FijiCare

ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2010

Insurance Limited

"better health for Fiji"

FijiCare
INSURANCE LIMITED

Chairman's Report

2010 was an important building year for FijiCare.

Financial Result:

- The 2010 has recorded a loss of $36,265 after tax. This result is a positive turnaround from the 2009 year loss of $248,651.

Operational Issues:

- In 2010, the board and management set about rebuilding the core base, products and values in the business.
- The key driver was to invest into the future.
- To secure guaranteed growth we continued in our two new markets, Motor and Marine.
- Our Medical and Life portfolios performed well given the continuing competition in these markets. Our Funeral an Mortgage Protection products have proven popular.
- The FIL Medical Clinic has continued to grow its client's base, both FIL and direct patients and continued its contribution in claims assessing assistance.
- During the year we were able to improve our general insurance reinsurance treaty and this will improve the bottom line profit in the coming years.

New Products:

- FIL investigated and identified two new products to add to the current product line. Those products are Marine and Motor.

Marine:

- Unfortunately the marine project failed due to a larger than expected claims experience due to cyclone and our reluctant and poorly organised marine insurance specialist resource. We exited the marine business within the first year of operations as we could not see a clear path to success.

Motor:

- The entry into motor as a larger potential market was a more stable entry. Although our premium estimates and reinsurance advice did not perform as expected.
- The Motor portfolio underwriting loss was significant for the year. However in the past few months we have started to see a significant turnaround as we continue to write new business.
- The board and management are confident that the motor product will prove to be a net contributor to future profits.

Regulation:

- New and more demanding regulation from the RBF and SPSE continues to challenge our management team including improved corporate governance and more detailed disclosure rules and whilst we think these are positive moves it does place more pressure on the business in terms of producing additional information.

The Future:

The board and management will continue the rebuilding of company's position in the marketplace.
Key drivers in 2011 will be:

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WESTERN BRANCH: Level 1 Shop 5 Airport Central Building, Namaka Lane, Namaka. P.O. Box 4179, Nadi, Fiji Islands.
Ph: (679) 672 7348 • Fax: (679) 672 7326 • Mobile: 999 1773 • Email: nadi@fijicare.com.fj
FIL website: www.fijicare.com.fj

- Improving our service delivery to policyholders.
- A review of our IT systems and office procedures to position us to develop a new IT platform to ensure our business stays at the forefront in the insurance market.
- Strong market activities to increase the new motor portfolio premium base.
- And a constant review of new products that will complement and enhance our offerings to the people of Fiji.

Management & Staff:
I wish to thank the enormous effort put in over the past 12 months by our management and staff.

Ross Porter
Chairman

CORPORATE GOVERNANCE

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

Principle	FIL Comments
Establish Clear Responsibilities for Board Oversight	The FIL's Memorandum & Articles of Association sets out the powers and duties of directors in terms of managing the company effectively& efficiently. Board Charter clearly sets out the objectives of the Board.
Constitute as effective Board	The FIL's Memorandum & Articles of Association specifies the number of Directors may be not less than the number required by the Corporations Act, nor more than nine. The Board currently comprises of 4 directors: Ross Porter – Chairman Peter McPherson – Managing Director Joeli Randio- Director Philipp Thomas- Independent Director
Appointment of Chief Executive Officer	Directors are expected to exercise due diligence in appointing Managing Director & such executive appointments are made by the Board.
Board & Company Secretary	FIL as a public listed company has appointed suitable qualified & competent board secretary. The company secretary maintains a close link with the Board & Executive officers and the company to ensure all duties & responsibilities are effectively discharged.
Timely and Balanced Disclosure	FIL complies with its disclosure obligations under the SPSE Listing Rules and the Companies Act, has in place well developed procedures for dealing with compliance.
Promote Ethical & Responsible Decision Making	FIL promotes and believes that all directors and employees uphold high ethical standards, honesty, fairness and equity in all aspects of their employment and association with the company.
Register of interests	Directors and officers of the company are obliged to disclose any conflicts of interest that may arise in the course of the business.
Respect the rights of shareholders	An Annual General Meeting is held every year in accordance with the Articles of Association & shareholders are encouraged to participate. The Annual Report is also published each year & circulated to the shareholders prior to the AGM.
Accountability & Audit	FIL is audited annually by independent auditors who provide their report to the shareholders. The Audit Committee is responsible for overseeing the financial reporting and disclosure process, performance and independence of the external auditors, reviewing adequacy of the internal audit function and discussing risk management policies and practices with management.

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.
Reinsurance Management Strategy	As part of FIL's overall Risk Management Policy, this specific Reinsurance Management Policy manages the selection, implementation, monitoring, review, control and documentation of reinsurance arrangements.
Business Continuity Policy/ Disaster Recovery Plan	BCP reduces FIL's exposure to losses caused by all types of disasters. Definition of disaster is any event that will significantly and negatively affect the operations (or any aspect) of FIL. The BCP outlines a general strategy to be used by FIL for the continuation of our services to our customers & shareholders in the event of the operational shutdown of: • The FijiCare Insurance Limited; • Any subordinate office(s) within the FIL hierarchy.

FIJICARE INSURANCE LIMITED
AND SUBSIDIARY COMPANY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the statement of financial position of the company and of the group as at 31 December 2010, the related statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended on that date and report as follows:

Directors

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

Ross Porter – Chairman, FAICD	Peter McPherson, Grad Dip Mgt, JP (Aust.)
Carl Philipp Thomas	Joeli Radio

Principal Activities

The principal activities of the holding company during the year were that of underwriting of medical, health, workers compensation, personal accident, term life and general insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating medical clinic and medical centre.

Results

The loss after income tax of the company for the year was $14,789 (2009: $284,121). Total loss, including comprehensive loss, for the year was $42,763 (2009; $294,345).

The consolidated loss after income tax attributable to the members of the company for the financial year was $36,265 (2009: $248,651). Total consolidated loss, including comprehensive loss, for the year was $64,239 (2009; $258,875).

Dividends

The directors did not declare or propose any dividends to be paid for the year ended 31 December 2010.

Reserves

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

Bad and Doubtful Debts

Prior to the completion of the company's and group's financial statements, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of allowance for doubtful debts. In the opinion of the directors, adequate allowance has been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for doubtful debts in the company or the group, inadequate to any substantial extent.

DIRECTORS' REPORT [CONT'D]

Non - Current Assets

Prior to the completion of the financial statements of the company and the group, the directors took reasonable steps to ascertain whether any non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the 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 non-current assets in the company's and the group's financial statements misleading.

Unusual Transactions

In the opinion of the directors, the results of the operations of the group or any company in 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 group or any company in the group in the current financial year.

Significant Events during the Year

During the year, effective from 1 August 2010, certain general insurance services were made subject to Value Added Tax. Accordingly, marine insurance and motor vehicle insurance became subject to VAT effective from 1 August 2010.

Medical and health insurance, term life and worker's compensation remains VAT exempt activities.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group or the company, the results of those operations, or the state of affairs of the group or the company in future financial years.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of any company in the group has been given since the end of the financial year to secure the liabilities of any other person;

(ii) no contingent liabilities have arisen since the end of the financial year for which any company in the group could become liable; and

(iii) no contingent liabilities or other liabilities of any company in the group has become or is 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 company or 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 company and the group misleading or inappropriate.

DIRECTORS' REPORT [CONT'D]

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements of the company and the group) by reason of a contract made by any company in the group or by a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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

Dated this 29th day of April 2011.

