
FILM FIJI

ANNUAL REPORT FOR THE YEAR ENDED

31 DECEMBER 2014



Ground Floor, Civic House, New Town Hall Road, GPO Box 18080, Suva, Fiji
Telephone: (679) 330 6662 / (679) 773 6662 | Facsimile: (679) 331 4662 | Email: info@film-fiji.com.fj | Website: www.film-fiji.com

8 July 2019

The Honorable Ms Premila Kumar

Minister for Industry, Trade, Tourism, Local Government, Housing and Community
Development
Level 3, Civic Tower
SUVA

Dear Minister,

In accordance with section 11(1) of the Film Fiji Act 2002, I present, on behalf of Film Fiji, the Annual Report and Statements of Account for the year ended 31st December 2014.

On behalf of the Board, I would like to thank Government for its continued support and financial contribution to Film Fiji.

Yours sincerely,

Shaenaz Voss
Chairperson

FILM FIJI

ANNUAL REPORT FOR THE YEAR ENDED

31 DECEMBER 2014

Introduction

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

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

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

Film Fiji has a large network of local stakeholders including the Audio Visual Agents who are directly involved in the film industry, ensuring that production companies have a pleasant experience while shooting in Fiji.

The Board

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

The following were members of the Board as at 31st December 2014:-

- Shaenaz Voss – Acting Chairperson
- Vanessa Chang - Member
- Akuila Qumi – Member
- Maciu Lumelume – Member
- Sakiusa Bolaira – Member

Meetings

In 2014, the Board held 5 meetings including 2 full Board meetings and 3 Board Sub-Committee meetings. This exceeded the expected number of meetings as outlined in section 7(1) of the Film Fiji Act, which required the Board to meet at least 4 times in a year.

Performance Results by Focus Areas

Since its establishment in 2001, Film Fiji has been receiving annual grants from Government through its line Ministry. In 2014, Film Fiji received an annual grant amount of \$0.9 million. As in previous years, Film Fiji focused its activities on promotions and marketing allocating 36% of the budget for this in 2014.

Key Outcomes

During this period a total of 54 productions were filmed in Fiji. These productions came from various countries including the United States of America (US), Australia, China, Japan and Hong Kong. Some of the major studios that shot in Fiji in 2014 are:

Studio Name/Production House	Country	Project
Channel 7 Australia	Australia	Big Adventure 2
China Central Television (CCTV)	China	Where Are We Going Daddy, 2?
Icon Films (Discovery Channel)	England	River Monsters
Nine Network Australia	Australia	Getaway
ASP-Greenlight Production	USA	ASP Fiji Pro-World Surf League

The 54 productions that came to Fiji in 2014 generated \$32.6million of New Economic Activity (NEA) in the Fiji economy with a corresponding increase in local employment created totaling 751 for the same year. The return to Government from its investment of \$0.9million was commendable.

The past years has seen growth in the development of the Filming Industry. Film Fiji continues to market Fiji as a film destination, promoting its competitive tax incentives and other advantages. This was done mainly through innovative and creative approaches that stretched our meagre budget to enable us to make an impact on a highly competitive multi-billion dollar industry.

As a result, Film Fiji received a great deal of positive feedbacks from prospective major production houses and studios world-wide. Film Fiji worked with producers and production companies in the provision of scouting and confirming use of locations and other logistical support for various types of productions where necessary.

The geographical locations of the productions were concentrated mostly along Pacific Harbour, Coral Coast and the Mamanucas except for the film “Where Are We Going Daddy 2” which was shot in Taveuni. As with other productions, there was a boost in economic activity in Taveuni whilst the film was in production. Apart from employing locals, the production improved existing infrastructure such as buildings (a church, the cinema, school buildings renovated and/or repaired) and providing business for villages for use of village halls, grounds etc.

Generally all film productions contributed in enhancing the welfare of the local community by providing employment, donation of infrastructure, equipment, and providing business for local service providers. The benefits to tourism are invaluable as the film and TV series expands the awareness of Fiji as a holiday destination.

Film Fiji is confident that it will continue to achieve great results with the influx of more film projects in the future.

Promotions and Marketing

As Film Fiji is fully funded by Government, it is very mindful of the need to spend these resources prudently. As promotion is one of the core functions of Film Fiji, 36% of the budget this year was allocated exclusively to promote Fiji in the following strategic platforms:

Public Relations

Film Fiji together with other stake holders collaborated on new promotion initiatives that included partnering with Tourism Fiji, Fiji Airways and the Fiji Embassy, New Delhi during our promotion in India in September. We also assisted both Investment Fiji with the Investment Guide and Fiji Airways with the Kula Masi Art competition.

