


FIJIFIRST
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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**FIJIFIRST
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

CONTENTS	PAGE NO
Table of Contents	1
Report of the Central Executive Committee	2 - 3
Statement by the Central Executive Committee	4
Independent Auditor's Report	5 - 6
Income and Expenditure Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Financial Accounts	10 - 14

REPORT OF THE CENTRAL EXECUTIVE COMMITTEE

In accordance with the requirements of Section 26 of the Political Parties (Registration, Conduct, Funding and Disclosures) Act 2013, the management herewith submit the financial accounts of FijiFirst (the party) which comprise balance sheet of the party as at 31 December 2022, the income and expenditure account and cash flow statement for the year then ended on that date and report as follows:

FijiFirst

FijiFirst is a political party registered in Fiji under Section 10 of the Political Parties (Registration, Conduct, Funding and Disclosures) Act 2013 (the Act).

As at the date of this report, the party is 'In Suspension' for non-compliance with the requirements under the Act for submission of annual audited accounts for the year ended 31 December 2022. The party is confident that suspension will be lifted immediately upon submission of the annual audited accounts for the year ended 31 December 2022 to the Registrar of Political Parties. Previously, suspension of certain other political parties was lifted immediately upon submission of the required documents.

The head office of the party is situated at 96, Brown Street, Suva.

The objectives and activities of the party include:

- to uphold and implement the Fijian Constitution,
- advancement of the well being of the people of Fiji,
- the promotion of the election to Parliament of candidates endorsed by the party,
- civic improvements generally, and
- to serve the best interest of Fijians.

Central Executive Committee

Central Executive Committee oversees and manages the affairs of the party. The following officials represented the Central Executive Committee during the year:

Leader	:	Rear Admiral (Retired) Josia Voreqe Bainimarama
President	:	Adi Tema Varo
General Secretary	:	Mr Aiyaz Sayed-Khaiyum
Treasurer	:	Mr Augustine Sami

Financial Overview

The party has recorded net deficit amounting to \$1,656,663 for the year ended 31 December 2022 (2021: net surplus of \$146,729).

Cash on hand and at bank balance as at 31 December 2022 was \$252,761 (2021: \$846,828).

Net liabilities as at 31 December 2022 was \$1,025,544 (2021: net assets of \$631,119).

Basis of Accounting

As at 31 December 2022, the party has a net liability position of \$1,025,544 and a working capital deficiency of \$1,356,519. Notwithstanding this position, the financial accounts have been prepared on a going concern basis of accounting.

The party has plans to raise adequate funding by way of donations after lifting of the current suspension, and settle its current overdue payable balances and meet its other commitments as and when it arises. The party is also negotiating with certain suppliers for further time for settlement of overdue balances, and the party is confident that extended time at normal commercial terms will be allowed by the suppliers. Based on these assumptions together with support from party workers and party supporters, the Central Executive Committee and management has concluded that the going concern basis of accounting remains appropriate for the preparation of these financial accounts.

REPORT OF THE CENTRAL EXECUTIVE COMMITTEE (CONT'D)

Events Subsequent to Balance Date

On 17 May 2023, the Acting Registrar of Political Party issued Notice of Suspension to the Party for non-compliance with the requirements under the Act for submission of annual audited accounts for the year ended 31 December 2022 by due date. The party is confident that suspension will be lifted immediately upon submission of the annual audited accounts for the year ended 31 December 2022 to the Registrar of Political Parties.

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

Signed for and on behalf of the Central Executive Committee.

Dated this 9th day of June 2023.



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President



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Treasurer


STATEMENT BY THE CENTRAL EXECUTIVE COMMITTEE


In accordance with a resolution of the Central Executive Committee of FijiFirst (the party), we state that in the opinion of the Executive Committee members:

- [i] the accompanying income and expenditure account of the party is drawn up so as to give a true and fair view of the financial results of the party for the year ended 31 December 2022;
- [ii] the accompanying balance sheet of the party is drawn up so as to give a true and fair view of the state of affairs of the party as at 31 December 2022;
- [iii] the accompanying cash flow statement of the party is drawn up so as to give a true and fair view of the cash flows of the party for the year ended 31 December 2022;
- [iv] all income, including income from from donations, fundraising and membership registration fees, have been receipted and recorded in the books of account; and
- [v] except for non-compliance with the requirements under the Act for submission of annual audited accounts for the year ended 31 December 2022, to the best of our information and knowledge, the party has complied with all the provisions of the Political Parties (Registration, Conduct, Funding and Disclosures) Act 2013.

Signed for and on behalf of the Central Executive Committee.

Dated this 9th day of June 2023.