....
Director

....
Director

STATEMENT BY DIRECTORS

In accordance with a resolution of the board of directors of FijiCare Insurance Limited, we state that in the opinion of the directors:

[i] the accompanying statement of comprehensive income of the company and of the group is drawn up so as to give a true and fair view of the results of the company and of the group for the year ended 31 December 2010;

[ii] the accompanying statement of changes in equity of the company and of the group is drawn up so as to give a true and fair view of the changes in equity of the company and of the group for the year ended 31 December 2010;

[iii] the accompanying statement of financial position of the company and of the group is drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 31 December 2010;

[iv] the accompanying statement of cash flow of the company and of the group is drawn up so as to give a true and fair view of the cash flows of the company and of the group for the year ended 31 December 2010;

[v] the financial statements have been properly prepared in accordance with International Financial Reporting Standards;

[vi] at the date of this statement, there are reasonable grounds to believe that the company and the group will be able to pay their debts as and when they fall due; and

[vii] all related party transactions have been adequately recorded in the books of the company and the group.

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

Dated this 29th day of April 2011.

....
Director

....
Director

G. LAL + CO.

CHARTERED ACCOUNTANTS

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Telephone: (679) 331 4300
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E-mail: info@glal.com.fj
Offices in Suva and Lautoka

INDEPENDENT AUDITOR'S REPORT

To the members of FijiCare Insurance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of FijiCare Insurance Limited (holding company) and the group, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statements of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 8 to 40.

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

Directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion:

(a) proper books of account have been kept by the holding company and the group, so far as it appears from our examination of those books; and

(b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:

   i) are in agreement with the books of account;

   ii) to the best of our information and according to the explanations given to us:

      (a) give a true and fair view of the state of affairs of the holding company and of the group as at 31 December 2010 and of the results, cash flows and changes in shareholders' equity of the holding company and of the group for the year ended on that date; and

      (b) give the information required by the Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

SUVA, FIJI
29 APRIL 2011

CHARTERED ACCOUNTANTS.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

		Consolidated		Holding Company	
	Notes	2010	2009	2010	2009
		$	$	$	$
Revenue	5	6,885,390	6,311,214	6,767,161	6,220,510
Incurred claims		(4,251,271)	(3,915,989)	(4,410,416)	(4,082,369)
Commission expense, net	6	(901,641)	(885,751)	(901,641)	(885,751)
Other direct costs		(174,769)	(166,261)	-	-
Gross profit		1,557,709	1,343,213	1,455,104	1,252,390
Other revenue	7	392,950	380,115	399,354	380,115
		1,950,659	1,723,328	1,854,458	1,632,505
Advertising and promotion expenses		(37,498)	(55,202)	(35,855)	(54,946)
Other operating expenses		(1,973,406)	(1,954,899)	(1,857,372)	(1,899,802)
Finance costs		(7,355)	-	(7,355)	-
		(2,018,259)	(2,010,101)	(1,900,582)	(1,954,748)
Loss before income tax	22	(67,600)	(286,773)	(46,124)	(322,243)
Income tax benefit	8(a)	31,335	38,122	31,335	38,122
Loss for the year		(36,265)	(248,651)	(14,789)	(284,121)
Other comprehensive income/ (loss)					
Fair value loss on available-for-sale financial assets	20	(27,974)	(10,224)	(27,974)	(10,224)
Total comprehensive income/ (loss) for the year		(64,239)	(258,875)	(42,763)	(294,345)
Loss per share					
Basic loss per share – cents	24	0.56	3.92		
Diluted loss per share – cents	24	0.56	3.92		

The accompanying notes form an integral part of this statement of comprehensive income.

	Consolidated				
	Share Capital	Share Premium Reserve	Investment Revaluation Reserve	Retained Earnings	Total
	($)	($)	($)	($)	($)
Balance as at 31 December 2008	3,107,757	280,254	95,964	680,350	4,164,325
Additional shares issued (Note 18)	130,283	44,296	-	-	174,579
Dividends declared (Note 21)	-	-	-	(248,621)	(248,621)
Loss for the year	-	-	-	(248,651)	(248,651)
Other comprehensive income/ (loss) for the year	-	-	(10,224)	-	(10,224)
Total comprehensive income/ (loss) for the year	-	-	(10,224)	(248,651)	(258,875)
Balance as at 31 December 2009	3,238,040	324,550	85,740	183,078	3,831,408
Loss for the year	-	-	-	(36,265)	(36,265)
Other comprehensive income/ (loss) for the year	-	-	(27,974)	-	(27,974)
Total comprehensive income/ (loss) for the year	-	-	(27,974)	(36,265)	(64,239)
Balance as at 31 December 2010	3,238,040	324,550	57,766	146,813	3,767,169

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

	Holding Company				
	Share Capital	Share Premium Reserve	Investment Revaluation Reserve	Retained Earnings	Total
	($)	($)	($)	($)	($)
Balance as at 31 December 2008	3,107,757	280,254	95,964	678,213	4,162,188
Additional shares issued (Note 18)	130,283	44,296	-	-	174,579
Dividends declared (Note 21)	-	-	-	(248,621)	(248,621)
Loss for the year	-	-	-	(284,121)	(284,121)
Other comprehensive income/ (loss) for the year	-	-	(10,224)	-	(10,224)
Total comprehensive income/ (loss) for the year	-	-	(10,224)	(284,121)	(294,345)
Balance as at 31 December 2009	3,238,040	324,550	85,740	145,471	3,793,801
Loss for the year	-	-	-	(14,789)	(14,789)
Other comprehensive income/ (loss) for the year	-	-	(27,974)	-	(27,974)
Total comprehensive income/ (loss) for the year	-	-	(27,974)	(14,789)	(42,763)
Balance as at 31 December 2010	3,238,040	324,550	57,766	130,682	3,751,038

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

FIJICARE INSURANCE LIMITED AND SUBSIDIARY COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

		Consolidated		Holding Company	
	Notes	2010	2009	2010	2009
		$	$	$	$
CURRENT ASSETS					
Cash on hand and at bank		159,528	363,115	133,094	362,677
Trade and other receivables	9	1,539,618	1,591,025	1,533,419	1,550,045
Held-to-maturity investments	10(a)	3,510,198	4,726,933	3,510,198	4,726,933
Deferred costs	11	696,949	750,074	696,949	750,074
Current tax assets	8 (b)	255,094	155,111	255,094	155,111
Total current assets		6,161,387	7,586,258	6,128,754	7,544,840
NON-CURRENT ASSETS					
Available-for-sale financial assets	10 (b)	542,394	604,232	542,394	604,232
Held-to-maturity investments	10 (a)	1,747,658	500,000	1,747,658	500,000
Investment in subsidiary	10 (c)	-	-	-	-
Investment property	12	-	-	421,499	-
Property, plant and equipment	13	594,687	110,206	162,896	100,181
Deferred tax assets	8 (c)	100,021	68,686	100,021	68,686
Total non-current assets		2,984,760	1,283,124	2,974,468	1,273,099
TOTAL ASSETS		9,146,147	8,869,382	9,103,222	8,817,939
CURRENT LIABILITIES					
Trade and other payables	14	866,531	776,387	845,265	765,239
Insurance contract liabilities	15	4,448,697	4,144,171	4,448,697	4,144,171
Interest bearing borrowings	16	-	20,200	-	20,200
Employee entitlements	17	63,750	56,816	58,222	54,128
Total current liabilities		5,378,978	4,997,574	5,352,184	4,983,738
NON-CURRENT LIABILITIES					
Interest bearing borrowings	16	-	40,400	-	40,400
Total non-current liabilities		-	40,400	-	40,400
TOTAL LIABILITIES		5,378,978	5,037,974	5,352,184	5,024,138
NET ASSETS		3,767,169	3,831,408	3,751,038	3,793,801
SHAREHOLDERS' EQUITY					
Share capital	18	3,238,040	3,238,040	3,238,040	3,238,040
Share premium reserve	19	324,550	324,550	324,550	324,550
Investment revaluation reserve	20	57,766	85,740	57,766	85,740
Retained earnings		146,813	183,078	130,682	145,471
TOTAL SHAREHOLDERS' EQUITY		3,767,169	3,831,408	3,751,038	3,793,801

