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# **FILM FIJI**

**REPORT FOR THE PERIOD FROM  
1 JANUARY TO 31 JULY 2016**

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## Introduction

Film Fiji is a Government statutory body that is constituted by law and operates in accordance with the Film Fiji Act 2002 whose 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.

As the Film Commission Office of Fiji, Film Fiji is required to provide production companies a complete range of pre-production services. Film Fiji provides accurate and timely information regarding local crew depth, stage facilities and other infrastructure, locations suggestions (assisting with site location photography, scouting services, location presentations), filming procedures, permits and guidelines.

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 filming in Fiji.

In line with changes in the financial year of Government, the Film Fiji Board approved to change the financial year of Film Fiji in 2016 to align this to Government. This report covers the seven (7) months period from 1<sup>st</sup> January 2016 to 31<sup>st</sup> July 2016.

## The Board

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

The following were members of the Board as at 31<sup>st</sup> July 2016:

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

## Meetings

During the period between 1 January to 31 July 2016, the Board held 2 Board meetings.

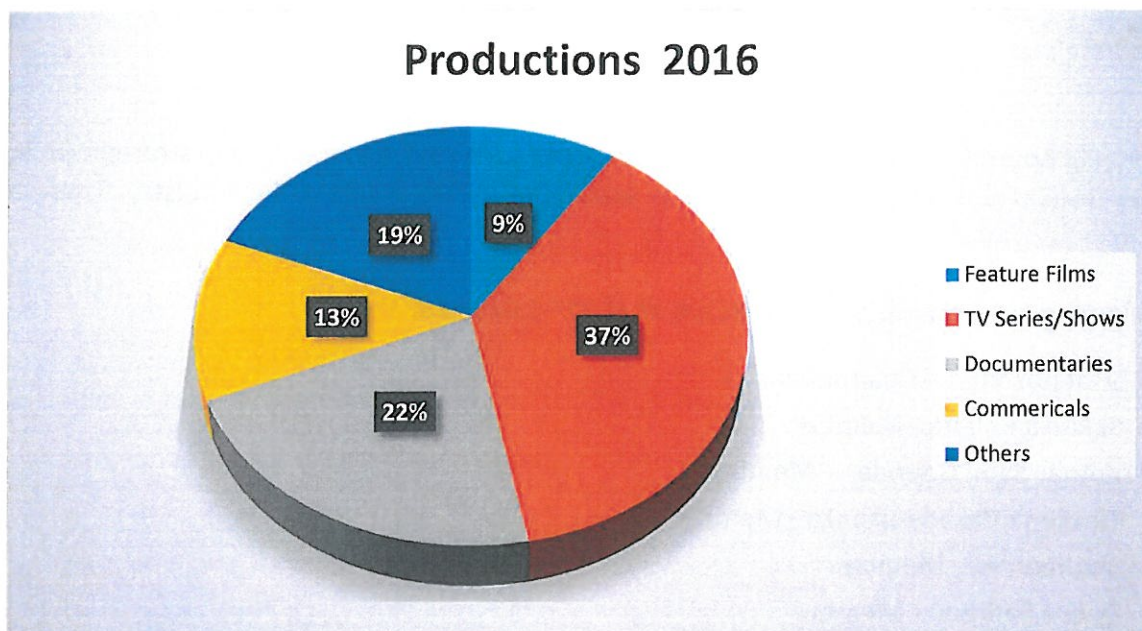
## Performance Results by Focus Areas

Since its establishment in 2001, Film Fiji has been receiving annual grants from Government through its line Ministry. For the period 1<sup>st</sup> January to 31<sup>st</sup> July 2016, Film Fiji received a total grant of FJD\$0.535million.

