
FILM FIJI

REPORT FOR THE PERIOD FROM

1 AUGUST 2016 TO 31 JULY 2017

Introduction

Film Fiji is constituted by and operates in accordance with the Film Fiji Act 2002. Its primary function is to develop and promote the audio-visual industry in Fiji. Film Fiji is empowered under the Income (Film-making and Audio-visual) Incentives Regulations 2016 (previously Sixth Schedule of the Income Tax Act) to administer incentives offered by the Fiji Government to prospective film makers who wish to come to Fiji to film their productions.

Film Fiji provides location services, administers the various incentives, grants film permits and facilitates necessary approvals from authorities such as the Fiji Revenue and Customs Service (formerly Fiji Revenue and Customs Authority), Department of Immigration and other government departments.

Film Fiji also provides advice and assistance with administrative procedures, with the aim of making the business of filmmaking exciting, stress-free, and ultimately positioning Fiji as one of the most sought-after film destination in the world.

As a government statutory body established to develop and promote the audio-visual industry, Film Fiji has a large network of local stakeholders, including the Audio Visual Agents who are directly involved in the film industry, ensuring that production companies have a pleasant experience while shooting in Fiji.

The Board

The Film Fiji Board ("**the Board**") is the lead authority for Film Fiji in mandating strategic policies and key decisions for Film Fiji. The Board is appointed by the Minister responsible for Film Fiji.

The following were members of the Board as at 31st July 2017:-

- Shaenaz Voss – Chairperson
- Sakiusa Bolaira- Member
- Shaheen Ali – Member
- Debra Sadranu – Member
- Timaima Vakadewabuka – Member

Meetings

The Board held 4 meetings during the period from 01 August 2016 to 31 July 2017. Hence, the number of meetings in this period complied with Section 7(1) of the Film Fiji Act which required the Board to meet at least 4 times a year.

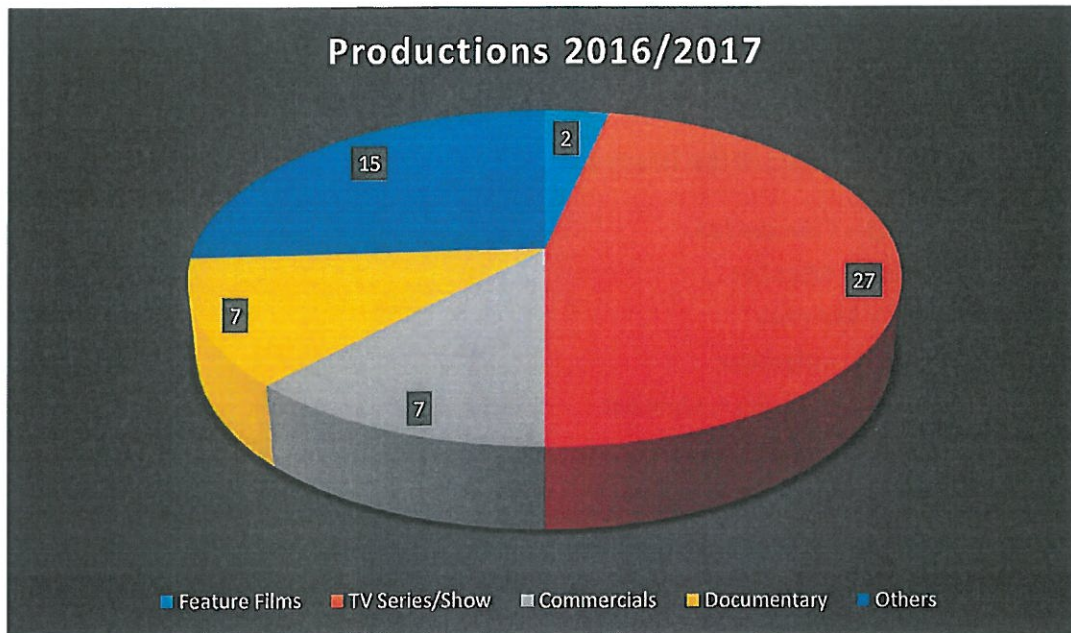
Performance Results by Focus Areas

Since its establishment in 2001, Film Fiji is funded through annual grants from Government. In 2016/2017, Film Fiji received a total of FJD\$1.4 million of Government grant. As in previous years, Film Fiji focused its activities on promotions and marketing with 43% of the budget allocated for this during this period.

Key Outcomes

During this period a total of 58 productions were filmed in Fiji. These productions came from various continents and countries including the USA, France, Poland, Scotland and Hong Kong. Some of the major studios that shot in Fiji in 2016/2017 were:

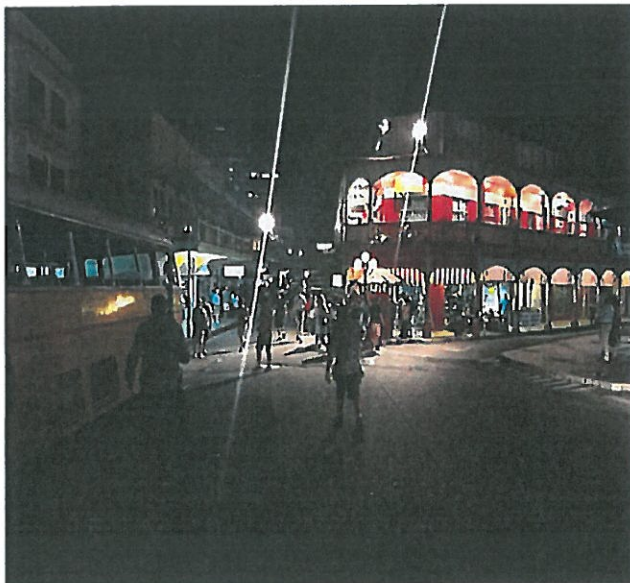
Studio Name/Production House	Country	Project	Type
STX Entertainment	USA	Adrift	Feature Film
Universal Pictures	USA	Sweet Heart	Feature Film
Channel TF1	France	Koh Lanta Season 18	TV Reality Show
Columbia Broadcasting System (CBS)	USA	US Survivor Season 35 & 36	TV Reality Show
Telewizja Polsat Sp z.o.o.	Poland	Survivor Poland	TV Reality Show
Moth Project Pty Ltd	Australia	P&O Wave Project	TV Commercial



Film Fiji continue to receive countless positive feedback from prospective major production houses and studios world-wide. Film Fiji is confident that it will continue to achieve great results with the influx of more film projects in the future.

