



Tourism **kiji**

Annual Report : 2010 - 2012





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Letter to the Minister



Tourism Fiji

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October 16, 2015

The Honourable Faiyaz Siddiq Koya
Minister for Industry, Trade and Tourism
Level 3, Naibati House
9 Goodenough Street
Suva

Dear Honourable Minister

Tourism Fiji Annual Reports for 2010–2012

On behalf of the Tourism Fiji Board of Directors, I am pleased to present the Company's Annual Report as required under Section 103 of the Public Enterprise Act, 1996.

The Report incorporates the organization's operational achievements and audited accounts for the year ending December 2012. This report encompasses Financial reports spanning 2010 to 2012.

Over the 3-year period, Tourism Fiji saw significant developments in aviation which presented numerous opportunities for boosting tourism in Fiji:

- Commencement of Continental Air flights from Japan & Hawaii – effective December 2009
- Commencement of Air Pacific Hong Kong flights – Effective December 2009
- Commencement of V Australia and Jet star flights out of Australia – Effective December 2009

Tourism Fiji in its marketing continued to build on the pillars of commitment, performance and innovation to ensure that we set ourselves apart from our competitors.

Tourism Fiji is undertaking significant improvements to its operations and strategic direction, to benchmark Fiji as one of the world's leading leisure and business travel destinations.

The Board of Directors, Management and staff would like to express their sincere appreciation to you and the Government for its on-going support, and look forward to continuing this in 2016 and beyond.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Truman Bradley".

Truman Bradley
Executive Chairman



About Tourism Fiji

Who we are

Tourism Fiji, formerly known as the Fiji Visitors Bureau (FVB), was established in 1953 and is one of the oldest National Tourism Offices in the world. Tourism Fiji's activities are governed by the Tourism Act of 2009.

The Fijian government's agency responsible for marketing Fiji as the ideal destination for leisure travel to the world, Tourism Fiji is a key driver of Fiji's tourism industry development with a purpose of maximising sustainable and long-term benefits for the people of Fiji.

Tourism is the major contributor of the upward growth of the Fijian economy—contributing almost 34 per cent of the gross domestic product (GDP). Tourism Fiji plays a crucial role in maintaining this positive trend so that the visitor arrivals to Fiji and the revenue generated through the tourism industry is increasing year on year.

Our Focus and Markets

Tourism Fiji's activities include advertising, public relations and media programs, trade shows, and programs for the tourism industry and consumer promotions to better showcase Fiji.

Regional Offices

- Australia
- New Zealand
- North America (USA & Canada)
- South Korea

Market Representatives:

- United Kingdom
- Europe
- China
- Japan
- India

Fiji recorded a total of 1,967,508 international visitors to its shores from the years 2010–2012. Australia and New Zealand have a large stake in the annual arrivals, with over 50 per cent, followed by the other key source markets.

With the Fijian Government's concerted efforts to put in place strategies focused on enhancing the tourism industry's development, Tourism Fiji envisions a continuous increase in tourist numbers in the coming years.

Our Brand

Tourism Fiji launched its new brand, "Fiji—where happiness finds you", in 2013 after extensive consultations with local and international stakeholders with the objective to globally position Fiji as a unique brand that encompasses the following elements:

- The people – make you smile and feel happy
- The places – a serene and tropical environment where happiness finds you
- The Experiences – a unique and authentic Fijian culture

Summary of Tourism Fiji's Performance from 2010 - 2012

2012

2012 was the year where the plans for the organisation were to develop a strong independent brand platform, the year where the discussions about the new Tourism Fiji brand, Where Happiness Finds You, were initiated.

The development of the new brand was initiated to create a strong brand platform which would achieve the following things for Tourism Fiji:

- create awareness
- drive consumer and trade preference
- drive differentiation and
- establish brand longevity

Critically, as share of voice was beginning to decline, Tourism Fiji needed to take on smarter and braver steps to stand out from the crowd. With this in mind, the organisation set about looking to rebrand Tourism Fiji come 2013.

Australia, New Zealand, and the USA, were three key source markets that made up about 70% of our arrivals and are expected to be dominate again in 2012. In Australia and New Zealand this is attributed to our competitive advantage in terms of proximity, airline seat capacity and brand awareness. The focus for Australia and New Zealand, as it was in the year before, was to move away from the customary urban centres, such as Sydney, Melbourne, and Brisbane and extend campaigns to Perth, Adelaide and smaller towns. The US maintained its visitor numbers in 2010 and 2011 through a series of road shows, retail agent training, cooperative marketing exercises and an emphasis on electronic promotions.

The UK and European region, as well as Korea and Japan ensured extensive Fiji exposure through the year, with media visitation and specialist retail agents and direct to consumer publicity such as the Europe Bula Bus and the Matai training academy in Europe, and the Bula Bongis (agent training nights) and Diwali in Trafalgar square in the UK as carried out in 2011. In trying to capture the attention of potential travellers in Asia and Europe, Tourism Fiji in partnership with two major media outlets, National Geographic and CNN, produced snippets of destination Fiji, these were viewed by millions within the two regions beginning 2009 through to 2010 and through CNN the 'Fiji me' brand was beamed to a worldwide audience in the second quarter of 2010.

2011

In 2011, Tourism Fiji projected a visitor arrival target of 630,000 with foreign exchange earnings of FJD 931.6 million. Tourism growth in the 5 years prior to this had been irregular due mainly to factors of the economy, natural disasters and other external influences, however when looking back over the last 10 years the average growth for the industry has been at a rate of 3% per year.

In order to set ourselves apart from our competitors, Tourism Fiji's marketing adhered to the pillars of commitment, performance and innovation. The 2011 marketing plan did not deviate much from what was carried out in 2010, it was centred on our traditional markets, while initiating activities in emerging markets and driving visitor numbers during the low season.

Tourism Fiji's strategic focus for 2011 was to consolidate our promotional efforts and strengthen our position in our traditional markets while also seeking opportunities in the emerging markets of Asia and long haul markets of South America and North America.

The platform for delivering the 2011 marketing plan was "Tourism inspiring Fiji's Future – Stepping forward into tomorrow" – through responsible marketing, industry partnership and sustainable growth, it is our belief that Fiji's tourism industry will achieve phenomenal growth in the coming year with continued benefits to the industry and the nation as a whole.

2010

Tourism Fiji continued to acknowledge the need to aggressively push the destination brand while critical from an ROI perspective was the call to action and measurability of all campaigns. Ensuring that whatever the execution at brand or tactical level – the messages designed were aimed to continue to arouse interest, bookings and conversion. Critical was ensuring that Brand Fiji communicated a message that produced results.

Tourism Fiji in its marketing continued to build on the pillars of commitment, performance and innovation to ensure that we set ourselves apart from our competitors.