## Key Outcomes

During this period a total of 32 productions were filmed in Fiji. There was considerable growth in productions over the 7 months period. These productions came from various countries such as Australia, the United States of America (USA), New Zealand, China, etc. Some of the major studios that filmed in Fiji during this period were:

Studio name/Production House	Country	Project
Columbian Broadcasting Systems	USA	US Survivor Season 33 & 34
Channel 9 & TV 3 NZ	Australia	Couples Retreat
MTV	USA	Stranded
Fox Broadcasting Company	New Zealand	Kicking and Screaming



Many positive enquires were received from prospective major production houses and studios worldwide with Film Fiji starting to yield results of its promotional strategy from the previous period with the increase in production this year. This is expected to continue with an influx of more film projects projected in the coming year.

### **Film Industry contribution to Economic Growth**

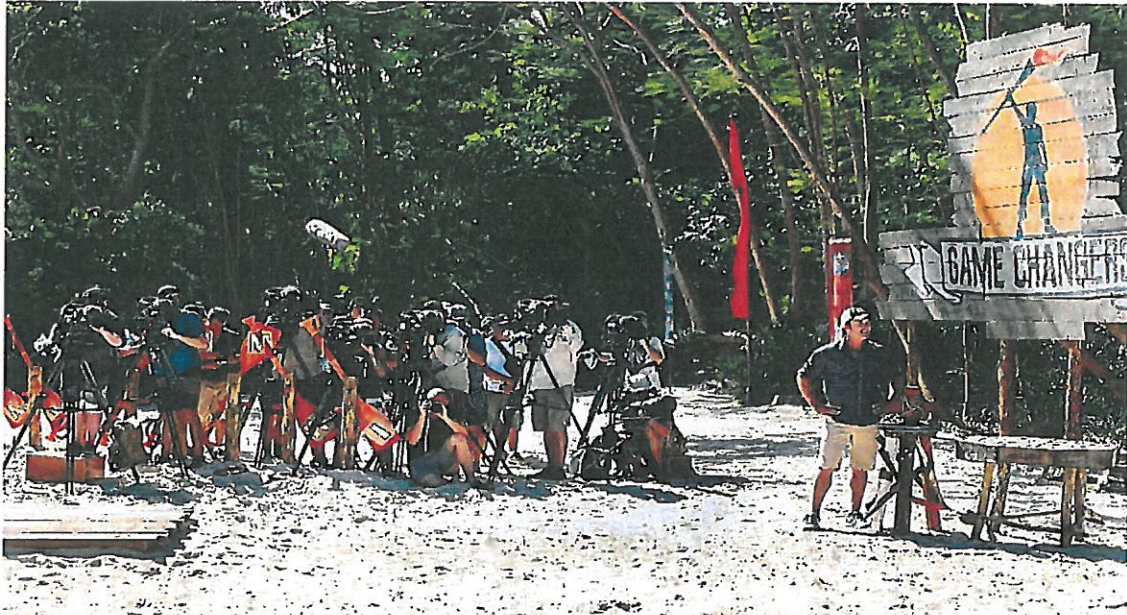
The 32 productions that came to Fiji during this period generated FJD\$92.4 million of New Economic Activity (NEA)\* in the Fiji economy. Local employment created during this period totaled 1,116 whereby locals were engaged in all areas of the production and this assisted in minimizing the unemployment ratio, as those individuals employed by the production would otherwise have been unemployed.

Correspondingly, there was growth experienced in the local film industry during this period with an increase of local employment created, increased business for our local vendors and an increased usage of locations. These benefits can be physically verified in those local economies that hosted these productions.

\*NEA – every dollar spent by the production in the Fijian economy creates 2.81 of “NEW ECONOMIC ACTIVITY”



Fiji hosted the famous US Survivor during this period in which the production spent over FJD\$14million directly into Fiji's economy and employed over 300 locals for the duration of the show. US Survivor has promoted Fiji widely throughout the Film market abroad as a filming destination and showcased Fiji as a tourist destination. This exposure for Fiji has generated interest for film productions in utilizing Fiji's unique locations.