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President


.....
Treasurer

INDEPENDENT AUDITOR'S REPORT

Page 5

To the Leadership Committee of FijiFirst

Report on the Audit of the Financial Accounts

Qualified Opinion

We have audited the accompanying financial accounts of FijiFirst (the party), which comprise the balance sheet of the party as at 31 December 2022, the related income and expenditure account and cash flow statement for the year ended 31 December 2022, and a summary of significant accounting policies.

In our opinion, except for the possible effects, if any, of the inherent limitations described in the basis for qualified opinion section of our report, the financial accounts give a true and fair view of the financial position of FijiFirst as at 31 December 2022, and of its income and expenditure account and cash flow statement for the year then ended in accordance with the requirements of the Political Parties (Registration, Conduct, Funding and Disclosures) Act 2013.

Basis for Qualified Opinion

Due to the nature of the transactions inherent in any political party and due to inherent limitations, it is not practicable for the party to establish accounting controls over donations and fundraising prior to its receipts. Accordingly, it is not practicable for our examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the party.

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 Accounts* section of our report. We are independent of the party 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 accounts 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 qualified opinion.

Emphasis of Matter - Going Concern Basis of Accounting

We draw attention to Note 2(c) to the financial accounts which describes the net liability position and working capital deficit as at balance date. As stated in Note 2(c), these conditions indicate uncertainty that may cast doubt on the going concern basis of accounting. Our opinion is not further modified in respect of this matter.

Central Executive Committee's and Management's Responsibility for the Financial Accounts

The Central Executive Committee and management are responsible for the preparation and fair presentation of the financial accounts in accordance with the requirements of the Political Parties (Registration, Conduct, Funding and Disclosures) Act 2013, and for such internal control as the Central Executive Committee and management determines is necessary to enable the preparation of financial accounts that is free from material misstatements, whether due to fraud or error.

In preparing the financial accounts, the Central Executive Committee and management are responsible for assessing the party's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Central Executive Committee and management are responsible for overseeing the party's financial reporting process.

To the Leadership Committee of FijiFirst (Cont'd)**Auditor's Responsibilities for the Audit of the Financial Accounts**

Our objectives are to obtain reasonable assurance about whether the financial accounts 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 accounts.

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

- Identify and assess the risks of material misstatement of the financial accounts, 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 party'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 Central Executive Committee's and management's 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 party'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 accounts 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.
- Evaluate the overall presentation, structure and content of the financial accounts, including the disclosures, and whether the financial accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Central Executive Committee and management 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 Central Executive Committee and management 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.



	Notes	2022	2021
INCOME			
Donations	4	\$ 2,227,807	30,000
Interest		635	778
Funding for parliamentary office	5	337,500	405,000
Legal fees recovered		-	7,500
Total income		2,565,942	443,278
EXPENDITURE			
Audit fee		8,500	5,309
Bank charges		1,928	898
Campaigning expenses	11	3,397,714	-
Depreciation		61,610	24,504
Electricity and water		6,668	1,245
Fijian Elections Office - candidate registration		55,000	-
FNPF contributions		8,666	6,380
Insurance		7,451	1,844
Legal fees		-	218
Motor vehicle expenses		54,369	9,740
Office rent		71,285	35,280
Office supplies, printing and stationeries		51,839	8,815
Penalties and fines		340	-
Polling agent allowance		38,565	-
Repairs and maintenance		21,268	1,770
Salaries and wages		176,220	141,059
Social media and website		55,857	13,869
Telephone and internet		65,741	16,796
Travel and accommodation		70,797	450
Volunteer allowances and expenses		68,787	28,372
Total expenditure		4,222,605	296,549
Net surplus / (deficit) for the year		(1,656,663)	146,729
Net surplus at the beginning of the financial year		631,119	484,390
Net surplus / (deficit) at the end of the financial year		\$ (1,025,544)	631,119

The accompanying notes form an integral part of this income and expenditure account.


	<u>Notes</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS			
Cash on hand and at banks	6	\$ 252,761	846,828
Term deposit	7	21,718	21,240
Receivables	8	17,412	12,496
Total current assets		<u>291,891</u>	<u>880,564</u>
NON-CURRENT ASSETS			
Plant and equipment	9	330,975	7,350
Total non-current assets		<u>330,975</u>	<u>7,350</u>
TOTAL ASSETS		<u>622,866</u>	<u>887,914</u>
CURRENT LIABILITIES			
Payables and accruals	10	1,648,410	20,545
Deferred income - funding for Parliamentary Office	5	-	236,250
Total current liabilities		<u>1,648,410</u>	<u>256,795</u>
TOTAL LIABILITIES		<u>1,648,410</u>	<u>256,795</u>
NET ASSETS / (LIABILITIES)		<u>(1,025,544)</u>	<u>631,119</u>
ACCUMULATED FUNDS			
Accumulated surplus / (deficit)		(1,025,544)	631,119
TOTAL ACCUMULATED FUNDS / (FUNDS DEFICIT)		<u>\$ (1,025,544)</u>	<u>631,119</u>

The accompanying notes form an integral part of this balance sheet.