The accompanying notes form an integral part of this statement 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

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2010

	Consolidated		Holding Company	
	Inflows/ (Outflows) 2010	Inflows/ (Outflows) 2009	Inflows/ (Outflows) 2010	Inflows/ (Outflows) 2009
	$	$	$	$
Cash flows from operating activities				
Premium and fees received	8,547,228	7,556,318	8,364,194	7,482,545
Reinsurance premium, net	(1,093,024)	(880,284)	(1,093,024)	(880,284)
Claims and capitation fees paid, net	(5,189,942)	(4,738,762)	(5,334,761)	(4,738,762)
Payments to brokers, suppliers and employees	(2,178,699)	(2,134,711)	(1,880,807)	(2,008,472)
Cash generated from / (used in) operations	85,563	(197,439)	55,602	(144,973)
Income tax paid	-	(162,000)	-	(162,000)
Interest received	62,223	36,608	62,223	36,608
Dividend received	21,701	17,343	21,701	17,343
Net cash provided by/ (used in) operating activities	169,487	(305,488)	139,526	(253,022)
Cash flows from investing activities				
Payments for property, plant and equipment	(535,451)	(21,681)	(107,586)	(21,681)
Proceeds from sale of property	-	300,000	-	300,000
Payments for investment property	-	-	(423,900)	-
Payment for investments	(1,247,658)	(508,250)	(1,247,658)	(508,250)
Proceeds on maturity of investments	1,410,035	966,220	1,410,035	966,220
Advance to subsidiary company	-	-	-	(52,428)
Net cash provided by/ (used in) investing activities	(373,074)	736,289	(369,109)	683,861
Cash flows from financing activities				
Dividends paid	-	(72,850)	-	(72,850)
Net cash used in financing activities	-	(72,850)	-	(72,850)
Net increase / (decrease) in cash and cash equivalents	(203,587)	357,951	(229,583)	357,989
Cash and cash equivalents at the beginning of the year	363,115	5,164	362,677	4,688
Cash and cash equivalents at the end of the year (Note 23 (a))	159,528	363,115	133,094	362,677

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

NOTE 1. GENERAL INFORMATION

FijiCare Insurance Limited is a publicly listed company limited by shares, incorporated and domiciled in Fiji under the Companies Act, 1983. Its principal activities, registered office and principal place of business are disclosed in Note 33 and Note 34 to the financial statements.

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

2.1 Standards and Amendments issued but not yet effective

The following standards and amendments to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2011 or later periods, and the company has not early adopted them.

- IAS 24 (Amendment), Related Party Transactions (effective from 1 January 2011).
- IFRS 9 (Amendment), Financial Instruments – Classification and Measurement (effective from 1 January 2013).

NOTE 3. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the company and the group are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

a) Statement of Compliance

The financial statements of the company and the group have been drawn up in accordance with the provisions of the Companies Act 1983 and International Financial Reporting Standards (“IFRS”).

b) Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention using the accounting policies described below and except where stated do not take into account current valuations of non-current assets.

In the application of IFRS, management is required to make judgements, 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 judgements. 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. Judgements 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.

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

b) Basis of Preparation (Cont'd)

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

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

c) Basis of Consolidation

The consolidated financial statements include the financial statements of FijiCare Insurance Limited and its subsidiary company, which is listed in Note 27.

Subsidiary

A subsidiary is an entity over which the group has power to govern the financial and operating policies, generally comprising a shareholding of more than one half of the voting power. Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date control is transferred out of the group.

All inter-company balances and transactions between the holding company and its subsidiaries including any unrealised profits or losses have been eliminated on consolidation. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

d) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and 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.

f) Comparatives

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

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

g) 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 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.

h) Employee Entitlements

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

Annual leave

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

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

i) Financial Assets

The group classifies its financial assets in the following categories: held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity.

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

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

i) Financial Assets (Cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Investments in subsidiaries are classified as available-for-sale investments and are accounted for at cost in the individual financial statements of the company.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of the available-for-sale financial assets are recognised in equity. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as 'gains and losses'.

Dividends on available-for-sale financial assets are recognised in the profit or loss as part of other revenue when the company's right to receive payments is established.

The company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the profit or loss.

j) Foreign Currency Transactions

Functional and presentation currency

The group operates in Fiji and hence the financial statements are presented in Fiji dollars, which is the group's functional and presentation currency.

Transactions and balances

Foreign currency transactions during the year are translated to Fiji currency using the rate of exchange ruling at the date of transaction. Amounts payable and receivable in foreign currencies at balance date are converted at rates ruling at that date. All gains and losses arising from fluctuations in exchange rates are brought to account in determining the results for the year.

k) Impairment

The carrying amounts of the company's and group's assets are reviewed at statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

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

l) Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position 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 income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and the eligible tax losses can be utilised.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited outside profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss, or where it arises from the initial accounting for a business combination, in which case tax effect is included in the accounting for the business combination.

m) Investment property

Investment property principally comprising freehold land and buildings held to earn rentals and/or for capital appreciation, is measured at its cost less accumulated depreciation and impairment loss at the reporting date. Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Freehold land is not depreciated. Depreciation on buildings is calculated on a straight-line basis over their estimated useful life of 40 years.

n) 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.

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

n) Insurance Contracts (Cont'd)

i) Premium Income

Premium revenue comprises amounts charged to policyholders (direct premium) for insurance contracts. Premium is recognised as earned on a proportionate basis over the period for which cover is provided using the 365 days pro-rata method.

The unearned portion of premium is recognised as an unearned premium liability on the statement of financial position.

ii) Commission Income

Commission income comprises amounts received from reinsurers for reinsurance contracts. Commission is recognised as earned on a proportionate basis over the period for which cover is provided using the 365 days pro-rata method. Commission income is offset with commission costs incurred in insurance contracts with policyholders.

The unearned portion of commission is recognised as an unearned commission liability on the statement of financial position.

iii) Reinsurance Premium

Reinsurance premium is recognised as an expense on a proportionate basis over the period for which cover is provided. Accordingly, a portion of reinsurance premium expense is deferred and presented as deferred reinsurance expenses on the statement of financial position at the reporting date.

iv) Deferred Commission Costs

Commission cost paid to agents and brokers associated with obtaining general insurance contracts are referred to as acquisition cost. These costs are presented as deferred commission costs and are amortised and charged to expenses on the same basis as the recognition of premium income. The balance of the deferred commission costs at the reporting date represents the commission costs relating to unearned premium.

v) Provision for Outstanding Claims

Provision for outstanding claims are stated net of amounts recoverable from reinsurers and are assessed by reviewing individual claims. The company has procedures for recording all claims received by way of an incoming claims register.

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

Provision is also made for claim administration expenses in accordance with guidelines issued by Reserve Bank of Fiji.

Claims expenses represent claim payments adjusted for the movement in the outstanding claims liability.

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

o) Reinsurance Contracts

The group 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.

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

p) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

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

q) Operating segments

An operating segment is a component of the group which may earn revenues and incur expenses and the operation results are regularly reviewed by the group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

r) Property, plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition and installation of the items.

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.

Freehold land is not depreciated. All other assets are depreciated on a straight-line basis over their estimated useful lives using the following rates:

Building	2.5%
Furniture & Fittings and Office Equipment	10% - 25%
Motor vehicles	20%

Profit and loss on disposal of property, plant and equipment is taken into account in determining the results for the year.

s) Trade and Other Receivables and Allowance for Doubtful Debts

Trade and other receivables are stated at amounts due less any allowance for doubtful debts.