Film Industry contribution to Economic Growth

The 57 productions that came to Fiji in 2016/2017 generated FJD\$212.3 million dollars of New Economic Activity (NEA) in the Fiji economy. There was a corresponding increase in



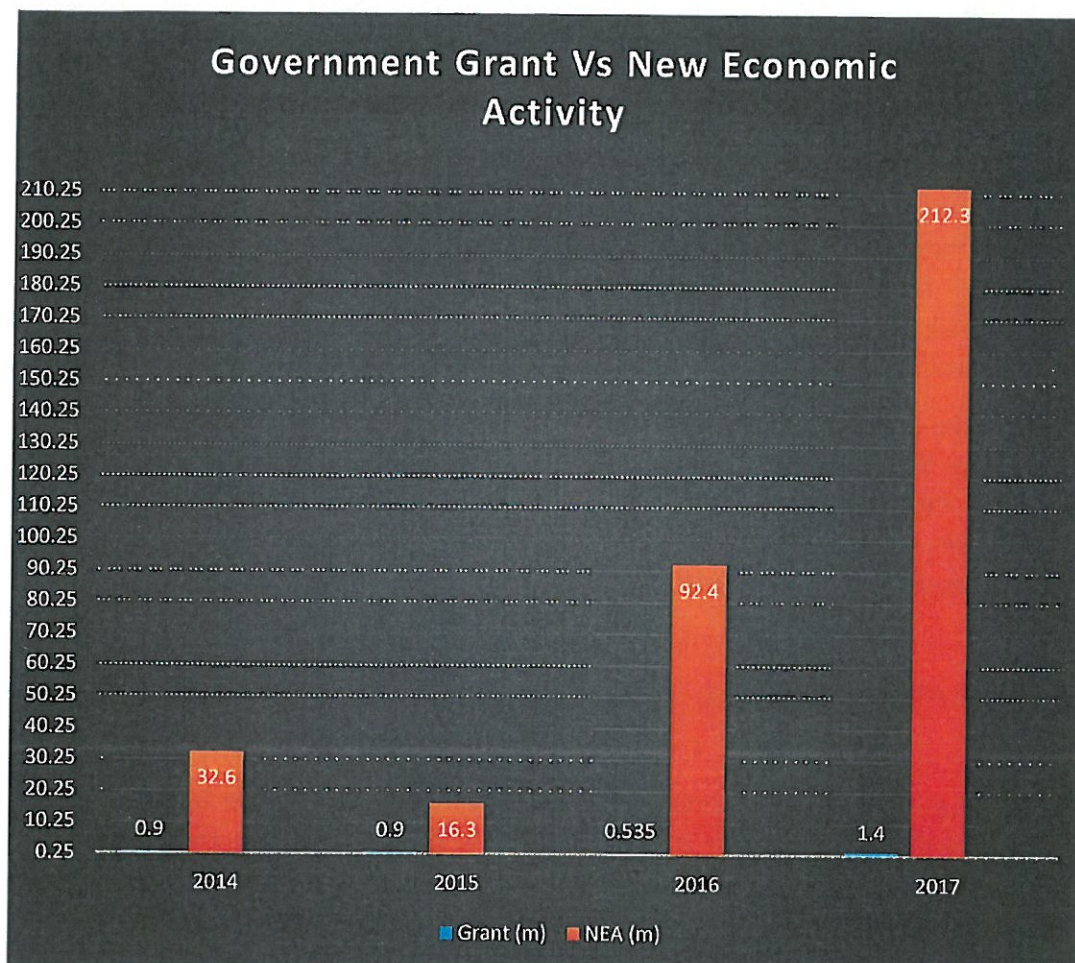
Cumming Street Suva (Adrift Behind the Scenes)

local employment created (1,099) for the same year. Our locals were engaged in all areas of the production and this assisted in creating employment and minimizing the unemployment ratio as those individuals employed by the production would otherwise have been unemployed. The return to Government from its investment was commendable.

There was record growth in the development of the Filming Industry from past years with Film Fiji continuing to market Fiji as a film destination, promoting its competitive

tax incentives and other advantages. This was done mainly through innovative and creative

approaches that stretched Film Fiji's meagre budget to enable us to make an impact on a highly competitive multi-billion dollar industry.



Film Fiji was given a grant of FJD\$1.4 million in 2016/2017. This was slightly higher than FJD\$0.535 million received the previous year.

There was a pronounced upward trend in productions totaling 58 as compared to 32 in the previous year. These productions covered a variety of genres including 3 feature films, several productions for television and the popular reality television series 'Survivor' (Columbia Broadcasting System) that shot season 35 and 36 with a combined budget of FJD\$98.1 million and actual Fiji spend of over FJD\$24.5 million.

Worthy to mention also is the television series 'Wrecked' (Turner Entertainment Network) which shot in Fiji for the first season with a budget of FJD\$43.7 million and an estimated Fiji spend of FJD\$12 million. STX entertainment shot the feature film 'Adrift' in Fiji this year with a budget of FJD\$61.3 million and an estimated Fiji spend of FJD\$13.1 million. The film featured some prominent names such as Shailene Woodley, Sam Claflin, Executive Producer Ralph Winter and Director Baltasar Kormakur. The year 2016/2017 was definitely a record year of achievement for Film Fiji since its inception in 2002.

Industry Development

Assistance to Production companies

Film Fiji worked with producers and production companies in the provision of scouting, the use of locations and other logistical support for various types of productions where necessary. This included the Producers of "Wrecked" whom Film Fiji assisted by facilitating the film licence application process with the iTaukei Land Trust Board (TLTB).