In 2010 there were numerous opportunities for boosting tourism in Fiji:

1. Commencement of Continental Air flights from Japan & Hawaii – effective December 2009
2. Commencement of Air Pacific Hong Kong flights – Effective December 2009
3. Commencement of V Australia and Jet star flights out of Australia – Effective December 2009

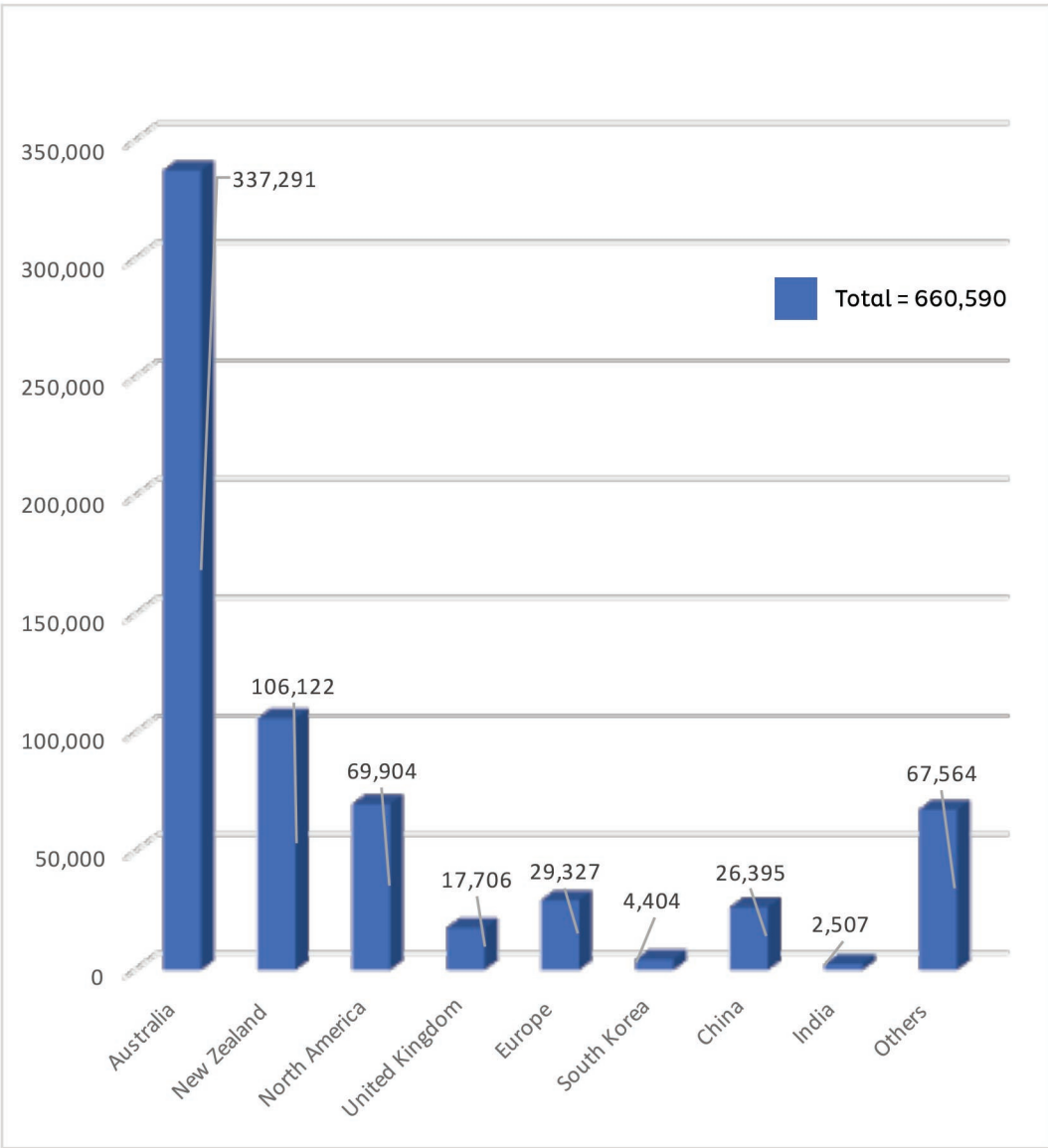
Tourism Fiji continued to consolidate efforts in 2010 with the view of sustaining and growing our numbers in key markets of Australia and New Zealand. These two traditional markets made up about 60% of our arrivals and during these trying times these markets will be the platform from which we will launch our expansionary approach to new markets like India, China, Other Asian Countries and the gulf regions. The focus for Australia and NZ was to move away from the traditional cities of Sydney, Melbourne and Brisbane and extend campaigns to Perth, Adelaide and the mining towns.

The move by Air Pacific to introduce flights to Hong Kong opened up another window of opportunity for our long haul markets particularly UK and Europe. We was anticipated to accelerate our efforts in these two regions to ensure that the route opened by Air Pacific can be maintained. Key segments that were targeted include the weddings and honeymoon markets, backpackers, tour series as well as general leisure.

In executing the plans for 2010 Tourism Fiji continued to focus on the fundamentals of its marketing execution which include amongst others:

- Branding : the need emphasize branding and for this to provide the necessary umbrella for all Tourism Fiji campaigns
- Timing : timing is everything and the need to ensure that campaigns are in line with seasonality demand
- Measurability : absolutely critical to have performance indicators for all activities carried out
- Fluidity : the ability to change course "mid-stream" to react to market conditions
- Online presence : Expanding resources in the online space

