

Tourismfiji

Annual Report 2016

1st JANUARY - 31st JULY



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LETTER FROM THE CHAIRMAN



Bula Vinaka!

I am honoured to have been appointed Tourism Fiji’s chair in June and acknowledge the former executive chair Truman Bradley and the board for the magnificent work they have done in steering the organisation. In the same breath, my first and most important task was to find a new Chief Executive as the position had been vacant since 2014.

Tourism Fiji lacks an experienced and strong leader, and the board found the man for the job in the appointment of Matthew Stoeckel in August this year. Mr Stoeckel brings with him a treasure trove of experience in destination marketing and tourism from Australia. He was also part of the team that developed the Fiji Tourism Development Plan for 2014 – 2020 and we have full confidence in his ability to lead this organization.

Visitor arrivals for the first half of the year from January to July stood at 435,413 but this is due to the unfortunate Tropical Cyclone Winston early in the year. We remain optimistic that visitor arrivals will pick up and are working hard towards that end goal.

On 20 February this year Fiji was hit by the most powerful Category 5 tropical cyclone, TC Winston which has been dubbed the most destructive storm ever recorded in the Southern Hemisphere. The news of this destructive storm had a direct impact on booking cancellations and the Tourism Action Group (TAG) was formed to begin work on reassuring travellers to come to Fiji. Majority of Fiji’s Tourism infrastructure on Viti Levu recorded little to minimum damage while others were badly affected.

The team focused on a campaign called **#FijiNow** which showed what Fiji looked like post cyclone and helped correct information and images visitors were seeing of Fiji begin ravaged by TC Winston. Locals and tourists alike were encouraged to take part in this campaign by taking pictures in destination and using the hashtag #FijiNow flooding the internet with stunning visuals of our tourism infrastructure, fun activities and attractions. This allowed Fiji’s visitor arrival numbers to peak just four months later. A great win for our team and Fiji!

Vinaka Vakalevu,

Andre Viljoen,
Chairman

WHO ARE WE?

Located in the heart of the South Pacific, Fiji is blessed with 333 tropical islands and is a popular tourism destination for visitors from around the world.

Tourism Fiji is a statutory body fully funded by the Fiji Government and is the destination marketing arm of the Fijian Government. Tourism Fiji is governed by the Tourism Fiji Act 2009 which specifies its role as:

“Tourism Fiji is to ensure that the Fiji Islands are promoted and marketed as a tourist destination for the purpose of maximizing sustainable and long-term benefits to the Fiji Islands”

The tourism industry has contributed significantly to Fiji's economy and is the country's largest foreign exchange earner. The industry provides employment directly and indirectly to many Fijian people and is the fastest growing industry in terms of employment.

In March 2016 the government announced changes in fiscal year dates, with the fiscal year changing from calendar year to beginning on August 1st and ending on July 31st of each year. With this in mind, this annual report covers a shorter period from January 1st 2016 to July 31st 2016. The importance of tourism to the Fiji economy drives Tourism Fiji to continue to deliver world-class

marketing and promotional activities to attract more visitors to our shores.

Our offices are located in

Australia • New Zealand • North America (USA & Canada) • UK & Europe

We have Market Representatives in

China • India



VISION

Seen by the world, as the jewel of the South Pacific.

MISSION

We will achieve our vision by:

Highlighting the richness and diversity of our people, culture, land and sea; delivering increased visitor arrivals that create a wealth for our nation.

VALUES

We will conduct business with integrity.

Be accountable for all decisions.

Demonstrate commitment to the vision.

Promote teamwork.

Foster innovative thinking.

Ensure transparency in all operations.

Socially and culturally responsible for all our actions.

Summary of Tourism Fiji's Performance 2016

Tourism Fiji's marketing plans for 2016 reflected six focus areas:

1. **Branding:** 'Fiji Where Happiness Finds You' will continue to be the core message and driving force that will be communicated in all marketing initiatives globally.
2. **Research:** Understanding customer behavior and outbound travel patterns. Increased analysis and research was identified as important to be conducted by the organization to revalidate and confirm the marketing strategies to be adopted moving forward.
3. **Segmentation:** Segmentation by niche markets and geographical mix. Identification of these special groupings with product on the ground to ensure that the right customer is targeted and delivered.
4. **Measurement:** Moving beyond pure marketing to ensure that the message and imagery communicated has a call to action that can be tracked and measured. This will continue to require greater strengthening of both international and local trade partnerships by Tourism Fiji.
5. **Consolidation of Traditional Markets:** Realising that Tourism Fiji will need to continue to focus on the core markets of Australia and New Zealand. Increasing penetration in these source markets via niche segments, beyond traditional geographic centres and the creation of new initiatives to stimulate demand for Fiji.
6. **Expansion into Emerging Markets:** Ensuring that Tourism Fiji broadened its geographic mix beyond traditional markets to ensure that in case of an economic downturn, destination Fiji can still sustain itself.

7. **Government Partnership:** Working parallel to the Government's Development Plan.

However, Cyclone Winston hit in February 2016 which caused significant damage across the country. The cyclone was widely publicized and to reduce booking cancellation that came following this, the Tourism Action Group (TAG) was formed. TAG was activated to reassure and encourage global travelers to come to Fiji. It was made up of key representatives from the tourism industry.

TAG had three functions:

Public Relations – to ensure correct information flow in respect to the status of tourism infrastructure, properties, attractions and activities – most of which were intact

Marketing – to push tactical marketing campaigns to ensure that Fiji remained an attractive destination

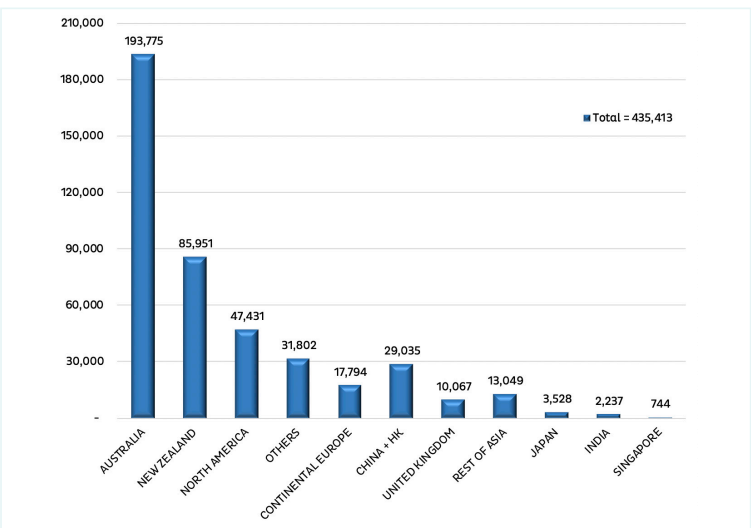
Finance – to secure funds for sustaining the operations of TAG through innovative activities with trade and wholesalers

Other major highlights during Jan 2016 – July 2016 were Fiji Airways launch of a new route to San Francisco and one to Singapore, much effort was focused on ensuring these routes had a strong launch and could make an impact in the respective markets.

