	Inflows/ (Outflows) 2018	Inflows/ (Outflows) 2017	Inflows/ (Outflows) 2018	Inflows/ (Outflows) 2017
	\$	\$	\$	\$
Cash flows from operating activities				
Premium and fees received	23,648,671	16,716,160	20,359,537	14,515,064
Reinsurance premium paid, net	(18,362)	(136,474)	(18,362)	(136,474)
Claims, commission and capitation fees paid, net	(13,965,259)	(11,891,643)	(13,614,862)	(11,633,829)
Payments to brokers, suppliers and employees	(3,095,109)	(3,052,061)	(2,347,764)	(2,077,047)
Cash generated from operations	6,569,941	1,635,982	4,378,549	667,714
Income tax paid	-	(85,175)	-	(78,000)
Tax deducted at source - resident interest withholding tax	(18,789)	(19,099)	(18,789)	(19,099)
Interest received	272,752	241,489	255,396	228,703
Net cash provided by operating activities	6,823,904	1,773,197	4,615,156	799,318
Cash flows from investing activities				
Payments for property, plant and equipment	(377,064)	(88,674)	(331,228)	(82,237)
Payments for intangible assets	(123,892)	-	(84,468)	-
Proceeds from sale of plant and equipment	-	10,000	-	10,000
Payments for held-to-maturity investments	(9,501,194)	(5,390,493)	(8,322,808)	(5,192,825)
Proceeds from held-to-maturity investments	5,192,825	4,785,779	5,192,825	4,785,779
Payments for financial assets at fair value through profit or loss	(117,000)	-	(117,000)	-
Dividends received	66,179	49,922	66,179	49,922
Proceeds from sale of financial assets at fair value through profit or loss	669,404	-	669,404	-
Proceeds from sale of shares in FijiCare Medical Centre Pte Limited, net	10,273	-	10,273	-
Repayment by Kontiki Growth Fund Limited	-	200,268	-	200,268
Other advances given, net	-	(62,701)	-	(62,701)
Repayment by / (advances to) VanCare Insurance Limited, net	-	-	538,873	(148,236)
Net cash used in investing activities	(4,180,469)	(495,899)	(2,377,950)	(440,030)
Cash flows from financing activities				
Dividends paid	(64,836)	(55,450)	(64,836)	(55,450)
Net cash used in financing activities	(64,836)	(55,450)	(64,836)	(55,450)
Net increase in cash and cash equivalents	2,578,599	1,221,848	2,172,370	303,838
Effect of exchange rate movement on cash and cash equivalents	(2,855)	1,522	-	-
Reduction in cash and cash equivalents due to disposal of shares in FijiCare Medical Centre Pte Limited	(43,857)	-	-	-
Cash and cash equivalents at the beginning of the year	3,919,089	2,695,719	1,760,644	1,456,806
Cash and cash equivalents at the end of the year (Note 22)	6,450,976	3,919,089	3,933,014	1,760,644

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 2018

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 (under micro insurance project) insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating medical centre. The holding company's shares in FijiCare Medical Centre Pte Limited were disposed on 20 June 2018.

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

Apart from discontinuation of medical centre business, there were no 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 values / revalued amounts. 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 FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 2. BASIS OF PREPARATION (CONT'D)

e) Comparatives

The holding company had disposed shares in the subsidiary company, FijiCare Medical Centre Pte Limited on 20 June 2018. Therefore, current year results incorporate results of the medical centre till the date of disposal. Accordingly, comparative figures represent results for twelve months and therefore, may not be directly comparable.

Where necessary, comparative figures have been re-grouped to conform to changes in presentation in the current period.

f) Changes in Accounting Policies

Except for the changes below, the company has consistently applied the accounting policies to all periods presented in these financial statements.

New standards, amendments, interpretation and annual improvements that have been issued, and are mandatorily effective from 1 January 2018

A number of new standards, amendments, interpretations and annual improvements are effective for the first time for periods beginning on (or after) 1 January 2018. The following new standards became applicable in the annual financial statements for the year ended 31 December 2018:

(i) IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

In relation to insurers, a specific "temporary exemption" from the application of IFRS 9 is available "where an insurer's activities are predominantly connected with insurance". The Insurer may continue to apply IAS 39 rather than IFRS 9 for annual periods up until the period commencing 1 January 2022, when it is expected that the new insurance industry standard IFRS 17 "Insurance Contracts" will become applicable. The holding company and the group meets the above criteria and accordingly has chosen to apply the temporary exemption.

(iii) IFRS 15 - Revenue from Contracts with Customers

The company adopted IFRS 15 Revenue from Contracts with Customers issued in May 2014 with a date of initial application of 1 January 2018. IFRS 15 introduces a single model for the recognition of revenue based on when control of goods and services transfers to a customer.

IFRS 15 does not apply to revenue from insurance contracts or financial instruments. Hence, the majority of revenue is not impacted by this change. An analysis of minor revenue streams has indicated that the application of IFRS 15 thereto would have a negligible financial effect.