*Pictured: Jeff Probst (Emmy Award-winning Host) and Crew during "US Survivor" Season 33*

Film Fiji continues to work closely with such productions for the continuous growth of the film industry within Fiji.

## **Film Industry Development, Promotions & Marketing**

During this period, Film Fiji continued to promote Fiji's film Industry along with our diverse film locations and incentives to the international industry. In doing so this creates more awareness on Fiji's ability to host large productions and at the same time develops Fiji's film industry's capability. This was done by using the following strategic platforms:

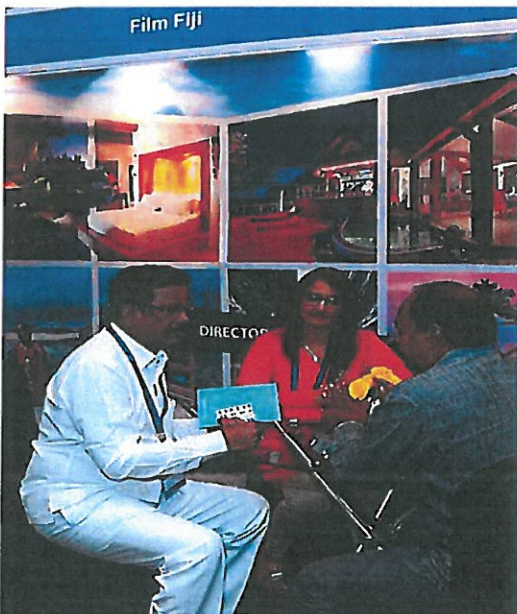
### **Website**

A record number of 1,811 visitors visited the Film Fiji website during this period. The top 5 countries to visit the Film Fiji website during this period included the US, Australia, New Zealand, India and the United Kingdom. Approximately, 70% of visitors who visited the website during the period were visiting the Film Fiji website for the first time.

## Facebook/Twitter

Film Fiji actively uses Facebook and Twitter as part of its social media campaign with regular industry updates posted on these platforms. During this period, the number of likes on Film Fiji's Facebook page stood at 18,469 at its maximum with the highest post reach recording 125,795. For the same period, Film Fiji recorded 286 followers on its Twitter account, with 46 tweets posted.

## Markets and Conferences



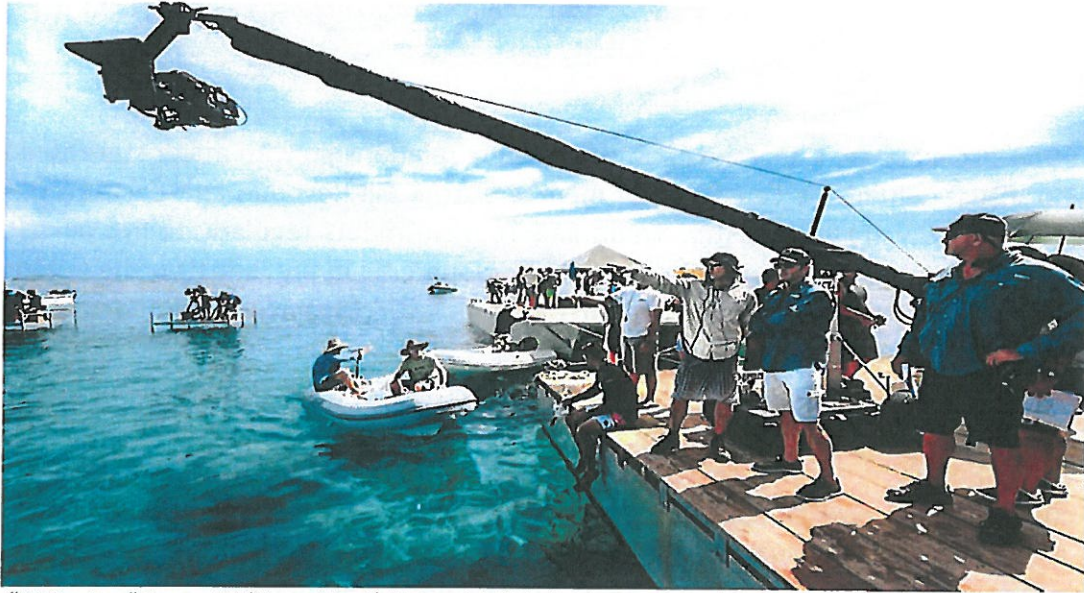
*Pictured: Chairperson of Film Fiji Ms Shaenaz Voss attending to visitors in the Film Fiji booth during IIFTC*