Film Fiji continued to renew our membership to the following organizations in 2014:

1. Association of the Film Commissioners International (AFCI).
2. Fiji Commerce and Employers Federation.
3. Fiji/Australia Business Council.

Our continued membership with these organizations is beneficial to Film Fiji as they continue to supply regular updates on current industry news and trends, and other important business updates.

Website

The Film Fiji website was an important platform in this year's promotional campaign. The website was constantly updated with current and important information for our customers.

Apart from Fiji, the top five countries to visit the Film Fiji website were the US, Australia, India, New Zealand and the United Kingdom. Total hits recorded this year was 19,001. The challenge remains for Film Fiji to continue to increase the number of new and returning visitors and to drive more traffic to the website. The incentives, news and the Kula awards were the most viewed pages on the website. There was a need to revamp the Film Fiji website to bring it up to par with the rest of the other Film Commissions around the globe. Work on upgrading the Film Fiji website commenced in the last quarter of 2014.

Facebook/Twitter

Film Fiji actively uses Facebook and Twitter as part of its social media campaign. Regular industry updates are also posted on these platforms. The number of likes on the Film Fiji Facebook page stood at 7,514 while the total number of followers recorded on the Film Fiji Twitter account was 121 for this period.

Advertising

As part of our promotional campaign for 2014, Film Fiji advertised in the "All Lights Film Magazine" in India to promote the Film Tax Rebate incentive to the Indian Film Industry.

Markets and Conferences

Locations World

Film Fiji attended the Locations World exhibition in Mumbai in September. Locations World brings Global vendors and allied service representatives to interact with the Indian Film Industry under one roof. The exhibition conference saw the presence of over 25 Countries / Regions / States / Resorts (Sellers) interacting with more than a 1,000 strong cross section with the Indian Film Industry (Buyers). Film Fiji was represented by the Acting Chairperson at this market.

Screen Forever

Film Fiji participated in the Screen Forever conference in Australia this year. The Screen Forever Conference, organized by the Screen Producers Association of Australia took place from 16th-19th November at the Crown Conference Centre in Melbourne. The conference provided attendees an opportunity to do business with the decision makers, influencers, and creators of screen content in Australia. Film Fiji was represented by the Chief Executive Officer in this conference.

General

Film Fiji continues to track and propose legislative changes where such changes are deemed necessary to harmonize the relevant Acts to enhance the effectiveness of the audiovisual Industry. Film Fiji strives to maintain a seamless and cooperative relationship especially with the Fiji Revenue and Customs Service (FRCS). A joint Film Fiji/FRCS Audio Visual Committee meets regularly to vet all relevant applications and to discuss important issues and development in the industry.

Incentives

The current incentives offered by Government was promoted heavily during this period. The Film Rebate is considered one of the best incentives in the world at 47%. No amendments were made to the incentives this year.

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.

The 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.

In 2014, there were 4 new licensed Audio-visual Agents registered with the Ministry of Industry, Trade and Tourism and 5 licenses were renewed for the same period. The number of Audio Visual Agents as at 2014 totaled 22.

Research on a Code of Conduct for Audio Visual Agents commenced during this period to provide a guide for the conduct & behavior of Audio Visual Agents and to encourage consistency in service delivery within the audio visual industry.

Local Development

Kula Awards

The Kula Awards is a major local development program for high school students in Fiji. The Kula Awards provides high school students an opportunity to participate and showcase their talents in three streams – film, dance and art competition.

The 2014 Fijiwood Dance Competition was held on the 25th July and the Kula Film and Art Awards on the 26th July. We were fortunate to have partnered with Fiji Airways for the Fiji Airways Art Competition and Goodman Fielder for the Tuckers Ice-cream Dance Competition.

The quality of both the films and dance performances confirms the premise of our holding this event – that there are latent talents in the area of creative arts and our young people need an avenue to develop these talents. The Kula Awards continues to provide this avenue for them.

As in previous years, Film Fiji organized free training for all the participants in the film and dance competitions. Training was provided by:

- VOU – for dance training
- Southern Institute of Technology, NZ- for film training

All the participating schools received a subsidy of \$200 each for participating in the Kula Awards.

Kula Film Awards – Schools’ Competition

A total of 19 schools participated in the Kula Film Awards in 2014.

