



Annual Report 2016/17

AUG 2016 – JUL 2017





# CONTENT

Letter From The Chairman	3
About Tourism Fiji	5
Summary of Performance 2016	7
2016 Key Visitor Statistics	8 -10
Overview Of Key Achievements	12-13
Marketing Activities Undertaken In 2016	14-15
Financial Reports	15-45

## LETTER FROM THE CHAIRMAN



Bula Vinaka!

Fiji and the resilience of our people is truly inspiring and the same can be said about our Tourism industry, which this year, bounced back following the devastation of Tropical Cyclone Winston in February. Visitor arrivals this year totaled 819,701 with Australia being our strongest source market and recording 362,222 visitors, followed by New Zealand with 174,924 visitors, North America with 89,037 and China and Hong Kong amounting to 50,293 visitors.

In a bid to continue to expand our presence in different markets across the world, Tourism Fiji contracted the services of Global Destinations to be our representatives in India. This type of business model was recommended by an independent consultant, Greg Anderson, who recommended this hybrid model was the best approach for Tourism Fiji to process with.

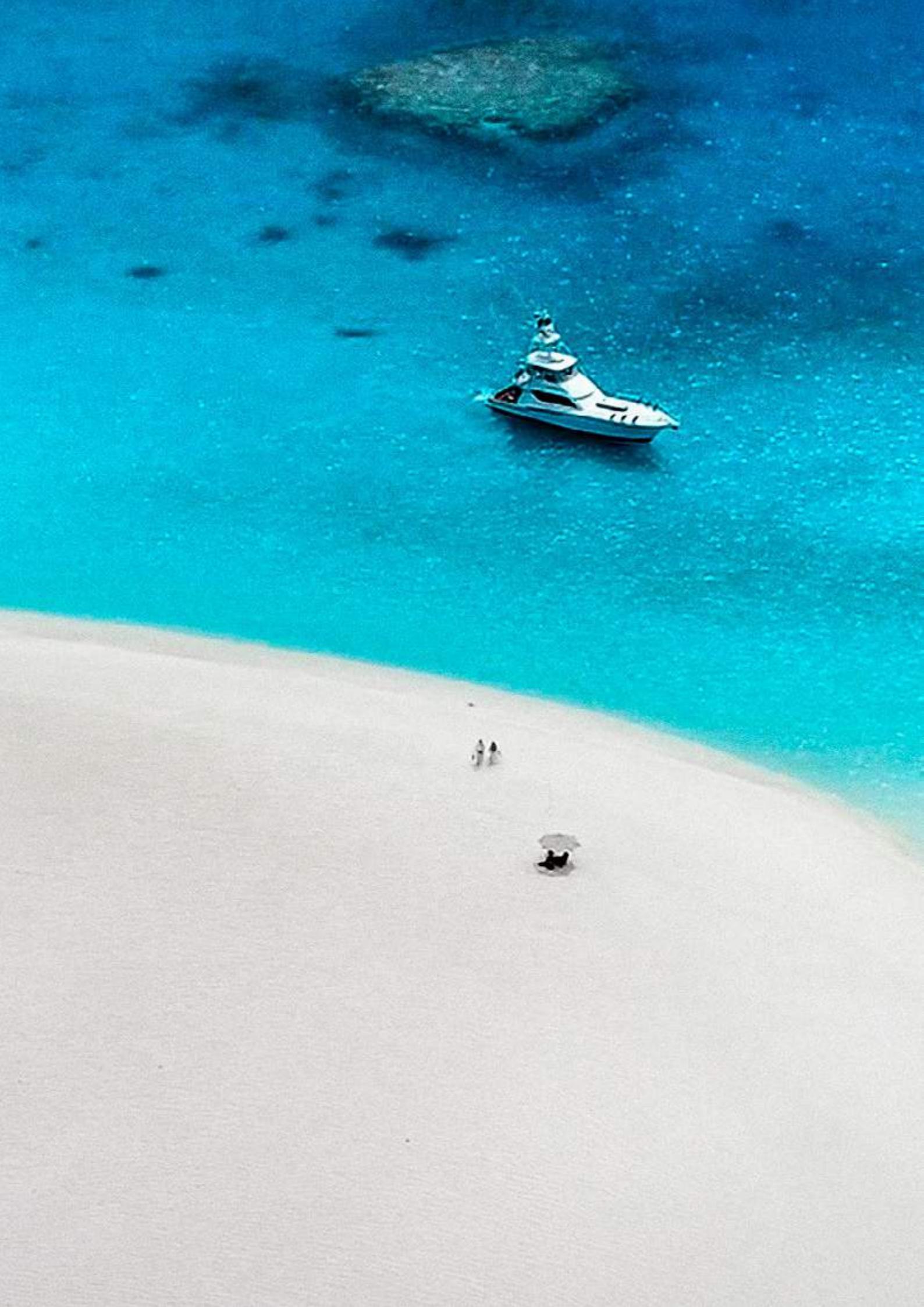
Tourism Fiji conducted some market research by Edentify, who undertook a quantitative study in Australia, New Zealand and North America on the effectiveness of our brand, "Fiji Where Happiness Finds You" and the results showed it resonated well with our consumers.