Other new and amended standards and interpretations issued by the IASB that will apply for the first time in the annual financial statements are not expected to impact the holding company and the group as they are either not relevant to the holding company and the group's activities or require accounting which is consistent with the holding company and the group's current accounting policies.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 2. BASIS OF PREPARATION (CONT'D)

f) Changes in Accounting Policies (Cont'd)

New standards, interpretations and amendments that have been issued but are not mandatorily effective as at 31 December 2018

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the holding company and the group has decided not to adopt early. The most significant of these are:

- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Positions (effective 1 January 2019)
- IFRS 17 Insurance Contracts (effective 1 January 2021)

The holding company and the group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the holding company and the group.

The holding company and the group have progressed its projects dealing with the implementation of the key new accounting standard and is able to provide the following information regarding their likely impact:

IFRS 16 Leases

Adoption of IFRS 16 will result in the holding company and the group recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The directors have decided it will apply the modified retrospective adoption method in IFRS 16, and, therefore, will only recognise leases on balance sheet as at 1 January 2019. In addition, it has decided to measure right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to net assets on that date.

Instead of recognising an operating expense for its operating lease payments, the holding company and the group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA by the amount of its current operating lease cost.

IFRIC 23 Uncertainty over Income Tax Positions

IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.

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 FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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 10). Bad debts are written off during the period in which they are identified.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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.

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 statements of profit or loss. Dividend income is recognised in the statements 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 FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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

i) Income Tax (Cont'd)

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.

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. 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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

j) Insurance Contracts (Cont'd)

iv) Provision for outstanding claims (cont'd)

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

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.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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

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.

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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

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.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

s) Finance income and finance costs

The company's finance income and finance costs include:

- interest income on advances;
- bank and loan administration charges;
- impairment losses (and reversals) on investments in debt securities carried at amortised cost; and

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

Notes to the Financial Statements for the

Year Ended 31 December 2018 [Cont'd]

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

s) Finance income and finance costs (Cont'd)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

t) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk. When one is available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

u) Revenue Recognition

The holding company and the group receives premium income from policyholders as compensation for underwriting insurance risks. The company recognises revenue at an amount that reflects the consideration to which it expects to be entitled in exchange for underwriting those insurance risks, using a five-step model for each revenue stream as prescribed in IFRS 15. The five-step model is as follows:

- Identification of the contract;
- Identification of separate performance obligations for each good or service;
- Determination of the transaction price;
- Allocation of the price to performance obligations; and
- Recognition of revenue.

Revenue recognition with respect to the holding company and the group's specific business activities are as follows:

- (i) 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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

u) Revenue Recognition (Cont'd)

Revenue recognition with respect to the holding company and the group's specific business activities are as follows: (cont'd)

- (ii) Revenue from medical clinics and medical centre is recognised upon the delivery of service to patients.
- (iii) Dividend income from investments is recognised when the right to receive dividend is established.
- (iv) Revenue from rendering of management services are recognised upon rendering of services.
- (v) 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.
- (vi) Interest income is recognised on a time-proportion basis using the effective interest method.

v) 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.

w) 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.

x) 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 FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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

y) 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 have been disclosed under the following notes to the financial statements:

Note 3(j)(iv) - Provision for outstanding claims

Note 3 (j)(iv) - Actuarial valuation – claims incurred but not reported

Note 3(t) - Fair value measurement

Note 3(w) - Impairment of accounts receivable

Note 3(h) - Impairment of property, plant and equipment and investment properties

NOTE 5. LOSS ON SALE OF DISCONTINUED OPERATIONS - FIJICARE MEDICAL CENTRE PTE LIMITED

During the year, in May 2018, the holding company entered into a Share Sale and Purchase Agreement with director related entity, Premium Holdings Pte Limited, to dispose all of its shareholding in the subsidiary, FijiCare Medical Centre Pte Limited.

The sale transaction was completed on 20 June 2018 and FijiCare Medical Centre Pte Limited's identifiable net assets position as at 20 June 2018 was considered in computing and presenting the effect of this disposal in the group's financial statements.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 5. LOSS ON SALE OF DISCONTINUED OPERATIONS - FIJICARE MEDICAL CENTRE PTE LIMITED (CONT'D)

The effect of the above disposal was presented as a discontinued operation in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations. Accordingly, the effect on the disposal of the subsidiary was presented in the group's statement of profit or loss.

The effect of the disposal of the subsidiary in the group's financial statements have been presented as follows:

Group's share of net assets derecognised	\$	34,071
Proceeds from disposal, net		<u>10,273</u>
Loss on disposal of subsidiary	\$	<u>23,798</u>

NOTE 6. REVENUE	Consolidated		Holding Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Gross written premium	27,725,412	17,786,178	24,599,515	15,843,257
Reinsurance premium	(738,254)	(511,644)	(361,648)	(268,337)
	<u>26,987,158</u>	<u>17,274,534</u>	<u>24,237,867</u>	<u>15,574,920</u>
Unearned premium, net movement	(5,469,964)	(2,387,388)	(4,958,821)	(2,229,095)
Deferred reinsurance premium, net movement	-	(43,671)	-	(43,671)
	<u>21,517,194</u>	<u>14,843,475</u>	<u>19,279,046</u>	<u>13,302,154</u>
Income from medical clinic and medical centre	96,529	200,886	-	-
Total revenue, net	<u>21,613,723</u>	<u>15,044,361</u>	<u>19,279,046</u>	<u>13,302,154</u>

NOTE 7. COMMISSION EXPENSE

Commission expense	<u>2,133,347</u>	<u>1,653,210</u>	<u>1,912,823</u>	<u>1,511,087</u>
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NOTE 8. OTHER REVENUE