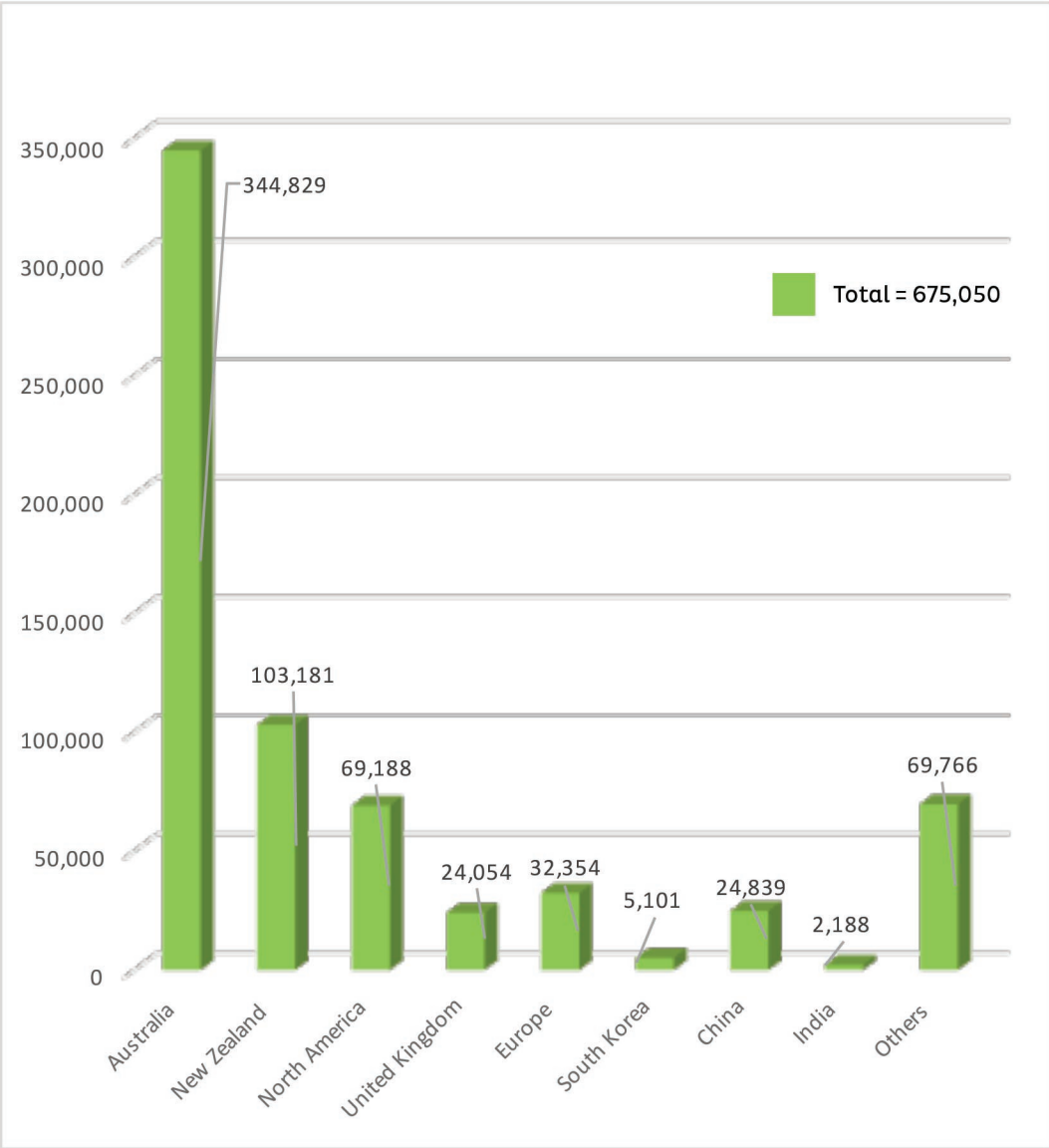
2012 Visitor Arrivals in Numbers



Source: Fiji Bureau of Statistics

In 2012, Australia contributed 51.0 percent of the total visitor arrivals to Fiji, followed by New Zealand, 16.0 per cent, North American (USA and Canada), 10.6 per cent, Europe, 4.4 percent, the United Kingdom, 2.6 percent, China, 4 percent, South Korea, 0.8 percent, and India, 0.4 percent. Others, including Japan, Pacific Islands and the Rest of Asia, at 10.2 per cent completed the total visitor arrivals.

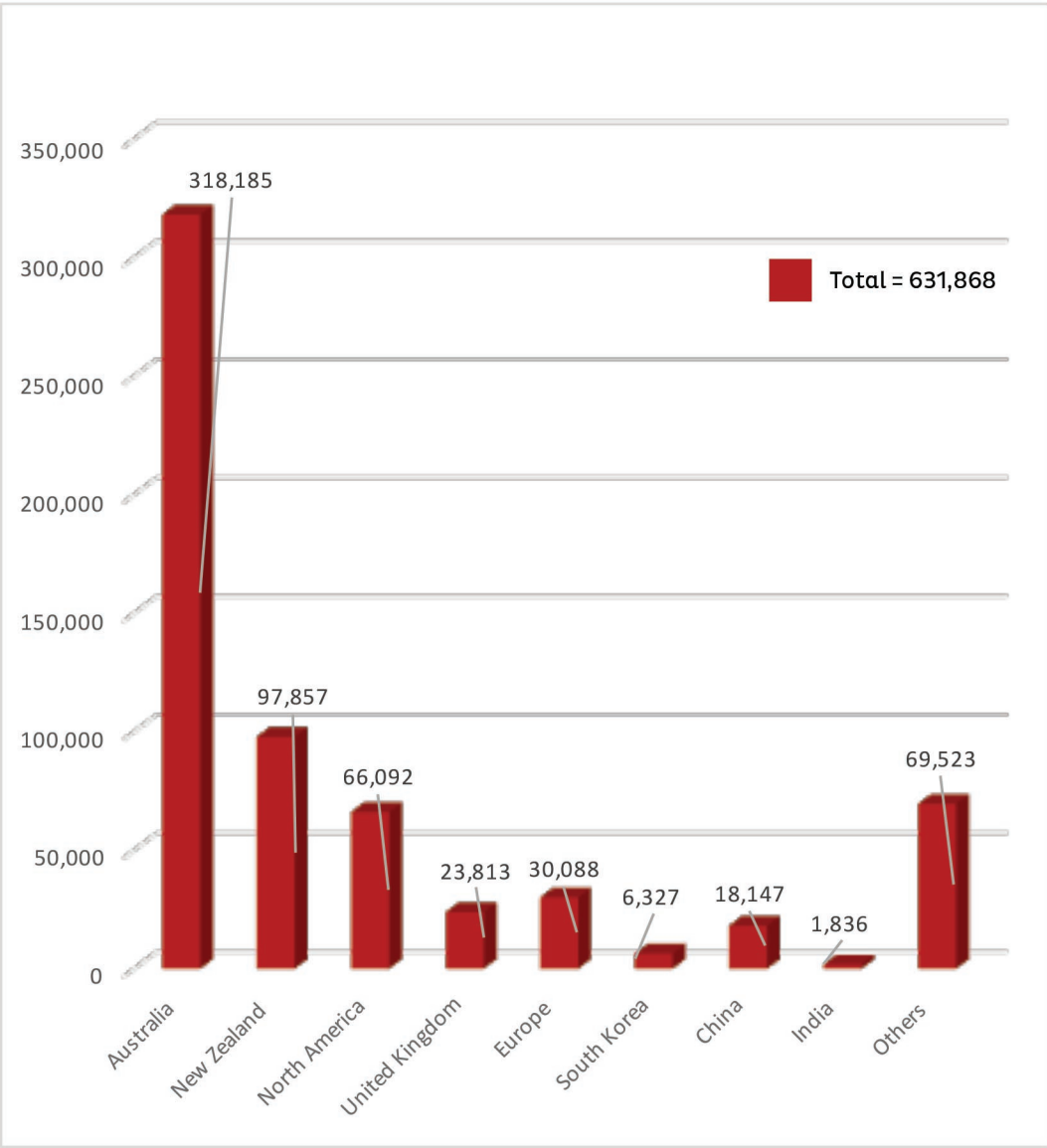
2011 Visitor Arrivals in Numbers



Source: Fiji Bureau of Statistics

In 2011, Australia contributed 51.1 percent of the total visitor arrivals to Fiji, followed by New Zealand, 15.3 per cent, North American (USA and Canada), 10.3 per cent, Europe, 4.8 percent, the United Kingdom, 3.6 percent, China, 3.6 percent, South Korea, 0.8 percent, and India, 0.3 percent. Others, including Japan, Pacific Islands and the Rest of Asia, at 10.3 per cent completed the total visitor arrivals.

