
FILM FIJI

ANNUAL REPORT FOR THE YEAR ENDED

31 DECEMBER 2015



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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 2015.

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 2015

Introduction

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

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

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

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

These were the members of the Board as at 31st December 2015:-

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

Meetings

In 2015, the Board held 4 meetings including 2 full Board meetings and 2 Board sub-committee meetings. The number of meetings complied with section 7(1) of the Film Fiji Act.

Performance Results by Focus Areas

Since its establishment in 2001, Film Fiji has been receiving annual grants from the Government through its line Ministry. In 2015, 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 32% of the budget for this in 2015.

Key Outcomes

During this period a total of 42 productions were filmed in Fiji. These productions came from various countries such as the United States of America, Switzerland, Australia, New Zealand etc. Some of the major studios that filmed in Fiji in 2015 are:

Studio name/Production House	Country	Project
CBS Sports Network	USA	2015 Fiji Pro
Nine Network Australia	Australia	Married at First Sight
National Swiss Television	Switzerland/Hong Kong	Effects of Climate Change
HGTV (Discovery, Inc.)	USA	House Hunters International

In 2015, there was a decline in productions that filmed in Fiji. The 42 productions that came generated \$16.3 million of New Economic Activity (NEA) in the Fiji economy. Correspondingly, there was 122 local employment created through these productions for the same year.

Despite the decrease in production, Film Fiji continues to market Fiji as a film destination, promoting its tax incentives and other advantages keeping in mind that the lead time for attracting a significant production to Fiji is at least 2 years. Therefore, attending film markets in 2015 may reap benefits from 2016. Film Fiji also noticed an increase in enquiries in 2015 and we anticipate a major growth for Fiji's film industry in the upcoming year.

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. Extra ordinarily customer services and logistical assistance were provided to all 42 productions that entered Fiji. In addition, Film Fiji continue to visit sets of major productions to witness filming, other development work carried out by those productions, monitor compliance and resolve production issues during this period.

Promotions and Marketing

As Film Fiji is fully funded by Government, we are very mindful of the need to spend these resources prudently. As promotion is one of the core functions of Film Fiji, 32% 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 as associate sponsors for the event "The Chords of Goodness"- Farhan Akhtar LIVE, held in Pune, India on 22nd February 2015.
- There was a new MOU between Tourism Fiji, Fiji Airways and Film Fiji which was signed on 9th January 2015 to explore avenues of cooperation between the three (3) organizations.
- Film Fiji attended the Fiji Tourism Expo in partnership with the Ministry of Industry, Trade and Tourism and Investment Fiji. The event was held at Denarau on 16th – 18th June 2015.
- Film Fiji also partnered with HFC Bank, Fiji Airways, Fiji National University, Ministry of Industry, Trade and Tourism and other minor sponsors for the 2015 Kula Awards in July the same year.

Film Fiji continued to renew membership to the following organizations in 2015:

1. Association of the Film Commissioners International (AFCI).
2. Fiji Commerce and Employers Federation.

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

Website

Film Fiji launched its newly developed website in the last quarter of 2015. The new website now has a fresh extensive locations gallery page which further categorizes location photos. We intend to keep updating the locations photos from the profiling of different locations all over Fiji in the next few years.

The top seven countries to visit the website this year included Fiji, the United States of America (US), Australia, New Zealand, India, the United Kingdom and Netherlands. Total hits recorded this year was 20,331.

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 Film Fiji's Facebook page stood at 11,712 with the highest post reach of 49,689. The total number of followers recorded on the Film Fiji's Twitter account was 210 with 38 tweets posted for this period.

Markets and Conferences

International Film Markets

Film Fiji attended Asia's largest Locations show, the India International Film Tourism Conclave (IIFTC), which gives credible platform for film commissions, tourism offices and production service companies from around the world the opportunity to showcase their locations, incentives and services to the Indian Film Industry. This event was held in Chennai, Hyderabad and Mumbai from 17th - 21st February. Film Fiji was represented by the Acting Chairperson and the Manager Marketing & Public Relations at this market.