Dividend income	66,179	49,922	126,179	49,922
Gain on sale of motor vehicle	-	2,107	-	2,107
Interest income	307,373	250,460	283,548	230,688
Management fees	5,400	-	101,400	104,000
Rental income	67,824	78,000	85,274	102,000
Fair value gain on equity investments, net	622,823	325,649	622,823	325,649
Fair value gain on investment properties	-	535,000	-	670,000
Gain on sale of shares in Yatu Lau Company Limited, net	50,109	-	50,109	-
Grant income (a)	8,000	155,000	8,000	155,000
Unrealised exchange gain, net	24,872	-	33,363	-
Miscellaneous income, net	31,238	25,028	31,238	25,028
Total other revenue, net	<u>1,183,818</u>	<u>1,421,166</u>	<u>1,341,934</u>	<u>1,664,394</u>

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 8. OTHER REVENUE (CONT'D)

(a) In prior year, the company entered into a grant agreement with United Nations Capital Development Fund for receipt of grant relating to Micro Insurance Project. The Micro Insurance Project intends to provide applicable citizens with term life and non-life insurance covers. In the current year, the company was provided with staff to assist in carrying out Micro Insurance Project related work. Therefore, the management has recorded market value of salaries of staff provided during the year as grant in kind.

NOTE 9. INCOME TAX

Income Tax Rate

Income tax expense for the year ended 31 December 2018 has been computed using tax rate of 10% for the holding company, 20% for the former subsidiary, FijiCare Medical Centre Pte 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.

a) Income tax expense

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

	Consolidated		Holding Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Profit before income tax	3,682,590	1,322,503	2,959,510	1,377,947
Prima facie income tax expense	289,525	141,980	295,951	137,795
Tax effect of:				
Non-taxable income	(79,988)	(34,413)	(79,988)	(34,413)
Non-deductible expenses	15,918	14,828	15,166	12,940
Under / (over) provision of income tax in prior year	(1,832)	3,318	(1,832)	3,276
Recognition of deferred income tax liability not recognized in prior years	-	(2,007)	-	(2,007)
Income tax expense	223,623	123,706	229,297	117,591
Income tax expense comprises movement in:				
Current tax liabilities	216,503	62,241	223,627	55,996
Deferred tax assets	2,689	(6,404)	1,371	(7,063)
Deferred tax liability	4,431	67,869	4,299	68,658
	223,623	123,706	229,297	117,591

b) Current tax assets / (liabilities)

Movements during the year were as follows:

Balance at the beginning of the year	94,906	52,873	94,300	53,197
Tax liability for the current year	(216,503)	(62,241)	(223,627)	(55,996)
Adjustment upon disposal of subsidiary	(7,730)	-	-	-
Advance taxes paid during the year	-	85,175	-	78,000
Tax deducted at source - resident interest withholding tax	18,789	19,099	18,789	19,099
Balance at the end of the year	(110,538)	94,906	(110,538)	94,300

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 9. INCOME TAX (CONT'D)	Consolidated		Holding Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
c) Deferred tax assets				
Deferred tax assets comprise the estimated future benefit at future income tax rate in respect to the following:				
Allowance for doubtful debts	5,000	5,000	5,000	5,000
Provision for employee entitlements	14,926	9,440	14,926	8,122
Unrealised exchange loss	-	8,175	-	8,175
Total deferred tax assets	19,926	22,615	19,926	21,297
d) Deferred tax liabilities				
Deferred tax liabilities comprise the estimated future expense at future income tax and capital gains tax rate in respect to the following:				
Difference in cost base of investment property and plant and equipment for accounting and income tax purposes	136,791	135,729	136,791	135,862
Unrealized gain on investment in unlisted shares	6,509	6,476	6,509	6,476
Unrealized exchange gain	3,336	-	3,336	-
	146,636	142,205	146,636	142,338
NOTE 10. TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables (a)	8,212,142	4,199,634	7,950,468	3,403,951
Less: allowance for doubtful debts	(99,437)	(241,057)	(50,000)	(50,000)
	8,112,795	3,958,577	7,900,468	3,353,951
Receivable from VanCare Insurance Limited (b)	-	-	264,837	607,062
Receivable from FijiCare Medical Centre Pte Limited	-	-	-	5,200
Receivable from Premium Holdings Pte Limited (c)	61,800	-	61,800	-
Other advances (d)	12,458	-	12,458	-
Prepayments	45,596	53,738	39,403	40,040
Deposits	37,733	21,896	31,301	15,422
Other receivables	421,656	297,530	401,179	298,789
Total current trade and other receivables, net	8,692,038	4,331,741	8,711,446	4,320,464
Non-current				
Advance to VanCare Insurance Limited (b)	-	-	-	163,285
Other advances (d)	105,833	71,657	105,833	71,657
Other receivables	60,749	87,579	60,749	87,579
Total non-current trade and other receivables	166,582	159,236	166,582	322,521

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade receivables principally comprise of premium amounts outstanding from policyholders. Trade receivables are non-interest bearing and generally settled on 30 - 60 days term.
- (b) 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.
- (c) Receivable from director related entity, Premium Holdings Pte Limited, relates to dividend declared but not paid by FijiCare Medical Centre Pte Limited upon disposal, and management fees for the months of November and December 2018.
- (d) Other advances are secured and subject to interest and principal amount is repayable by 2022.