2010 Visitor Arrivals in Numbers



Source: Fiji Bureau of Statistics

In 2010, Australia contributed 50.3 percent of the total visitor arrivals to Fiji, followed by New Zealand, 15.5 per cent, North American (USA and Canada), 10.5 per cent, Europe, 4.8 percent, the United Kingdom, 3.8 percent, China, 2.9 percent, South Korea, 1 percent, and India, 0.2 percent. Others, including Japan, Pacific Islands and the Rest of Asia, at 11 per cent completed the total visitor arrivals.

Corporate Governance

Board of Directors & Executive Management—2012

2012 Tourism Fiji Board	
Chairman	David Pflieger
Deputy Chair	Elizabeth Powell
Secretary	Jayshree Raniga
Director	Shane Cunning
Director	Lawrence Tikaram
Director	Josephine Smith-Moffat
2012 Tourism Fiji Management	
Acting CEO	Michael Mead
Manager Fiji	Thomas Valentine
Chief Financial Controller	Vimlesh Magan
Regional Director Australia	Paresh Pant
Regional Director New Zealand	Sala Toganivalu-Lesuma
Regional Director North America	Ilisaveci Matatolu
Regional Director – Korea	Daisy Park
Regional Representative – UK/Ireland	Jane West
Regional Representative – Europe	Karin Zwiers
Regional Representative – China	Nancy Li
Regional Representative – Japan	Iki Kawabata
Regional Representative – India	Pranau Kapadia

Corporate Governance

Board of Directors & Executive Management—2011

2011 Tourism Fiji Board of Directors	
Chairman	David Pflieger
Deputy Chair	Elizabeth Powell
Director	Shane Cunning
Director	Lawrence Tikaram
Director	Josephine Smith-Moffat
2011 Tourism Fiji Executive Management	
CEO	Josefa Tuamoto
Marketing Services Manager	Adeline Erasito
Manager Corporate Services	Saiyad Raiyum
Regional Director Australia	Paresh Pant
Regional Director New Zealand	Sala Toganivalu-Lesuma
Regional Director North America	Ilisaveci Matatolu
Regional Representative – UK/Ireland	Jane West
Regional Representative – Europe	Karin Zwiers
Regional Representatives – Korea	Daisy Park
Regional Representative – China	Nancy Li
Regional Representative – Japan	Iki Kawabata
Regional Representative – India	Pranav Kapadia

Corporate Governance

Board of Directors & Executive Management—2010

2010 Tourism Fiji Board of Directors	
Chairman	Patrick Wong
Director	Taina Tagicakibau
Director	Taito Waqavakatokga
Director	James Sowane
Director	Michael Nacola
Director	Marika Luveniyali
2010 Tourism Fiji Executive Management	
CEO	Josefa Tuamoto
Marketing Services Manager	Adeline Erasito
Manager Corporate Services	Saiyad Raiyum
Manager Fiji	Fane Vave
Regional Director Australia	Paresh Pant
Regional Director New Zealand	Sala Toganivalu-Lesuma
Regional Director North America	Ilisaveci Matatolu
Regional Representative – UK/Ireland	Jane West
Regional Representative – Europe	Karin Zwiers
Regional Representatives – Korea	Daisy Park
Regional Representative – China	Nancy Li
Regional Representative – Japan	Iki Kawabata
Regional Representative – India	Pranav Kapadia

Financial Reports



2012 Financial Statements



TOURISM FIJI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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Tourism Fiji
Director's Report
31 DECEMBER 2012

The Board of Directors present their report together with the financial statements of Tourism Fiji ("the entity") for the year ended 31 December 2012 and the auditors' report thereon.

Directors

The following were directors of the entity during the year:

Mr. David Pflieger	Chairman
Mr. Shane Cunning	Director
Mr. Lawrence Tikaram	Director
Ms. Elizabeth Powell	Director
Ms. Josephine Smith	Director
Ms. Jay Shree Raniga	Secretary

State of Affairs

In the opinion of the Directors, the accompanying statement of the financial position gives a true and fair view of the state of affairs of the entity as at 31 December 2012 and the accompanying statement of comprehensive income, statement of changes in accumulated funds and the statement of cash flow gives a true and fair view of the results and cash flows of the entity for the year then ended.

Principal Activities

The principal activities of the entity during the financial year was developing marketing objectives to stimulate increased visits to Fiji by people of other countries, coordinate overseas promotional activities and to ensure Fiji's marketing operations are innovative, effective and efficient to maximize available growth. There has been no change in the nature of these activities during the year.

Events subsequent to balance date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the entity, the results of those operations or the state of affairs of the entity in the subsequent financial years.

Signed in accordance with a resolution of the directors.

Dated at Nadi this 14th day of April 2015.


Chairman


Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Suva, Fiji



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Website: <http://www.oag.gov.fj>



TOURISM FIJI FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

INDEPENDENT AUDIT REPORT

I have audited the accompanying financial statements of Tourism Fiji, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 23.

Directors and Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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, the financial statements present fairly, in all material respects, the financial position of Tourism Fiji as at 31 December, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Fiji Tourism and Bureau Act.



Atunaisa Nadakuitavuki
for **AUDITOR GENERAL**

Suva, Fiji
15 April, 2015



Tourism Fiji
Statement of Comprehensive Income
For the year ended 31 December 2012

	Notes	2012 \$	2011 \$
Government grant		23,043,479	23,043,478
Co-operative promotion and advertising		928,690	1,152,775
Other operating income	5	<u>209,077</u>	<u>190,306</u>
		24,181,246	24,386,559
Employee salaries and benefits	6	(2,183,391)	(2,105,001)
Operating and administrative expenses	7(ii)	(1,719,961)	(1,835,910)
Selling and marketing expenses	7(i)	(17,206,456)	(20,039,760)
Depreciation expense	7(iii)	<u>(153,800)</u>	<u>(169,728)</u>
Surplus from operations		2,917,638	236,160
Finance income	8	7,911	7,960
Deficit for the year		<u>2,925,549</u>	<u>244,120</u>
Other comprehensive income			
Realised exchange gain		34,455	7,845
Unrealised exchange loss		(273,902)	(296,885)
Total comprehensive income / (loss) for the year		<u>2,686,102</u>	<u>(44,920)</u>

The accompanying notes form an integral part of the statement of comprehensive income

Tourism Fiji
Statement of Changes in Accumulated Funds
For the year ended 31 December 2012

	2012	2011
	\$	\$
Accumulated Funds		
Balance at 1 January	4,268,014	4,312,934
Profit/(Loss) for the year	2,686,102	(44,920)
Balance at 31 December	<u>6,954,116</u>	<u>4,268,014</u>

The accompanying notes form an integral part of the statement of changes in accumulated funds

Tourism Fiji
Statement of Financial Position
As at 31 December 2012

	Note	2012 \$	2011 \$
Non-current assets			
Property, plant and equipment	9	297,617	440,501
Investments	11	20,000	20,000
Refundable deposits	13	16,297	20,219
Total non-current assets		333,914	480,720
Current assets			
Cash at bank and on hand	10	8,354,806	3,995,005
Prepaid expenses	12	261,616	431,909
Taxes receivables	14	703,290	493,029
Inventories	21	9,665	33,188
Other receivables and advances	15	418,958	67,774
Total current assets		9,748,335	5,020,905
Total Assets		10,082,249	5,501,625
Accumulated Funds			
Accumulated funds		6,954,116	4,268,014
Total		6,954,116	4,268,014
Liabilities			
Current Liabilities			
Employee entitlements	16	154,811	179,001
Expenses accrued	17	2,230,238	928,468
Income in advance	18	147,011	17,000
Other payables and accruals	19	596,073	109,142
Total current liabilities		3,128,133	1,233,611
Total Liabilities		3,128,133	1,233,611
Total Accumulated Funds and Liabilities		10,082,249	5,501,625