Signed for and on behalf of the Central Executive Committee.

Dated this 9th day of June 2023.


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President


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Treasurer

FIJIFIRST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

Page 9

	2022 Inflows/ (Outflows)	2021 Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from donors, contributors and funding, net	\$ 2,329,057	435,000
Payments to suppliers of goods and services	(2,538,030)	(272,514)
Cash (used in) / generated from operations	(208,973)	162,486
Interest received, net of withholding tax	619	692
Net cash (used in) / provided by operating activities	(208,354)	163,178
Cash flows from investing activities		
Payments for plant and equipment	(385,235)	(280)
Payments for term deposit and interest reinvestment, net	(478)	(422)
Net cash used in investing activities	(385,713)	(702)
Net (decrease) / increase in cash and cash equivalents	(594,067)	162,476
Cash and cash equivalent at the beginning of the year	846,828	684,352
Cash and cash equivalents at the end of the year	\$ 252,761	846,828

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

NOTE 1. GENERAL INFORMATION

FijiFirst is a political party registered in Fiji under Section 10 of the Political Parties (Registration, Conduct, Funding and Disclosures) Act 2013 (the Act).

Currently, the party is 'In Suspension' for non-compliance with the requirements under the Act for submission of annual audited accounts for the year ended 31 December 2022. The party is confident that suspension will be lifted immediately upon submission of the annual audited accounts for the year ended 31 December 2022 to the Registrar of Political Parties. Previously, suspension of certain other political parties was lifted immediately upon submission of the required documents.

The head office of the party is situated at 96, Brown Street, Suva.

The objectives and activities of the party include:

- to uphold and implement the Fijian Constitution,
- advancement of the well being of the people of Fiji,
- the promotion of the election to Parliament of candidates endorsed by the party,
- civic improvements generally, and
- to serve the best interest of Fijians.

NOTE 2. BASIS OF PREPARATION

a) Basis of Preparation

The financial accounts have been prepared in accordance with the principles of accounting having regards to the purpose of the Act.

The financial accounts have been prepared under the historical cost convention.

Except for recognition of income from donations, fundraising and membership registration fees which have been brought to account on a cash receipt basis, the financial accounts have been prepared on the accrual basis of accounting.

b) Presentation Currency

All amounts are stated in Fijian dollar currency.

c) Basis of Accounting

As at 31 December 2022, the party has a net liability position of \$1,025,544 and a working capital deficiency of \$1,356,519. Notwithstanding this position, the financial accounts have been prepared on a going concern basis of accounting.

The party has plans to raise adequate funding by way of donations after lifting of the current suspension, and settle its current overdue payable balances and meet its other commitments as and when it arises. The party is also negotiating with certain suppliers for further time for settlement of overdue balances, and the party is confident that extended time at normal commercial terms will be allowed by the suppliers. Based on these assumptions together with support from party workers and party supporters, the Central Executive Committee and management has concluded that the going concern basis of accounting remains appropriate for the preparation of these financial accounts.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Income Recognition

a) Donations, Fundraising and Membership Registration Fees

Donations, fundraising and membership registration fee income are recognized as income on cash receipt basis.

b) Funding for Parliamentary Office

Funding received from the Parliament for the staffing and running of Parliamentary Office of the party is recognized in the financial accounts when the right to receive funding is established and confirmed.

In accordance with the general principles of accounting, the funding for Parliamentary Office is initially deferred and recognized as income over the period for which the funding is allocated for. Refer Note 5.

c) Interest Income

Interest income is recognised on an accrual basis.

3.2 Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation.

Plant and equipment is depreciated on a straight-line method over their estimated useful lives using the following rates:

- Office equipment - 10%
- Motor vehicles - 20%
- Computer equipment - 20%

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

3.3 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand and cash balances in banks that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash balances also include cash balance held under mobile money accounts of M-PAiSA and MyCash.

3.4 Payables and Accruals

Payables and accruals are recognised when the party becomes obliged to make future payments resulting from the purchase of goods and services and activities of the party.

3.5 Taxation

Income of the party is exempt from income tax in accordance with Part 7 of the Income Tax (Exempt Income) Regulations 2016.

3.6 Value Added Tax

The party is not making any taxable supplies and is not required to be registered for VAT. Accordingly, all vatable expenses and plant and equipment are stated at VAT inclusive values.

NOTE 4. DONATIONS

	<u>2022</u>	<u>2021</u>
Donations	\$ 2,227,807	30,000

Donations comprise money received from individuals. There was no revenue from fundraising activities or membership registration fees.

There were no donations in kind for the year ended 31 December 2022 (2021: \$Nil).