NOTE 11. FINANCIAL ASSETS

	Consolidated		Holding Company	
	2018	2017	2018	2017
(a) Held-to-maturity investments	\$	\$	\$	\$
Current				
Term investments with commercial banks and financial institutions	9,801,194	5,818,688	8,622,808	5,192,825
Non-current				
Term investments with commercial banks and financial institutions	197,668	497,668	-	300,000
(b) Financial assets at fair value through profit or loss				
<i>Equity Investments</i>				
Investments in listed companies	2,093,474	1,431,321	2,093,474	1,431,321
Investments in unlisted companies	89,701	632,151	89,701	632,151
	2,183,175	2,063,472	2,183,175	2,063,472
Reconciliation of financial assets at fair value through profit or loss				
Balance at 1 January	2,063,472	1,737,823	2,063,472	1,737,823
Add: Fair value gain on investment in listed / unlisted companies, net	622,823	325,649	622,823	325,649
Less: Disposal of investment in listed / unlisted companies, net	(620,120)	-	(620,120)	-
Add: Purchase of financial assets at fair value through profit or loss	117,000	-	117,000	-
Balance at 31 December	2,183,175	2,063,472	2,183,175	2,063,472
(c) Investment in subsidiary companies (Note 26)				
Investment in FijiCare Medical Centre Limited (i)	-	-	-	10,000
Investment in VanCare Insurance Limited	-	-	609,921	609,921
	-	-	609,921	619,921

(i) During the year, the holding company disposed shares held in FijiCare Medical Centre Pte Limited.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 12. DEFERRED COSTS	Consolidated		Holding Company	
	2018	2017	2018	2017
Deferred commission expenses	\$	\$	\$	\$
Total deferred costs	1,199,996	966,513	1,066,430	907,301

NOTE 13. INVESTMENT PROPERTIES

	Consolidated		
	Freehold Land	Building	Total
	(\$)	(\$)	(\$)
Gross carrying amount			
Balance at 1 January 2017	565,000	995,000	1,560,000
Fair value gain	115,000	420,000	535,000
Balance at 31 December 2017	680,000	1,415,000	2,095,000
Transfer from property, plant and equipment upon disposal of subsidiary (i)	165,000	310,000	475,000
Balance at 31 December 2018	845,000	1,725,000	2,570,000

(i) Upon disposal of shares in subsidiary, investment property rented to the former subsidiary company, FijiCare Medical Centre Pte Limited has been re-grouped from property, plant and equipment to investment properties.

	Holding Company		
	Freehold Land	Building	Total
	(\$)	(\$)	(\$)
Gross carrying amount			
Balance at 1 January 2017	705,000	1,195,000	1,900,000
Fair value gain	140,000	530,000	670,000
Balance at 31 December 2017	845,000	1,725,000	2,570,000
Balance at 31 December 2018	845,000	1,725,000	2,570,000

In prior year, Investment properties of the holding company included land and building rented to the subsidiary company, FijiCare Medical Centre Pte Limited.

Furthermore, 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 were Market Value Method.

The investment properties were valued at \$2,570,000. 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 were appropriate in determining the fair value of investment properties. The directors believe that the fair value of investment properties have not significantly increased from fair values as at 31 December 2017.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated					Total
	Land	Buildings	Furniture, fittings and office equipment	Motor vehicles	Work in progress	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Gross carrying amount						
Balance at 1 January 2017	140,000	200,000	619,027	215,355	-	1,174,382
Additions	-	-	46,235	42,439	-	88,674
Revaluation gain	25,000	110,000	-	-	-	135,000
Disposals	-	-	-	(52,617)	-	(52,617)
Balance at 31 December 2017	165,000	310,000	665,262	205,177	-	1,345,439
Additions	-	-	236,253	119,822	20,989	377,064
Transfer to investment property (Note 13 (i))	(165,000)	(310,000)	-	-	-	(475,000)
Disposals	-	-	(150,686)	-	-	(150,686)
Balance at 31 December 2018	-	-	750,829	324,999	20,989	1,096,817
Accumulated depreciation						
Balance at 1 January 2017	-	-	521,585	140,689	-	662,274
Depreciation expense	-	-	52,683	33,830	-	86,513
Disposals	-	-	-	(44,720)	-	(44,720)
Balance at 31 December 2017	-	-	574,268	129,799	-	704,067
Depreciation expense	-	-	42,408	31,473	-	73,881
Disposals	-	-	(134,786)	-	-	(134,786)
Balance at 31 December 2018	-	-	481,890	161,272	-	643,162
Net book value						
As at 31 December 2017	165,000	310,000	90,994	75,378	-	641,372
As at 31 December 2018	-	-	268,939	163,727	20,989	453,655

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Holding Company			
	Furniture, fittings and office equipment	Motor vehicles	Work in progress	Total
	(\$)	(\$)	(\$)	(\$)
Gross carrying amount				
Balance at 1 January 2017	448,111	200,114	-	648,225
Additions	39,798	42,439	-	82,237
Disposals	-	(52,617)	-	(52,617)
Balance at 31 December 2017	487,909	189,936	-	677,845
Additions	232,909	77,330	20,989	331,228
Balance at 31 December 2018	720,818	267,266	20,989	1,009,073
Accumulated depreciation				
Balance at 1 January 2017	393,187	135,935	-	529,122
Depreciation expense	39,798	30,853	-	70,651
Disposals	-	(44,720)	-	(44,720)
Balance at 31 December 2017	432,985	122,068	-	555,053
Depreciation expense	34,684	27,148	-	61,832
Balance at 31 December 2018	467,669	149,216	-	616,885
Net book value				
As at 31 December 2017	54,924	67,868	-	122,792
As at 31 December 2018	253,149	118,050	20,989	392,188