In addition, the production teams from the feature film 'Sweetheart' and reality series 'Paradise Hotel' were



Pictured: Crew on US Survivor Season 34

also assisted with scouting locations. A meeting also took place with Munro Leys and TLTB on June 13 to resolve issues relating to location fees for US Survivor.

Promotions and Marketing

As Film Fiji is fully funded by Government, it is very mindful of the need to spend these resources prudently. As promotion is one of the core functions of Film Fiji, 43% of the budget this year was allocated exclusively to promote Fiji as a filming destination with the intention of also developing the local resources such as crew and locations through the continuous experience they will receive on working for more productions. This was done in the following strategic platforms:

Press release

Film Fiji published regular press releases during this period. Press releases that were published included:

- Survivor Premieres Season 33 (September 2016)
- Fiji lures producers with one of the world's highest tax rebates (January 2017)
- Most film productions ever in 2016 (January 2017)
- Indian film industry shows interest In Fiji (April 2017)
- Film Fiji launches The 2017 Kula Awards Program (April 2017)
- Film Fiji participates in the Shanghai International Film Festival (June 2017)

Website

The website continues to grow in popularity with the top 5 countries to visit the Film Fiji website during this period, this included Fiji, Australia, New Zealand, USA and India. The Audio Visual (AV) agents' webpage and the news section were being updated regularly with new AV agents and press releases respectively.

A tender was advertised in the newspaper in January for photography and videography services. This was done to upgrade the existing locations gallery.

A tender for website upgrade was advertised in May and a selection was made. Development work on the website began thereafter.

Analytics for the website were reported on a quarterly basis. The results were as follows:

Average sessions in a quarter	1,367
Total sessions for the year	5,466
Average users in a quarter	1,120
Total users for the year	3,360
Average page views	3,487
Total page views	10,460

Facebook/Twitter

Film Fiji actively used Facebook and Twitter as part of its social media campaign. Regular industry updates were also posted on these platforms. As a new initiative, a Kula Awards Instagram account was created during this period. This was to ensure that regular updates for the Kula Awards reached the widest population of the younger generation in the country.

Analytics

FB Likes	
Film Fiji (Kula Awards)	38,888
Film Fiji (Locations)	1,796
Tweets	
Total Tweets	121
Average (in a quarter)	30
Instagram Posts	
Kula Awards – Total	43
Kula Awards – Average (in a quarter)	43
Film Fiji – Total	87
Film Fiji – Average (in a quarter)	29

Markets and Conferences

International Markets

Film Fiji attended the following expositions/markets in 2016/2017

Market	Location	Date
India International Film Tourism Conclave (IIFTC)	Mumbai, India	February
Association of Film Commissioners International (AFCI)	California, USA	April
Shanghai International Film & TV Market	Shanghai, China	June
Filmmakers Forum	Mumbai, India	March

India International Film Tourism Conclave (IIFTC)

Film Fiji attended Asia's largest Locations show, the India International Film Tourism Conclave (IIFTC), which gives credible film commissions, tourism offices and production service companies from around the world the opportunity to showcase their locations, incentives and services to the Indian Film Industry. This was



Film Fiji Booth at the India International Film Tourism Conclave (IIFTC)

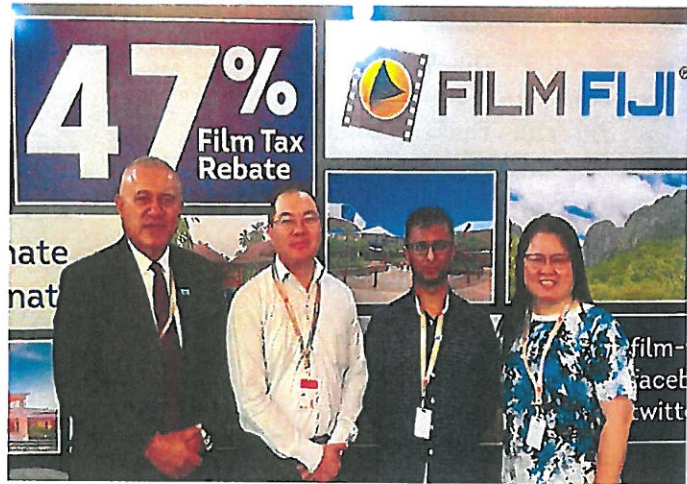
held in February 2017 at the JW Marriott hotel in Mumbai, India. Film Fiji CEO and a member of the marketing team attended this 3-day event in which several Film Commissions participated.

Association of Film Commissioners International Locations Show (AFCI)

The Association of Film Commissioners International (AFCI) is the official organization that represents Film Commissions from the various regions and countries who assist film, television and video production throughout the world. In 2017, AFCI hosted the AFCI Locations Show that brought together hundreds of global production VIPs from independent film makers to industry veteran to film commissioners, while showcasing production locations, incentives, businesses and support services. The AFCI Location Show was held in Burbank, California in April. Film Fiji Chief Executive Officer and the Board Chairperson attended the event.

Shanghai International Film & TV Market

Shanghai International Film and TV Market (SIFTVM) is one of the biggest film festivals in Asia, and being one of the 15 International Federation of Film Producers Associations (FIAPF), accredited competitive feature films festivals throughout the world and the only Class A international film festival in China. The Shanghai International Film Festival was held at the Shanghai Exhibition Centre in June. This was Film Fiji's first ever participation at the event. Film Fiji Chief Executive Officer and a member of the marketing team attended this 3 day event in which over 200 international exhibitors participated in.



Fiji's Ambassador to China H.E Ioane Naivalurua, CEO of Film Fiji Dallas Foon, Manager Marketing of Film Fiji Zaheer Hassan and Fiji's Consul General to China Yolinda Chan.

Filmmakers Forum

The Filmmakers forum was held in March 2017 at the JW Marriott Hotel in Mumbai, India. The event was held in partnership with Tourism Fiji, Fiji Airways and the Times of India. A good number of film producers attended the event. Delegates from Fiji included the Chief Executive Officer, the Board Chairperson and the Attorney General and Minister for Economy, Hon. Aiyaz Sayed-Khaiyum.