The accompanying notes form an integral part of the statement of financial position

For and on behalf of the Board and in accordance with the resolution of the directors

Director

Director

Tourism Fiji
Consolidated Statements of Cash Flows
For the year ended 31 December 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Cash receipts from Government and related stakeholders		24,071,813	24,115,357
Cash payment to employees & other parties		(19,694,741)	(26,309,724)
Cash generated from operations		4,377,072	(2,194,367)
Interest received		7,911	7,960
		-	-
Cash flows from operating activities		4,384,983	(2,186,407)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(25,182)	(21,254)
Acquisition of investment		-	-
Proceeds from sale of property, plant and equipment		-	300
Cash flows used in investing activities		(25,182)	(20,954)
Net decrease in cash		4,359,801	(2,207,361)
Cash and cash equivalents at 1 January		3,995,005	6,202,366
Cash and cash equivalents at 31 December	10	<u>8,354,806</u>	<u>3,995,005</u>

The above statements of cash flows is to be read in conjunction with notes to the financial statements

Tourism Fiji
Notes to the Financial Statements
For the year ended 31 December 2012

1. Reporting entity

Tourism Fiji (the 'entity') is a statutory body fully funded by the Fiji government and is the marketing arm of the Ministry of Tourism. The entity has regional offices abroad including Australia, New Zealand, United States of America and Japan. The address of the entity's principal place of business is Suite 107 Colonial Plaza, Namaka, Nadi.

The principal activities of the entity include marketing objectives to stimulate increased visits to Fiji by people of other countries, coordinate overseas promotional activities and to ensure Fiji's marketing operations are innovative, effective, and efficient to maximise available growth.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by International Accounting Standards Board and the requirements of the Laws of Fiji.

The financial statements were approved by the Board of Directors on _____.

(b) Functional and presentation currency

The financial statements are presented in Fiji dollars, which is the entity's functional currency.

(c) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3 (b) - Property, plant & equipment
- Note 3 (c) - Financial instruments
- Note 3 (d) - Impairment
- Note 3 (e) - Employee benefits
- Note 3 (f) - Other payables and provisions

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

3. Significant accounting policies

The principal accounting policies adopted by the entity are stated to assist in a general understanding of the financial statements.

(a) Foreign currency

Foreign currency transactions

At the end of the financial period, transactions in foreign currencies are translated to Fiji dollars using the average exchange rates for the year. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Fiji dollars at the exchange rate at that date. The foreign currency gain or loss on translation are recognised in the statement of financial performance.

(b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in the statement of financial performance.

Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the entity and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as incurred.

Depreciation

Depreciation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The Depreciation rates for the current and comparative periods are as follows:

Motor vehicles	25%
Office equipment	5-50%
Furniture and fittings	5-25%

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

3. Significant accounting policies

(c) Financial instruments

(i) Non derivative financial instruments

The entity initially recognises loans and receivables and deposits on the date that they originate.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The entity has the following non-derivative financial assets: held-to-maturity financial assets, loans and receivables and cash and cash equivalents.

Held-to-maturity financial assets

If the entity has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the entity from classifying investment securities as held-to-maturity for the current and the following two financial periods.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost less any impairment losses.

Loans and receivables comprise trade and other receivables (refer below).

Trade and other receivables

Trade receivables and other assets are measured at initial recognition at fair value. Subsequently, appropriate allowances for estimated irrecoverable amounts are recognised in the statement of financial performance when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand for the purpose of the statement of cash flows.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. The entity's financial liabilities include trade and other payables. All financial liabilities, except for derivatives, are recognised initially at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability and subsequently measured at amortised cost, using effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

(d) Impairment

(i) Financial assets

A financial asset not carried at fair value through statement of financial performance is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the entity on terms that the entity would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

The entity considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the entity uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows. Losses are recognised in statement of financial performance and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of financial performance.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

3. Significant accounting policies (continued)

(d) Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the entity's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The entity's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Employee benefits

Superannuation

Contributions are paid to a superannuation fund on behalf of employees to secure retirement benefits. Costs are included in the statement of financial performance.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the statement of financial performance as the related service is provided.

An accrual is recognised for the amount to be paid under short-term benefits if the entity has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be measured reliably.

(f) Other payables and provisions

Other payables are non interest-bearing and are stated at cost. A provision is recognised in the statement of financial position when the entity has legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

3. Significant accounting policies (continued)

(g) Revenue

(i) Co-operative promotion and advertising

Revenue from co-operative promotion and advertising is recognised in the statement of financial performance on an accrual basis.

(iii) Grant income

An unconditional government grant is recognised in statement of financial performance as grant income when the grant is received.

(h) Finance income and expenses

Financing income and expenses comprises of interest income on term deposit, bank charges and foreign currency gains or losses.

(i) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(j) Comparative information

Comparative information has been restated where necessary to align with current year presentation.

Events after balance day effects have been shown against the retained earnings. The relevant adjustments are shown in the 'Accumulated Funds statement as well as in the individual branches accounts

(k) Inventories

Inventories comprise of promotional items and are stated at cost. Costs include invoice price plus associated costs. Costs are assigned to individual items of inventory mainly on weighted average basis.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

4. Financial risk management

Overview

The entity's operations expose it to financial risks that include liquidity risk, interest rate risk, market risk and credit risk.

The entity has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk

This note presents information about the entity's exposure to each of the above risks, the entity's objectives, policies and processes for measuring and managing risk, and the entity's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the entity's risk management framework. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities. The entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the entity's receivables from customers and investment securities.

Other receivables

The entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the entity's customer base, including the default risk of the industry and country in which customers operate has less of an influence on credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the entity's standard payment and delivery terms and conditions are offered. The entity's review includes external ratings, when available, and in some cases bank references. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the Board of Directors, these limits are reviewed annually.

Customers that fail to meet the entity's benchmark creditworthiness may transact with the entity only on a prepayment basis. The entity does not require collateral in respect of other receivables.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

4. Financial risk management (continued)

The entity establishes an allowance for impairment that represents its estimate of losses in respect of other receivables, deposits and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

	2012 \$	2011 \$
Credit risk concentrations are presented below:		
Other receivables and advances	418,958	67,774
Investments - Term deposits	20,000	20,000

Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

The entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations.