### International Film

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 India Film Industry. This event was held in Chennai, Hyderabad and Mumbai from 23<sup>rd</sup> – 27<sup>th</sup> of February. Film Fiji was represented by the Manager Marketing and Public Relations and the Chairperson.

The Association of Film Commissioners International (AFCI) is the official organization representing Film Commissions from the various regions and countries who assist film, television and video production throughout the world. During this period, AFCI hosted the AFCI Locations Show that brought together hundreds of global production VIPs from independent film makers to industry veterans to film commissioners, while showcasing production locations, incentives, business and support services. This event was held in Los Angeles from 21<sup>st</sup> – 23<sup>rd</sup> April where Film Fiji was represented by the Chairperson and Chief Executive Officer at this market.





*"US Survivor" Season 33 (Mana Island) Pictured: Jeff Probst (Emmy Award-winning Host)*

## **Advertising**

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

1. The Hollywood Reporter (USA)
2. Variety (USA)
3. Beyond Cinema (USA)
4. All Lights Magazine (India)
5. The Cineport Magazine, The Official publication of IIFTC (India).

This was to further promote the Film Tax incentives to the two major film markets, Bollywood and Hollywood.

## **Location Scout**

In 2016, a team from Tollbooth TV in collaboration with Music Television (MTV) conducted a scouting trip to Fiji to explore the possibility of filming their reality Television series "Stranded" filmed here in April/May of the same year.

## **Industry Partnerships**

Film Fiji strives to maintain a seamless and cooperative relationship with major stakeholders. A joint Audio Visual Committee consisting of members from Fiji Revenue and Customs Service, Film Fiji and the Ministry of Industry, Trade and Tourism meets regularly to vet all relevant applications and to discuss important issues and developments in the industry. The Committee also discusses important trends in the industry and makes recommendations to the Film Fiji Board for any relevant changes in the Legislation.

## **Public Relations**

Film Fiji continued to forged ahead with our partnership with Tourism Fiji and Fiji Airways. Both Tourism Fiji and Fiji Airways were invited to attend the AFCI Locations Show in Los Angeles with Film Fiji, where all three (3) organizations were represented at this film market.

The aim of this is to not only promote Fiji as a filming destination but also to work with our partners to target our biggest foreign income earner which is the tourism industry. Working closely to develop strong relationships with our international markets helps Film Fiji achieve its goals along with improving other trading partners.

Film Fiji also attended the Fiji Tourism Expo in Denarau in partnership with the Ministry of Industry, Trade and Tourism and Investment Fiji during this period.

## **Encouraging Local Employment Opportunities**

Film Fiji commenced working on a local crew database during this period. All locals interested can submit their information for inclusion in this database. The database can be accessed by all productions when recruiting locals. This would provide opportunities to our locals who have previously worked on productions or those interested in working in this industry.

## **Audio Visual Agents**

As a requirement under Part 5 of the Income Tax (Film-making and Audio-visual Incentives) Regulations 2016, production companies must engage an Audio-visual Agent to qualify for the Film Tax Rebate. The licensing of Audio-visual Agents is administered by the Ministry of Industry, Trade and Tourism under the Film Fiji (Licensing of Audio-visual Agents) Regulations 2012.