Film Fiji organized editing assistance from local production houses whose representatives acted as mentors in the editing process for the film competition. The organization that assisted were:

- Pasifika Communications
- Mai TV
- Art and Soul Productions
- Bright Future Films
- Ministry of Information

The in-kind assistance provided by the above organizations contributed to the improvement in the quality of films submitted by the schools this year.

The schools' films were judged by a panel of film professionals and Awards were given for Best Film, Best Actor, Best Actress, Best Director, Best Camera-work, Best Script and Best Original Music Score. The Most Popular Film was voted by the public via the Film Fiji Facebook page.

All schools' films were shown on FBCTV on Wednesday the 16th July and on Fiji TV on Monday 21st & Tuesday 22nd July.

Open Category – Film Competition

The film competition again had an Open Category which was for budding and professional filmmakers. This was done to keep alive the interest in filmmaking at school level. Recognizing budding and professional filmmakers will also lead to the creation of an active local film industry. This year a total of 5 films were received for this category.

Tuckers Ice Cream Dance Competition

A total of 21 schools took part in the Fijiwood Dance Competition in 2014.

Film Fiji invited the Special Schools again to participate in this year's competition. The focus of the dance competition was FIJIWOOD – a fusion of song and dance reflecting the multiracial and multicultural nature of our country.

Fiji Airways Art Competition

This year, schools were also invited to participate in an Art Competition which was an initiative of Fiji Airways and held alongside the Kula Film and Fijiwood Dance Competitions. 20 shortlisted students from 10 schools were given the theme "My Fiji" for their final art piece. The theme allowed the finalists to visually demonstrate their talents and creativity. Fiji is a dynamic collection of people, events, experiences, culture and scenery. The students were asked to pick any one of these elements among others to demonstrate what Fiji means to them.

Awards for the art competition were also given out at the Kula Film Awards on Saturday 26th July. Voting for the most Popular Art was set up on the Fiji Airways Facebook page where members of the public vote for their favorite art piece.

Others

There was an urgent need to overhaul the office to upgrade the furniture and equipment to cater for the needs of the increased number of international visitors (production executives) visiting the office. Work on the office renovation commenced in December 2014.

Human Resources

In 2014, two staff resigned while three new staff members joined the team to fill the vacant positions of Chief Executive Officer, Legal & Compliance Officer and the Marketing Manager. The overall number of staff was 6. Film Fiji continued to provide relevant training on a regular basis to staff. Staff were allowed to attend professional training sessions organized by the Fiji Institute of Accountants, the Attorney General's Office and the likes to enhance their skills and 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 YEAR ENDED 31 DECEMBER 2014

FILM FIJI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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FILM FIJI
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

In accordance with a resolution of the Board of Directors, the Board herewith submit the Statement of Financial Position of Film Fiji as at 31 December 2014, the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year ended on that date and report as follows:

1. Board

The following were Directors of Film Fiji during the year:

Ms Shaenaz Voss	Acting Chairperson	(effective 1 July 2013)
Ms Shaenaz Voss	Member	(effective 20 February 2013)
Mr Akuila Qumi	Member	(20 February 2013 to 30 September 2014)
Mr Maciu Lumelume	Member	(effective 20 February 2013)
Ms Vanessa Chang	Member	(14 May 2013 to 14 May 2014)
Mr Sakiusa Bolaira	Member	(effective 2 July 2013)

2. Principal Activities

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

3. Results

The net surplus for the year ended 31 December 2014 was \$58,397 (2013: \$162,273).

4. Provisions

There were no material movements in provisions.

5. Bad and Doubtful Debts

Prior to the completion of Film Fijis' financial statements, Film Fiji took reasonable steps to ascertain that action has been taken in relation to writing off of bad debts and the making of provision for doubtful debts. In the opinion of Film Fiji, adequate provision has been made for 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 year were not substantially affected by any item, transaction or event of an abnormal character, nor has there arisen between the end of the reporting period and the date of this report any item, transaction or event of an abnormal character likely, in the opinion of the Board, to affect substantially the results of the operations of Film Fiji in the current reporting period.

FILM FIJI
DIRECTOR'S REPORT (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2014

8. Events Subsequent to Balance Date

No charge on the assets of Film Fiji has arisen since the end of the financial year 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 year 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 year 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 21st day of October, 2015.