NOTE 15. INTANGIBLE ASSETS

	Consolidated		Holding Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Computer software	1,083,317	959,425	963,108	878,640
Less: accumulated amortisation	(967,268)	(958,861)	(884,270)	(878,076)
Total intangible assets, net	116,049	564	78,838	564

NOTE 16. TRADE AND OTHER PAYABLES

Capitation fees	17,982	16,911	17,982	90,265
Payable to reinsurers	556,776	213,490	556,776	213,490
Other payables and accrued liabilities	1,271,186	904,449	1,086,292	775,926
Total trade and other payables	1,845,944	1,134,850	1,661,050	1,079,681

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 17. INSURANCE CONTRACT LIABILITIES	Consolidated		Holding Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Unearned premiums				
Unearned premiums as at 1 January	7,920,771	5,549,451	6,945,190	4,716,095
Movement during the year, net	5,454,771	2,371,320	4,958,821	2,229,095
Balance as at 31 December	13,375,542	7,920,771	11,904,011	6,945,190
Outstanding claims				
Gross outstanding claims as at 1 January	727,118	1,142,759	665,213	906,919
Movement during the year, net	1,368,907	(415,641)	1,114,967	(241,706)
Balance as at 31 December	2,096,025	727,118	1,780,180	665,213
Less: Reinsurance recoveries				
Reinsurance recoveries as at 1 January	130,902	95,988	130,902	95,988
Movement during the year, net	-	34,914	-	34,914
Balance as at 31 December	130,902	130,902	130,902	130,902
Outstanding claims, net	1,965,123	596,216	1,649,278	534,311
Claims administration provision				
Claims administration provision as at 1 January	111,851	178,606	95,792	157,306
Movement during the year, net	92,068	(66,755)	70,301	(61,514)
Balance as at 31 December	203,919	111,851	166,093	95,792
Claims incurred but not reported				
Claims incurred but not reported as at 1 January	1,753,949	1,461,732	1,494,670	1,357,024
Movement during the year, net	720,685	292,217	500,000	137,646
Claims incurred but not reported, net	2,474,634	1,753,949	1,994,670	1,494,670
Catastrophic provision (a)	131,236	53,675	-	-
Total insurance contract liabilities, net	18,150,454	10,436,462	15,714,052	9,069,963

(a) The subsidiary company, VanCare Insurance Limited is required to make a contingency provision referred to as a catastrophic provision which is 3% of total gross premiums under the Insurance Act of Vanuatu.

NOTE 18. EMPLOYEE ENTITLEMENTS

Provision for annual leave	81,400	65,713	74,630	52,426
Provision for long service leave	59,141	28,789	59,141	28,789
Total employee entitlements	140,541	94,502	133,771	81,215

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 19. SHARE CAPITAL	Consolidated		Holding Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Issued and paid up capital				
Balance as at 1 January 2018: 8,201,171 ordinary shares (2017: 7,822,565 ordinary shares)	4,563,002	4,305,549	4,563,002	4,305,549
Additional ordinary shares issued (a)	263,211	257,453	263,211	257,453
Balance as at 31 December 2018: 8,484,194 ordinary shares	4,826,213	4,563,002	4,826,213	4,563,002

(a) During the year, 283,023 at \$0.93 per share (2017: 378,606 at \$0.68 per share) additional ordinary shares were issued by way of dividend reinvestment option exercised.

NOTE 20. DIVIDENDS

Final dividend	328,047	312,903	328,047	312,903
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NOTE 21. PROFIT BEFORE INCOME TAX

Profit before income tax has been determined

Auditor's remuneration for:

- Audit fees	38,007	40,926	29,300	28,000
- Other services	20,561	19,250	15,600	15,690
Consultancy fees	103,302	36,122	73,863	20,333
Actuarial services	83,453	74,333	83,453	74,333
Depreciation and amortisation	82,288	105,189	68,026	75,853
Directors' fees	48,498	48,665	22,028	22,000
FNPF contribution	145,618	118,076	135,347	108,031
Legal and advisory fees	56,299	13,859	11,338	8,590
Operating leases	135,570	147,877	114,176	126,547
Salaries, wages, training levy and allowances	1,196,116	890,743	1,072,699	746,745

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	6,450,976	3,293,226	3,933,014	1,760,644
Short term deposits	-	625,863	-	-
Total cash and cash equivalents	6,450,976	3,919,089	3,933,014	1,760,644

b) Non-Cash Financing Activities

Dividends

During the year, the holding company declared dividends of \$328,047 out of which \$263,211 was re-invested under the dividend reinvestment option. The consideration for the dividend re-invested was issue of 283,023 shares at \$0.93 per share. These re-investment transactions are not reflected in the statements of cash flows.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 23. EARNINGS PER SHARE	Consolidated	
	2018	2017
	\$	\$
Profit for the year used in calculating earnings per share	3,435,169	1,531,971
Weighted average number of ordinary shares outstanding used in	8,351,600	8,039,356
Weighted average number of ordinary shares outstanding used in	8,351,600	8,039,356
Basic earnings per share - cents	41.14	19.06
Diluted earnings per share - cents	41.14	19.06