Licensed Audio-visual Agents offer a range of services including logistical support, accounting services, legal services, to name a few. This further assisted productions in ensuring they work



within the parameters of the law and ensure productions are compliant with the requirements of the incentives.

During this period, there was one (1) new licensed Audio-visual Agent registered with the Ministry of Industry, Trade and Tourism and four (4) licenses renewed for the same period. The number of Audio Visual Agents as at 2016 totaled 26.

## Local Development Program

### Kula Awards

Initiated in 2006, the Kula Awards has continued to grow over the years and has now become a much awaited event in the calendar of activities for high schools in Fiji. As the Kula Awards enters its 11<sup>th</sup> year this year, this annual event has become the main high school development program for Film Fiji each year. Divided into three streams; mainly film, dance and art, the culmination of these competitions were held over 2 nights. The Dance Competition was held on Friday 29<sup>th</sup> July at the FMF Gymnasium, while the Film and Art Awards were held on Saturday 30<sup>th</sup> July at the Suva Civic Centre.



*Pictured: Students taking part in the Kula Film Training that was held in Lautoka.*

The following organizations supported the Kula Awards event as major sponsors of the different competition in 2016:



*Pictured: Students taking part in the Kula Film Training that was held in Suva*

1. Ministry of Industry, Trade and Tourism – Kula Dance Competition
2. Fiji Airways - Art Competition
3. HFC Bank – Film Competition

2016 saw a total of 23 schools participated in the Film Awards, 15 schools participated in the Dance Competition, while the Art competition had 44 finalists.

To provide quality educational materials to participating schools to submit their best entry possible, Film Fiji in partnership with the French Embassy, conducted training for all of the participating schools in the areas of Screen Acting and Cinematography, Dance and Art competitions.

In the lead up to the Kula Awards, schools films were shown on FBC TV and as a new initiative, uploaded to the Kula Facebook page for public viewing and voting. The most Popular Film was chosen by members of the public.



*Pictured: Winners of the 2016 Dance Competition Xavier Collage with the Attorney General Hon Alyaz Sayed-Khaiyum.*

## Human Resources

As at 31<sup>st</sup> July 2016, the number of staff remained at 6. Film Fiji is an equal opportunity employer, we currently have three females and three males staff in employment. 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 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 PERIOD ENDED 31 JULY 2016**

**FILM FIJI**  
**FINANCIAL STATEMENT**  
**FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

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**FILM FIJI**  
**DIRECTOR'S REPORT**  
**FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

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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 2016, 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 2016 was \$9,580 (2015: net deficit of \$28,319).

**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 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 SEVEN MONTHS ENDED 31 JULY 2016**

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**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**

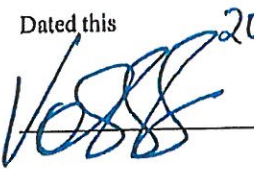
At the date of this report, Film Fiji is not aware of any circumstances not otherwise dealt with in this report or accounts which would render any amounts stated in the accounts misleading.

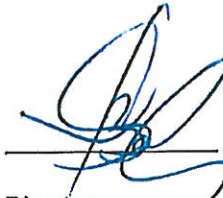
**11. Board's Benefit**

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 Film Fiji or of a related corporation) by reason of a contract made by 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 20<sup>th</sup> day of July, 2018.

  
Chairperson

  
Director

**FILM FIJI**  
**STATEMENT BY THE DIRECTORS**  
**FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

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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 period ended 31 July 2016;
- (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 period ended 31 July 2016;
- (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 2016;
- (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 period ended 31 July 2016;
- (v) at the date of this statement, there are reasonable grounds to believe that 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 20<sup>th</sup> day of July 2018.

  
Chairperson

  
Director

# OFFICE OF THE AUDITOR GENERAL

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## INDEPENDENT AUDITOR'S REPORT

### FILM FIJI

I have audited the accompanying financial statements of Film Fiji, which comprise the statement of financial position as at 31 July 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory information as set out on notes 1 to 18.