	2012 \$ Less than 1 year	2012 \$ More than 1 year	2011 \$ Less than 1 year	2011 \$ More than 1 year
Financial assets				
Cash at bank and on hand	8,354,806		3,995,005	-
Other receivables and deposits	418,958		67,774	-
Refundable Deposits	-	16,297	-	20,219
Investments - term deposits	-	20,000	-	20,000
	<u>8,773,764</u>	<u>36,297</u>	<u>4,062,779</u>	<u>40,219</u>
Financial liabilities				
Other payables and accruals	596,073	-	109,142	-
Expenses Accrued	2,230,238		928,471	
Employee Entitlements	154,811		179,002	
	<u>2,981,122</u>	<u>-</u>	<u>1,216,615</u>	<u>-</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

	2012	2011
	\$	\$
5. Other operating (expense) income		
Other income	175,898	138,228
Commission	33,179	52,078
	<u>209,077</u>	<u>190,306</u>

	2012	2011
	\$	\$
6. Personnel expenses		
Salaries and wages - Non Key Management Personnel	1,092,531	1,094,356
Key management compensation - short term benefits	1,014,740	913,038
Superannuation Contributions	68,802	91,244
Training and Productivity Authority of Fiji	7,318	6,363
	<u>2,183,391</u>	<u>2,105,001</u>

The average number of employees during the year was:

	<u>31</u>	<u>23</u>
--	-----------	-----------

	2012	2011
	\$	\$
7. (i) Selling and marketing expenses		
Advertising & Branding	11,145,796	12,963,492
Information distribution	217,011	371,039
Promotional materials	186,491	361,143
Promotions	3,468,517	3,783,417
Public relations	1,166,748	1,133,978
Research and other marketing expenses	362,619	415,353
Co-operative promotion & advertising	76,999	493,911
Market representation	582,275	517,427
	<u>17,206,456</u>	<u>20,039,760</u>

	2012	2011
	\$	\$
7. (ii) Operating and administrative expenses		
Assets disposals	14,075	-
Exchange Loss	2,421	-
Audit fees	70	5,007
Bank Charges	17,663	21,132
Board members remuneration and other related costs	82,410	39,997
Cleaning materials	8,141	10,633
Electricity	42,533	36,139
Office expenses	27,127	76,487
General insurance	65,443	45,468
Medical insurance	48,330	30,596
Travel Insurance	1,359	2,194
Maintenance grounds and buildings	10,898	9,512
Maintenance/Leasing of office equipment	95,546	88,729
Motor vehicle running expenses	46,340	32,579
Freight and postage	19,198	63,222
Printing and stationery	33,535	36,360

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

	2012	2011
	\$	\$
7. (ii) Operating and administrative expenses (Cont'd)		
Rent	346,860	438,878
Staff relocation	8,926	3,086
Staff training	12,346	30,245
Subscription and advertising	22,797	7,501
Telephone, facsimile and emails	91,181	89,687
Travelling - local	39,316	64,100
Travelling - overseas	160,746	108,992
Uniforms	130	1,631
Legal expenses	9,596	3,124
Professional Fees	460,788	555,719
SLA IT Agreement costs	26,809	25,702
Contingency	15,177	9,190
Disaster Recovery Costs	10,200	-
	<u>1,719,961</u>	<u>1,835,910</u>

	2012	2011
	\$	\$
7. (iii) DEPRECIATION EXPENSE		
Depreciation expense	<u>153,800</u>	<u>169,728</u>

	2012	2011
	\$	\$
8 FINANCE INCOME AND EXPENSES		
Finance Income		
Interest Income	<u>7,911</u>	<u>7,960</u>

9. Property, plant and equipment						
<u>2012</u>	Motor Vehicles	Office Equipment	Furniture & Fitting	IT Hardware	Rennovation	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at 1 January 2012	241,183	165,908	153,356	468,321	275,341	1,304,109
Effects of Change In Exchange Rates	1,906	(368)	293	(1,527)	366	670
Additions	-	1,170	130	23,884	-	25,184
Disposals	-	39,383	24,813	188,301	-	252,497
Balance at 31 December 2012	<u>243,089</u>	<u>127,327</u>	<u>128,966</u>	<u>302,377</u>	<u>275,707</u>	<u>1,077,466</u>
Effects of Change In Exchange Rates						
Depreciation						
Balance at 1 January 2012	191,472	127,334	113,476	330,930	100,398	863,610
Effects of Change In Exchange Rates	891	(353)	238	(1,023)	224	(23)
Depreciation	40,603	11,092	12,033	53,747	36,325	153,800
Disposals	-	38,916	18,527	180,095	-	237,538
Balance at 31 December 2012	<u>232,966</u>	<u>99,157</u>	<u>107,220</u>	<u>203,559</u>	<u>136,947</u>	<u>779,849</u>
Carrying amount						
Balance at 1 January 2012	49,812	34,687	41,221	139,826	174,955	440,501
Balance at 31 December 2012	<u>10,123</u>	<u>28,170</u>	<u>21,746</u>	<u>98,818</u>	<u>138,760</u>	<u>297,617</u>

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

9 Property, plant and equipment (Continued)

2011	Motor Vehicles	Office Equipment	Furniture & Fitting	IT Hardware	Rennovation	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at 1 January 2011	241,186	249,564	178,812	395,601	274,948	1,340,111
Effects of Change In Exchange Rates	(3)	1,120	206	(102)	(127)	1,094
Additions	-	1,419	4,173	15,142	520	21,254
Disposals	-	(100)	-	(200)	-	(300)
Adjustments to opening balances		(85,099)	(28,697)	57,151	-	(56,645)
Balance at 31 December 2011	<u>241,183</u>	<u>166,904</u>	<u>154,494</u>	<u>467,592</u>	<u>275,341</u>	<u>1,305,514</u>
Depreciation						
Balance at 1 January 2011	141,207	183,261	130,908	230,549	64,210	750,135
Effects of Change In Exchange Rates	(14)	998	195	(57)	(70)	1,052
Depreciation	50,178	19,532	13,507	50,327	36,246	169,790
Disposals	-	-	-	-	-	-
Adjustments to opening balances		(71,574)	(31,337)	46,947		(55,964)
Balance at 31 December 2011	<u>191,371</u>	<u>132,217</u>	<u>113,273</u>	<u>327,766</u>	<u>100,386</u>	<u>865,013</u>
Carrying amount						
Balance at 1 January 2011	99,990	66,425	47,915	165,007	210,681	590,018
Balance at 31 December 2011	<u>49,812</u>	<u>34,687</u>	<u>41,221</u>	<u>139,826</u>	<u>174,955</u>	<u>440,501</u>

	2012	2011
	\$	\$
10. Cash and cash equivalents		
Cash on hand	773	3,897
Cash at bank	8,354,033	3,991,108
Cash and cash equivalents in the statement of cash flows	<u>8,354,806</u>	<u>3,995,005</u>

	2012	2011
	\$	\$
11. Investments		
<i>Current</i>		
Term deposits	-	-
<i>Non-Current</i>		
Term deposits	<u>20,000</u>	<u>20,000</u>

The term deposit represents a bank guarantee given by Westpac Banking Corporation as securities over the entity's transactions under the Customs Act. The guarantee is covered by a lien over the term deposit of \$20,000 held with the Bank. The term deposit matures on 14 November 2012.