Fiji Tourism Expo took place in May and was opened by the Prime Minister who praised the Tourism Industry for its' resilience following Cyclone Winston.

2016 Visitor Arrivals In Numbers

TOTAL VISITOR ARRIVALS: 2011-2016



Source: Fiji Bureau of Statistics

% SHARE OF TOTAL ARRIVALS

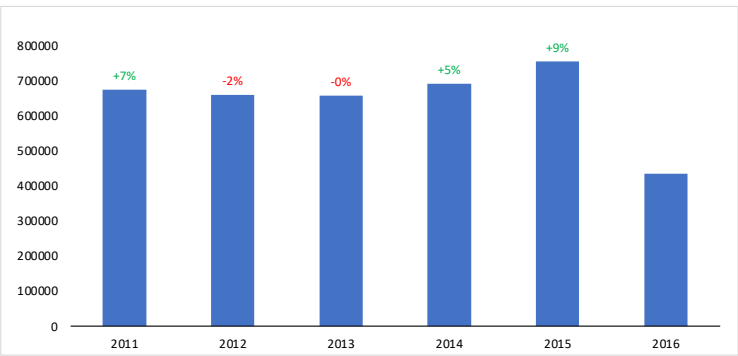
From January to July in 2016, Australia contributed 45% of total visitor arrivals, followed by New Zealand (20%), North America (11%), China + Hong Kong (7%), Continental Europe (4%), Rest of Asia (3%), United Kingdom (2%), Japan & India (1% each), Singapore (0.2%) and all other countries at 7%.

% GROWTH BY TARGET MARKET

In terms of growth by volume, New Zealand contributed the most at 13,081 followed by China + Hong Kong (6,577), Rest of Asia (3,938) with all remaining markets contributing 1,083.

Markets that declined were Australia (4,276), Canada (319) and United Kingdom (1).

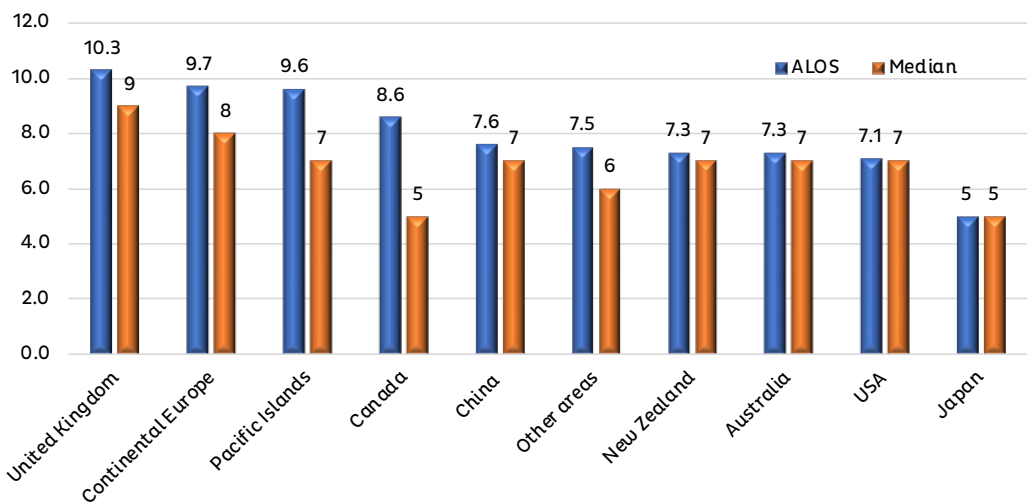
2016 VISITOR ARRIVALS IN NUMBERS



Note: The total arrivals for the year 2016 is only for the period of seven months - from January to July.

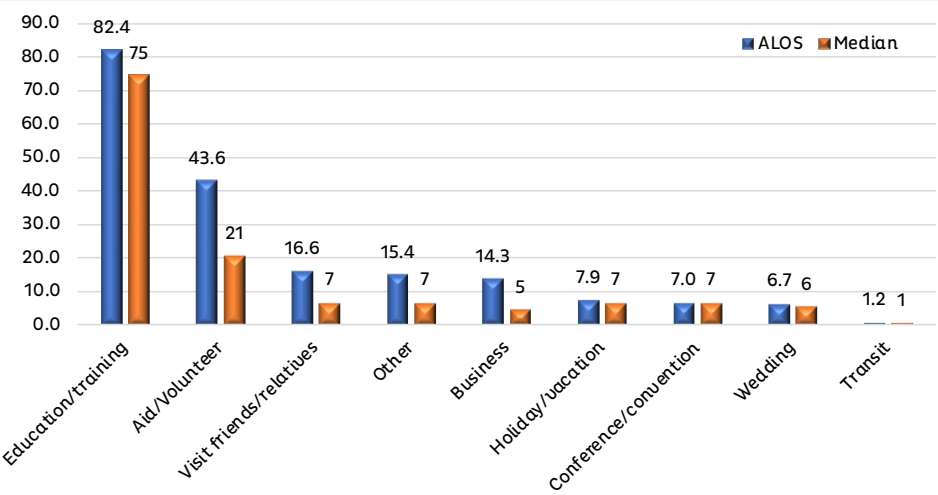
2016 (Jan-Jun) Average Length Of Stay

ALOS BY COUNTRY



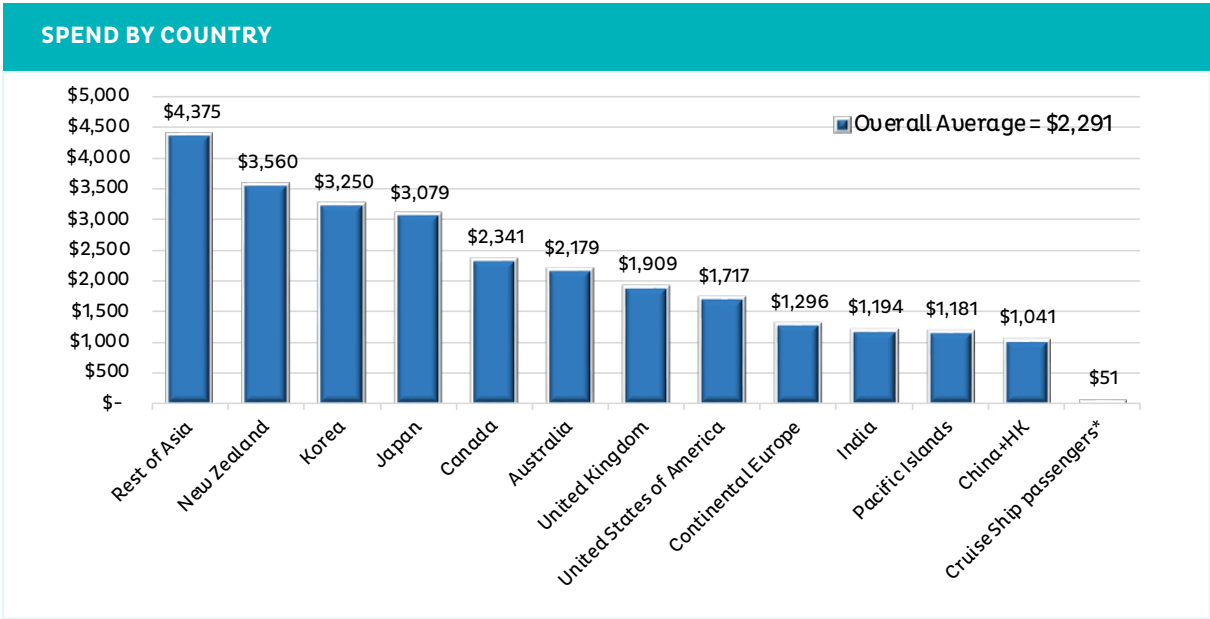
Source: 2016 International Visitor Survey Report