#### *Directors and Management's Responsibility for the Financial Statements*

The directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Film Fiji Act, 2012. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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*

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Audit Opinion*

In my opinion:

- a) proper books of account have been kept by Film Fiji, as far as it appears from my examination of those books, and
- b) the accompanying financial statements which have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities:
  - (i) are in agreement with the books of account; and
  - (ii) to the best of my information and according to the explanations given to me:



**INDEPENDENT AUDITOR'S REPORT – (CONT'D)**

- a) give the true and fair view of the state of affairs of Film Fiji at 31 July 2016 and of the results, and cash flows of Film Fiji for the period ended on that date; and
- b) give the information required by Film Fiji Act, 2012 in the manner so required.



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
30 July 2018

**FILM FIJI**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

	Notes	31-Jul 2016 \$	31-Dec 2015 \$
Government grant - operational	11	491,235	751,642
Deferred income	12	17,060	30,131
Fees		500	2,763
Sponsorship - Kula awards	13	86,000	66,500
Ticket sales - Kula awards		2,978	785
Miscellaneous		143	3,882
<b>Total Income</b>		<b>597,916</b>	<b>855,703</b>
Administrative expenses	6	(255,493)	(308,174)
Promotional expenses		(102,401)	(189,297)
Employee remuneration and benefit		(211,381)	(352,607)
Depreciation	7(c)	(17,061)	(30,131)
Other expenses		(2,000)	(3,813)
<b>Total Expenditure</b>		<b>(588,336)</b>	<b>(884,022)</b>
<b>Surplus / (deficit) for the year</b>		<b>9,580</b>	<b>(28,319)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>9,580</b>	<b>(28,319)</b>

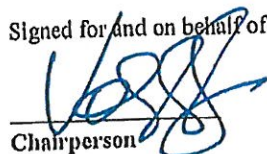
*(The Statement of Comprehensive Income is to be read in conjunction with the accompanying notes set out on pages 11 to 18)*

**FILM FIJI**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JULY 2016**

	Notes	31-Jul 2016 \$	31-Dec 2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalent	2	387,790	282,656
Prepayments	3	12,333	51,227
Receivables	4	33,392	34,375
Refundable deposits	5	8,341	8,141
<b>Total Current Assets</b>		<u>441,856</u>	<u>376,399</u>
<b>Non Current Assets</b>			
Property, plant and equipment	7	107,701	108,120
<b>Total Non Current Assets</b>		<u>107,701</u>	<u>108,120</u>
<b>TOTAL ASSETS</b>		<u>549,557</u>	<u>484,519</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	53,119	5,331
Employee benefit liability	9	20,103	14,015
Provisions	10	12,000	10,000
Deferred income	12	17,061	30,131
<b>Total Current Liabilities</b>		<u>102,283</u>	<u>59,477</u>
<b>Non Current Liabilities</b>			
Deferred income	12	90,641	77,989
<b>Total Non Current Liabilities</b>		<u>90,641</u>	<u>77,989</u>
<b>TOTAL LIABILITIES</b>		<u>192,924</u>	<u>137,466</u>
<b>NET ASSETS</b>		<u>356,633</u>	<u>347,053</u>
<b>EQUITY</b>			
Accumulated surplus		323,460	313,880
Other reserves		33,173	33,173
<b>TOTAL EQUITY</b>		<u>356,633</u>	<u>347,053</u>

*(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: 20. 07. 18

  
Director

Date: 20. 07. 18

**FILM FIJI**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

	Other Reserves \$	Accumulated Funds \$	Total \$
Balance as at 31 December 2014	33,173	342,199	375,372
Net deficit for the year		(28,319)	(28,319)
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

*(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 SEVEN MONTHS ENDED 31 JULY 2016**