Pictured: Attorney General Hon. Aiyaz Sayed-Khaiyum, Chairperson of Film Fiji Ms Shaenaz Voss & Film Fiji CEO Mr Dallas Foon with attendees of the Filmmakers Forum in India.

Advertising

As part of our promotional campaign for 2017, Film Fiji advertised in the following international industry magazines:

- Beyond Cinema (USA)
- Directors Guild of America (USA)
- The Hollywood Reporter (USA)
- Variety (USA)
- Compass (United Kingdom)
- Intermedia (Australia)
- Screen International (United Kingdom)
- World of Locations (United Kingdom)
- Locations 2017 (USA)
- Movie Maker (USA)

Film Fiji also supported the Locations Managers Guild International (LMGI) Awards as a silver category Sponsor. The LMGI Awards were held at the Warner Brothers studio in Burbank. Film Fiji Chief Executive Officer and the Board Chairperson attended the Awards on Film Fiji's behalf.

Advertising packages were also arranged at these International Film Markets:

Film Market	Package/Advertisement
European Film Market (Germany)	Gold Advertising Package
Marche Du Film (France)	Producer's Package
Beijing International Film Festival (China)	Lightbox and Catalogue

Industry Partnerships

Public Relations

Film Fiji together with other stake holders collaborated on new promotion initiatives that included partnering with Tourism Fiji, Fiji Airways and the Times of India to organize a Fiji Film Makers forum in Mumbai, India.

Film Fiji also partnered with Fiji Airways to provide gifts and Air-tickets to the Winner of Survivor Season 34. The presentation was done at the CBS Studio in May 2017.

International

Incentives

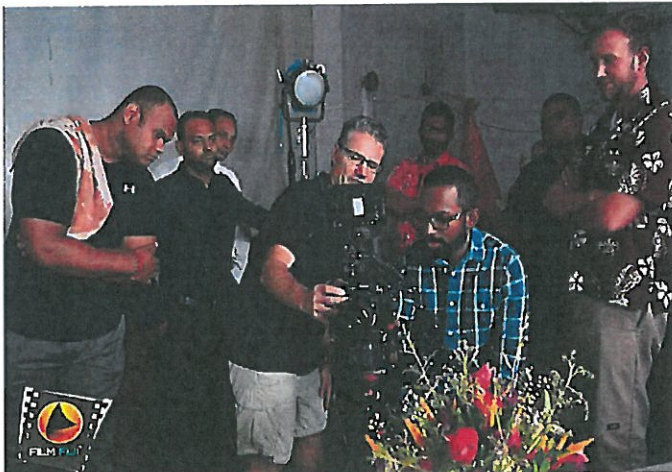
- Legislative provision on the waiver of Withholding Tax – Under the Income Tax Act 2015, the Minister for Economy may exempt or reduce tax rate for tax payable on the income of the qualifying employees, who are residents of countries that do not have double tax agreements with Fiji.

Encouraging Local Employment Opportunities

Film Fiji continues to create employment opportunities for our locals by bringing in foreign film productions into the country. As previously mentioned more than 1000 jobs were created for our locals in the industry during this period. Productions filmed mostly in rural locations and most of the locals engaged were from these local communities. This assisted in improving the standard of living in these local communities and there was evidence of improvement in these local economies during this period.

Industry Development

Film Fiji plans to further develop the local industry in terms of equipping and preparing our locals with some knowledge of filming by hosting expert training for specific areas of the industry. In doing so this would give an opportunity to those aspiring or wishing to enhance their skills for further development in the filming industry. During this period, the Film Fiji Academy was established and all Master Class training came under the umbrella of the Academy.



Attendees at the Film Fiji Cinematography Workshop

Suva and Nadi. Trainers for this Master Class were Powell Munn and Cristy Munn, also from the United States.

Two Master Class training were held during this period:

- Directing TV Commercials and Cinematography – The training was held in December at Devos on the Park in Suva. The session had two trainers, Mr. Tim Skousen and Mr. Ed Stephenson from the United States.

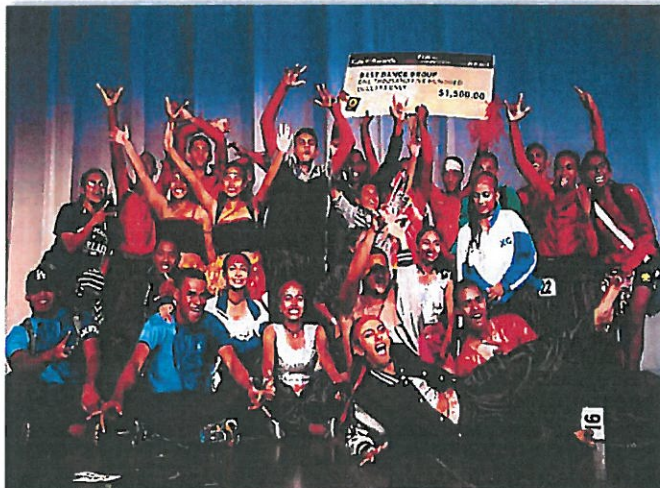
- Professional Photography – The training was held in March in

High School Development Program

Kula Awards

The Kula Awards is a major local development program targeted towards high school students in Fiji. The Kula Awards provides high school students an opportunity to participate and showcase their talents in three streams – film, dance and/ or the art competition. With schools ranging from the central and interior parts of Fiji including the large number of students targeted, this gives a platform for those students to develop their skills at a young age then further pursue this avenue as a way of creating an opportunity of employment in the later years.

This year the Fijian Made and Film Fiji Film Awards and the Fiji Airways Art Awards was held on July 28th at the Vmax Cinema in Damodar City while the Fiji Link Dance Competition was held on 29th July at the Vodafone Arena. Film Fiji was honored to have the Hon. Minister for Economy and Attorney General Aiyaz Sayed-Khaiyum as chief guest. Film Fiji's line Minister Hon. Minister Faiyaz Koya was also present on both nights as a special guest.



Picture: Winners of the Best Dance Group 2017 (Xavier College)

went to Lomani Rova of Swami Vivekananda College. Workshops to upskill students were also organized in areas such as Cinematography, Acting, Art and Dance.