The Association of Film Commissioners International (AFCI) is the official organization representing Film Commissions from the various regions and countries who assist film, television and video production throughout the world. In 2015, AFCI hosted the AFCI Locations Show that brought together hundreds of global production VIPs from independent film makers

to industry veterans to film commissioners, while showcasing production locations, incentives, business and support services. This event was held in Los Angeles from 5th – 7th March where Film Fiji was represented by the Acting Chairperson and the Chief Executive Officer at this market.

Advertising

As part of our promotional campaign for 2015, Film Fiji advertised in the following international marketing platforms:

1. “Cineport Magazine”, the official publication of IIFTC (India)
2. The Hollywood Reporter (USA)
3. Variety (USA)
4. Beyond Cinema (USA); and
5. All Lights Magazine (India)

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

Location Scout

In 2015, a team from Columbia Broadcasting System (CBS) conducted a scouting trip in Fiji for the possibility to showcase their reality Television series “US Survivor”. During this period, two Indian production companies “Karamel Films” and “Pantheon Entertainment Corporation” also conducted location scouting for possible future Indian productions.

Film Fiji assisted in providing important information such as availability of equipment and crew, suggesting and profiling possible locations and contributing to some on the ground costs of these scouting trips.

General

Film Fiji strives to maintain a seamless and cooperative relationship with major stakeholders. A joint Audio Visual Committee consisting of members from Fiji Revenue and Customs Service (FRCS) /Film Fiji/Ministry of Industry, Trade and Tourism meets regularly to vet all relevant applications and to discuss important issues and developments in the industry.

Incentives

The Film Rebate incentive was reviewed in 2015. Due to the increase in demand for film productions in Fiji, proposed amendments were made in the Income Tax Act 2015 to increase the current tax rebate threshold from \$25 million to \$60 million and the current threshold for the maximum allowable tax rebate from \$11.75 million to \$28.2 million.

Also, Regulation 74(1) of the Sixth Schedule (now referred to as Part 5 of the Income Tax Regulations 2016) was amended to include the allowable expenditure incurred for salaries paid for the services rendered in Fiji by non-resident cast, provided that such expenditure does not exceed 20% of the total Qualifying Fiji Production expenditure.

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 that they worked within the parameters of the law and ensured productions were compliant with the requirements of the incentives.

In 2015, there were 3 new licensed Audio-visual Agents registered with the Ministry of Industry, Trade and Tourism and 1 license renewed for the same period. The number of Audio Visual Agents as at 2015 totaled 25.

An Audio Visual Industry seminar was held in February this year. The seminar was organized to bring all stakeholders together as an industry to discuss issues and opportunities for growth and development to move the industry forward. Key outcomes from the meeting were incorporated into Film Fiji's strategic plan for implementation.

A Code of Conduct for Audio Visual Agents was drafted in house and a copy of the draft was circulated to the Audio Visual Committee and Board for review. The draft Code was also discussed at the Film Fiji Stakeholders meeting and circulated to the Audio Visual Agents for their comments. The draft was finalized and approved by the Board during the year. The draft Code of Conduct for Audio Visual Agents was submitted to our line Ministry in the last quarter of 2015 for further review and for submission to Cabinet.

Local Development

Film Fiji plans to further develop the local industry in terms of equipping and preparing our locals with some knowledge of filming by hosting expert training for specific areas of filming.

In May this year, Film Fiji hosted two industry workshops to provide training to our locals in the following areas:

1. Screen Acting
2. Cinematography

The Screen Acting workshop was conducted by Matt Young, a local Fiji resident who provides consultancy work in the area of acting, public speaking and media appearances. Trainers for the Cinematography workshop were brought in from the Southern Institute of Technology (SIT) Film School in New Zealand.

Kula Awards

The Kula Film Awards and Dance Competition has successfully grown over the last 9 years and has now become a much awaited event in the calendar of activities for high schools around the country. Schools were also invited to participate in the Art Competition which ran alongside the Kula Film Awards.