Director



Director

FILM FIJI
STATEMENT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

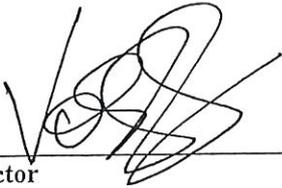
In accordance with a resolution of the Board of Directors, we state that in the opinion of the Board:

- (i) the accompanying Statement of Comprehensive Income of Film Fiji is drawn up so as to give a true and fair view of the results of Film Fiji for the year ended 31 December 2014;
- (ii) the accompanying Statement of Changes in Equity of Film Fiji is drawn up so as to give a true and fair view of the changes in accumulated fund of Film Fiji for the year ended 31 December 2014;
- (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 December 2014;
- (iv) the accompanying Statement of Cash Flow of Film Fiji is drawn up so as to give a true and fair view of the cash flows of Film Fiji for the year ended 31 December 2014;
- (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.

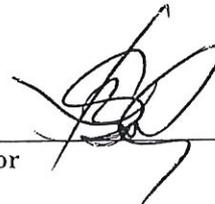
For and on behalf of the Board of Directors and in accordance with its resolution.

Dated this 21st day of October, 2015.

Director



Director



OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P.O.Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 330 9032
Fax: (679) 330 3812
Email: info@auditorgeneral.gov.fj
Website: http://www.oag.gov.fj



INDEPENDENT AUDITOR'S REPORT

To the members of Film Fiji

Report on the Financial Statements

I have audited the accompanying financial statements of Film Fiji, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on Notes 1 to 16.

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 Standard for Small and Medium-sized Entities and the requirements of the Film Fiji Act 2002. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I have conducted the audit in accordance with International Standard 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 judgement, 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 company'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 the 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, so far as it appears from my examination of those books; and
- b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standard 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:

- a) give a true and fair view of the state of affairs of Film Fiji as at 31 December 2014 and of the results, and cashflows of Film Fiji for the year ended on that date; and
- b) give the information required by the Film Fiji Act 2002 in the manner so required.

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



Atunaisa Nadakuitavuki
for AUDITOR GENERAL



27 October 2015
Suva, Fiji

FILM FIJI
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Government grant - operational		678,599	778,560
Deferred Income	10	14,472	10,338
Fees		1,100	1,000
Kula Film Award		4,316	6,618
Sponsorship		61,092	55,000
Miscellaneous		1,468	3,214
Total Income		761,047	854,730
Administrative Expenses		(342,852)	(267,293)
Promotional Expenses		(109,731)	(180,022)
Employee Remuneration and Benefit		(259,838)	(230,792)
Depreciation	6 (c)	(14,472)	(10,338)
Other Expenses		(3,130)	(4,348)
Total Expenditure		(730,023)	(692,793)
Profit for the year		31,024	161,937
Other Comprehensive Income (Loss)			
Gain on Sale of Fixed Assets		27,196	-
Gain on Foreign Exchange		177	336
Total Comprehensive Income for the year		58,397	162,273

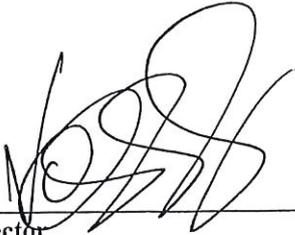
(The Statement of Comprehensive Income is to be read in conjunction with accompanying Notes 1 to 16)

FILM FIJI
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

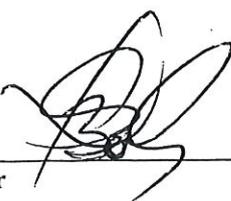
	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and Cash Equivalent	2	205,612	275,112
Prepayments	3	103,172	17,725
Receivables	4	100,903	58,238
Refundable Deposits	5	8,141	8,141
Total Current Assets		<u>417,828</u>	<u>359,216</u>
Non Current Assets			
Property, Plant and Equipment	6	107,283	17,745
Total Non Current Assets		<u>107,283</u>	<u>17,745</u>
TOTAL ASSETS		<u>525,111</u>	<u>376,961</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	7	1,448	10,504
Employee Benefit Liability	8	8,921	5,901
Provisions	9	32,087	25,836
Total Current Liabilities		<u>42,456</u>	<u>42,241</u>
Non Current Liabilities			
Deferred Income	10	107,283	17,745
Total Non Current Liabilities		<u>107,283</u>	<u>17,745</u>
TOTAL LIABILITIES		<u>149,739</u>	<u>59,986</u>
NET ASSETS		<u>375,372</u>	<u>316,975</u>
EQUITY			
Accumulated Surplus		342,199	311,175
Other Reserves		33,173	5,800
TOTAL EQUITY		<u>375,372</u>	<u>316,975</u>

(The Statement of Financial Position is to be read in conjunction with accompanying Notes 1 to 16)

Signed for and on behalf of the Board of Directors.