ALOS BY PURPOSE OF VISIT

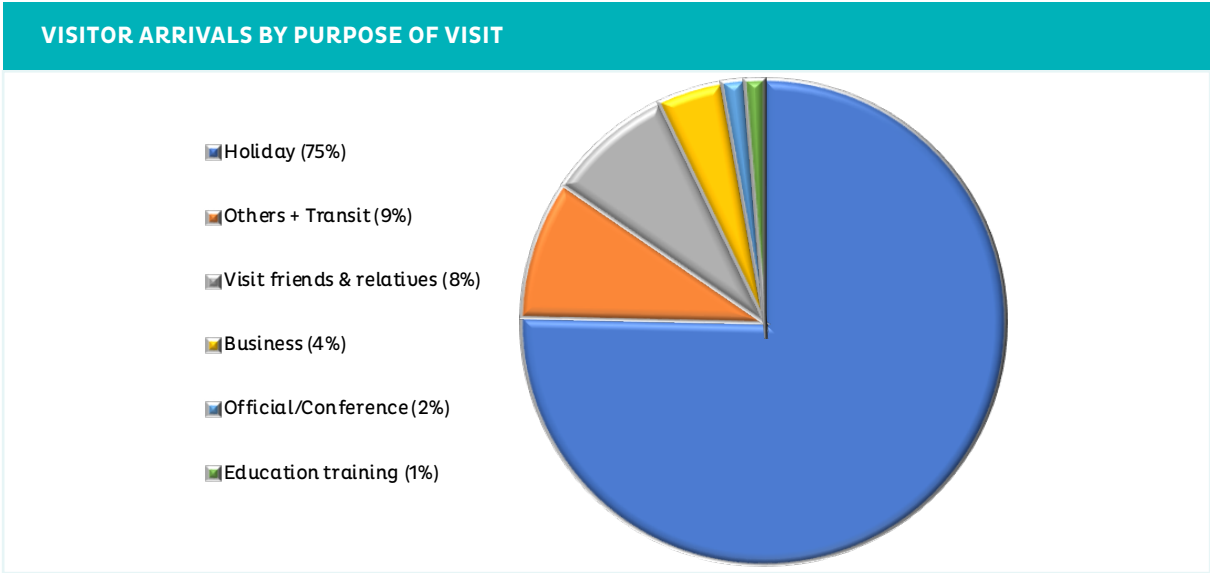


Source: 2016 International Visitor Survey Report

2016 (Jan-JUN) Average Spend



Source: 2016 Fiji Bureau of Statistics Visitor Earnings



Source: 2016 Fiji Bureau of Statistics Visitor Arrivals



Cyclone Winston

In 2016, the Category 5 Severe Tropical Cyclone Winston struck the islands of Fiji. At its peak, the Cyclone was estimated to have sustained winds of around 230 kmph, gusting to 325 kmph, making it the second most severe cyclone the planet has ever experienced. A 30-day state of emergency was declared.

Number of People Affected

- 44 reported casualties
- 13,913 people reported in 274 evacuation centres around Fiji at its peak;
- No tourists were injured, reported missing or reported dead.

ACTIONS TAKEN DURING THE CYCLONE

It was decided that Tourism Fiji’s Twitter account would be the main communication channel, utilising its ability to handle fast and rapid updates. Facebook was used as a channel for only key information, driving traffic to Twitter for the timeliest updates and pausing all Instagram posting during the Cyclone. Facebook and Instagram then came into play more heavily with post-Cyclone imagery and messaging.

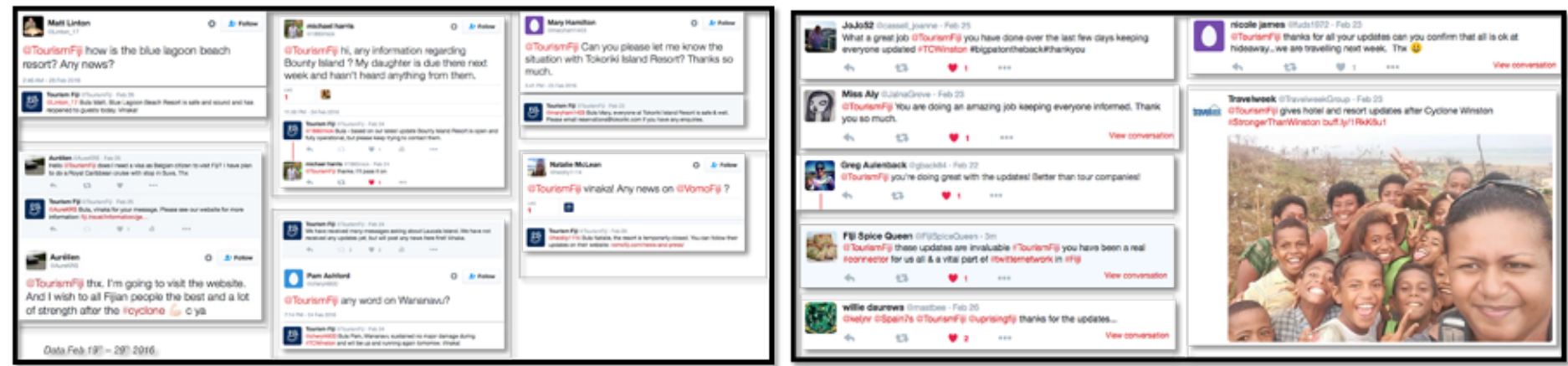
Tourism Fiji very quickly established itself as an invaluable information provider during the Cyclone, sharing resort updates and breaking news from various sources directly with its social media following.

Tourism Fiji’s social media channels received and answered hundreds of questions and queries.

CRISIS COMMUNICATIONS SOCIAL MEDIA LANDSCAPE

Tourism Fiji’s Twitter updates were praised and utilised by the Fijian Government, tour operators, media outlets and members of the general public.