Schools' Film Competition

Students from secondary schools were invited to make a five minute film to showcase their talents and individual skills acquired from the Kula workshops provided by Film Fiji. A total of 19 schools [11 -Central, 6- West, 2- North] participated in this year's competition.

The following were award categories in the Film Industry:

- Best Film
- Best Actor
- Best Actress
- Best Director
- Best Script
- Best Camera Work
- Best Original Music
- Most Popular Film

Film Fiji hosted training to all participating schools in the areas of Screen Acting and Cinematography. The workshops were conducted by Matt Young and the New Zealand Southern Institute of Technology (SIT) consecutively.

Open Category Film Competition

The 2015 Kula Awards also had an Open Category for amateur film makers, which was aimed at developing filmmakers around the country. These films were judged separately as this Competition was not restricted to students alone.

Fijiwood Dance Competition

A total of 21 schools [15 - Central, 5 - West, 1 - East] took part in the Fijiwood Dance Competition in 2015.

Secondary schools were invited to participate in the Fijiwood Dance Competition, by performing a five minute fusion of song and dance reflecting the cultures of Fiji. Students were therefore challenged to create something unique as originality was the main focus of this Competition.

Fiji Airways Art Competition

This year, schools were invited to participate in the Art Competition which was held alongside the Kula Film and Dance Competition. There were 31 shortlisted students from 13 schools from the Central, Western and Northern division.

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

Human Resources

In 2015, a staff member resigned while Film Fiji welcomed a new member to the team to fill the position of Receptionist/Clerk. The number of staff remained at 6. Film Fiji continued to provide relevant trainings for staff on a regular basis. In addition, staff were allowed to attend professional training sessions organized by the Fiji Institute of Accountants and the Attorney General's Office. This was to enhance their skills to keep abreast with the changes in their area of work.

Acknowledgement

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

FILM FIJI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

FILM FIJI
FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

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**FILM FIJI
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015, 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	<i>Member</i>	(effective 4 March 2015)
Ms Shaenaz Voss	<i>Acting Chairperson</i>	(effective 1 July 2013 to 20 February 2015)
Ms. Debra Sadrana	<i>Member</i>	(effective 17 September 2015)
Mr. Kumar Sami Goundar	<i>Member</i>	(effective 4 March 2015)
Mr. Sakiusa Bolaira	<i>Member</i>	(effective 17 September 2015)
Mr. Sakiusa Bolaira	<i>Member</i>	(effective 2 July 2013 to 2 July 2015)
Ms Timaima Vakadewabuka	<i>Member</i>	(effective 17 September 2015)
Permanent Secretary for Industry, Trade & Tourism	<i>Member</i>	(effective 17 September 2015)

2. Principal Activities

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

3. Results

The net deficit for the year ended 31 December 2015 was \$28,319 (2014: net surplus of \$31,024).

4. Provisions

There were no material movements in provisions.

5. Bad and Doubtful Debts

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

6. Current Assets

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

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

7. Unusual Transactions

In the opinion of the Board, the results of the operations of Film Fiji during the financial 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 2015

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

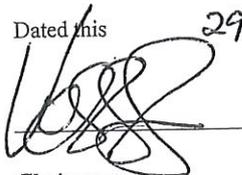
At the date of this report, Film Fiji is not aware of any circumstances not otherwise dealt with in this report or accounts which would render any amounts stated in the accounts misleading.

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 the Film Fiji or of a related corporation) by reason of a contract made by the Film Fiji or by a related corporation with Film Fiji or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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

Dated this 29th day of September, 2017.


Chairperson


Director

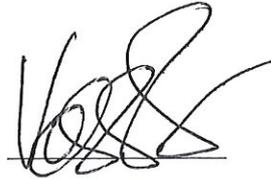
FILM FIJI
STATEMENT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

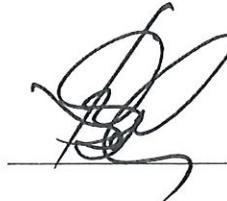
- (i) the accompanying Statement of Comprehensive Income of film Fiji is drawn up so as to give a true and fair view of the results of Film Fiji for the year ended 31 December 2015;
- (ii) the accompanying Statement of Changes in Equity of Film Fiji is drawn up so as to give a true and fair view of the changes in accumulated fund of Film Fiji for the year ended 31 December 2015;
- (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 2015;
- (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 2015;
- (v) at the date of this statement, there are reasonable grounds to believe that the Film Fiji will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of Film Fiji.