 Director



 Director

FILM FIJI
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Other Reserves \$	Accumulated Funds \$	Total \$
Balance as at 31 December 2012	5,464	149,238	154,702
Net Profit for the year	-	161,937	161,937
Gain on Foreign Exchange	336	-	336
Balance as at 31 December 2013	5,800	311,175	316,975
Net Profit for the year	-	31,024	31,024
Gain on Sale of Fixed Assets	27,196	-	27,196
Gain on Foreign Exchange	177	-	177
Balance as at 31 December 2014	33,173	342,199	375,372

(The Statement of Changes in Equity is to be read in conjunction with Notes 1 to 16)

FILM FIJI
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Cash flows from Operating Activities			
Receipts from government and customers		660,308	830,872
Payments to suppliers and employees		(625,798)	(656,337)
Net cash flows from Operating Activities		<u>34,510</u>	<u>174,535</u>
Cash flows from Investing Activities			
Payments for property, plant & equipment		(104,010)	(4,048)
Net cash flows used in Investing Activities		<u>(104,010)</u>	<u>(4,048)</u>
Net (decrease)/increase in cash held		(69,500)	170,487
Cash at the beginning of the year		275,112	104,625
Cash at the end of the year	2	<u>205,612</u>	<u>275,112</u>

(The Statement of Cash Flow is to be read in conjunction with Notes 1 to 16)

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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 2002 and the International Financial Reporting Standards for Small 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 December 2014.

1.1 Basis of Accounting

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

In the application of IFRS for SMEs, management is required to make judgements, estimates and assumptions about carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual result may defer from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period. Judgements made by management in the application of IFRS for SMEs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed where applicable, in the relevant notes to the financial statements.

1.2 Transition to IFRS for SMEs

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

1.3 Income Tax

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

1.4 Income and Expenses

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

1.5 Cash and Cash Equivalents

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

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2014

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%
Computer Equipment	- Laptop	25.0%
	- Desktop	20%
	- Printers	20%
	- Software	33.33%
Office Equipment	- General	20%
	- 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 Trade & Other Receivables

Receivables are recognised at fair value and do not bear interest. At the end of each reporting period, the carrying amounts of trade and other receivable are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss. Allowance is raised on a specific debtor level. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Income.

1.8 Income

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

Government Grant

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

Fees

Application fees are recognised as income on receipt.

Kula Film Awards

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

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2014

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1.9 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.

1.10 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; or
- 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.

1.11 Trade and 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.

1.12 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).

1.13 Employee Benefit

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.

1.14 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.

1.15 Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

1.16 Reporting Currency

All figures are reported in Fiji currency.

FILM FIJI**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
2 CASH AND CASH EQUIVALENT	\$	\$
Cash at Bank	205,112	274,612
Cash on Hand	500	500
	<u>205,612</u>	<u>275,112</u>
3 PREPAYMENTS		
Insurance	3,952	6,172
IT Support	1,285	511
Telephone	2,638	2,232
Books and periodicals	620	1,100
Office rent	5,048	5,048
Professional Membership	125	165
AFCI Membership	1,510	1,446
AFCI Location Booth	9,068	-
AFCI Advertisement	6,444	-
IIFTC Booth	28,179	-
IIFTC Air Fare	14,086	-
Computer Equipment	16,590	-
Office Equipment	6,077	-
Workshop & Seminar	6,461	-
Postage	-	36
Sundry	1,089	1,015
	<u>103,172</u>	<u>17,725</u>
4 RECEIVABLES		
Advances	2,597	2,461
Debtors	1,368	4,432
VAT	96,938	51,345
	<u>100,903</u>	<u>58,238</u>