	2012	2011
	\$	\$
12. Prepaid Expenses		
Head Office	5,686	188,604
Sydney office	194,338	178,405
Auckland Office	33,071	33,058
Los Angeles Office	28,521	31,842
	<u>261,616</u>	<u>431,909</u>

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

	2012	2011
	\$	\$
13. Refundable Deposits		
Electricity deposit(HQ)	5,325	5,325
Equipment rental bond (HQ)	-	473
Car park Bond (Sydney)	1,536	1,530
Office Rental Bond	4,374	-
Office Rental Bond (LAX)	5,062	5,154
Office Rental Bond (Shanghai)	-	7,737
	<u>16,297</u>	<u>20,219</u>
14. Taxes Receivables		
VAT Receivable - Head Office	225,757	257,730
GST Receivable - Sydney Office	49,810	59,034
GST Receivable - Auckland Office	427,723	170,618
Consumption Tax Receivable - Tokyo Office	-	5,647
	<u>703,290</u>	<u>493,029</u>
15. Other Receivables & Advances		
Head Office		
Trade Commission	-	17,417
Participation fees owed	27,244	4,760
Fiji Tourism Forum	-	-
Fiji Excellence Awards	139,515	3,864
Refundable Taxes	2,866	1,861
Other General Advances	7,215	1,505
Interoffice Clearing Accounts	300	820
Rent Receivable	2,665	2,665
Sydney Office		
Participation fees owed	133,022	5,209
Other Receivables	190	1,172
Auckland Office		
Participation fees owed	-	6,354
Advances	-	687
LAX Office		
Participation fees owed	92,408	19,802
Advances	13,533	1,658
	<u>418,958</u>	<u>67,774</u>
16. Employee Entitlements		
This consists of Salaries, Leave and Superannuation dues. The breakdown is as follows:		
Salaries and annual leave dues	146,616	170,043
Superannuation	8,195	8,958
	<u>154,811</u>	<u>179,001</u>

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

	2012	2011
	\$	\$
17. Expenses Due		
Operating Expenses		
Head Office	21,294	30,797
Sydney office	20,537	12,524
Auckland Office	11,335	8,419
Los Angeles Office	2,366	-
Tokyo office	-	2,941
Total	<u>55,532</u>	<u>54,681</u>
Marketing Expenses		
Head Office	1,319,640	664,501
Sydney office	54,937	68,208
Auckland Office	12,330	-
Los Angeles Office	684,414	130,621
Tokyo office	103,385	10,457
Total	<u>2,174,706</u>	<u>873,787</u>
TOTAL EXPENSES DUE	<u>2,230,238</u>	<u>928,468</u>
18 Income Received in Advance		
Fiji Office	27,359	17,000
Sydney Office	<u>119,652</u>	<u>-</u>
	<u>147,011</u>	<u>17,000</u>
19 Other Payables & Accruals		
FIRCA	483,396	-
TAG - Funds plus Interest	109,142	109,142
Others	<u>3,535</u>	<u>-</u>
	<u>596,073</u>	<u>109,142</u>

20 Related parties

(a) Directors

The following were directors of the entity during the year:

Mr. David Pflieger	Chairman
Mr. Shane Cunning	Director
Mr. Lawrence Tikaram	Director
Ms. Elizabeth Powell	Director
Ms. Josephine Smith	Director
Ms. Jay Shree Raniga	Secretary

Directors' fees are disclosed under Note 7.

Key management compensation is disclosed under Note 6.

Tourism Fiji
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2012

20 Related parties (continued)

(b) Transactions with key management personnel

Key management personnel comprise the Chief Executive Officer, Director of Marketing, Director of Finance and Regional Directors in Australia, New Zealand, USA and Japan.

Key management compensation is disclosed under Note 6.

21 Inventories

	2012	2011
	\$	\$
Bags	165	112
Caps	-	4,071
T- Shirts	8,124	26,285
Others	1,376	2,720
	<u>9,665</u>	<u>33,188</u>

The valuation policy in respect of the above is set out in Note 3 (k).

22 Contingencies

There were no contingent asset or liabilities as at year end (2011: \$Nil)

23 Capital Commitments

There were no capital commitments as at year end (2011: \$Nil)

24 Events subsequent to balance date

There are no events that requiring adjustment to or disclosure in the financial statements that occurred after the balance sheet date.

2011 Financial Statements





**TOURISM FIJI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**TOURISM FIJI
DIRECTOR'S REPORT
31 DECEMBER 2011**

The Board of Directors present their report together with the financial statements of Tourism Fiji ("the entity") for the year ended 31 December 2011 and the auditors' report thereon.

Directors

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

Ms. Elizabeth Powell (Acting Chair)	Mrs. Josephine Smith-Moffat
Mr. Rick Hamilton (CEO)	
Mr. Shane Cunning	
Mr. Lawrence Tikaram	
Mr. Faiyaz Koya	

State of Affairs

In the opinion of the directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the entity as at 31 December 2011 and the accompanying statement of financial performance, statement of changes in accumulated funds and statement of cash flows give a true and fair view of the results and cash flows of the entity for the year then ended.

Principal Activities

The principal activities of the entity during the financial year was developing marketing objectives to stimulate increased visits to Fiji by people of other countries, coordinate overseas promotional activities and to ensure Fiji's marketing operations are innovative, effective, and efficient to maximize available growth. There has been no change in the nature of these activities during the year.

Subsequent to balance date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the entity, the results of those operations or the state of affairs of the entity in subsequent financial years.

Signed in accordance with a resolution of the directors.

Dated this 22ND day of NOVEMBER 2013.

.....
Acting Chair

.....
Director



8th Floor, Ratu Sukuna House,
MacArthur Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands.

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TOURISM FIJI

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

INDEPENDENT AUDIT REPORT

I have audited the accompanying financial statements of Tourism Fiji, which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 27.

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 and the requirements of the Fiji Tourism and Bureau Act. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, 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, the financial statements present fairly, in all material respects, the financial position of Tourism Fiji as at 31 December, 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Fiji Tourism and Bureau Act.



Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji

27 November, 2013



TOURISM FIJI
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
Government grants		23,043,478	23,555,556
Co-operative promotion and advertising		1,152,775	1,493,902
Other operating income	5	<u>190,306</u>	<u>165,927</u>
		24,386,559	25,215,385
Employee salaries and benefits	6	(2,105,001)	(2,091,186)
Operating and administrative expenses	7 (ii)	(1,835,910)	(1,389,835)
Selling and marketing expenses	7 (i)	(20,039,760)	(23,259,924)
Depreciation expense	7 (iii)	<u>(169,728)</u>	<u>(167,427)</u>
Loss from operations		236,160	(1,692,987)
Finance income	8	7,960	10,339
(Gain)/Loss for the year		<u>244,120</u>	<u>(1,682,648)</u>
Other comprehensive income			
Realized exchange gain		7,845	394,422
Unrealized exchange loss		(296,885)	-
Total comprehensive income		<u>(44,920)</u>	<u>(1,288,226)</u>

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

TOURISM FIJI
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
Accumulated Funds		
Balance at 1 January	4,312,934	5,601,160
Loss for the year	<u>(44,920)</u>	<u>(1,288,226)</u>
Balance at 31 December	<u>4,268,014</u>	<u>4,312,934</u>