This year also saw the launch of the Fiji Tourism Plan 2021 by the Ministry of Industry, Trade and Tourism (MITT) which kick started Tourism Fiji's plans to review its own strategic plans to ensure it's able to deliver the key relevant strategies outlined within the plan. We shared these plans with our industry partners at our annual Industry Day and gave them the chance to share with us their ideas of how we can work together to achieve them.

Vinaka Vakaleuu,

Andre Viljoen

Chairman



## ABOUT TOURISM FIJI

### 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 Fijian 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.

For the financial year 2016/2017, Fiji welcomed 819,701 visitors with an average spend of \$2025 per person.

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 • Singapore



# Summary of Tourism Fiji's Performance 2016/17

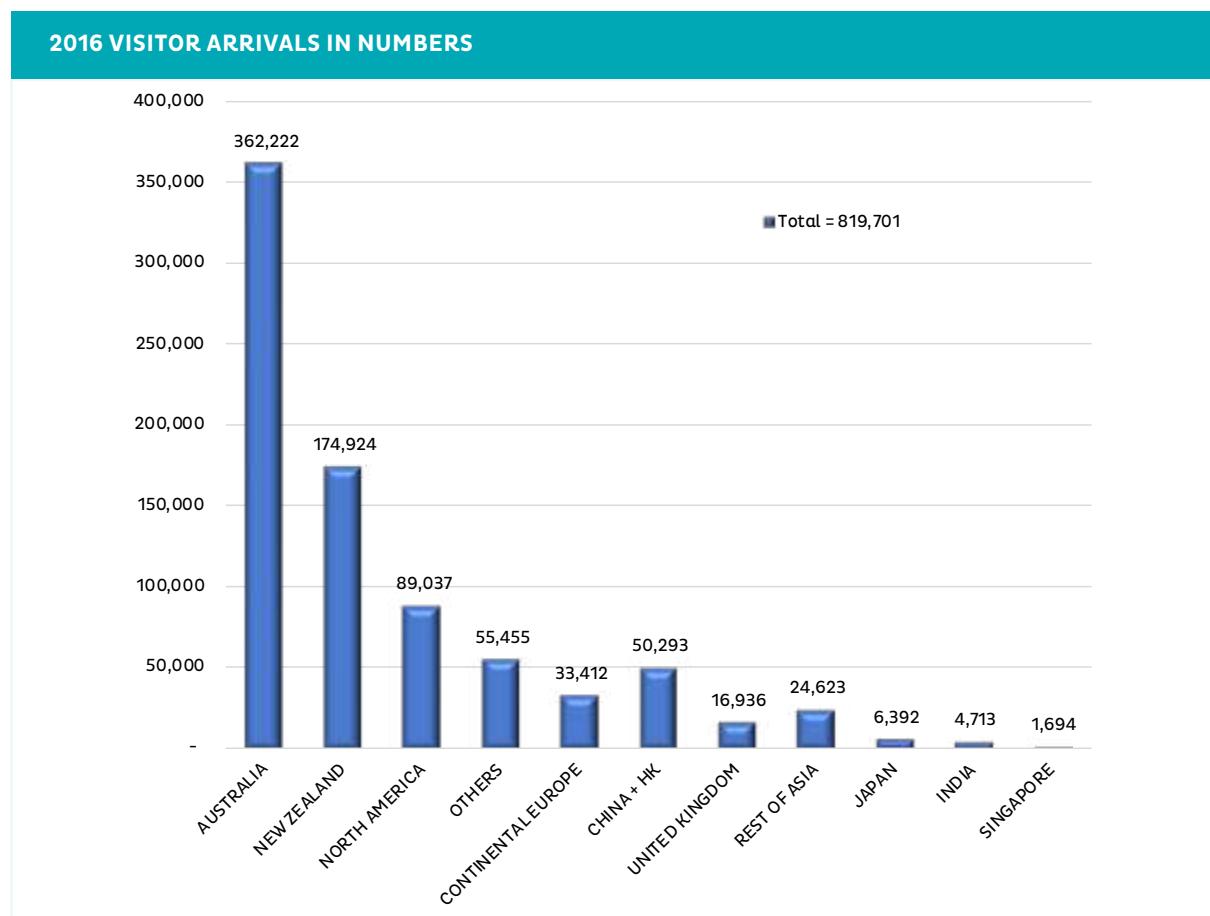
The first half of 2016 saw a major focus on recovery following Tropical Cyclone Winston and the activation of the Tourism Action Group. Once recovery efforts stabilised, Tourism Fiji was able to refocus on its strategic focus areas.