TWITTER FEBRUARY 19-29TH 2016 SUMMARY	
# Of Tweets (From @Tourismfiji)	431
ENGAGEMENT ON TWEETS (FROM @TOURISMFIIJ)	8,344
LINK CLICKS	3,500
RE-TWEETS	1,700
LIKES	2,800
REPLIES	344
TWITTER IMPRESSIONS	1,200,000
MENTIONS OF CYCLONE WINSTON ON TWITTER*	162,850
POTENTIAL REACH OF CYCLONE WINSTON RELATED TWEETS ON TWITTER*	318,000,000
# OF TWITTER CONTRIBUTORS FACEBOOK	72,697
# OF FACEBOOK POSTS (FROM TOURISM FIJI)	5
FACEBOOK POST REACH	381,097
ENGAGEMENT ON FACEBOOK POSTS (FROM TOURISM FIJI)	10,516
FACEBOOK LIKES	8,848
FACEBOOK COMMENTS	640
FACEBOOK SHARES	1,038
INSTAGRAM	
# OF INSTAGRAM POSTS (FROM @TOURISMFIIJ)	20
TOTAL ENGAGEMENT ON INSTAGRAM POSTS (FROM TOURISM FIJI)	16,244



Between February 19-29th, Tourism Fiji's Twitter account received 344 replies to Tweets asking questions and giving feedback.

Global Update

FIJI NOW CAMPAIGN 2016

Tourism Fiji’s Twitter updates were praised and utilised by the Fijian Government, tour operators, media outlets and members of the general public. The campaign focused on sharing content from Fiji post-Cyclone Winston.

#FIJINOW Video Performance

Every Saturday in May a video highlighting a specific region in Fiji was posted. These videos were viewed 465,117 times, restoring online sentiment within the community on Facebook while also encouraging people to return to Fiji.

The #FijiNow campaign restored faith in Fiji as a holiday destination and based on the increase in click-throughs to the Tourism Fiji website, it was clear that travellers were ready to re-engage with Fiji. Social media drove 965 clicks to the Fiji.travel site in May, recording a 33.47% increase from April 2016.

WEDDING EXPO: 19-20 MARCH 2016

The two-day Wedding Expo was held at the Shangri-La Fijian Resort & Spa on the 19th and 20th of March 2016 and was open to the public. The exhibition featured all the wedding service suppliers in Fiji from resorts to cake makers, photographers, hair and makeup specialists as well as Hens and Bucks party organizers. This was an opportunity to meet all suppliers under one roof over one weekend.

It featured 51 exhibitors (47% resorts/hotels, 11% Event Planners, 5% Photographers, 5% Transport operators, 11% Entertainment, 5% F&B and 16% Hair and Makeup) and 200

Consumers over the two days.

FIJIAN TOURISM EXPO 2016

FTE 2016 took place from 3-5 May at Denarau Island Convention Center.

- Buyers – 149
- Media – 14
- Exhibitors – 111

Buyers and Media came from 18 different countries.

FIJI OPEN GOLF 2016

The Fiji Open Championship was held from 15 June 2016 for four days. It was recognised by Golf Fiji as the biggest event in their calendar year. It brought some professional golfers such as current New Zealand Open Champion Matthew Griffin and Marika Batibasaga. That year, the tournament was hosted by Denarau Golf and Racquet Club after a lapse of almost 10 years. It attracted over 150 players which boasted a field of over 70 international players.

FIJI INTERNATIONAL TRIATHLON

Considering the significant impact on perceived travel experience from Winston, the 2016 Fiji International Triathlon again proved the strength and resilience of this signature event held on Denarau Island. Over 205 age group athletes competed in the weekend events from Australia, New Zealand, China, Samoa, Papua New Guinea and others.

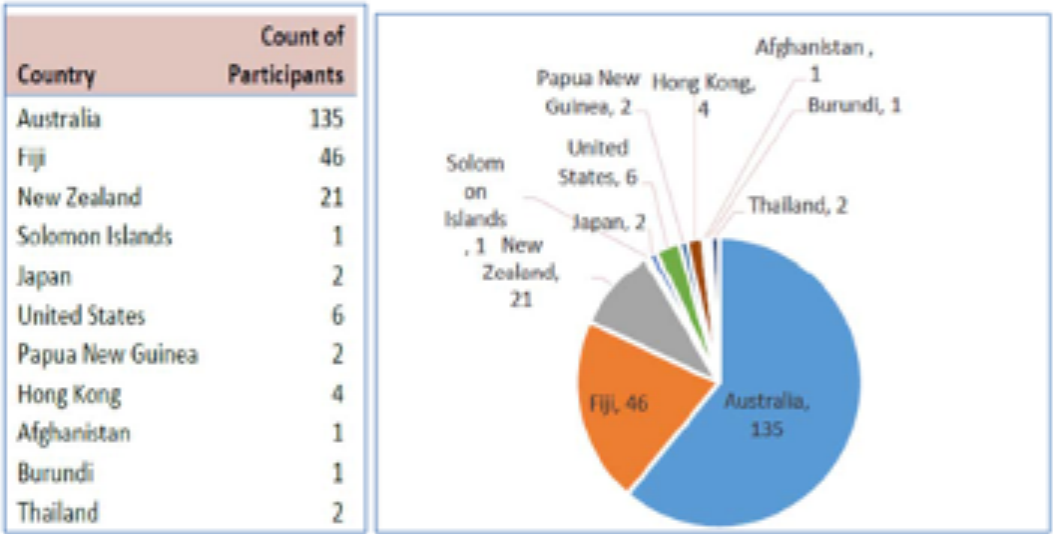
Wedding Expo 19-20 March 2016



Fijian Tourism Expo 2016



Fiji International Triathlon Breakdown of Participants by Country



Regional Update

Australia

Over and above the Fiji Now campaign, which heavily focused on the Australian market, a number of major promotions featured in the first half of 2016. Flight Center Expos were attended in Brisbane, Melbourne and Adelaide with strong attendance and engagement.

Love on the Lawn Wedding Expo, a consumer wedding expo for brides and grooms was also attended by the Australian team. Fiji was the only Tourism board there with an impressive presence and received a lot of interest. Approximately 6,000 brides attended, and 14 weddings booked through I Do Fiji Weddings, with another 12 enquiries.

Brand Campaigns through International Traveler, Traveltalk Magazine and Vacations and Travel (Island Edition) were also in place.

New Zealand

In New Zealand, the successful Bula Marau NZ Roadshow ran in early April with strong attendance in Auckland, Wellington, Christchurch, Palmerston North and Hamilton.

Following Cyclone Winston, a TVNZ Breakfast Show featured a five-day live broadcast in Fiji showcasing how the destination was ready to welcome back visitors.

North America

Bula California Agent Events – San Diego, Santa Monica, Pleasant Vacations.

These events helped to build destination and product awareness amongst key retail and wholesale trade partners. There was engagement with 100 key trade partners and 20 new agents signed up for the Matai programme.

Tourism Fiji & Fiji Airways San Francisco online campaign from March 12 – April 30.