The Kula Awards also welcomed celebrity guests Ngahuia Piripi and Tane Williams from Shortland Street and Executive Producer of Survivor US, Mr. Jesse Jensen.

A total of 15 schools participated in the Dance competition, 25 participated in the Film Awards and 25 schools participated in the Art Awards. Korovuto College won the Best Film award while Xavier College won the Best Dance Group. The Best Art Award

Kula Development Workshops

Cinematography Workshop (In partnership with the French Embassy) – April

The Cinematography workshop was conducted by Mr. Jerome Genevray, a French Film Director. This was a 3-day workshop that was held in Suva and in Lautoka. Students participating from the Northern Division also attended the two sessions. The workshop covered the basics of camera operation, lighting, camera angles and editing.



Pictured: Students taking part in the Acting workshop with trainer Mr Matt Young

This was a 1-day workshop that was held in Suva, Lautoka and Labasa. The workshop covered the basics of facial expressions, voice projection and screen acting. Students also participated in role plays to enhance their acting skills.

Acting Workshop – May

The Acting workshop was conducted by Australian Actor, Mr. Matt Young.

Art Workshop – May

Artist Mr. Peter Sipeli conducted the Art workshops preparing students for the final submission of their Art pieces. This was a 1-day workshop that was held in Suva, Lautoka and Labasa. The workshop covered topics such as the meaning of art, how students perceive art, what elements make up art and how to interpret art.



Dance Workshop – June

The Dance workshops were conducted by the VOU Dance Group. The workshops were organized in Suva and Nadi. The workshops focused on choreography, modern dance fusions and creativity.

Pictured: Students taking part in the 2017 Kula Art Workshop

Human Resources

During this period, the Marketing Officer resigned and a successor was appointed in November 2016. An additional Marketing Officer position was created and the new Manager Marketing and Public Relations was recruited in November 2016 increasing the total number of staff compliment at Film Fiji to 7. Film Fiji is an equal opportunity employer, we currently have three females and four males staff in employment during this period. Film Fiji continued to provide relevant trainings for staff on a regular basis. In addition, staffs were allowed to attend professional training sessions organized by the Fiji Institute of Accountants and the Attorney General's Office. This was to enhance their skills to keep abreast with the changes in their area of work.

Acknowledgement

The Chairperson and Board would like to take this opportunity to thank the Government for its support and financial contribution to Film Fiji. Special mention is made to the Ministry of Industry, Trade & Tourism, Ministry of Economy, Department of Immigration, Ministry of iTaukei Affairs, Fiji Revenue and Customs Service, Tourism Fiji, Investment Fiji, iTaukei Land Trust Board and Fiji Airways.

**FILM FIJI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

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FILM FIJI
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2017

In accordance with a resolution of the Board of Directors, the Board herewith submits the statement of financial position of Film Fiji as at 31 July 2017, the related statement of comprehensive income, statement of changes in equity and statement of cash flow for the period ended on that date and report as follows:

1. Board

The following were Directors of Film Fiji during the year:

Ms Shaenaz Voss	<i>Chairperson</i>	(effective 4 March 2015)
Ms. Debra Sadranu	<i>Member</i>	(effective 17 September 2015)
Mr. Kumar Sami Goundar	<i>Member</i>	(effective 4 March 2015)
Mr. Sakiusa Bolaira	<i>Member</i>	(effective 17 September 2015)
Ms Timaima Vakadewabuka	<i>Member</i>	(effective 17 September 2015)
Permanent Secretary for Industry, Trade & Tourism	<i>Member</i>	(effective 17 September 2015)

2. Principal Activities

The principal activities of Film Fiji during the financial period were the development and promotion of the audio visual industry in Fiji.

3. Results

The net surplus for the period ended 31 July 2017 was \$311,790 (2016: net surplus of \$9,580).

4. Provisions

There were no material movements in provisions.

5. Bad and Doubtful Debts

As at the date of this report, Film Fiji is not aware of any circumstances, which would render the amount written off for bad debts, or the provision for doubtful debts in the Film Fiji, inadequate to any substantial extent.

6. Current Assets

Film Fiji took reasonable steps before the financial statements were made out to ascertain that the current assets were shown in the accounting records at a value equal to or below the value that would be expected to be realised in future.

As at the date of this report, Film Fiji is not aware of any circumstances which would render the values attributable to the current assets in the financial statements misleading.

7. Unusual Transactions

In the opinion of the Board, the results of the operations of Film Fiji during the financial period were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the reporting period and the date of this report any item, transaction or event of an abnormal character likely, in the opinion of the Board, to affect substantially the results of the operations of Film Fiji in the current reporting period.

**FILM FIJI
DIRECTOR'S REPORT (cont'd)
FOR THE YEAR ENDED 31 JULY 2017**

8. Events Subsequent to Balance Date

No charge on the assets of Film Fiji has arisen since the end of the financial period to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial period to the date of this report.

No contingent liability or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial period which, in the opinion of the Board, will or may affect the ability of Film Fiji to meet its obligation as and when they fall due.

9. Basis of Accounting

Film Fiji believes that the basis of the preparation of accounts is appropriate and that Film Fiji will be able to meet its commitments as and when they fall due. Accordingly Film Fiji believes the classification and carrying amounts of the assets and liabilities as stated in these accounts to be appropriate.

10. Other Circumstances

At the date of this report, Film Fiji is not aware of any circumstances not otherwise dealt with in this report or accounts which would render any amounts stated in the accounts misleading.

11. Board's Benefit

Since the end of the previous financial year, no member of the Board has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by the Board shown in the financial statements or received as the fixed salary of a full-time employee of the Film Fiji or of a related corporation) by reason of a contract made by the Film Fiji or by a related corporation with Film Fiji 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 of Directors and in accordance with its resolution.

Dated this 27th day of September, 2019.