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.

With the appointment of a new CEO, Matthew Stoeckel in August 2016, Tourism Fiji focused on delivery in several key critical areas. These included conducting Brand Health Research, Revisiting India Market Representation and conducting a Social Media Audit. Tourism Fiji also started to scope a number of future projects which included development of a new website. Furthermore, Ministry of Industry, Trade and Tourism (MITT) launched its Fijian Tourism 2021 strategic document, which outlined a number of key areas for Tourism Fiji to lead on.

## 2016 Visitor Arrivals In Numbers



Source: Fiji Bureau of Statistics

### % SHARE OF TOTAL ARRIVALS

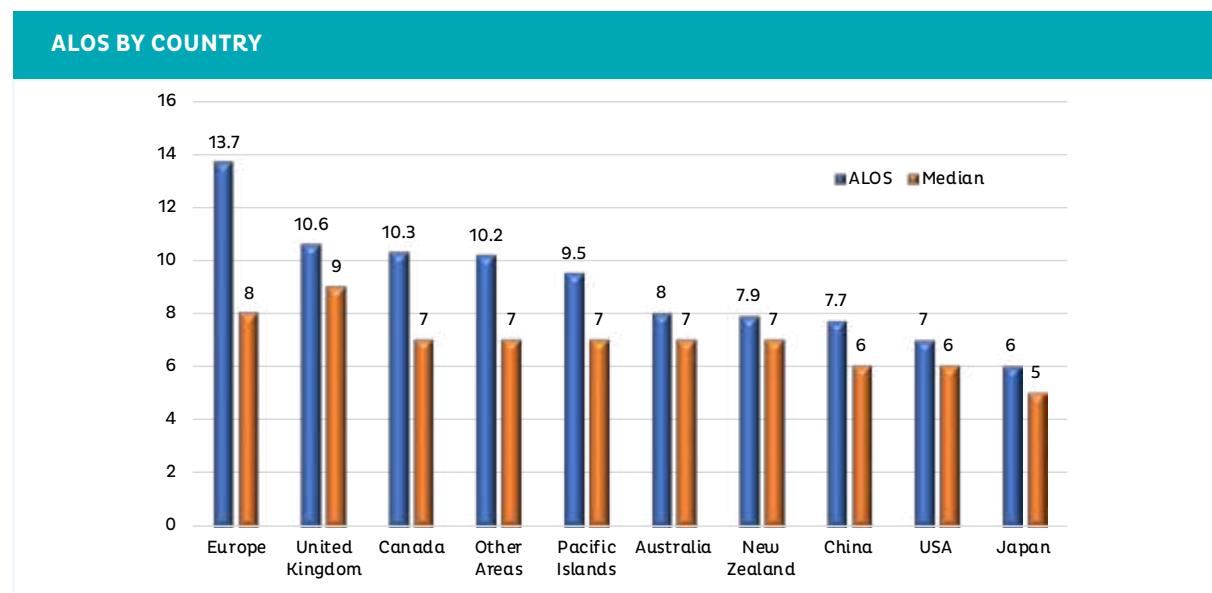
From August 2016 to July 2017, Australia contributed 44% of total visitor arrivals, followed by New Zealand (21%), North America (11%), China + Hong Kong (6%), Continental Europe (4%), Rest of Asia (3%), United Kingdom (2%), Japan & India (1% each), Singapore (0.2%) and all other countries at 7%.