TOURISM FIJI
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Notes	2011 \$	2010 \$
Non-current assets			
Property, plant and equipment	9	440,501	589,976
Financial asset	11	20,000	20,000
Refundable deposits	13	20,219	22,452
Total non-current assets		480,720	632,428
Current assets			
Cash at bank and on hand	10	3,995,005	6,202,366
Prepaid expenses	12	431,909	404,966
Taxes receivables	14	493,029	219,795
Other receivables and advances	15	67,774	85,612
Other assets	16	33,188	-
Total current assets		5,020,905	6,912,739
Total assets		5,501,625	7,545,167
Accumulated funds			
Accumulated funds		4,268,014	4,312,934
Total		4,268,014	4,312,934
Liabilities			
Current liabilities			
Employee entitlements	17	179,001	152,070
Accrued expenses	18	928,468	2,888,176
Income received in advance	19	17,000	24,417
Other payables	20	109,142	167,570
Total current liabilities		1,233,611	3,232,233
Total liabilities		1,233,611	3,232,233
Total Accumulated Funds and Liabilities		5,501,625	7,545,167

The accompanying notes form an integral part of the statement of financial position.

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

.....
Acting Chair

.....
Director

TOURISM FIJI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Cash receipts from Government and related stakeholders		24,115,357	25,767,572
Cash payments to employees and other parties		(26,309,724)	(26,300,092)
Cash generated from operations		(2,194,367)	(532,520)
Interest received		7,960	10,339
Cash flows used in operating activities		<u>(2,186,407)</u>	<u>(522,181)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(21,254)	(273,937)
Proceeds from sale of property, plant and equipment		300	-
Cash flows used in investing activities		<u>(20,954)</u>	<u>(273,937)</u>
Net decrease in cash		(2,207,361)	(796,118)
Cash and cash equivalents at 1 January		6,202,366	6,998,484
Cash and cash equivalents at 31 December	10	<u>3,995,005</u>	<u>6,202,366</u>

The accompanying notes form an integral part of the statement of cash flows.

2010 Financial Statements





TOURISM FIJI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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**TOURISM FIJI
DIRECTOR'S REPORT
31 DECEMBER 2010**

The Board of Directors present their report together with the financial statements of Tourism Fiji ("the entity") for the year ended 31 December 2010 and the auditors' report thereon.

Directors

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

Mr. David Pflieger (Chairman)
Mr. Shane Cunning
Mr. Lawrence Tikaram
Ms. Elizabeth Powell

Mrs. Josephine Smith-Moffat
Ms. Jay Shree Raniga

State of Affairs

In the opinion of the directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the entity as at 31 December 2010 and the accompanying statement of financial performance, statement of changes in accumulated funds and statement of cash flows give a true and fair view of the results and cash flows of the entity for the year then ended.

Principal Activities

The principal activities of the entity during the financial year was developing marketing objectives to stimulate increased visits to Fiji by people of other countries, coordinate overseas promotional activities and to ensure Fiji's marketing operations are innovative, effective, and efficient to maximize available growth. There has been no change in the nature of these activities during the year.

Subsequent to balance date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the entity, the results of those operations or the state of affairs of the entity in subsequent financial years.

Signed in accordance with a resolution of the directors.

Dated at Nadi this 28th day of May 2012.

.....
Chairman

.....
Director



8th Floor Ratu Sukuna House
MacArthur Street,
P. O. Box 2214,
Government Buildings,
Suva, Fiji Islands

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Excellence in Public Sector Auditing

TOURISM FIJI

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

INDEPENDENT AUDIT REPORT

I have audited the accompanying financial statements of Tourism Fiji, which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 26.

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 and the requirements of the Fiji Tourism and Bureau Act. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material mis-statements, 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, the financial statements present fairly, in all material respects, the financial position of Tourism Fiji as at 31 December, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Fiji Tourism and Bureau Act.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of my audit.



Tevita Bolanavanua
AUDITOR GENERAL

Suva, Fiji

5 June 2012



TOURISM FIJI
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Government grants		23,555,556	23,111,111
Co-operative promotion and advertising		1,493,902	1,366,926
Other operating income	5	<u>560,349</u>	<u>371,389</u>
		25,609,807	24,849,426
Employee salaries and benefits	6	(2,091,186)	(2,121,949)
Operating and administrative expenses	7 (ii)	(1,389,835)	(1,273,806)
Selling and marketing expenses	7 (i)	(23,259,924)	(20,433,884)
Depreciation expense	7 (iii)	<u>(167,427)</u>	<u>(138,330)</u>
(Loss)/surplus from operations		(1,298,565)	881,457
Finance income	8	10,339	8,417
(Loss)/surplus for the year		<u>(1,288,226)</u>	<u>889,874</u>

The accompanying notes form an integral part of the statement of financial performance.

TOURISM FIJI
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
Accumulated Funds		
Balance at 1 January	5,601,160	4,711,286
(Loss)/surplus for the year	<u>(1,288,226)</u>	<u>889,874</u>
Balance at 31 December	<u><u>4,312,934</u></u>	<u><u>5,601,160</u></u>

The accompanying notes form an integral part of the statement of changes in accumulated funds.

TOURISM FIJI

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Non-current assets			
Property, plant and equipment	9	589,976	480,387
Financial asset	11	20,000	20,000
Refundable deposits	13	22,452	9,754
Total non-current assets		632,428	510,141
Current assets			
Cash at bank and on hand	10	6,202,366	6,998,484
Prepaid expenses	12	404,966	137,995
Taxes receivables	14	219,795	201,741
Other receivables and advances	15	85,612	264,113
Total current assets		6,912,739	7,602,333
Total Assets		7,545,167	8,112,474
Accumulated funds			
Accumulated funds		4,312,934	5,601,160
Total		4,312,934	5,601,160
Liabilities			
Current liabilities			
Employee entitlements	16	152,070	154,878
Accrued expenses	17	2,888,176	1,717,636
Income received in advance	18	24,417	24,020
VAT payable		-	441,816
Other payables	19	167,570	172,964
Total current liabilities		3,232,233	2,511,314
Total liabilities		3,232,233	2,511,314
Total Accumulated Funds and Liabilities		7,545,167	8,112,474

The accompanying notes form an integral part of the statement of financial position.

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

.....
Chairman

.....
Director

TOURISM FIJI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Cash receipts from Government and related stakeholders		25,767,572	25,095,554
Cash payment to employees and other parties		(26,300,092)	(22,017,683)
Cash generated from operations		(532,520)	3,077,871
Interest received		10,339	8,417
Cash flows from operating activities		<u>(522,181)</u>	<u>3,086,288</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(273,937)	(222,484)
Cash flows (used in) investing activities		<u>(273,937)</u>	<u>(222,484)</u>
Net increase in cash		(796,118)	2,863,804
Cash and cash equivalents at 1 January		6,998,484	4,134,680
Cash and cash equivalents at 31 December	10	<u>6,202,366</u>	<u>6,998,484</u>

The accompanying notes form an integral part of the statement of cash flows.