Chairperson



Director

FILM FIJI
STATEMENT BY THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2017

In accordance with a resolution of the Board of Directors, we state that in the opinion of the Board:

- (i) the accompanying Statement of Comprehensive Income of film Fiji is drawn up so as to give a true and fair view of the results of Film Fiji for the year ended 31 July 2017;
- (ii) the accompanying Statement of Changes in Equity of Film Fiji is drawn up so as to give a true and fair view of the changes in accumulated fund of Film Fiji for the year ended 31 July 2017;
- (iii) the accompanying Statement of Financial Position of Film Fiji is drawn up so as to give a true and fair view of the state of affairs of Film Fiji as at 31 July 2017;
- (iv) the accompanying Statement of Cash Flow of Film Fiji is drawn up so as to give a true and fair view of the cash flows of Film Fiji for the year ended 31 July 2017;
- (v) at the date of this statement, there are reasonable grounds to believe that the Film Fiji will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of Film Fiji.

For and on behalf of the Board of Directors and in accordance with its resolution.

Dated this 27th day of September 2019.



Chairperson



Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

FILM FIJI

Opinion

I have audited the financial statements of Film Fiji, which comprise the statement of financial position as at 31 July 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of Film Fiji as at 31 July 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRSs for SMEs").

Basis for Opinion

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

Other Matter

The Board of Survey was not carried out for Property, Plant and Equipment (PPE) as at 31 July 2017. The survey needs to be carried out to strengthen the internal controls over the existence of PPE.

Responsibilities of the Management and Directors for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs, the requirements of Film Fiji Act 2012, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Film Fiji's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

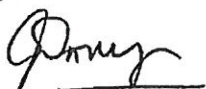
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 Film Fiji's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of 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 Film Fiji's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Film Fiji to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Film Fiji Act 2012, in my opinion:

- a) proper books of account have been kept by the Film Fiji, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
 - a. are in agreement with the books of account; and
 - b. to the best of my information and according to the explanations given to me, give the information required by the requirements of Film Fiji Act 2012 in the manner so required.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
02 October, 2019

FILM FIJI
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2017

	Notes	(12 months) 31-Jul 2017 \$	(7 months) 31-Jul 2016 \$
Government grant - operational	12	1,728,712	491,235
Deferred income	11	33,909	17,060
Fees		1,700	500
Sponsorship - Kula awards	13	99,157	86,000
Ticket sales - Kula awards		4,172	2,978
Miscellaneous		7,006	143
Total Income		1,874,656	597,916
Administrative expenses	6	(623,562)	(255,493)
Promotional expenses		(530,890)	(102,401)
Employee remuneration and benefit		(370,990)	(211,381)
Depreciation	7(c)	(33,909)	(17,061)
Other expenses		(3,515)	(2,000)
Total Expenditure		(1,562,866)	(588,336)
Surplus for the year/period		311,790	9,580
Total comprehensive income for the year/period		311,790	9,580

(The Statement of Comprehensive Income is to be read in conjunction with the accompanying notes set out on pages 11 to 18)

FILM FIJI
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2017

	Notes	(12 months) 31-Jul 2017 \$	(7 months) 31-Jul 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalent	2	642,887	387,790
Prepayments	3	109,866	12,333
Receivables	4	10,015	33,392
Refundable deposits	5	8,341	8,341
Total Current Assets		771,109	441,856
Non Current Assets			
Property, plant and equipment	7	93,956	107,701
Total Non Current Assets		93,956	107,701
TOTAL ASSETS		865,065	549,557
LIABILITIES			
Current Liabilities			
Trade and other payables	8	63,766	53,119
Employee benefit liability	9	18,406	20,103
Provisions	10	20,515	12,000
Deferred income	11	33,909	17,061
Total Current Liabilities		136,596	102,283
Non Current Liabilities			
Deferred income	11	60,046	90,641
Total Non Current Liabilities		60,046	90,641
TOTAL LIABILITIES		196,642	192,924
NET ASSETS		668,423	356,633
EQUITY			
Accumulated surplus		635,250	323,460
Other reserves		33,173	33,173
TOTAL EQUITY		668,423	356,633

(The Statement of Financial Position is to be read in conjunction with the accompanying notes set out on pages 11 to 18)

Signed for and on behalf of the Board of Directors.


Chairperson

Date: 27.09.19


Director

Date: 27.09.19

FILM FIJI
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2017

	Other Reserves \$	Accumulated Funds \$	Total \$
Balance as at 31 December 2015	33,173	313,880	347,053
Net surplus for the year		9,580	9,580
Balance as at 31 July 2016	33,173	323,460	356,633
Net surplus for the year		311,790	311,790
Balance as at 31 July 2017	33,173	635,250	668,423

(The Statement of Changes in Equity is to be read in conjunction with the accompanying notes set out on pages 11 to 18)

FILM FIJI
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 JULY 2017

		(12 months)	(7 months)
	Notes	31-Jul 2017 \$	31-Jul 2016 \$
Cash flows from Operating Activities			
Receipts from government and customers		1,892,691	637,201
Payments to suppliers and employees		(1,617,430)	(515,425)
Net cash flows from Operating Activities		275,261	108,012
Cash flows from Investing Activities			
Payments for property, plant & equipment		(20,164)	(16,642)
Net cash flows used in Investing Activities		(20,164)	(30,968)
Net increase in cash held		255,097	105,134
Cash at the beginning of the year		387,790	282,656
Cash at the end of the year/period	2	642,887	387,790

(The Statement of Cash Flow is to be read in conjunction with the accompanying notes set out on pages 11 to 18)

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Film Fiji Act 2012 and the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB).

The principal 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.

Set out below is a summary of the significant accounting policies adopted by Film Fiji in the preparation of the financial statements for the period ended 31 July 2017.

1.1 Basis of Accounting

The financial report has been prepared on the basis of historical costs and except where specifically stated do not take into account current valuations of non-current assets.

In the application of IFRS for SMEs, management is required to make judgements, estimates and assumptions about carrying value 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 result may defer from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period. Judgements made by management in the application of IFRS for SMEs 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.

1.2 Transition to IFRS for SMEs

Film Fiji has adopted IFRS for SMEs with effect from 1 January 2011. No amendments have been made on transition to IFRS for SMEs as Film Fiji previously applied accounting policies which are generally aligned with IFRS for SMEs. However, additional disclosures have been made in the financial statements as required by IFRS for SMEs.