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

Dated this *29th* day of *September* 2017.



Chairperson



Director

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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INDEPENDENT AUDITOR'S REPORT

FILM FIJI

I have audited the accompanying financial statements of Film Fiji, which comprise the statement of financial position as at 31 December 2015, 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 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 Standards for Small and Medium-sized Entities and the requirements of the Film Fiji Act, 2002. 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:

- a) proper books of account have been kept by Film Fiji, as far as it appears from my examination of those books, and

- b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities:
- i) are in agreement with the books of account; and
 - ii) to the best of my information and according to the explanations given to me:
 - a) give a true and fair view of the state of affairs of Film Fiji at 31 December 2015 and of the results, and cash flows of Film Fiji for the year ended on that date; and
 - b) give the information required by Film Fiji Act, 2002 in the manner so required.



Ajay Nand
AUDITOR GENERAL



03 October 2017
Suva, Fiji

FILM FIJI
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
Government grant - operational		751,642	678,599
Deferred income	10	30,131	14,472
Fees		2,763	1,100
Kula Film Award		785	4,316
Sponsorship		66,500	61,092
Miscellaneous		3,882	1,468
Total Income		<u>855,703</u>	<u>761,047</u>
Administrative expenses		(308,174)	(342,852)
Promotional expenses		(189,297)	(109,731)
Employee remuneration and benefit		(352,607)	(259,838)
Depreciation	6(c)	(30,131)	(14,472)
Other expenses		(3,813)	(3,130)
Total Expenditure		<u>(884,022)</u>	<u>(730,023)</u>
(Deficit)/Surplus for the year		(28,319)	31,024
Total Comprehensive (Loss)/ Income for the year		<u>(28,319)</u>	<u>31,024</u>

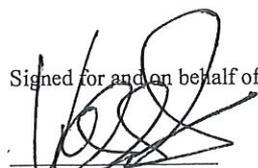
(The Statement of Comprehensive Income is to be read in conjunction with the accompanying notes set out on pages 11 to 17)

FILM FIJI
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

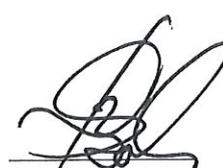
	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalent	2	282,656	205,612
Prepayments	3	51,227	103,172
Receivables	4	34,375	100,903
Refundable deposits	5	8,141	8,141
Total Current Assets		376,399	417,828
Non Current Assets			
Property, plant and equipment	6	108,120	107,283
Total Non Current Assets		108,120	107,283
TOTAL ASSETS		484,519	525,111
LIABILITIES			
Current Liabilities			
Trade and other payables	7	5,331	1,448
Employee benefit liability	8	14,015	8,921
Provisions	9	10,000	32,087
Deferred income	10	30,131	14,472
Total Current Liabilities		59,477	56,928
Non Current Liabilities			
Deferred income	10	77,989	92,811
Total Non Current Liabilities		77,989	92,811
TOTAL LIABILITIES		137,466	149,739
NET ASSETS		347,053	375,372
EQUITY			
Accumulated surplus		313,880	342,199
Other reserves		33,173	33,173
TOTAL EQUITY		347,053	375,372

(The Statement of Financial Position is to be read in conjunction with the accompanying notes set out on pages 11 to 17)

Signed for and on behalf of the Board of Directors.