	Notes	31-Jul 2016 \$	31-Dec 2015 \$
<b>Cash flows from Operating Activities</b>			
Receipts from government and customers		637,201	974,176
Payments to suppliers and employees		(515,425)	(866,164)
<b>Net cash flows from Operating Activities</b>		<u>121,776</u>	<u>108,012</u>
<b>Cash flows from Investing Activities</b>			
Payments for property, plant & equipment		(16,642)	(30,968)
<b>Net cash flows used in Investing Activities</b>		<u>(16,642)</u>	<u>(30,968)</u>
Net increase in cash held		105,134	77,044
Cash at the beginning of the year		282,656	205,612
<b>Cash at the end of the year</b>	<b>2</b>	<u><u>387,790</u></u>	<u><u>282,656</u></u>

*(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 SEVEN MONTHS ENDED 31 JULY 2016**

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**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 2016.

**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 SEVEN MONTHS ENDED 31 JULY 2016**

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**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	33.3%
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 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 SEVEN MONTHS ENDED 31 JULY 2016**

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**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 2015 covered the twelve months ended 31 December, 2015. The financial year-end of Film Fiji was changed from 31 December to 31 July to re-align with the financial year-end of Government effective from 2016. Accordingly, the current financial statements are 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 SEVEN MONTHS ENDED 31 JULY 2016**

	31-Jul 2016 \$	31-Dec 2015 \$
<b>NOTE 2: CASH AND CASH EQUIVALENT</b>		
Operating account	268,004	167,418
Fees & levies account	114,606	114,091
Kula account	4,680	647
Cash on hand	500	500
	<u>387,790</u>	<u>282,656</u>

**NOTE 3: PREPAYMENTS**

Insurance	6,866	2,912
IT support	763	394
Telephone	2,735	2,936
Books and periodicals	403	492
Professional membership	256	217
AFCI membership	668	1,604
AFCI location booth	-	10,766
IIFTC booth	-	31,642
Office supplies	14	64
Sundry	628	200
	<u>12,333</u>	<u>51,227</u>

**NOTE 4: RECEIVABLES**

Advances	5,637	7,863
Debtors	15,734	18,977
VAT	12,021	7,535
	<u>33,392</u>	<u>34,375</u>

**NOTE 5: REFUNDABLE DEPOSITS**

Fiji Electricity Authority	3,268	3,268
Suva City Council	3,853	3,653
Colonial National Bank	31	31
Telecom Fiji Ltd	764	764
Plant World	130	130
Plenass Beverages & Packaging	295	295
	<u>8,341</u>	<u>8,141</u>

**NOTE 6: ADMINISTRATIVE EXPENSES**

Insurance	6,332	12,536
Office rent	35,338	60,580
Electricity & water	5,172	8,255
Telephone	9,989	15,748
Board members fees	15,355	23,126
Open day expenses	153,485	101,833
Other expenses	29,822	86,096
	<u>255,493</u>	<u>308,174</u>

**FILM FIJI**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)  
FOR THE SEVEN MONTHS ENDED 31 JULY 2016**
**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