The objective was to increase Fiji sales in the wake of TC Winston and promote the new summer destination from San Francisco. Fiji Airways' agency bought all media and creative and there was a 100% digital campaign targeting California. From this campaign, 1,500 tickets were sold in the first 2 days.

UK & Europe

MEET THE PACIFIC – EUROPE ROAD SHOW

The Business to Business event was sponsored by South Pacific Tourism Organisation, Rosies, Tourama and Fiji Airways. They proved to be excellent forums and the timing was imperative to reassure operators following cyclone Winston. This roadshow took place in Rome, Paris, Madrid, Stockholm and Amsterdam.

Bula Bus Belfast – 21 April



Ulster Tatler Magazine – Northern Ireland – Bridal Edition

FIJI, WHERE HAPPINESS FINDS YOU

Located in the sun-kissed heart of the South Pacific. Home to the happiest people in the world. The 333 islands that make up Fiji aren't just a holiday destination – they are the place where happiness finds you. Discover why a trip to Fiji could be the happiest holiday you will ever take. Famed for idyllic resorts and award-winning spas, Fiji is the perfect destination for those looking to unwind. Whether you want to relax with cocktails at a beachside villa, be pampered with a luxury spa treatment at a world class resort, or both, Tourism Fiji UK have got a range of holiday options to suit you.

For more information visit www.fiji.travel



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BULA BUS BELFAST – 21 APRIL

This event took place at Ten Square Hotel where 55 agents attended. This was an evening of retail training and Matai sign-up. Industry partners present consisted of Captain Cook Cruises, Tokoriki Island Resort, First Landing Resort, Outrigger Fiji Beach Resort, Castaway Island, and Blue Lagoon Cruises. Attendees were Ulster Tatler Magazine and Northern Ireland Travel News.

ULSTER TATLER MAGAZINE – NORTHERN IRELAND – BRIDAL EDITION

Tourism Fiji also ran a wedding campaign with Tatler Magazine in the Northern Island to promote Fiji as the perfect destination for weddings and honeymoons.

China

CCTV 6 FIJI FILMING 2016

CCTV 6 is a channel that reaches over one billion people and consistently ranks in the top amongst all Chinese TV channels in terms of annual rating and shares. Four episodes featuring Fiji were filmed to promote the destination from three different angles – nature, people & life.

The 20-minute episodes were aired at 17:30 on Saturdays and Sundays in June.

The episodes focused on:

Nadi, Denarau, Suva, Mamanuca Islands, Yasawa Islands and Vanua Levu

Rest Of Asia

2016 ASIA DIVE EXPO

ADE is the longest running dive expo in Asia with a long history of 21 years. It brings together distinguished VIPs, speakers, business owners, dive operators, enthusiasts, marine conservationists, and everybody with a passion for the underwater world. ADE also draws enthusiasts who want to meet and mingle with the professionals, and learn about the latest gear, the best dive trips, and the work of the industry's most creative people. Tourism Fiji attended 2016 Asia Dive Expo (ADE) held in Singapore. The industry partners Fiji Airways & Taveuni Dive Resort shared one booth next to the Tourism Fiji stand.

500 Fiji maps, flyers & Fiji destination brochures were handed out at this show.

A total visitor number of 57,793 attended with local visitors at 35,520 and foreign visitors at 24,273.

Overall, attendance at this show created strong exposure of Fiji across the markets.



Tourism Fiji

Financial Statements

For the Period Ended 31 July 2016

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Promoting Public Sector Accountability and Sustainability through our Audits



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Website: www.oag.gov.fj



File: 1254

19 August 2022

Mr Andre Viljoen
The Chairman
Tourism Fiji
P O Box 9217
NADI

Dear Mr Viljoen

TOURISM FIJI
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

The audited financial statements for Tourism Fiji for the year ended 31 July 2016 together with my audit report on them are enclosed.

Particulars of errors and omission arising from the audit have been forwarded to the management of Tourism Fiji for necessary action.

Yours sincerely

Sairusi Dukuno

ACTING AUDITOR-GENERAL

Encl.

DIRECTORS' REPORT

The Board of Directors present their report together with the financial statements of Tourism Fiji ("the entity") for the year ended 31 July 2016 and the auditors' report thereon.

Directors

The following were directors of the entity during the year and up to the date of this report:

Mr. Truman Bradley	Chairman (term expired on 09/06/2016)
Mr. Andre Viljoen	Chairman (appointed on 09/06/2016)
Mr. Geoffrey Shaw	Deputy Chairman (reappointment/new appointment on 09/05/2016, term expired on 9/05/2018)
Mr Shaheen Ali	Director (appointed on 16/02/2016)
Mr Dixon Seeto	Director (deceased on 19/07/2019)
Mr Ravinder Dhesi	Director (appointed on 09/8/2016, term expired on 09/08/2018)
Ms Meliki Tuinamuana	Director (appointed on 09/08/2016, resigned on 31/03/2019)
Mr. Ajay Raniga	Director (appointed on 09/8/2016)
Ms. Josephine Smith-Moffat	Director
Mr. Howard Politini	Director (term expired on 01/01/2017)
Mr. Shane Cummings	Director (- term expired on 21/01/2016)
Mr. Lawrence Tikaram	Director (term expired on 21/01/2016)
Mr. Neeraj Chadha	Director (appointed on 09/08/2018)
Mr. Petaia Tuimanu	Director (appointed on 03/04/2019)
Ms. Tammie Tam	Director (appointed on 18/08/2020)
Ms. Loretta St Julian-Ooms	Director (appointed on 18/08/2020)

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 July 2016 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 period then ended.

Principal Activities

The principal activities of the entity during the financial year was developing marketing and sales 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.

DIRECTORS' REPORT (CONT..)

Events subsequent to balance date

- i. Fiji's tourism industry is without doubt facing its greatest challenge yet. COVID19 has brought Fiji's international tourism industry to a standstill. As the tourism industry contributes close to 40% of Fiji's GDP, Tourism Fiji recognizes its role in leading the market re-entry post COVID19 to get tourism business reopened, to get Fijians back at work and to boost the economy.

There is uncertainty on how long it will take to contain the virus before travel restrictions can be lifted and international visitors return to Fiji. The majority of resorts have already announced their closures. Smaller operators appear particularly impacted. This has caused significant job losses across the industry.

This challenge requires Tourism Fiji to be well-resourced in order to implement effective strategies and promotional programs that will most rapidly restore the tourism industry, which is so vital to the Fijian economy. Tourism Fiji, will commence its business promoting Domestically and than once the bubble will be active we will boom out to our short haul markets. Concurrently we will prepare for our long haul and Asia markets and we will activate our campaigns once board restrictions are uplifted. TF also believes in investment in new markets as well.