Chairperson

Date: 29.9.17


Director

Date: 29.9.17

FILM FIJI
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Other Reserves \$	Accumulated Funds \$	Total \$
Balance as at 31 December 2013	33,173	311,175	344,348
Net surplus for the year		31,024	31,024
Balance as at 31 December 2014	33,173	342,199	375,372
Net deficit for the year		(28,319)	(28,319)
Balance as at 31 December 2015	<u>33,173</u>	<u>313,880</u>	<u>347,053</u>

(The Statement of Changes in Equity is to be read in conjunction with the accompanying notes set out on pages 11 to 17)

FILM FIJI
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
Cash flows from Operating Activities			
Receipts from government and customers		974,176	660,308
Payments to suppliers and employees		(866,164)	(625,798)
Net cash flows from Operating Activities		108,012	34,510
Cash flows from Investing Activities			
Payments for property, plant & equipment		(30,968)	(104,010)
Net cash flows used in Investing Activities		(30,968)	(104,010)
Net increase/(decrease) in cash held		77,044	(69,500)
Cash at the beginning of the year		205,612	275,112
Cash at the end of the year	2	282,656	205,612

(The Statement of Cash Flow is to be read in conjunction with the accompanying notes set out on pages 11 to 17)

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Film Fiji Act 2002 and the International Financial Reporting Standards for Small Medium Enterprises (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 2015.

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 2015

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

1.6 Property, Plant and Equipment

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

The principal depreciation rates in use are as follows:

Motor Vehicles		20%
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 Income

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

Government Grant

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

Fees

Application fees are recognised as income on receipt

Kula Film Awards

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

1.8 Deferred Income

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

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

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

1.9 Value Added Tax (VAT)

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

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

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

1.10 Trade & Other Payables

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

1.11 Provisions

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

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

1.12 Provision for Employee Entitlements

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

1.13 Foreign Currencies

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

1.14 Comparatives

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

1.15 Reporting Currency

All figures are reported in Fiji currency.

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 2: CASH AND CASH EQUIVALENT	2015	2014
	\$	\$
Cash at bank	282,156	205,112
Cash on hand	500	500
	<u>282,656</u>	<u>205,612</u>

NOTE 3: PREPAYMENTS

Insurance	2,912	3,952
IT support	394	1,285
Telephone	2,936	2,638
Books and periodicals	492	620
Office rent	-	5,048
Professional membership	217	125
AFCI membership	1,604	1,510
AFCI location booth	10,766	9,068
AFCI advertisement	-	6,444
IIFTC booth	31,642	28,179
IIFTC air fare	-	14,086
Computer equipment	-	16,590
Office equipment	-	6,077
Workshop & seminar	-	6,461
Postage	64	-
Sundry	200	1,089
	<u>51,227</u>	<u>103,172</u>

NOTE 4: RECEIVABLES

Advances	7,863	2,597
Debtors	18,977	1,368
VAT	7,535	96,938
	<u>34,375</u>	<u>100,903</u>

NOTE 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
Pleass Beverages & Packaging	295	295
	<u>8,141</u>	<u>8,141</u>

FILM FIJI
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
 FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$	\$
a) Plant and equipment are stated in the financial statements on the following basis:		
Office furniture & fittings		
At cost	26,240	24,582
Accumulated depreciation	(20,777)	(20,374)
	<u>5,463</u>	<u>4,208</u>
Office equipment		
At cost	53,322	50,272
Accumulated depreciation	(38,761)	(37,440)
	<u>14,561</u>	<u>12,832</u>
Computer equipment		
At cost	68,240	52,902
Accumulated depreciation	(42,636)	(42,195)
	<u>25,604</u>	<u>10,707</u>
Motor vehicle		
At cost	85,217	85,217
Accumulated depreciation	(22,725)	(5,681)
	<u>62,492</u>	<u>79,536</u>
Net Book Value	<u><u>108,120</u></u>	<u><u>107,283</u></u>