### % GROWTH BY TARGET MARKET

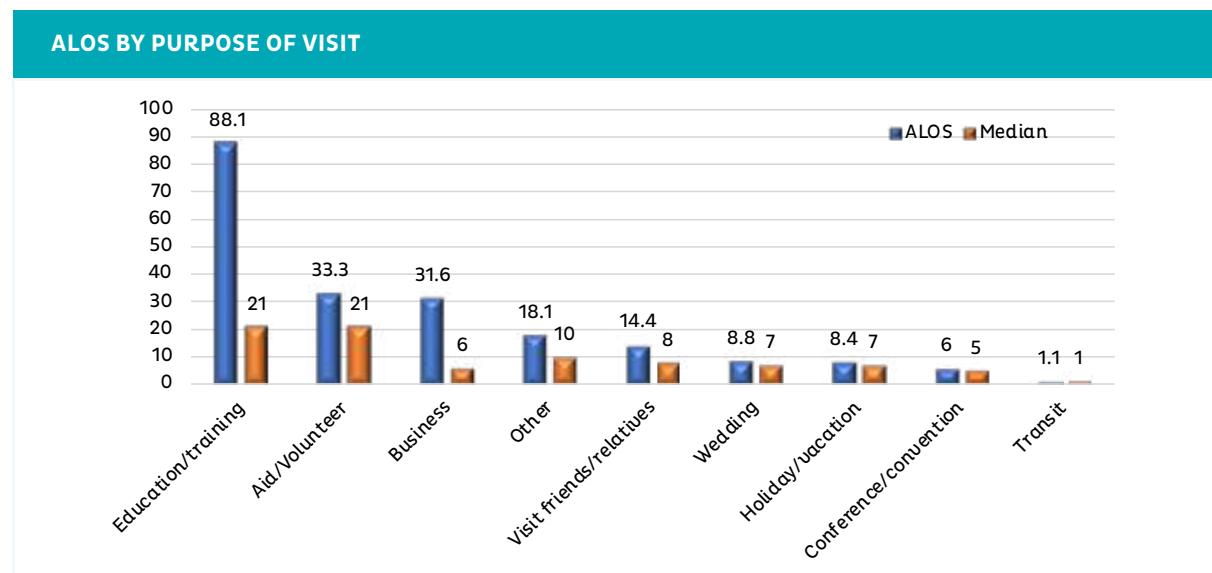
In terms of growth by volume, New Zealand contributed the most at 23,306 (15%) followed by North America (9,293), Rest of Asia (4,263), China + Hong Kong (2,884), Continental Europe (2,164), India (1,126) with all remaining markets contributing 2,203.

Australia was the only market that declined (775).