1.3 Income Tax

Film Fiji is exempted from income tax in accordance with Section 17 (58) of the Income Tax Act (Cap 201).

1.4 Income and Expenses

Income and expenses are brought to account on an accrual basis.

1.5 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost. For the purpose of the Statement of Cash Flow, cash and cash equivalents comprise cash at bank and cash on hand.

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 JULY 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1.6 Property, Plant and Equipment

Assets are depreciated or amortised from the date of acquisition or when an asset is completed and held ready for use. Depreciation is calculated on a straight-line basis so as to write off the cost or revalued amount of each fixed assets during its effective working life.

The principal depreciation rates in use are as follows:

Motor Vehicles		20.0%
Computer Equipment	- Laptop	25.0%
	- Desktop	20.0%
	- Printers	20.0%
	- Software	33.33%
Office Equipment	- General	20.0%
	- Telephone	6.67%
Office Fixtures & Fittings		8.33%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised as gains/ (losses) on sale of fixed assets in the Statement of Comprehensive Income.

1.7 Income

Income is recognised to the extent that it is probable that the economic benefits will flow to Film Fiji and that it can be readily measured.

Government Grant

Grants from the government are recognised at their fair value in income statement where there is reasonable assurance that the grant will be received and Film Fiji has complied with all attached conditions. Grants related to assets are presented as deferred income and are brought to account in the same proportion that depreciation bears to the cost of the assets acquired with the grants.

Fees

Application fees are recognised as income on receipt

Kula Film Awards

Sponsorships and contributions received in kind are accounted for at estimated fair value.

1.8 Deferred Income

Significant items of income having a relationship to more than one accounting period have been brought to account over the period to which they relate.

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 JULY 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1.9 Value Added Tax (VAT)

Revenue, expenses, assets and liabilities are recognised net of VAT, except: i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; ii) For receivables and payables which are recognised inclusive of VAT.

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

1.10 Trade & Other Payables

Creditors and accounts payables are recognised when Film Fiji becomes obliged to make future payments resulting from the purchase of goods and services.

1.11 Provisions

Provisions are recognised when Film Fiji has a present obligation (legal or constructive) as a result of past events; it is probable that Film Fiji will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainty surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value for money is material).

1.12 Provision for Employee Entitlements

Liabilities for annual leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employee services up to that date.

1.13 Foreign Currencies

Foreign currency transactions during the year are translated to Fiji currency at rates ruling at the date of each transaction. Assets and liabilities in foreign currencies at year end are translated to Fiji currency at rates ruling at balance date. Gains and losses (realized and unrealized) are brought to account in determining the results for the year.

1.14 Comparatives

The financial statements for 2016 covered the period from 1 January 2016 to 31 July 2016. The financial statements for 2017 covered the twelve months from 1 August 2016 to 31 July, 2017. The financial year-end of Film Fiji was changed from 31 December to 31 July to re-align with the year-end of Government effective from 2016. Accordingly, the last financial statements were prepared for seven (7) months from 1 January, 2016 to 31 July 2016 and as a result, the comparative figures stated in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related notes are not comparable.

1.15 Reporting Currency

All figures are reported in Fiji currency.

FILM FIJI

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 JULY 2017

	(12 months) 31-Jul 2017 \$	(7 months) 31-Jul 2016 \$
NOTE 2: CASH AND CASH EQUIVALENT		
Operating account	522,365	268,004
Fees & levies account	119,373	114,606
Kula account	649	4,680
Cash on hand	500	500
	<u>642,887</u>	<u>387,790</u>
NOTE 3: PREPAYMENTS		
Insurance	8,183	6,866
IT support	880	763
Telephone	3,347	2,735
Books and periodicals	313	403
Professional membership	256	256
AFCI membership	661	668
Membership	275	-
Office supplies	14	14
Sundry	367	628
Promotion	95,571	-
	<u>109,867</u>	<u>12,333</u>
NOTE 4: RECEIVABLES		
Advances	1,776	5,637
Debtors	8,239	15,734
VAT	-	12,021
	<u>10,015</u>	<u>33,392</u>
NOTE 5: REFUNDABLE DEPOSITS		
Fiji Electricity Authority	3,268	3,268
Suva City Council	3,853	3,853
Colonial National Bank	31	31
Telecom Fiji Ltd	764	764
Plant World	130	130
Pleass Beverages & Packaging	295	295
	<u>8,341</u>	<u>8,341</u>
NOTE 6: ADMINISTRATIVE EXPENSES		
Insurance	11,017	6,332
Office rent	60,580	35,338
Electricity & water	8,728	5,172
Telephone	17,209	9,989
Board members fees	30,709	15,355
Kula Film Awards	297,482	153,485
Other Expenses	70,733	27,836
Workshops & Consultancy	127,105	1,987
	<u>623,563</u>	<u>255,493</u>

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 JULY 2017

	(12 months) 31-Jul 2017 \$	(7 months) 31-Jul 2016 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
n) Plant and equipment are stated in the financial statements on the following basis:		
Office furniture & fittings		
At cost	28,808	26,240
Additions	4,895	2,568
Accumulated depreciation	(21,987)	(21,060)
	<u>11,716</u>	<u>7,748</u>
Office equipment		
At cost	65,965	53,322
Additions	6,555	14,073
Disposals	-	(1,430)
Accumulated depreciation	(47,204)	(39,756)
	<u>25,316</u>	<u>26,209</u>
Computer equipment		
At cost	46,302	68,240
Additions	8,714	-
Disposals	-	(21,938)
Accumulated depreciation	(33,599)	(25,108)
	<u>21,417</u>	<u>21,194</u>
Motor vehicle		
At cost	85,217	85,217
Accumulated depreciation	(49,710)	(32,667)
	<u>35,507</u>	<u>52,550</u>
Net Book Value	<u>93,956</u>	<u>107,701</u>

b) The depreciation policies adopted are set out in Note 1.6.