- ii. On 10th September 2018, Challenge Plaza , formerly know as Colonial Plaza was damaged by fire. Serious damages incurred at Tourism Fiji office and we lost considerable amount of assets and major records. Tourism Fiji had to reallocate temporarily to Nalagi conference rooms to manage its operations. Tourism Fiji managed to claim approximately \$505,027.73 as of now.
- iii. Other than the above mentioned events , there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected or may significantly affect, the operations of the consolidated entity , the results of the operations or the state of affairs of the consolidated entity in future financials years.

Notwithstanding the opinions and representations contained in the above Director's Report, the accompanying financial statements of Tourism Fiji as of and for the period ended 31 July 2016 represent the state of affairs, results and cash flow of Tourism Fiji during a period when the undersigned were not directors of Tourism Fiji for the entire period and consequently, the undersigned have no knowledge of such matters. The accompanying financial statements were not subjected to an audit or review by the undersigned and accordingly we are unable to, nor do we purport to express an opinion, conclusion, nor provide any assurance regarding their accuracy.

Signed in accordance with a resolution of the directors.

Dated at Nadi this13.....day ofMay.....2022.


Board of Director


Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

Tourism Fiji

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Tourism Fiji, which comprise the statement of financial position as at 31 July 2016, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tourism Fiji as at 31 July 2016, and of its financial performance and its cash flows for the period then ended in accordance with the International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Emphasis of Matter

I draw attention to the following:

1. Note 24(i) to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 July 2016 and how this has been considered by Tourism Fiji in the preparation of the financial statements. As set out in Note 24, no adjustments have been made to the financial statements as at 31 July 2016. However, Tourism Fiji notes that the impact of COVID-19 global pandemic will have a significant impact on the Tourism Industry and consequently on the operation of Tourism Fiji.

My opinion is not modified in respect of these matters.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tourism Fiji's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and Directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Tourism Fiji's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my

- auditor's report. However, future events or conditions may cause Tourism Fiji to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Tourism Fiji Act and other statutory requirements in all material respect, and;

- I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- The Tourism Fiji has kept financial records sufficient to enable the financial statements to be prepared and audited.



Sairusi Dukuno
ACTING AUDITOR-GENERAL

Suva, Fiji
19 August, 2022

Tourism Fiji

Statement of Comprehensive Income

For the period ended 31 July 2016

	Notes	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
Government grant		20,349,426	23,043,476
Co-operative promotion and advertising		756,273	1,485,013
Other operating income	5	7,082	73,363
		21,112,781	24,601,852
Employee salaries and benefits	6	(1,750,247)	(3,508,909)
Operating and administrative expenses	7(ii)	(1,137,416)	(1,906,067)
Selling and marketing expenses	7(i)	(12,857,081)	(18,503,196)
Depreciation expense	7(iii)	(93,303)	(165,922)
Surplus from operations		5,274,734	517,758
Finance income	8	2,782	6,171
Surplus for the year		5,277,516	523,929
Other comprehensive income			
Realised exchange (loss)/gain		(92,139)	303,431
Unrealised exchange (loss)/gain		137,433	264,854
Total comprehensive income for the year		5,322,810	1,092,214

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

Tourism Fiji

Statement of Changes in Accumulated Funds

For the period ended 31 July 2016

	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
Accumulated Funds		
Balance at 1 January	5,109,761	4,017,547
Surplus/(deficit) for the year	5,277,516	523,929
Other comprehensive income	45,294	568,285
Balance at 31 December	10,432,571	5,109,761

Tourism Fiji

Statement of Financial Position

For the period ended 31 July 2016

	Note	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
Current Assets			
Cash at bank and on hand	10	11,145,957	5,782,860
Prepaid expenses	12	482,320	980,703
Taxes refundable	14	613,520	476,320
Inventories	21	247,994	18,801
Other receivables and advances	15	519,673	168,515
Total current assets		13,009,464	7,427,199
Non-Current Assets			
Property, plant and equipment	9	371,260	451,527
Term deposit	11	20,000	20,000
Refundable deposits	13	52,449	52,585
Total non-current assets		443,709	524,112
TOTAL ASSETS		13,453,173	7,951,311
Accumulated Funds			
Accumulated funds		10,432,571	5,109,761
Total accumulated funds		10,432,571	5,109,761
Liabilities			
Current liabilities			
Employee entitlements	16	222,265	248,121
Expenses accrued	17	2,100,043	2,224,342
Income in advance	18	33,199	36,063
VAT Payable		510,761	172,947
Other payables and accruals	19	154,334	160,077
Total current liabilities		3,020,602	2,841,550
Total liabilities		3,020,602	2,841,550
TOTAL ACCUMULATED FUNDS AND LIABILITIES		13,453,173	7,951,311

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.


Board of Director


Chief Financial Officer

Tourism Fiji

Consolidated Statements of Cash Flows

For the period ended 31 July 2016

		7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
	Note		
Cash flows from operating activities			
Cash receipts from Government and related stakeholders		20,758,891	24,774,506
Cash payment to employees & other parties		(15,414,675)	(27,302,317)
Cash generated from operations		5,344,216	(2,527,811)
Interest received		2,782	6,171
Cash flows from operating activities		5,346,998	(2,521,640)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(29,938)	(142,008)
Proceeds from sale of property, plant and equipment		743	18,359
Cash flows used in investing activities		(29,195)	(123,649)
Effect of exchange rate changes on cash and cash equivalents		45,294	568,285
Net increase in cash		5,363,097	(2,077,004)
Cash and cash equivalents at 1 January		5,782,860	7,859,864
Cash and cash equivalents at 31 December	10	11,145,957	5,782,860

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

Tourism Fiji

Notes to the Financial Statements

For the period ended 31 July 2016

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, United Kingdom, Europe, Korea and Representation in India. The address of the entity's principal place of business is Suite 107 Challenge 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 13 May 2022.

(b) Basis of measurement

The IFRS financial statements have been prepared under the historical cost convention. In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of the Tourism Fiji's accounting policies and the reported amounts of assets, equity, liabilities, commitments, income and expenses.

(c) Functional and presentation currency

The financial statements are presented in Fiji dollars, which is the entity's functional currency. All financial information presented in Fijian dollar has been rounded off to the nearest dollar, except when otherwise indicated.

Tourism Fiji

Notes to the Financial Statements

For the period ended 31 July 2016

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, United Kingdom, Europe, Korea and Representation in India. The address of the entity's principal place of business is Suite 107 Challenge Plaza, Namaka, Nadi.

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Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

2. BASIS OF PREPARATION (CONT'D)

(d) 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 on-going 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

(e) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that Tourism Fiji will be able to meet its mandatory obligations.

(f) Change of reporting period

Tourism Fiji changed its reporting period from 31st December to 31st July. This is done in conjunction of the Fiji Government financial reporting. The financial statement is presented for a period of seven (7) months. The comparative amounts presented in the financial statement are for the period of twelve (12) months and are not entirely comparable.

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%
IT hardware and equipment	20-25%
Plant and equipment	20-25%

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

(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.

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) **Financial instruments (CONT'D)**

(i) **Non derivative financial instruments (CONT'D)**

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.