An allowance is made in respect of debts considered doubtful based on a review of outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

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

t) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company and the group prior to the end of the financial year and which are unpaid.

u) Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of VAT, except:

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

(ii) For trade receivables and trade payables which are recognised inclusive of VAT.

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

v) Revenue Recognition

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

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

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

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

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

Rental income is recognised on an accrual basis.

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

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements are discussed below.

(a) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual as well as on a collective level. At a collective level all debtors in the + 90 days category (excluding those covered by a specific impairment provision) are estimated to have been impaired and are accordingly provided for.

(b) Impairment of property, plant and equipment

The group assesses whether there are any indicators of impairment of all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. For the year ended 31 December 2010, no provision for impairment has been made as the group reasonably believes that no indicators for impairment exist.

(c) Deferred tax assets

Deferred tax assets are recognised for all tax losses to the extent that taxable profits will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely level of future taxable profits together with future planning strategies.

(d) Provision for outstanding claims

Provision for outstanding claims is assessed after reviewing individual claims. Provision is assessed after taking into account claim information available at the time the claim is received or additional information brought to the notice of the group till reporting date. Whilst all reasonable steps are taken to ensure that adequate information is obtained, given the uncertainty in claims provision, it is likely that the final outcome will differ from the original liability established.

Provision for IBNR is also assessed by the management on an annual basis based on the latest available actuarial valuation report and recent claims experience and underwriting results.

(e) Actuarial valuation – claims incurred but not reported

Valuation is obtained from independent licensed actuaries for the adequacy of provision for claims incurred but not reported on a periodic basis.

The methodology adopted is the deterministic method of estimating the central estimate of outstanding claims liabilities (IBNR's). The central estimate is determined by calculating the weighted average of the delay of notification of claims, the mean fully developed claims size (from the development of claims over time) and the numbers of claims.

NOTE 5. REVENUE

	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
Gross written premium	8,253,586	7,662,391	8,253,586	7,662,391
Reinsurance premium	(1,135,464)	(978,284)	(1,135,464)	(978,284)
	7,118,122	6,684,107	7,118,122	6,684,107
Unearned premium, net movement	(271,041)	(519,586)	(271,041)	(519,586)
Deferred reinsurance premium, net movement	(79,920)	55,989	(79,920)	55,989
	6,767,161	6,220,510	6,767,161	6,220,510
Income from medical clinics and medical centre	118,229	90,704	-	-
Total revenue	6,885,390	6,311,214	6,767,161	6,220,510

NOTE 6. COMMISSION EXPENSE

Commission expense	963,501	903,008	963,501	903,008
Commission income	(61,860)	(17,257)	(61,860)	(17,257)
Total commission expense, net	901,641	885,751	901,641	885,751

NOTE 7. OTHER REVENUE

Dividend income	21,701	17,527	21,701	17,527
Management fees	9,000	18,000	9,000	18,000
Interest income	334,269	304,150	334,269	304,150
Rental income	2,764	-	13,724	-
Reversal of excess allowance for doubtful debts	3,771	-	-	-
Other income	21,445	40,438	20,660	40,438
Total other revenue	392,950	380,115	399,354	380,115

NOTE 8. INCOME TAX

	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
a) Income tax benefit				
Loss before income tax	(67,600)	(286,773)	(46,124)	(322,243)
Prima facie tax benefit thereon at 28% (2009: 29%)	(18,928)	(83,164)	(12,915)	(93,450)
Tax effect of:				
Non-taxable income	(6,076)	(22,348)	(6,076)	(5,005)
Non-deductible expenses	16,951	30,337	15,910	30,337
Effect of change in tax rates	(27,448)	30,899	(27,448)	30,899
Temporary differences and tax losses not recognised	4,972	7,057	-	-
Over provision in prior year	(806)	(903)	(806)	(903)
Income tax benefit	(31,335)	(38,122)	(31,335)	(38,122)
Income tax benefit comprises movement in:				
Current tax liabilities	-	(903)	-	(903)
Deferred tax assets	(31,335)	(37,219)	(31,335)	(37,219)
	(31,335)	(38,122)	(31,335)	(38,122)
b) Current tax assets				
Movements during the year were as follows:				
Balance at the beginning of the year	(155,111)	121,700	(155,111)	121,700
Over provision in prior year	-	(903)	-	(903)
Paid during the year	-	(162,000)	-	(162,000)
Tax deducted at source	(99,983)	(113,908)	(99,983)	(113,908)
Balance at the end of the year	(255,094)	(155,111)	(255,094)	(155,111)
(c) Deferred tax assets				
Deferred tax assets comprises the estimated future benefit at future income tax rate in respect to the following:				
Allowance for doubtful debts	14,000	10,000	14,000	10,000
Difference in depreciation for accounting and income tax purposes	6,033	6,373	6,033	6,373
Provision for employee entitlements	16,302	10,826	16,302	10,826
Unused tax losses	63,686	41,487	63,686	41,487
Total deferred tax assets	100,021	68,686	100,021	68,686

NOTE 8. INCOME TAX (CONT'D)	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
d) Benefit of income tax losses not brought to account				
The potential deferred tax asset arising from tax losses has not been recognised as an asset because recovery is not considered to be probable	97,807	93,234	-	-

The deferred tax asset relating to the tax losses will only be recognised if:

a) the subsidiary company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;

b) the subsidiary company continues to comply with the conditions for deductibility imposed by law; and

c) no changes in tax legislation adversely affect the subsidiary company in realising the benefit from the deductions for the losses.

NOTE 9. TRADE AND OTHER RECEIVABLES

Trade receivables (a)	1,242,887	1,307,000	1,236,788	1,286,777
Less: allowance for doubtful debts	(50,000)	(53,771)	(50,000)	(50,000)
	1,192,887	1,253,229	1,186,788	1,236,777
Receivable from related parties:				
Family Assurance (Tonga) Limited (b)	10,500	25,994	10,500	25,994
Unity Limited (c)	28,407	-	28,407	-
	38,907	25,994	38,907	25,994
Prepayments	30,745	13,894	30,745	13,894
Deposits	18,703	28,420	18,703	26,420
Other receivables	258,376	269,488	258,276	246,960
Total trade and other receivables, net	1,539,618	1,591,025	1,533,419	1,550,045

(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 related party represents receivable from Family Assurance (Tonga) Limited in respect to management fees, and is unsecured, interest free and receivable on demand.

(c) Receivable from related party represents receivable from Unity Limited, and is unsecured, interest free and receivable on demand.

NOTE 10. FINANCIAL ASSETS

	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
10(a) Held-to-maturity investments				
Current				
Short term investments with commercial banks and financial institutions	3,510,198	4,726,933	3,510,198	4,726,933
Total current financial assets	3,510,198	4,726,933	3,510,198	4,726,933
Non-current				
Long term investments with commercial banks and financial institutions	1,747,658	500,000	1,747,658	500,000
10(b) Available-for-sale financial assets				
Investment in other companies				
Investment in listed companies	431,015	474,945	431,015	474,945
Investment in unlisted companies	111,379	129,287	111,379	129,287
	542,394	604,232	542,394	604,232
10(c) Investment in subsidiary (Note 27)				
Investment in FijiCare Medical Centre Limited	-	-	10,000	10,000
Less: impairment loss	-	-	(10,000)	(10,000)
	-	-	-	-
Reconciliation for available-for-sale financial assets				
Opening balance	604,232	639,192	604,232	639,192
Additions	-	8,434	-	8,434
Fair value loss	(27,974)	(10,224)	(27,974)	(10,224)
Impairment loss	(33,864)	(33,170)	(33,864)	(33,170)
Total available-for-sale financial assets	542,394	604,232	542,394	604,232