NOTE 24. COMMITMENTS

a) Capital expenditure commitments as at 31 December 2018 amounted to \$Nil (2017: \$Nil).

b) Operating lease expense commitments contracted for rentals are as follows:	Consolidated		Holding Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Not later than one year	209,317	223,037	264,517	201,743
Later than one year but not five years	55,200	-	55,200	-
	<u>264,517</u>	<u>223,037</u>	<u>264,517</u>	<u>201,743</u>

c) Operating lease income commitments contracted for rentals are as follows:				
	2018	2017	2018	2017
Not later than one year	100,899	62,900	100,899	97,796
Later than one year but not five years	71,500	137,500	71,500	137,500
Total operating lease income commitments	<u>172,399</u>	<u>200,400</u>	<u>172,399</u>	<u>235,296</u>

d) The subsidiary company, VanCare Insurance Limited is committed to pay the holding company, FijiCare Insurance Limited, management fees of \$84,000 per annum.

NOTE 25. CONTINGENT LIABILITIES

Contingent liabilities exist with respect to the

Indemnity guarantees	750	750	750	750
Litigations (a)	<u>56,559</u>	<u>39,601</u>	<u>56,559</u>	<u>39,601</u>
Total contingent liabilities	<u>57,309</u>	<u>40,351</u>	<u>57,309</u>	<u>40,351</u>

(a) The holding company is subject to certain 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 are confident that no significant liability, other than those that have been disclosed is expected to eventuate.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 26. INVESTMENTS IN SUBSIDIARY COMPANIES

Entity	Place of Incorporation	% Owned	Investment Book Value	
			2018 (\$)	2017 (\$)
FijiCare Medical Centre Limited	Fiji	100%	-	10,000
VanCare Insurance Limited	Vanuatu	100%	609,921	609,921
			609,921	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 18	10,823,155	6,132,866	4,561,173	96,529	21,613,723
	Dec 17	8,405,936	3,055,054	3,382,485	200,886	15,044,361
Result (Revenue less allocated costs)	Dec 18	150,280	1,331,101	1,767,291	(32,132)	3,216,540
	Dec 17	(508,339)	528,466	825,432	20,925	866,484
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 18					1,183,818
	Dec 17					1,421,166
Less: Unallocated - expenses and income tax						
	Dec 18					941,391
	Dec 17					755,679
Profit after income tax	Dec 18					3,458,967
	Dec 17					1,531,971

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 \$13,503,040 and \$1,541,321, respectively. Profit after income tax from Fiji and Vanuatu operations amounts to \$1,140,632 and \$391,339, respectively.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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 (till 28 April 2018)
 Avinesh Raju - Chairman (appointed on 28 April 2018)
 Peter McPherson
 Arivakisati Bovoro aka Tukana Bovoro

(b) Holding company transactions with related parties

Transactions with related parties during the year ended 31 December 2018 and 2017 with approximate transaction values are summarized as follows:

Related Party	Relationship	Nature of transaction	2018 (\$)	2017 (\$)
FijiCare Medical Centre Limited	Subsidiary company until 20 June 2018	Capitation and professional fees	70,454	325,077
		Rent income	17,500	24,000
		Management fees	12,000	20,000
VanCare Insurance Limited	Subsidiary company	Various expenses paid on behalf of the subsidiary to be reimbursed	14,298	6,549
		Management fees	84,000	84,000
		Reinsurance premium income	356,967	246,798

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

Appropriate disclosure of these amounts is contained in Note 10 and Note 16 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:

	2018	2017
	\$	\$
Salaries and other short-term employee benefits	931,004	863,589
Director fees - executive	13,227	14,026

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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.

(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 policyholder's 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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

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

(b) Terms and conditions of insurance contracts

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

(c) Credit risk

Financial assets or liabilities arising from insurance contracts are presented on the statement of financial position at the amount that best represents the maximum credit risk exposure at the reporting date. The credit risk relating to insurance contracts relates primarily to premium receivable which is due from individual policyholders and intermediaries (brokers and agents). The brokers and agents collect premium from policyholders and remit the monies to the insurer in accordance with contractual arrangements. The recoverability of premium receivable is assessed and provision is made for impairment based on objective evidence and having regard to past default experience.

(d) 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. 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 FOR THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 30. RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(ii) Interest rate risk

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

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

(iii) Equity price risk

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

- a) Diversifying the investments portfolio across assets classes;
- b) Diversifying the equity and debt portfolios across sectors and securities to the prescribed limit;
- c) Proper asset (stock) selection based on relative value after a research process; and
- d) Appropriate investments limits that covers asset allocation, concentration, regional location and currency.

(b) Credit risk

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

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

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

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

(c) Liquidity risk

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

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

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.

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 30. RISK MANAGEMENT (CONT'D)

(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 authorized underwriter of insurance risks, the group is subject to license and regulatory control by RBF and RBV.

The salaries and wages payable to workers are subject to the Wages Regulations 2017 and the Employment Relations Act.