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.

(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.

(ii) Non-financial assets

The carrying amounts of the entity's non-financial assets, inventories and property plant and equipment, 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.

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (CONT'D)

(ii) Non-financial assets (CONT'D)

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.

(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.

(ii) **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 Statement of Accumulated Funds 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 period ended 31 July 2016

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.

4. FINANCIAL RISK MANAGEMENT (CONT'D)

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.

Credit risk concentrations are presented below:

	7 months ended 31 July 2015 \$	12 months ended 31 December 2015 \$
Other receivables and advances	519,673	168,515
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.

	7 months ended 31 July 2015 \$		12 months ended 31 December 2014 \$	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Financial assets				
Cash at bank and on hand	11,145,957	-	5,782,860	-
Other receivables and deposits	519,673	-	168,515	-
Refundable deposits	-	52,449	-	52,585
Investments - term deposits	-	20,000	-	20,000
	11,665,630	72,449	5,951,375	72,585
Financial liabilities				
Other payables and accruals	154,334	-	160,077	-
Expenses accrued	2,100,043	-	2,224,342	-
Employee entitlements	222,265	-	248,121	-
	2,476,642	-	2,632,540	-

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

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.

	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
5. OTHER OPERATING (EXPENSE) INCOME		
Other income	-	22,332
Commission	7,082	51,031
	7,082	73,363
6. PERSONNEL EXPENSES		
Salaries and wages - non key management personnel	982,272	2,133,772
Key management compensation - short term benefits	639,334	1,102,029
Superannuation contributions	123,173	262,493
Training and Productivity Authority of Fiji	5,468	10,615
	1,750,247	3,508,909
The average number of employees during the year was:	39	43
7. (i) SELLING AND MARKETING EXPENSES		
Advertising and branding	5,592,071	9,575,934
Information distribution	84,531	257,603
Promotional materials	192,089	502,651
Promotions	5,463,373	5,915,156
Public relations	675,938	753,865
Research and other marketing expenses	85,054	127,281
Co-operative promotion and advertising	299,713	492,689
Market representation	40,396	107,689
Global retainers	423,916	770,328
	12,857,081	18,503,196

	7 months ended 31 July 2016	12 months ended 31 December 2015
7. (ii) OPERATING AND ADMINISTRATIVE EXPENSES	\$	\$
Assets disposals	8,518	-
Exchange loss	-	3,691
Audit fees	-	8,783
Bad Debts	637	-
Bank charges	23,414	32,866
Board members remuneration and other related costs	30,913	82,506
Cleaning materials	6,205	16,997
Electricity	19,907	35,631
Office expenses	46,236	48,904
General insurance	43,823	68,498
Medical insurance	46,533	70,295
Travel insurance	3,227	1,964
Maintenance grounds and buildings	14,869	13,995
Maintenance/Leasing of office equipment	37,781	101,580
Motor vehicle running expenses	45,176	89,553
Freight and postage	8,881	29,917
Printing and stationery	23,117	42,559
Rent	196,306	440,205
Staff relocation	21,443	41,466
Staff training	8,127	11,622
Subscription and advertising	170,663	55,809
Telephone, facsimile and emails	122,695	166,619
Travelling - local	50,661	36,724
Travelling - overseas	65,544	178,697
Uniforms	57,855	5,524
Legal expenses	298	54,492
Professional fees	34,943	136,591
SLA IT agreement costs	27,205	67,840
Contingency	5,754	6,155
Disaster recovery costs	7,200	30,886
Industry liaison	2,765	12,505
Fringe benefit tax	6,720	13,193
	1,137,416	1,906,067

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

						7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
7.	(iii) DEPRECIATION EXPENSE						
	Depreciation expense					93,303	165,922
8.	FINANCE INCOME						
	Interest Income					2,782	6,171
9.	PROPERTY, PLANT AND EQUIPMENT						
7 months ended 31 July 2016	Motor Vehicles \$	Plant & Machinery \$	Office Equipment \$	Furniture & Fitting \$	IT Hardware \$	Renovation \$	Total \$
Cost							
Balance at 1 January 2016	335,308	32,440	146,153	133,928	376,290	292,633	1,316,752
Effects of change in exchange rates	(2,399)	-	(163)	(246)	(2,109)	633	(4,284)
Additions	-	-	-	12,800	19,203	-	32,003
Disposals	-	-	(9,498)	(3,914)	(9,987)	-	(23,399)
Balance at 31 July 2016	332,909	32,440	136,492	142,568	383,397	293,266	1,321,072
Depreciation							
Balance at 1 January 2016	164,261	4,968	93,441	114,275	256,685	231,595	865,225
Effects of change in exchange rates	(1,416)	-	(88)	160	(608)	478	(1,474)
Depreciation	39,041	4,731	7,934	2,356	21,475	17,766	93,303
Disposals	-	-	(2,032)	(881)	(4,329)	-	(7,242)
Balance at 31 July 2016	201,886	9,699	99,255	115,910	273,223	249,839	949,812
Carrying amount							
Balance at 1 January 2016	171,047	27,472	52,712	19,653	119,605	61,038	451,527
Balance at 31 July 2016	131,023	22,741	37,237	26,658	110,174	43,427	371,260

9. PROPERTY, PLANT AND EQUIPMENT

12 months ended 31 December 2015	Motor Vehicles	Plant & Machinery	Office Equipment	Furniture & Fitting	IT Hardware	Renovation	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance at 1 January 2015	389,982	-	122,575	123,703	345,190	263,599	1,245,049
Effects of change in exchange rates	5,791	-	1,267	(275)	3,105	(824)	9,064
Additions	-	32,440	22,311	10,500	38,573	29,858	133,682
Disposals	(60,465)	-	-	-	10,578	-	(49,887)
Balance at 31 December 2015	335,308	32,440	146,153	133,928	397,446	292,633	1,337,908
Depreciation							
Balance at 1 January 2015	157,255	-	78,729	109,869	225,242	198,546	769,641
Effects of change in exchange rates	609	-	525	(608)	1,125	(946)	705
Depreciation	66,862	4,968	14,187	5,014	40,896	33,995	165,922
Disposals	(60,465)	-	-	-	10,578	-	(49,887)
Balance at 31 December 2015	164,261	4,968	93,441	114,275	277,841	231,595	886,381
Carrying amount							
	232,727	-	43,846	13,834	119,948	65,053	475,408
Balance at 31 December 2015	171,047	27,472	52,712	19,653	119,605	61,038	451,527

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
10. CASH AND CASH EQUIVALENTS		
Cash on hand	560	576
Cash at bank	11,145,397	5,782,284
	11,145,957	5,782,860
11. TERM DEPOSITS		
Term deposit	20,000	20,000

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 with an interest rate of 2.50%.