FILM FIJI**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
5 REFUNDABLE DEPOSITS		
Fiji Electricity Authority	3,268	3,268
Suva City Council	3,653	3,653
Colonial National Bank	31	31
Telecom Fiji Ltd	764	764
Plant World	130	130
Solo Hire	-	-
Pleass Beverages & Packaging	295	295
	<u>8,141</u>	<u>8,141</u>
6 PROPERTY, PLANT AND EQUIPMENT		
a) Plant and equipment are stated in the financial statements on the following basis:		
Office furniture & fittings		
At cost	24,582	20,418
Accumulated depreciation	<u>(20,374)</u>	<u>(20,023)</u>
	4,208	395
Office equipment		
At cost	50,272	40,850
Accumulated depreciation	<u>(37,440)</u>	<u>(32,974)</u>
	12,832	7,876
Computer equipment		
At cost	52,902	47,696
Accumulated depreciation	<u>(42,195)</u>	<u>(38,222)</u>
	10,707	9,474
Motor vehicle		
At cost	85,217	57,778
Accumulated depreciation	<u>(5,681)</u>	<u>(57,778)</u>
	79,536	-
Net Book Value	<u>107,283</u>	<u>17,745</u>

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

FILM FIJI

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2014

6 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

	Office Furniture and Fitting	Office Equipment	Computer Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$
<u>Cost</u>					
At 31 December 2013	20,418	40,850	47,696	57,778	166,742
Additions	4,164	9,422	5,207	85,217	104,010
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Balance at 31 December 2014	<u>24,582</u>	<u>50,272</u>	<u>52,903</u>	<u>142,995</u>	<u>270,752</u>
<u>Accumulated Depreciation</u>					
At 31 December 2013	20,023	32,974	38,222	57,778	148,997
Depreciation	351	4,466	3,974	5,681	14,472
Disposals	-	-	-	-	-
Balance at 31 December 2014	<u>20,374</u>	<u>37,440</u>	<u>42,196</u>	<u>63,459</u>	<u>163,469</u>
<u>Written Down Value</u>					
At 31 December 2013	395	7,876	9,474	-	17,745
At 31 December 2014	<u>4,208</u>	<u>12,832</u>	<u>10,707</u>	<u>79,536</u>	<u>107,283</u>

	2014 \$	2013 \$
7 TRADE AND OTHER PAYABLES		
Trade Creditors	-	5,683
Refunds for Over deductions	427	427
Other Creditors and Accruals	1,021	4,394
	<u>1,448</u>	<u>10,504</u>

8 EMPLOYEE BENEFIT LIABILITY		
Annual leave entitlement	8,921	5,901
	<u>8,921</u>	<u>5,901</u>

	Audit Fees \$	TPAF Levy \$	Major Projects \$	Total \$
9 PROVISIONS				
At 1 January 2014	4,783	1,053	20,000	25,836
Additions during the year	3,131	-	28,086	31,217
Charged against provision during the year	(3,913)	(1,053)	(15,724)	(20,690)
Unused amount reversed	-	-	(4,276)	(4,276)
At 31 December 2014	<u>4,001</u>	<u>-</u>	<u>28,086</u>	<u>32,087</u>

FILM FIJI**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2014****9 PROVISIONS (cont'd)****a) Audit Fees**

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

b) TPAF Levy

Levy payable to TPAF at the end of the year.

c) Major Projects

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 December 2015.

10 GOVERNMENT GRANT - 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.

	2014	2013
	\$	\$
Balance at the beginning	17,745	24,035
Add: Additional Grant	104,010	4,048
Less: Transfers to Statement of Comprehensive Income	(14,472)	(10,338)
	<u>107,283</u>	<u>17,745</u>

11 RELATED PARTY**a) Board of Directors**

The following were members of the Board in 2014:

Ms Shaenaz Voss	Acting Chairperson	(effective 1 July 2013)
Ms Shaenaz Voss	Member	(effective 20 February 2013)
Mr Akuila Qumi	Member	(20 February 2013 to 30 September 2014)
Mr Maciu Lumelume	Member	(effective 20 February 2013)
Ms Vanessa Chang	Member	(14 May 2013 to 14 May 2014)
Mr Sakiusa Bolaira	Member	(effective 2 July 2013)

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 personnel in 2014 was \$109,655. (2013: \$85,323).

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2014

11 RELATED PARTY (cont'd)

d) Transactions with related party

During the year, Film Fiji entered into an agreement with Government which were at normal terms and conditions of the annual service agreement. The value of the agreement/transactions with government for the provision of government grant during the year is \$900,000 (2013: \$900,000).

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

12 CONTINGENT LIABILITIES

Film Fiji is not aware of any contingent liability as at 31 December 2014. (2013: Nil)

13 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.

14 PRINCIPAL ACTIVITIES

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

15 NUMBER OF EMPLOYEES	2014	2013
Average number of employees in a year:	6	5

16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 21 October 2015.