NOTE 11. DEFERRED COSTS

	Consolidated 2010	Consolidated 2009	Holding Company 2010	Holding Company 2009
Deferred commission expenses	376,989	350,194	376,989	350,194
Deferred reinsurance expenses	319,960	399,880	319,960	399,880
Total deferred costs	696,949	750,074	696,949	750,074

NOTE 12. INVESTMENT PROPERTY

	Consolidated 2010	Consolidated 2009	Holding Company 2010	Holding Company 2009
Freehold land – at cost	-	-	250,000	-
Building – at cost	-	-	173,900	-
Less: accumulated depreciation	-	-	(2,401)	-
Total investment property, net	-	-	421,499	-

Investment property for the holding company relates to Land and Building rented to the subsidiary company, FijiCare Medical Center Limited. Investment property is re-grouped to Property, Plant and Equipment upon consolidation.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED

	Land ($)	Buildings ($)	Furniture, fittings and office equipment ($)	Motor vehicles ($)	Leased motor vehicles ($)	Total ($)
Gross carrying amount						
Balance at 1 January 2009	-	-	909,561	-	-	909,561
Additions	-	-	29,055	-	60,600	89,655
Balance at 31 December 2009	-	-	938,616	-	60,600	999,216
Additions	250,000	173,900	20,656	90,895	-	535,451
Transfers	-	-	-	60,600	(60,600)	-
Balance at 31 December 2010	250,000	173,900	959,272	151,495	-	1,534,667
Accumulated depreciation and amortisation						
Balance at 1 January 2009	-	-	858,929	-	-	858,929
Depreciation expense	-	-	30,081	-	-	30,081
Balance at 31 December 2009	-	-	889,010	-	-	889,010
Depreciation expense	-	2,401	23,850	24,719	-	50,970
Balance at 31 December 2010	-	2,401	912,860	24,719	-	939,980
Net book value						
As at 31 December 2009	-	-	49,606	-	60,600	110,206
As at 31 December 2010	250,000	171,499	46,412	126,776	-	594,687

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

HOLDING COMPANY

	Furniture, fittings and office equipment ($)	Motor vehicles ($)	Leased Motor vehicles ($)	Total ($)
Gross carrying amount				
Balance at 1 January 2009	826,386	-	-	826,386
Additions	21,682	-	60,600	82,282
Balance at 31 December 2009	848,068	-	60,600	908,668
Additions	16,691	90,895	-	107,586
Transfers	-	60,600	(60,600)	-
Balance at 31 December 2010	864,759	151,495	-	1,016,254
Accumulated depreciation and amortisation				
Balance at 1 January 2009	787,790	-	-	787,790
Depreciation expense	20,696	-	-	20,696
Balance at 31 December 2009	808,487	-	-	808,487
Depreciation expense	20,152	24,719	-	44,871
Balance at 31 December 2010	828,639	24,719	-	853,358
Net book value				
As at 31 December 2009	39,581	-	60,600	100,181
As at 31 December 2010	36,120	126,776	-	162,896

NOTE 14. TRADE AND OTHER PAYABLES

	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
Capitation fees	32,578	176	46,904	30,148
Payable to reinsurers	487,899	464,809	487,899	464,809
Payable to related party (a)	800	27,770	800	27,770
Other payables and accrued liabilities	345,254	283,632	309,662	242,512
Total trade and other payables	866,531	776,387	845,265	765,239

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.

(a) Payable to related party is in respect to AFA Management Services Pty Limited, and is unsecured, interest free and repayable on demand.

NOTE 15. INSURANCE CONTRACT LIABILITIES

Unearned premiums				
Balance as at 1 January	2,845,517	2,325,931	2,845,517	2,325,931
Movement during the year, net	271,041	519,586	271,041	519,586
Balance as at 31 December	3,116,558	2,845,517	3,116,558	2,845,517
Unearned commission income				
Balance as at 1 January	40,974	-	40,974	-
Movement during the year, net	(15,710)	40,974	(15,710)	40,974
Balance as at 31 December	25,264	40,974	25,264	40,974
Outstanding claims				
Gross claims outstanding as at 1 January	1,050,072	484,703	1,050,072	484,703
Movement during the year, net	(24,261)	565,369	(24,261)	565,369
Balance as at 31 December	1,025,811	1,050,072	1,025,811	1,050,072
Less:				
Reinsurance recoveries as at 1 January	339,537	125,765	339,537	125,765
Movement during the year, net	(78,367)	213,772	(78,367)	213,772
Balance as at 31 December	261,170	339,537	261,170	339,537
Outstanding claims, net	764,641	710,535	764,641	710,535
Claims administration provision				
Balance as at 1 January	91,770	63,502	91,770	63,502
Movement during the year, net	(4,911)	28,268	(4,911)	28,268
Balance as at 31 December	86,859	91,770	86,859	91,770
Claims incurred but not reported				
Gross claims outstanding as at 1 January	781,375	785,334	781,375	785,334
Movement during the year, net	(70,000)	(3,959)	(70,000)	(3,959)
Balance as at 31 December	711,375	781,375	711,375	781,375
Less:				
Reinsurance recoveries as at 1 January	326,000	235,334	326,000	235,334
Movement during the year, net	(70,000)	90,666	(70,000)	90,666
Balance as at 31 December	256,000	326,000	256,000	326,000
Claims incurred but not reported, net	455,375	455,375	455,375	455,375
Total insurance contract liabilities	4,448,697	4,144,171	4,448,697	4,144,171

NOTE 16. INTEREST BEARING BORROWINGS

	Consolidated		Holding Company	
	2010	2009	2010	2009
Current – secured	$	$	$	$
Finance lease (Note 25)	-	20,200	-	20,200
Non-current – secured				
Finance lease (Note 25)	-	40,400	-	40,400

NOTE 17. EMPLOYEE ENTITLEMENTS

Provision for annual leave	63,750	56,816	58,222	54,128
Total employee entitlements	63,750	56,816	58,222	54,128

NOTE 18. SHARE CAPITAL

Authorised capital 10,000,000 ordinary shares of $0.50 each	5,000,000	5,000,000	5,000,000	5,000,000
Issued and paid up capital 6,476,080 ordinary shares of $0.50 each	3,238,040	3,238,040	3,238,040	3,238,040

During 2009, additional shares were issued by way of dividend reinvestment option exercised as follows.

Type	Number of Shares	Share Price ($)	Total Amount ($)	Increase in Share Capital ($)	Increase in Share Premium ($)
Dividend reinvestment	260,566	0.67	174,579	130,283	44,296
Total increase	260,566			130,283	44,296

NOTE 19. SHARE PREMIUM RESERVE

Share premium reserve	324,550	324,550	324,550	324,550

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

NOTE 20. INVESTMENT REVALUATION RESERVE

Balance as at 1 January	85,740	95,964	85,740	95,964
Fair value loss	(27,974)	(10,224)	(27,974)	(10,224)
Balance as at 31 December	57,766	85,740	57,766	85,740

NOTE 21. DIVIDEND

Final Dividend – 4 cents per share	-	248,621	-	248,621

NOTE 22. LOSS BEFORE INCOME TAX

	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
Loss before income tax has been determined After charging the following expenses:				
Auditors' remuneration for:				
- Audit fees	34,900	33,350	29,900	28,350
- Other services	16,960	17,869	11,960	14,468
Depreciation	50,970	30,081	47,272	20,696
Directors' remuneration for:				
- Emoluments	259,368	254,972	259,368	254,972
- Bonus	-	15,776	-	15,776
- Fees	18,000	18,000	18,000	18,000
Doubtful debts	-	3,213	-	-
FNPF contribution	57,026	54,422	52,750	50,479
Impairment loss	33,864	33,170	33,864	33,170
Loan forgiven	-	-	-	59,802
Management and consultancy fees	300,000	300,001	300,000	300,001
Operating leases	135,360	184,465	124,009	160,192
Salaries, wages, TPAF levy and allowances	466,494	454,705	411,831	420,331