NOTE 31. MATURITY ANALYSIS

The following analysis of monetary assets and liabilities as at 31 December 2018 and 2017 is based on contractual terms.

	31 December 2018 - 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	6,450,976	-	-	-	6,450,976
Trade and other receivables	-	8,654,305	37,733	166,582	8,858,620
Financial assets at fair value through profit or loss	-	-	2,183,175	-	2,183,175
Held-to maturity investments	-	219,579	9,581,615	197,668	9,998,862
	6,450,976	8,873,884	11,802,523	364,250	27,491,633
Liabilities					
Trade and other payables		1,845,944			1,845,944
Insurance contract liabilities, net of unearned premium		4,774,912			4,774,912
Current tax liability			110,538		110,538
		6,620,856	110,538		6,731,394
31 December 2017 - 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	3,293,226	-	-	-	3,293,226
Trade and other receivables	-	4,309,845	21,896	159,236	4,490,977
Financial assets at fair value through profit or loss	-	-	2,063,472	-	2,063,472
Held-to maturity investments	-	625,863	5,192,825	497,668	6,316,356
Current tax assets	-	-	94,906	-	94,906
	3,293,226	4,935,708	7,373,099	656,904	16,258,937
Liabilities					
Trade and other payables	-	1,134,850	-	-	1,134,850
Insurance contract liabilities, net of unearned premium	-	2,515,691	-	-	2,515,691
	-	3,650,541	-	-	3,650,541

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2018 [CONT'D]

NOTE 32. SIGNIFICANT EVENT DURING THE YEAR

During the year:

- (i) FijiCare Insurance Limited received a Bidder's Statement on 6 February 2018 from Mount Sophia Investments (Fiji) Pte Limited in respect of between 75% and 80% of its issued shares. The holding company responded with a Target's Statement on 1 March 2018 in which the independent director, Mr Tukana Bovoro, recommended acceptance by shareholders. On 26 April 2018, FijiCare Insurance Limited announced that the takeover was completed successfully with Mount Sophia Investments (Fiji) Pte Limited acquiring 6,150,879 shares representing 75% shareholding of the company. Mr Avinesh Raju of Mount Sophia Investments (Fiji) Pte Limited was appointed as the Chairman of the Board on 28 April 2018 succeeding Mr Philipp Thomas. The acquisition did not significantly alter the strategy or operations of the holding company.
- (ii) On 20 June 2018, the holding company sold all its shareholding in the subsidiary company, FijiCare Medical Centre Pte Limited to director related entity, Premium Holdings (Fiji) Pte Limited for a consideration of \$10,273. Effective from 20 June 2018, FijiCare Medical Centre Pte Limited is no longer a subsidiary entity of the group.

Apart from the above, no other matters or circumstances have arisen since the end of the financial period which would require adjustment to, or disclosure in financial statements

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 authorized for issue on 28 March 2019.



South Pacific Stock Exchange - Listing Requirements

(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 2018



Avi Raju



Peter McPherson



Tukana Bovoro

Direct Interest (Number of Shares)	0	0	14,293
Indirect Interest (Number of Shares)	6,415,433	346,429	0

2. Distribution Of Ordinary Shareholders:

Distribution Of Shareholding	Total	Total % Holding
Less Than 500	13,268	3.16%
501 to 5,000	41	0.75%
5,001 to 10,000	9	0.78%
10,001 to 20,000	6	1.03%
20,001 to 30,001	5	1.32%
30,001 to 40,000	0	0.00%
40,001 to 50,000	0	0.00%
50,001 to 100,000	1	0.93%
100,001 to 1,000,000	5	16.43%
Over 1,000,000	1	75.62%
Total	13,336	100%

SHARE REGISTER

Central Share Registry Pte Limited
 Shop 1 and 11, Sabrina Building,
 Victoria Parade, Suva.
 GPO Box 11689
 Suva, Fiji.

South Pacific Stock Exchange - Listing Requirements [Cont'd]

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

VanCare Insurance Limited		
	2018	2017
	\$	\$
Revenue	2,238,148	1,541,321
Other income	29,863	19,772
Less :		
Depreciation	(8,885)	(7,850)
Other expenses	(1,443,914)	(1,161,904)
Income tax expense	-	-
	815,212	391,339
Add loan from parent company written off/forgiven	-	-
Total comprehensive income/(loss) for the year	815,212	391,339
	2018	2017
Total Assets	4,369,635	3,006,870
Total Liabilities	2,892,903	2,340,441
Shareholders Equity	1,476,732	666,429



South Pacific Stock Exchange - Listing Requirements

[Cont'd]

4. Top Twenty Shareholders

As of 31st December 2018, the twenty largest shareholders held 8,105,382 shares which is equal to 95.54% of the total issued 8,484,194 fully paid shares.