12. PREPAID EXPENSES

Head office	360,810	112,536
Sydney office	73,269	378,827
Auckland office	27,925	128,185
Los Angeles office	15,951	15,764
UK office	4,365	-
Europe	482,320	-
	482,320	635,312

13. REFUNDABLE DEPOSITS

Electricity deposit(HQ)	6,325	6,325
Standup Paddle and Paddleboard Championship Deposit	34,320	34,320
Car park bond (Sydney)	1,347	1,338
Office rental bond	4,374	4,374
Office rental bond (LAX)	6,083	6,228
	52,449	52,585

14. TAXES RECEIVABLES

GST receivable - Sydney Office	224,624	207,833
GST receivable - Auckland Office	199,708	174,236
VAT receivable - UK/Europe Office	189,188	94,251
	613,520	476,320

15. OTHER RECEIVABLES AND ADVANCES

	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
Head Office		
Participation fees owed	74,141	33,073
Fiji excellence awards	108,058	75,327
Refundable taxes	6,204	6,019
Other general advances	6,743	15,022
Sydney Office		
Participation fees owed	94,665	35,425
Auckland Office		
Participation fees owed	104,767	-
LAX Office		
Participation fees owed	101,473	2,900
Advances	(20)	(20)
Uk/Europe		
Advances	23,642	769
	<u>519,673</u>	<u>168,515</u>

15. EMPLOYEE ENTITLEMENTS

This consists of salaries, leave and superannuation dues. The breakdown is as follows:

Salaries and annual leave dues	158,132	218,359
Superannuation	64,133	29,762
	<u>222,265</u>	<u>248,121</u>

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

17. EXPENSES DUE

Operating expenses

	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
Head office	110,953	72,788
Sydney office	2,807	3,965
Auckland office	2,945	2,023
Los Angeles office	14,546	6,397
UK	-	13,950
Korea	10,751	8,775
Europe	389	1,509
Total	<u>142,391</u>	<u>109,407</u>

Marketing expenses

Head office	786,008	276,654
Sydney office	665,142	523,257
Auckland office	345,033	4,963
Los Angeles office	19,134	929,002
UK	94,730	218,854
Korea	-	2,843
Europe	47,605	159,362
Total	<u>1,957,652</u>	<u>2,114,935</u>

Total Expenses Due

2,100,043 **2,224,342**

18. INCOME RECEIVED IN ADVANCE

Fiji office	4,102	5,890
NZ office	29,097	30,173
	<u>33,199</u>	<u>36,063</u>

19. OTHER PAYABLES AND ACCRUALS

TAG - Funds plus interest	85,945	109,142
Others	68,389	50,935
	<u>154,334</u>	<u>160,077</u>

20. RELATED PARTIES

(a) Directors

The following were directors of the entity during the year and up to the date of this report:

Mr. Truman Bradley	Chairman	- term expired on 09/06/2016
Mr. Andre Viljoen	Chairman	- appointed on 09/06/2016
Mr. Geoffrey Shaw	Deputy Chairman	- reappointment / new appointment on 09/05/2016, term expired on 9/05/2018
Mr Shaheen Ali	Director	- appointed on 16/02/2016
Mr Dixon Seeto	Director	- deceased on 19/07/2019
Mr Ravinder Dhesi	Director	- appointed on 09/8/2016, term expired on 09/08/2018
Ms Meliki Tuinamuana	Director	- appointed on 09/08/2016, resigned on 31/03/2019
Mr. Ajay Raniga	Director	- appointed on 09/8/2016
Ms. Josephine Smith-Moffat	Director	
Mr. Howard Politini	Director	- term expired on 01/01/2017
Mr. Shane Cunnings	Director	- term expired on 21/01/2016
Mr. Lawrence Tikaram	Director	- term expired on 21/01/2016
Mr. Neeraj Chadha	Director	- appointed on 09/08/2018
Mr. Petaia Tuimanu	Director	- appointed on 03/04/2019
Ms. Tammie Tam	Director	- appointed on 18/08/2020
Ms. Loretta St Julian-Ooms	Director	- appointed on 18/08/2020

Directors fees are disclosed under Note 7 and key management compensation is disclosed under Note 6.

(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, United Kingdom, Europe, USA and Korea.

Key management compensation is disclosed under Note 6.

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the period ended 31 July 2016

21. INVENTORIES

	7 months ended 31 July 2016 \$	12 months ended 31 December 2015 \$
Survival Kit	11,305	8,377
Tags	14,868	1,205
Pens	3,942	38
Bags	30,280	1,775
Caps	32,485	7,406
T-Shirts	94,964	-
TF Lanyards	4,332	-
TF Coaster	12,246	-
TF Lapel Pins	314	-
TF Sulus	12,766	-
TF Business Card Holder	10,374	-
TF Umbrellas	18,067	-
TF Key Rings	2,051	-
	<u>247,994</u>	<u>18,801</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 (2014: \$Nil)

23. COMMITMENTS

Operating lease commitments for non-cancellable rental agreement and other operating lease.

Less than one year	91,164	315,950
Between one and two years	391,746	529,634
Between two and five years	447,481	283,805
Total operating lease commitments	<u>930,391</u>	<u>1,129,388</u>

24. EVENTS SUBSEQUENT TO BALANCE DATE

Fiji's tourism industry is without doubt facing its greatest challenge yet. COVID19 has brought Fiji's international tourism industry to a standstill. As the tourism industry contributes close to 40% of Fiji's GDP, Tourism Fiji recognizes its role in leading the market re-entry post COVID19 to get tourism business reopened, to get Fijians back at work and to boost the economy.

There is uncertainty on how long it will take to contain the virus before travel restrictions can be lifted and international visitors return to Fiji. The majority of resorts have already announced their closures. Smaller operators appear particularly impacted. This has caused significant job losses across the industry.

This challenge requires Tourism Fiji to be well-resourced in order to implement effective strategies and promotional programs that will most rapidly restore the tourism industry, which is so vital to the Fijian economy. Tourism Fiji, will commence its business promoting Domestically and then once the bubble will be active we will boom out to our short haul markets. Concurrently we will prepare for our long haul and Asia markets and we will activate our campaigns once board restrictions are uplifted. TF also believes in investment in new markets as well.

On 10th September 2018, Challenge Plaza, formerly known as Colonial Plaza was damaged by fire. Serious damages incurred at Tourism Fiji office and we lost considerable amount of assets and major records.

Tourism Fiji had to reallocate temporarily to Nalagi conference rooms to manage its operations.

Tourism Fiji managed to claim approximately \$505,027.73 as of now.

Other than the above mentioned events, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected or may significantly affect, the operations of the consolidated entity, the results of the operations or the state of affairs of the consolidated entity in future financial years.

25. GOVERNMENT GRANT

In the 7 months ended 31 July 2016, a grant totalling \$22,144,626VIP (\$20,316,170VEP) was received from the Government of Fiji to enable the Tourism Fiji to carry out its functions of promoting and marketing Fiji as a tourist destination. \$19,867,499VIP was received for marketing and \$2,277,127VIP for operation. The grant was recognised in income as Tourism Fiji has unconditional entitlement to it.



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