NOTE 23. NOTES TO THE STATEMENT OF CASH FLOW

a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balance with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flow comprise the following statement of financial position amounts:

Cash on hand and at bank	159,528	363,115	133,094	362,677
Total cash and cash equivalents	159,528	363,115	133,094	362,677

b) Non-Cash Investing Activities

Leased Assets

In 2009, the group acquired motor vehicle at an aggregate cost of $60,600 by means of finance lease. This transaction is not reflected in the statement of cash flow for 2009.

c) Non-cash Financing Activities

Dividends

In 2009, the group declared dividends of $248,621 out of which $175,771 was re-invested under the dividend reinvestment option. The consideration for the dividend re-invested was issue of 260,566 shares of $0.50 each at premium of $0.17 totalling $174,579 and the remainder balance of $1,192 had been taken up as liabilities. These re-investment transactions are not reflected in the statement of cash flow for 2009.

NOTE 24. LOSS PER SHARE

	Consolidated	
	2010	2009
	$	$
Loss for the year used in calculating loss per share	36,265	248,651
Weighted average number of ordinary shares outstanding used in calculating basic loss per share	6,476,080	6,345,797
Weighted average number of ordinary shares outstanding used in calculating diluted loss per share	6,476,080	6,345,797
Basic loss per share – cents	0.56	3.92
Diluted loss per share – cents	0.56	3.92

NOTE 25. COMMITMENTS

	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
a) Capital commitments				
Capital expenditure approved and committed	-	405,000	-	405,000
Total capital expenditure commitments	-	405,000	-	405,000
b) Finance lease commitments contracted for motor vehicle is as follows:				
Not later than one year	-	26,268	-	26,268
Later than one year but not than two years	-	26,268	-	26,268
Later than two year but not later than five years	-	26,268	-	26,268
	-	78,804	-	78,804
Future finance charges	-	(18,204)	-	(18,204)
Net finance lease liability	-	60,600	-	60,600
Reconciled to:				
Current liabilities (Note 16)	-	20,200	-	20,200
Non-current liabilities (Note 16)	-	40,400	-	40,400
	-	60,600	-	60,600
c) Operating lease commitments contracted for rentals are as follows:				
Not later than one year	169,043	189,930	167,133	177,895
Later than one year but not than two years	70,969	27,000	70,969	27,000
Later than two year but not later than five years	-	9,000	-	9,000
Total commitments	240,012	225,930	238,102	213,895

d) The holding company, FijiCare Insurance Limited, agreed to provide necessary financial support to the subsidiary, FijiCare Medical Centre Limited to meet its liabilities as and when they fall due.

NOTE 26. CONTINGENT LIABILITIES

	Consolidated		Holding Company	
	2010	2009	2010	2009
	$	$	$	$
Contingent liabilities exist with respect to the following:				
Indemnity guarantees	750	750	750	750
Litigations	262,760	259,253	262,760	259,253
Total contingent liabilities	263,510	260,003	263,510	260,003

The company is subject to various claims arising in the ordinary course of business. On the basis of advice received from the solicitors representing the company and assessment carried out by the management, it is the opinion of the directors that the disposition or ultimate determination of such claims will not have a material effect on the financial position of the company.

NOTE 27. INVESTMENTS IN SUBSIDIARY COMPANY

Entity	Place of Incorporation	% Owned	Investment Book Value ($) 2010	($) 2009
FijiCare Medical Centre Limited	Fiji	100%	10,000	10,000
Less : Impairment loss			(10,000)	(10,000)
			-	-

NOTE 28. SEGMENT INFORMATION

(a) Operating segment

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

		Medical and Health	Term Life	Clinic services	Others	Total
		$	$	$	$	$
Revenue	Dec 10	5,332,706	892,813	118,229	541,642	6,885,390
	Dec 09	5,170,737	884,575	90,704	165,198	6,311,214
Result (Revenue less allocated costs)	Dec 10	294,868	153,639	(185,177)	(440,144)	(176,814)
	Dec 09	262,337	(129,295)	(190,712)	(180,333)	(238,003)
Add: Unallocated - other revenue: Management fees, dividend, interest income and other income	Dec 10					392,950
	Dec 09					380,115
Less: Unallocated – expenses and income tax	Dec 10					252,401
	Dec 09					390,763
Loss after income tax	Dec 10					(36,265)
	Dec 09					(248,651)

NOTE 28. SEGMENT INFORMATION (CONT'D)

Segment Assets and Liabilities

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

Additional Information

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

(b) Geographical segment

The group operates in Fiji and is therefore one geographical area for reporting purposes.

NOTE 29. RELATED PARTY TRANSACTIONS

(a) Ultimate holding company

The ultimate holding company is Family Assurance Holdings (Pty) Limited, a company incorporated in Australia.

(b) Directors

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

Ross Porter – Chairman, FAICD	Peter McPherson, Grad Dip Mgt, JP (Aust.)
Carl Philipp Thomas	Joeli Radio

(c) Holding company transaction with related parties

Transactions with related parties during the year ended 31 December 2010 with approximate transaction values are summarized as follows:

Related Party	Relationship	Nature of transaction	2010	2009
FijiCare Medical Centre Limited	Subsidiary company	Capitation and Professional fees	159,145	166,380
FijiCare Medical Centre Limited	Subsidiary company	Rent income	10,960	-
FijiCare Medical Centre Limited	Subsidiary company	Loan forgiven	-	59,802
AFA Management Services (Pty) Limited	Shareholder/ director related entity	Management and Consultancy fee expense	300,000	300,001
Family Assurance (Tonga) Limited	Shareholder/ director related entity	Management fees income	9,000	18,000
AFA Pty Limited	Shareholder/ director related entity	Professional Indemnity Insurance expense	54,654	37,615
Unity Limited	Shareholder/ director related entity	Accommodation expenses	-	10,098

All transactions with related parties are conducted on commercial terms and conditions. The directors are not unanimous in determining whether these related party transactions occurred at arms-length.

NOTE 29. RELATED PARTY TRANSACTIONS (CONT'D)

(d) 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 following directors and executives were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the holding company.

Name	Current title
Ross Porter	Chairman (Non-executive)
Peter McPherson	Managing Director (Executive)
Joeli Radio	Director (Executive)
Carl Philipp Thomas	Director (Non-executive)

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

	2010	2009
	$	$
Non-Executive Director		
Directors fees	6,000	6,000
Executive Directors		
Short term benefits (directors fees, remuneration and benefits)	334,899	316,696
Long term benefits – FNPF	20,687	20,218

The two executive directors also receive motor vehicle benefits. The value of vehicle benefits amounts to $7,664 as determined for the purpose of PAYE tax deductions.

Refer Notes 29 (c) and 29 (f) in respect to management and consultancy fee payments to AFA Management Services (Pty) Ltd, a shareholder/ director related entity.

(e) Amounts due to, and receivable from related parties:

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements. (Refer Notes 9 and 14)

(f) Brief details of contracts and arrangements with related parties

i) Consultancy Agreement with AFA Management Services Pty Ltd, Australia

The company has entered into Consultancy Agreement with AFA Management Services Pty Ltd of Australia, a company in which director, Mr Ross Porter has material interest, for provision of management and consulting services to FijiCare Insurance Limited. The Agreement covers the provision of services including financial, accounting, system reporting, reinsurance, claims and executive services. Pursuant to this Agreement, management and consultancy fees were paid to AFA Management Services Pty Ltd. The Consultancy Agreement dated 1 January 2010 was for the period 1 January 2010 to 31 December 2010, which was executed on 5 March 2010.