	31-Jul 2016 \$	31-Dec 2015 \$
a) Plant and equipment are stated in the financial statements on the following basis:		
<b>Office furniture &amp; fittings</b>		
At cost	26,240	26,240
Additions	2,568	-
Accumulated depreciation	(21,060)	(20,777)
	<u>7,748</u>	<u>5,463</u>
<b>Office equipment</b>		
At cost	53,322	53,322
Additions	14,073	-
Disposals	(1,430)	-
Accumulated depreciation	(39,756)	(38,761)
	<u>26,209</u>	<u>14,561</u>
<b>Computer equipment</b>		
At cost	68,240	68,240
Disposals	(21,938)	-
Accumulated depreciation	(25,108)	(42,636)
	<u>21,194</u>	<u>25,604</u>
<b>Motor vehicle</b>		
At cost	85,217	85,217
Accumulated depreciation	(32,667)	(22,725)
	<u>52,550</u>	<u>62,492</u>
<b>Net Book Value</b>	<u><u>107,701</u></u>	<u><u>108,120</u></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 \$
<b>Cost</b>					
Balance as at 31 December 2015	26,240	53,322	68,240	85,217	233,019
Additions	2,568	14,073	-	-	16,642
Disposals	-	(1,430)	(21,938)	-	(23,368)
Balance as at 31 July 2016	<u>28,808</u>	<u>65,965</u>	<u>46,302</u>	<u>85,217</u>	<u>226,292</u>
<b>Accumulated Depreciation</b>					
Balance as at 31 December 2015	20,777	38,761	42,636	22,725	124,899
Depreciation	283	2,425	4,410	9,942	17,061
Disposals	-	(1,430)	(21,938)	-	(23,368)
Balance as at 31 July 2016	<u>21,060</u>	<u>39,756</u>	<u>25,108</u>	<u>32,667</u>	<u>118,591</u>
<b>Written Down Value</b>					
31 December 2015	<u>5,463</u>	<u>14,561</u>	<u>25,604</u>	<u>62,492</u>	<u>108,120</u>
31 July 2016	<u>7,748</u>	<u>26,209</u>	<u>21,194</u>	<u>52,550</u>	<u>107,701</u>

**FILM FIJI**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)  
FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

**NOTE 8: TRADE AND OTHER PAYABLES**

	31-Jul 2016	31-Dec 2015
	\$	\$
Trade Creditors	15,386	3,000
Refunds for over deductions	427	427
Other creditors and accruals	37,306	1,904
	<u>53,119</u>	<u>5,331</u>

**NOTE 9: EMPLOYEE BENEFIT LIABILITY**

Annual leave entitlement	20,103	14,015
	<u>20,103</u>	<u>14,015</u>

**NOTE 10: PROVISIONS**

	<i>Audit fees</i>	<i>Major Projects</i>	<i>Total</i>
At 1 January 2016	5,000	5,000	10,000
Additions during the year	2,000	-	2,000
At 31 July 2016	<u>7,000</u>	<u>5,000</u>	<u>12,000</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 recognised a construction provision resulting from its decision to carry out a soft office renovation. This provision represents the estimated costs of refurbishment. It is estimated that the refurbishment costs will be paid off in the year ended 31 July 2017.

**NOTE 11: GOVERNMENT GRANT**

As at 31 July 2016 a total of \$534,766 Government grant was received out of which \$26,889 was VAT and \$16,642 was for purchase of fixed assets. Therefore, a total of \$491,235 was recorded as revenue.

**NOTE 12: 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 2016	31-Dec 2015
	\$	\$
Balance at the beginning	108,120	107,283
Add: additional grant	16,642	30,968
Less: transfers to statement of comprehensive income	(17,060)	(30,131)
	<u>107,702</u>	<u>108,120</u>
Represented by:		
Current	17,061	30,131
Non current	90,641	77,989
	<u>107,702</u>	<u>108,120</u>

**FILM FIJI****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)  
FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

NOTE 13: SPONSORSHIP INCOME	31-Jul 2016	31-Dec 2015
	\$	\$
Sponsorship income	86,000	66,500

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**

The following were members of the Board in 2016:

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)

**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 period 01 January to 31 July 2016 was \$75,833. (2015: \$130,512).

**d) Transactions with related party**

During the period, 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 \$534,766. (2015: \$900,000)

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 2016. (2015: Nil)

**FILM FIJI****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)  
FOR THE SEVEN MONTHS ENDED 31 JULY 2016**

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**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 Film Fiji during the financial period were developing and promoting the audio visual industry in Fiji.

**NOTE 20: NUMBER OF EMPLOYEES**

	31-Jul 2016	31-Dec 2015
Average number of employees in a year.	6	6

**NOTE 21: APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors and authorised for issue on 20.07.18.