NOTE 5. DEFERRED INCOME - FUNDING FOR PARLIAMENTARY OFFICE

Opening balance	236,250	236,250
Fund received from the Parliament of the Republic of Fiji	101,250	405,000
Recognised as income in Income and Expenditure Account	<u>(337,500)</u>	<u>(405,000)</u>
Deferred income	<u>-</u>	<u>236,250</u>

Deferred income represents the grant funds received from the Parliament of the Republic of Fiji to provide funding for staffing and running Parliamentary Office of the party. (Refer Note 3.1 (b) for the accounting policy). Deferred income of \$236,250 as at 31 December 2021 was in respect to 7 month period 1 January 2022 to 31 July 2022, and has been recognised as income for the year ended 31 December 2022. Furthermore, the funding of \$101,250 was received during 2022 for the months of August 2022 to October 2022. No further funding was received for 2022.

NOTE 6. CASH ON HAND AND AT BANKS

Cash on hand	1,610	1,400
Cash at bank - HFC Bank	206,989	799,540
Cash at bank - BSP Bank	1,132	19,775
Cash at bank - Westpac Bank	223	25,130
Cash at bank - ANZ Bank	42,226	983
Vodafone M-PAiSA Account	242	-
Digicel My Cash Account	339	-
	<u>252,761</u>	<u>846,828</u>

NOTE 7. TERM DEPOSIT

ANZ Bank - Term Deposit	<u>21,718</u>	<u>21,240</u>
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NOTE 8. RECEIVABLES

Interest Withholding Tax Receivable	3,721	3,705
Rental bond	6,191	1,291
R Patel Lawyers - Trust Account	<u>7,500</u>	<u>7,500</u>
	<u>\$ 17,412</u>	<u>12,496</u>

NOTE 9. PLANT AND EQUIPMENT

	Office equipment	Motor vehicles	Computer equipment	Total
	\$	\$	\$	\$
Cost				
As at 31 December 2020	31,993	195,141	22,031	249,165
Acquisitions	280	-	-	280
As at 31 December 2021	32,273	195,141	22,031	249,445
Acquisitions	42,577	310,800	31,858	385,235
As at 31 December 2022	74,850	505,941	53,889	634,680
Accumulated Depreciation				
As at 31 December 2020	22,647	181,397	13,547	217,591
Depreciation for the year	6,354	13,744	4,406	24,504
As at 31 December 2021	29,001	195,141	17,953	242,095
Depreciation for the year	6,129	50,507	4,974	61,610
As at 31 December 2022	35,130	245,648	22,927	303,705
Net book value				
As at 31 December 2021	3,272	-	4,078	7,350
As at 31 December 2022	39,720	260,293	30,962	330,975

NOTE 10. PAYABLES AND ACCRUALS

	2022	2021
Payables	\$ 1,639,910	15,245
Accruals	8,500	5,300
Total payables and accruals	\$ 1,648,410	20,545

Payable balances includes certain cheques processed during December 2022, but not released to the supplier of goods and services as at balance date. Furthermore, payable balance include certain undated cheques provided to a supplier of services. These cheques have not been recorded (as payments) in the cash books and under the bank accounts, and the relevant payable balances are part of the above payable balances.

NOTE 11. CAMPAIGNING EXPENSES

The campaigning expenses are in respect to campaigning for the 2022 general elections, and include:

- Advertisements in newspapers and other media, banners, billboards and flyers.
- Merchandise and promotional items such as USB, wristbands, bangbangs, sulus and t-shirts.
- Meetings, rallies and pocket meetings.
- Travelling and accommodation, rental cars, transportation and others for meetings and rallies.

6,120 promotional sulus remaining in stock as at balance date has been fully expensed as its timing of realization and realizable value cannot be determined with reasonable certainty.

NOTE 12. COMMITMENTS

- a) Capital expenditure commitments as at 31 December 2022 amounted to \$Nil (2021: \$Nil).
- b) Operating lease expenditure relates to rental payments for lease of building spaces. In December 2022 and January 2023, the term of these leases have either been completed or terminated except for Suva office for which the party is committed to pay rental of \$2,500 per month until April 2024.

NOTE 13. CONTINGENT LIABILITIES

Contingent liabilities as at 31 December 2022 amounted to \$Nil (2021: \$Nil).

NOTE 14. EVENTS SUBSEQUENT TO BALANCE DATE

On 17 May 2023, the Acting Registrar of Political Party issued Notice of Suspension to the Party for non-compliance with the requirements under the Act for submission of annual audited accounts for the year ended 31 December 2022 by due date. The party is confident that suspension will be lifted immediately upon submission of the annual audited accounts for the year ended 31 December 2022 to the Registrar of Political Parties.

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

NOTE 15. COMPARATIVES

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