The fees of $299,000 is payable by the company for a term of 12 months ending 31 December 2010 pursuant to Management Agreement.

NOTE 29. RELATED PARTY TRANSACTIONS (CONT'D)

i) Consultancy Agreement with AFA Management Services Pty Ltd, Australia (Cont'd)

The management and consultancy fee expense of $300,000 was incurred for year ended 31 December 2010 (2009:$300,001).

ii) Management Agreement with Family Assurance Limited, Tonga

The company had entered into Management Agreement withFamily Assurance Limited of Tonga, a company in which director, Mr Ross Porter has material interest, for provision of advisory and consulting services by Fijicare Insurance Limited. The Agreement covers the provision of services including claims, underwriting, management and administrations and other matters. The Management Agreement dated 1 January 2010 was for the period commencing from 1 January 2010, which was executed on 12 August 2010.

The fee of $2,000 per month was receivable pursuant to Management Agreement. The Management Agreement was terminated effective from 30 June 2010.

The management fee income of $9,000 was received for year ended 31 December 2010 (2009:$18,000).

iii) Accommodation Arrangements with Unity Limited

The company had made arrangements with Unity Limited, a company in which director, Mr Ross Porter has material interest and director Mr Peter McPherson has minority interest, for use of hotel apartment (Golf Terrace Apartment, Denarau, Nadi) by management and executive staff members and directors during business trips.

The accommodation charges of $10,098 was paid to Unity Limited during year ended 31 December 2009.

iv) Professional Indemnity Insurance

The company has obtained Professional Indemnity and Directors & Officers Insurance cover from Chubb Insurance Company of Australia limited. The insurance cover is arranged through a shareholder/ director related entity, AFA Pty Limited, Australia, a company in which director, Mr Ross Porter has material interest.

The premium expense incurred for the year ended 31 December 2010 was $54,654 (2009 : $37,615).

NOTE 30. INSURANCE CONTRACTS RISK MANAGEMENT

A key risk from operating in the general insurance industry is the exposure to insurance risk arising from underwriting general insurance contracts. The insurance contracts transfer risk to the insurer by indemnifying the policyholders against adverse affects arising from the occurrence of specified uncertain future events. The risk is that the actual amount of claims to be paid in relation to contracts will be different to the amount estimated at the time a product was designed and priced. The consolidated entity is exposed to this risk because the price for a contract must be set before the losses relating to the product are known. Hence the insurance business involves inherent uncertainty. The consolidated entity also faces other risks relating to the conduct of the general insurance business including financial risks (refer principally to Note 31).

A fundamental part of the overall risk management strategy is the effective governance and management of the risks that impact the amount, timing and uncertainty of the cash flows arising from insurance contracts.

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

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

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

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

- Acceptance of risk – Insurance and reinsurance policies are written in accordance with local management practises and regulations within each jurisdiction. Maximum limits are set for the acceptance of risk on an individual contract basis. Management information systems are maintained that provide up-to-date, reliable data on the risks to which the business is exposed at any point in time. Efforts are made, including plain language policy terms, to ensure there is no misalignment between what policyholders perceive will be paid when a policy is initially sold and what is actually paid when a claim is made.

- 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 company's policy to respond and settle claims quickly whenever possible and to pay claims fairly, based on the policyholders full entitlements.

- Investment management – Assets and liabilities are managed so as to effectively match the expected pattern of claims payments with the assets that are held to back insurance liabilities.

NOTE 30. 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) Interest rate risk

The underwriting of general insurance contracts creates exposure to the risk that interest rate movements may materially impact the value of the outstanding claims liability. Movements in interest rates impact the determination of the liability through the selection of discount rates. Discounting the liability is in effect allowing for future investment earnings on the assets held to back the insurance liabilities. The funds held to pay outstanding claims are invested principally in fixed interest securities matched to the settlement durations of the outstanding claims. Movements in market interest rates affect the value of the fixed interest securities. Hence movements in interest rates should have minimal impact on the insurance profit for a year due to movements in investment income on assets backing insurance liabilities offsetting the impact of movements in discount rates on the claims liabilities.

(e) 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 company and 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 a 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 31. FINANCIAL RISK MANAGEMENT

The group is exposed to a variety of financial risks in the normal course of business; market risk (including fair value interest rate risk and equity price risk), credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that fair value of or future cash flows of a financial instrument will fluctuate because of changes in market prices. Procedures are in place to mitigate the company's exposure to market risk.

(i) 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.

(ii) 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;
d) Appropriate investments limits that covers asset allocation, concentration, regional location and currency; and
e) Pre-qualifying the financial institutions, broker /dealers, intermediaries, and advisers with which the company will do business.

(b) Credit risk

Credit risk is the risk of loss from a counterparty failing to meet their financial obligations. The consolidated entity's credit risk arises predominantly from investment activities and reinsurance activities.

The credit risk relating to investments is monitored and assessed, and maximum exposures are limited. The investments comprising assets held to back insurance liabilities are restricted to investment grade securities.

(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 consolidated entity. Liquidity facilitates the ability to meet expected and unexpected requirements for cash. The liquidity position is derived from operating cash flows, investment portfolios and access to outside sources of liquidity such as bank, reinsurance arrangements and other sources.

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

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

NOTE 32. MATURITY ANALYSIS

The following analysis of monetary assets and liabilities as at 31 December 2010 is based on contractual terms.

31 December 2010-Consolidated

	At call	1 day to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No specific maturity	Total
	$	$	$	$	$	$	$
Assets							
Cash and bank balances	159,528	-	-	-	-	-	159,528
Trade and other receivables	-	1,539,618	-	-	-	-	1,539,618
Available-for-sale financial assets	-	-	-	-	-	542,394	542,394
Held-to maturity investments	-	1,949,157	2,061,041	1,247,658	-	-	5,257,856
Current tax assets	-	-	255,094	-	-	-	255,094
	159,528	3,488,775	2,316,135	1,247,658	-	542,394	7,754,490
Liabilities							
Trade and other payables	-	867,982	-	-	-	-	867,982
Insurance contract liabilities	-	1,548,303	1,593,519	-	-	1,306,875	4,448,697
	-	2,416,285	1,593,519	-	-	1,306,875	5,316,679

31 December 2009-Consolidated

	At call	1 day to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No specific maturity	Total
	$	$	$	$	$	$	$
Assets							
Cash and bank balances	363,115	-	-	-	-	-	363,115
Trade and other receivables	-	1,591,025	-	-	-	-	1,591,025
Available-for-sale financial assets	-	-	-	-	-	604,232	604,232
Held-to maturity investments	-	3,060,018	1,666,915	400,000	100,000	-	5,226,933
Current tax assets	-	-	155,111	-	-	-	155,111
	363,115	4,651,043	1,822,026	400,000	100,000	604,232	7,940,416
Liabilities							
Trade and other payables	-	776,387	-	-	-	-	776,387
Insurance contract liabilities	-	1,349,490	1,537,001	-	-	1,257,680	4,144,171
Interest bearing borrowings	-	5,050	15,150	40,400	-	-	60,600
	-	2,130,927	1,552,151	40,400	-	1,257,680	4,981,158

NOTE 33. PRINCIPAL ACTIVITIES

The principal activities of the holding company during the year were that of underwriting of medical, health, workers compensation, personal accident, term life and general insurance risks.

The principal activity of the subsidiary company, FijiCare Medical Centre Limited, during the year was operating medical clinic and medical centre.

NOTE 34. HOLDING COMPANY DETAILS

Company Incorporation

The holding company was incorporated in Fiji under the Companies Act, 1983.