1 Mount Sophia Ventures (Fiji) PTE Limited 6,415,433	2 Unit Trust of Fiji (Trustee Company) Ltd 455,222
3 Stronghold Investment Inc 346,429	4 Platinum Insurance Limited 259,413
5 Capital Insurance Limited 191,330	6 FHL Media Limited 141,472
7 Tutanekai Investments Limited 78,483	8 CEPAC Secretariat 24,407
9 Oceania Marist Province 22,561	10 Fijian Development Fund Board 21,787
11 Ken Kung 21,652	12 Sowani Tuidrola & Makereta b Tuidrola 21,427
13 Jimaima T Schultz 20,000	14 Griffon Emose 17,616
15 Arivakisati Bovoro 14,293	16 Honwing William Yee 12,993
17 Mehboob Raza Raza 11,690	18 Fazal Khan 10,615
19 Julianne Verma 9,348	20 Jitendra Thakorlal Narsey 9,211

South Pacific Stock Exchange - Listing Requirements [Cont'd]

5. Disclosure under Section 6.31 (xii):

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

	2018	2017	2016	2015	2014
Net Profit / (Loss) after Tax	3,458,967	1,531,971	722,778	774,115	534,709
Current Assets	28,327,379	16,571,580	13,069,832	11,087,480	10,758,345
Non - Current Assets	3,523,880	3,416,455	2,626,917	2,744,372	2,000,433
Total Assets	31,851,259	19,988,035	15,696,749	13,831,852	12,758,778
Current Liabilities	20,247,477	11,665,814	9,161,708	7,975,386	7,858,404
Non - Current Liabilities	146,636	142,205	74,336	68,225	0
Total Liabilities	20,394,113	11,808,019	9,236,044	8,043,611	7,858,404
Shareholders Equity	11,457,146	8,180,016	6,460,705	5,788,241	4,900,374

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

	2018	2017	2016	2015	2014
Net Profit / (Loss) after Tax	2,730,213	1,260,356	664,423	1,255,693	579,124
Current Assets	24,516,873	14,339,006	11,285,820	9,808,759	10,171,437
Non - Current Assets	3,837,455	3,957,095	3,361,118	3,461,545	2,505,462
Total Assets	28,354,328	18,296,101	14,646,938	13,270,304	12,676,899
Current Liabilities	17,619,411	10,230,859	7,855,260	7,109,108	7,789,359
Non - Current Liabilities	146,636	142,338	73,680	67,579	0
Total Liabilities	17,766,047	10,373,197	7,928,940	7,176,687	7,789,359
Shareholders Equity	10,588,281	7,922,904	6,717,998	6,093,617	4,887,540

South Pacific Stock Exchange - Listing Requirements

[Cont'd]

6. Disclosure under Section 6.31 (xiii) (a):

Dividend declared per share:

	2018	2017	2016	2015	2014
Cents per share	0.08	0.04	0.04	0.04	0.04

7. Disclosure under Section 6.31 (xiii) (b):

Dividend declared per share:

	2018	2017	2016	2015	2014
Cents per share	0.08	0.04	0.04	0.04	0.04

Earnings / (Loss) per share (Consolidated):

Basic Earnings / (Loss) per share

	2018	2017	2016	2015	2014
Cents per share	41.14	19.06	9.50	10.77	7.90

Diluted earnings / (Loss) per share

	2018	2017	2016	2015	2014
Cents per share	41.14	19.06	9.50	10.77	7.90

7. Disclosure under Section 6.31 (xiii) (c):

Net tangible assets per share (Group):

	2018	2017	2016	2015	2014
Cents per share	1.34	1.00	0.82	0.77	0.67

8. Disclosure under Section 6.31 (xiii) (d):

Share price during the year (Cents per share)	2018
Highest	1.55
Lowest	1.16
On 31st December	1.55

South Pacific Stock Exchange - Listing Requirements [Cont'd]

9. 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 minimize cost three Board of Directors meeting were conducted via teleconferencing.

Director	Number of Meetings Entitled To Attend	Number of Meetings Attended	Number of Meetings Apology Given
Mr. Avi Raju	4	4	Appointed - 28/04/2018
Mr. Peter McPherson	7	7	n/a
Mr. Tukana Bovorov	7	7	n/a
Mr. Carl Philipp Thomas	4	4	Resigned - 28/04/2018
(Company Secretary) Mr. Victor Robert	7	7	n/a

The Board met 7 times during the financial year ended 31st December 2018



South Pacific Stock Exchange - Listing Requirements [Cont'd]

10. Disclosure under Section 6.31 (vii):

Listed Securities	Quantity	Current Value	Total Value
PARADISE BEVERAGES (FIJI) LIMITED	13,848	13.00	180,024
ATLANTIC & PACIFIC PACKAGING CO LTD	23,000	1.50	34,500
R.B PATEL & CO	62,500	5.70	356,250
COMMUNICATIONS FIJI LIMITED	35,000	5.40	189,000
AMALGAMATED T/COM HOLDINGS LTD	66,422	3.20	212,550
RICE COMPANY OF FIJI	22,000	6.50	143,000
FIJI TELEVISION LIMITED	12,085	2.39	28,883
FMF FOODS LTD	191,147	2.10	401,409
V.B HOLDINGS	3,143	7.75	24,358
PLEASS BEVERAGES	60,000	2.45	147,000
TOYOTA TSUSHO	10,000	7.25	72,500
VISION INVESTMENTS LTD	50,000	4.14	207,000
KONTIKI FINANCE LTD	100,000	0.97	97,000
TOTAL			2,093,475

Unlisted Securities	Quantity	Current Value	Total Value
THE FIJI GAS COMPANY LIMITED	3,310 \$	27.10	89,701
TOTAL			89,701



FijiCare Insurance Limited
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Suva, Fiji.

PO Box 15808, Suva, Fiji.

Phone: 3302 717

Fax: 3302 119

Email: fijicare@connect.com.fj

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