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

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

	Office Furniture and Fitting	Office Equipment	Computer Equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$
Cost					
Balance as at 31 December 2014	24,582	50,272	52,903	85,217	212,974
Additions	1,658	7,382	21,928	-	30,968
Disposals	-	(4,332)	(6,591)	-	(10,923)
Transfers	-	-	-	-	-
Balance as at 31 December 2015	<u>26,240</u>	<u>53,322</u>	<u>68,240</u>	<u>85,217</u>	<u>233,019</u>
Accumulated Depreciation					
Balance as at 31 December 2014	20,374	37,440	42,196	5,681	105,691
Depreciation	403	5,653	7,031	17,044	30,131
Disposals	-	(4,332)	(6,591)	-	(10,923)
Balance as at 31 December 2015	<u>20,777</u>	<u>38,761</u>	<u>42,636</u>	<u>22,725</u>	<u>124,899</u>
Written Down Value					
31 December 2014	<u>4,208</u>	<u>12,832</u>	<u>10,707</u>	<u>79,536</u>	<u>107,283</u>
31 December 2015	<u>5,463</u>	<u>14,561</u>	<u>25,604</u>	<u>62,492</u>	<u>108,120</u>

FILM FIJI
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
 FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 7: TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
Trade Creditors	3,000	-
Refunds for over deductions	427	427
Other creditors and accruals	1,904	1,021
	<u>5,331</u>	<u>1,448</u>

NOTE 8: EMPLOYEE BENEFIT LIABILITY

Annual leave entitlement	14,015	8,921
	<u>14,015</u>	<u>8,921</u>

NOTE 9: PROVISIONS

	<i>Audit fees</i>	<i>Major Projects</i>	<i>Total</i>
At 1 January 2015	4,001	28,086	32,087
Additions during the year	5,000	5,989	10,989
Charged against provision during the year	(2,813)	(29,075)	(31,888)
Unused amount reversed	(1,188)	-	(1,188)
<i>At 31 December 2015</i>	<u>5,000</u>	<u>5,000</u>	<u>10,000</u>

- a) The liability recognised for audit fees consist of provisions for audit fees and review of the financial statements for Film Fiji.
- b) Film Fiji has recognised a construction provision resulting from its decision to carry out a soft office renovation. This provision represents the estimated costs of refurbishment. It is estimated that the refurbishment costs will be paid off in the year ended 31 December 2016.

NOTE 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.

	2015	2014
	\$	\$
Balance at the beginning	107,283	17,745
Add: Additional Grant	30,968	104,010
Less: Transfers to Statement of Comprehensive Income	(30,131)	(14,472)
	<u>108,120</u>	<u>107,283</u>

Represented By:

Current	30,131	14,472
Non Current	77,989	92,811
	<u>108,120</u>	<u>107,283</u>

FILM FIJI
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 11: RELATED PARTIES

a) Board of Directors

The following were members of the Board in 2015:

Ms Shaenaz Voss	<i>Member</i>	(effective 4 March 2015)
Ms Shaenaz Voss	<i>Acting Chairperson</i>	(effective 1 July 2013 to 20 February 2015)
Ms Debra Sadranu	<i>Member</i>	(effective 17 September 2015)
Mr Kumar Sami Goundar	<i>Member</i>	(effective 4 March 2015)
Mr Sakiusa Bolaira	<i>Member</i>	(effective 17 September 2015)
Mr Sakiusa Bolaira	<i>Member</i>	(effective 2 July 2013 to 2 July 2015)
Ms Timaima Vakadewabuka	<i>Member</i>	(effective 17 September 2015)
Permanent Secretary for Industry, Trade & Tourism	<i>Member</i>	(effective 17 September 2015)

b) Identity of related party

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

c) Transactions with Key Management Personnel

Key management personnel comprises of the Chief Executive officer.
The total remuneration for key management in 2015 was \$130,512. (2014: \$109,655)

d) Transactions with related party

During the year, the 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. (2014: \$900,000)

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

NOTE 12: CONTINGENT LIABILITIES

Film Fiji is not aware of any contingent liability as at 31 December 2015. (2014: Nil)

NOTE 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.

NOTE 14: PRINCIPAL ACTIVITIES

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

NOTE 15: NUMBER OF EMPLOYEES

	2015	2014
Average number of employees in a year.	6	6

NOTE 16: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for issue on 27.9.17