Registered Office and Principal Place of Business

The registered office and principal place of business of the holding company is located at:

Level 9
FNPF Place
343-359 Victoria Parade
SUVA

NOTE 35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 29 April 2011.

SOUTH PACIFIC STOCK EXCHANGE - LISTING REQUIREMENTS

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report)

1. Statement of interest (direct and indirect) of each director in the share capital of the company as at 31 December 2010.

Directors	Direct Interest (Number of Shares)	Indirect Interest (Number of Shares)
Ross Porter	-	3,502,056
Peter McPherson	8,128	332,148
Carl Philipp Thomas	-	399,484
Joeli Radio	20	-

2. Distribution of ordinary shareholders:

No. of Holders	Holding	Total % Holding
13269	Less than 500 shares	4.12
41	500 to 5,000 shares	0.95
7	5,001 to 10,000 shares	0.78
6	10,001 to 20,000 shares	1.25
5	20,001 to 30,000 shares	1.73
-	30,001 to 40,000 shares	-
-	40,001 to 50,000 shares	-
1	50,001 to 100,000 shares	0.8
8	100,001 to 1,000,000 shares	45.06
1	Over 1,000,000 shares	45.31
13,338	Total	100

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

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

FijiCare Medical Centre Limited

	2010	2009
Revenue $	277,374	257,084
Other income	4,556	-
Less :		
Depreciation	-3,698	-9,385
Other expenses	-299,708	-272,031
Income tax expense	-	-
	-21,476	-24,332
Add loan from parent company written off/forgiven	-	59,802
Total comprehensive income for the year $	-21,476	35,470

	2010	2009
Total Assets	57,251	81,415
Total Liabilities	41,120	43,808
Shareholders Equity	16,131	37,607

4. Twenty Largest Shareholders

As at 31 December 2010, the twenty largest shareholders held 6,086,187 shares which is equal to 93.97% of the total issued 6,476,080 fully paid shares of 50 cents each.

1	Family Assurance Limited	2,934,003	2	Kontiki Fund Limited	723,986
3	AFA Limited	568,053	4	Unit Trust of Fiji	425,852
5	Aequi-Libria Associates Ltd	399,484	6	Stronghold Investment Inc	332,148
7	Dominion Insurance Limited	168,655	8	Yasana Holdings Limited	168,609
9	Graham Barnett	131,524	10	Reddys' Enterprise Ltd	51,561
11	CEPAC SECRETARIAT	24,407	12	OceaniaMaristProvince	22,561
13	Jinita Prasad	22,500	14	Fijian Development Fund Board	21,787
15	Ken Kung	20,759	16	Jimaima T Schultz	20,000
17	Griffon Emose	15,000	18	WILLIAM HONWING	12,993
19	MehboobRaza	11,690	20	Fazal Khan	10,615

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

(1) Disclosure under Section 6.31 (xii):

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

	2010	2009	2008	2007	2006	2005
Net Profit / (Loss) after Tax	-36,265	-248,651	548,724	670,017	372,189	-666,442
Current Assets	6,161,387	7,586,258	5,683,529	4,990,070	6,056,726	3,564,711
Non - Current Assets	2,984,760	1,283,124	2,847,668	3,022,380	1,975,872	3,726,898
Total Assets	9,146,147	8,869,382	8,531,197	8,012,450	8,032,598	7,291,609
Current Liabilities	5,378,978	4,997,574	4,366,872	4,461,964	5,045,263	4,678,386
Non - Current Liabilities	0	40,400	0	53,158	62,252	0
Total Liabilities	5,378,978	5,037,974	4,366,872	4,515,122	5,107,515	4,678,386
Shareholders Equity	3,767,169	3,831,408	4,164,325	3,497,328	2,925,083	2,613,223

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

	2010	2009	2008	2007	2006	2005
Net Profit / (Loss) after Tax	-14,789	-284,121	459,590	687,062	334,887	-626,449
Current Assets	6,128,754	7,544,840	5,671,206	4,985,874	6,053,600	3,528,391
Non - Current Assets	2,974,468	1,273,099	2,835,632	3,102,890	2,026,578	3,847,631
Total Assets	9,103,222	8,817,939	8,506,838	8,088,764	8,080,178	7,376,022
Current Liabilities	5,352,184	4,983,738	4,344,650	4,451,281	5,022,891	4,655,545
Non - Current Liabilities	0	40,400	0	53,158	62,252	0
Total Liabilities	5,352,184	5,024,138	4,344,650	4,504,439	5,085,143	4,655,545
Shareholders Equity	3,751,038	3,793,801	4,162,188	3,584,325	2,995,035	2,720,477

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

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

Dividend declared per share:

	2010	2009	2008	2007	2006	2005
Cents per share	0	0.04	0.04	0	0	0.03

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

Earnings / (Loss) per share (Consolidated):

Basic Earnings / (Loss) per share

	2010	2009	2008	2007	2006	2005
Cents per share	-0.56	-3.92	9.15	11.63	6.46	-11.64

Diluted earnings / (Loss) per share

	2010	2009	2008	2007	2006	2005
Cents per share	-0.56	-3.92	9.15	11.62	6.42	-11.54

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

Net tangible assets per share (Group):

	2010	2009	2008	2007	2006	2005
Cents per share	0.58	0.59	0.67	0.61	0.51	0.45

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

Share price during the year (Cents per share)	2010	2009
Highest	0.67	0.70
Lowest	0.65	0.67
On 31st December	0.65	0.67

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

(5) Disclosure under Section 6.31 (vi):

Meetings of the Board
The regular business of the Board during its meetings covers business investments and strategic matters, governance and compliance, the Managing Directors report, financial report and performance of subsidiary company. To minimise cost two Board of Directors meeting were conducted via teleconferencing.

Director	Number of Meetings entitled to attend	Number of meetings attended	Apologies Received
Mr. Ross Porter	3	3	NA
Mr. Peter McPherson	3	3	NA
Mr. Joeli Randio	3	3	NA
Mr. Carl Philipp Thomas	3	3	NA
Company Secretary			
Mr. David Fisk	3	3	NA
Mr. Victor Robert	3	3	NA

The Board met 3 times during the financial year ended 31st December 2010

FIJICARE INSURANCE LIMITED
LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE
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(6) Disclosure under Section 6.31 (vii):

LISTED SECURITIES	QUANTITY	CURRENT VALUE	TOTAL VALUE
FOSTER'S GROUP PACIFIC LIMITED	5,550	$ 10.75	59,663
ATLANTIC & PACIFIC PACKAGING COMPANY LIMITED	5,000	$ 0.77	3,850
R B PATEL GROUP LIMITED	53,000	$ 1.81	95,930
COMMUNICATIONS (FIJI) LIMITED	20,000	$ 1.75	35,000
VB HOLDINGS LTD	3,143	$ 2.99	9,398
PLEASS BEVERAGE EQUIPMENT LTD	60,000	$ 0.95	57,000
AMALGAMATED TELECOM HOLDINGS LIMITED	50,000	$ 0.91	45,500
THE RICE COMPANY OF FIJI LIMITED	18,600	$ 2.35	43,710
FIJI TELEVISION LIMITED	9,000	$ 3.00	27,000
FLOUR MILLS OF FIJI LIMITED	77,540	$ 0.40	31,016
KONTIKI GROWTH FUND LIMITED	51,000	$ 0.45	22,950
TOTAL			431,016

UNLISTED SECURITIES	QUANTITY	CURRENT VALUE	TOTAL VALUE
THE FIJI GAS COMPANY LIMITED	3,310	$ 9.25	30,618
YATU LAU COMPANY LIMITED	50,162	$ 1.61	80,761
TOTAL			111,378

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Company Secretary

David Fisk
Victor Vikash Robert (Local)