(c) Reconciliation of the carrying amounts of each class of plant and equipment at the beginning and end of the current year is set out below:

	Office Furniture and Fitting \$	Office Equipment \$	Computer Equipment \$	Motor Vehicle \$	Total \$
<u>Cost</u>					
Balance as at 31 July 2016	28,808	65,965	46,302	85,217	226,292
Additions	4,895	6,555	8,714	-	20,164
Disposals	-	-	-	-	-
Balance as at 31 July 2017	<u>33,703</u>	<u>72,520</u>	<u>55,016</u>	<u>85,217</u>	<u>246,456</u>
<u>Accumulated Depreciation</u>					
Balance as at 31 July 2016	21,060	39,756	25,108	32,667	118,591
Depreciation	927	7,448	8,491	17,043	33,909
Disposals	-	-	-	-	-
Balance as at 31 July 2017	<u>21,987</u>	<u>47,204</u>	<u>33,599</u>	<u>49,710</u>	<u>152,500</u>
<u>Written Down Value</u>					
31 July 2016	<u>7,748</u>	<u>26,209</u>	<u>21,194</u>	<u>52,550</u>	<u>107,701</u>
31 July 2017	<u>11,716</u>	<u>25,316</u>	<u>21,417</u>	<u>35,507</u>	<u>93,956</u>

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 JULY 2017

	(12 months) 31-Jul 2017 \$	(7 months) 31-Jul 2016 \$
NOTE 8: TRADE AND OTHER PAYABLES		
Trade Creditors	40,612	15,386
Refunds for over deductions	427	427
Other creditors and accruals	19,150	37,306
VAT	3,577	-
	<u>63,766</u>	<u>53,119</u>

NOTE 9: EMPLOYEE BENEFIT LIABILITY

Annual leave entitlement	18,407	20,103
	<u>18,407</u>	<u>20,103</u>

NOTE 10: PROVISIONS

	<i>Audit fees</i>	<i>Major Projects</i>	<i>Total</i>
At 1 August 2016	7,000	5,000	12,000
Additions during the year	3,515	5,000	8,515
At 31 July 2017	<u>10,515</u>	<u>10,000</u>	<u>20,515</u>

a) The liability recognised for audit fees consist of provisions for audit fees and review of the financial statements for Film Fiji.

b) Film Fiji has recognized a construction provision resulting from its decision to carry out an upgrade to its website. This provision represents the estimated costs of website upgrade. It is estimated that the upgrade costs will be paid off in the year ended 31 July 2018.

NOTE 11: DEFERRED INCOME

Grants from the government are recognised at their fair value in the Statement of Comprehensive Income where there is reasonable assurance that the grant will be received and Film Fiji has complied with all attached conditions. Grants related to assets are presented as deferred income and are brought to account in the same proportion that depreciation bears to the cost of the assets acquired with the grants.

	31-Jul 2017 \$	31-Jul 2016 \$
Balance at the beginning	107,702	108,120
Add: additional grant	20,163	16,642
Less: transfers to statement of comprehensive income	(33,909)	(17,060)
	<u>93,956</u>	<u>107,702</u>
Represented by:		
Current	33,910	17,061
Non current	60,046	90,641
	<u>93,956</u>	<u>107,702</u>

NOTE 12: GOVERNMENT GRANT

As at 31 July 2017 a total of \$1,869,530 Government grant was received out of which \$120,654 was VAT and \$20,164 was for purchase of fixed assets. Therefore, a total of \$1,728,712 was recorded as revenue.

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 JULY 2017

	(12 months) 31-Jul 2017 \$	(7 months) 31-Jul 2016 \$
NOTE 13: SPONSORSHIP INCOME		
Sponsorship income	99,157	86,000

Sponsorship income relates to money received from sponsors for the Kula program.

NOTE 14: KULA AWARDS

The Kula awards is organized by Film Fiji to provide a development ground for high school students for the audio visual industry and is funded mainly by the sponsors.

NOTE 15: RELATED PARTIES

- a) **Board of Directors**
There following were members of the Board in 2017:

Ms Shaenaz Voss	<i>Chairperson</i>	(effective 4 March 2015)
Ms Debra Sadranu	<i>Member</i>	(effective 17 September 2015)
Mr Kumar Sami Goundar	<i>Member</i>	(effective 4 March 2015)
Mr Sakiusa Bolaira	<i>Member</i>	(effective 17 September 2015)
Ms Timalna Vakadewabuka	<i>Member</i>	(effective 17 September 2015)
Permanent Secretary for Industry, Trade & Tourism	<i>Member</i>	(effective 17 September 2015)

- b) **Identity of related party**

Film Fiji and the Government of Fiji are related by virtue of common executive (Parliament) authority.

- c) **Transactions with Key Management Personnel**

The total remuneration for key management for the year ended 31 July 2017 was \$130,000 (for the period 1 January to 31 July 2016: \$75,833).

- d) **Transactions with related party**

During the year Film Fiji entered into an agreement with Government which were at normal terms and conditions of the annual service agreement. The value of the agreement/ transactions with government for the provision of government grant during the period is \$1,869,530 (for the period from 1 January to 31 July 2016: \$534,766).

There are no amounts due to or receivable from Government at the end of the period.

NOTE 16: CONTINGENT LIABILITIES

Film Fiji is not aware of any contingent liability as at 31 July 2017. (2016: Nil).

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 JULY 2017

NOTE 17: SUBSEQUENT EVENTS

There are no known subsequent events which will have a material effect on these financial statements except as otherwise disclosed in the accounts.

NOTE 18: COMMITMENTS

Operating lease commitment – Film Fiji leases the current office space under cancellable operating lease agreement. The lease term is three years. Film Fiji is required to give three months' notice for the termination of this agreement. Otherwise, the lease agreement is renewable at the end of the lease period at market rate.

NOTE 19: PRINCIPAL ACTIVITIES

The principal activities of the Film Fiji during the financial period were developing and promoting the audio visual industry in Fiji.

	(12 months) 31-Jul 2017	(7 months) 31-Jul 2016
NOTE 20: NUMBER OF EMPLOYEES		
Average number of employees in a year.	7	6

NOTE 21: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 27.09.19