## 2016 (Jan-Jun) Average Length Of Stay



Source: 2016 & 2017 International Visitor Survey Data

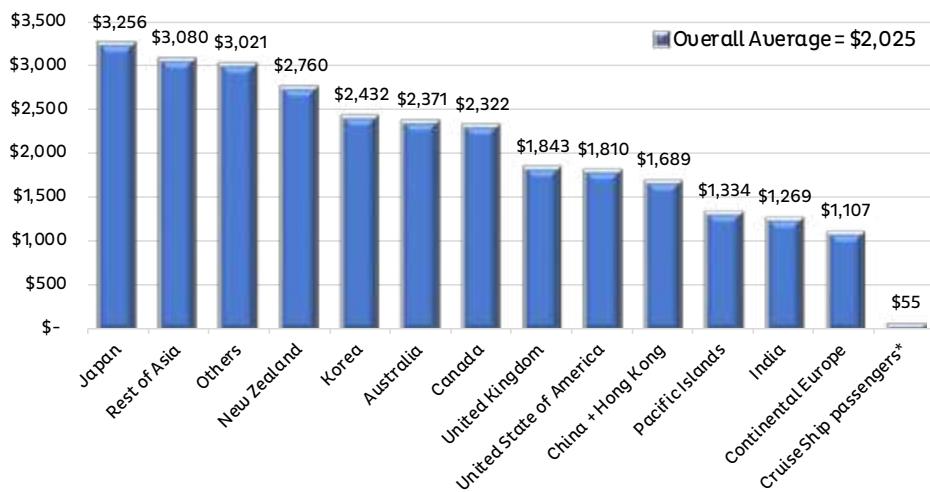


Source: 2016 & 2017 International Visitor Survey Data

## 2016 (Jan-JUN) Average Spend

### SPEND BY COUNTRY

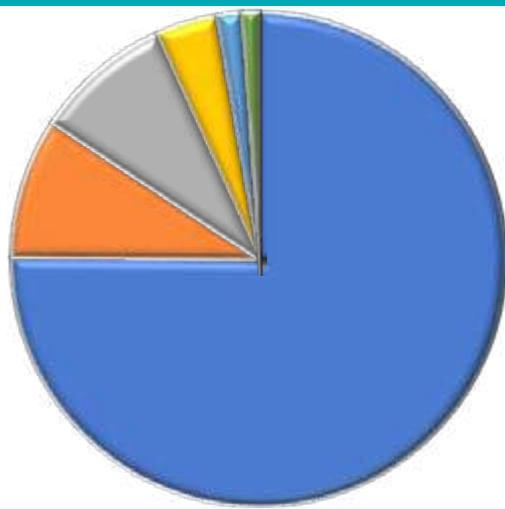
Average Spend Per person by Country



Source: 2016 and 2017 Fiji Bureau of Statistics Visitor Earnings

### VISITOR ARRIVALS BY PURPOSE OF VISIT

- █ Holiday (75%)
- █ Others + Transit (9%)
- █ Visit friends & relatives (9%)
- █ Business (4%)
- █ Official/Conference (2%)
- █ Education/training (1%)



Source: 2016 and 2017 Fiji Bureau of Statistics Visitor Arrivals



# Marketing Activities Undertaken In 2017

## BRAND HEALTH RESEARCH

In 2017, Tourism Fiji undertook a tender process to appoint a suitably qualified research company to undertake research into the “Where happiness finds you” brand and positioning. Edentify was appointed to undertake the research and completed a quantitative study in the Australian, North American and New Zealand markets.

The principle objective of the research was to identify whether:

- The brand remained optimal, and no changes were required,
- A modification of the existing brand was required,
- A new brand altogether was required.

The research results were encouraging and indicated that the brand was performing efficiently. However, it suggested that there were areas for improvement of the brand and positioning.

It was recommended that a modification of the existing brand was the optimal way forward for Tourism Fiji. With this in mind, Tourism Fiji began scoping the Brand Revitalization project, which was a major activity in 2017/2018 financial year.

## INDIA MARKET REPRESENTATION

Tourism Fiji contracted the services of Global Destinations in 2009 to undertake market representation of Fiji in the India Market. The appointment was made following a tender process.

After Global Destinations fulfilled the requirements of their contract, a monthly arrangement was agreed with Global Destinations. An independent consultant, Greg Anderson, was contracted to provide Tourism Fiji with assistance in evaluating Tourism Fiji's activities in India and provide recommendations for an operational structure that will drive additional growth in visitor arrivals from the market.

The Consultant provided an interim Report that outlined three options for market representation in the India market. These include a:

- Representation company (such as Global Destinations)
- Tourism Fiji dedicated office
- Hybrid model using a combination of a representation company and a dedicated Tourism Fiji staff member within the market.

An evaluation of the options and consideration of Government's directive for greater results and immediate change within the market suggest a Hybrid model would be optimal for Tourism Fiji. This model provided a fast and efficient means to up-weight Tourism Fiji's presence in the market and at the same time retain the advantages of access to a representation company. It was agreed that this would be the model that Tourism Fiji would progress with.

## SOCIAL MEDIA AUDIT

Tourism Fiji hired social media company Klick to undertake a Social Media Audit in 2017. The approach was:

- Examine procedures and determine what policies were in place around social media management
- Thoroughly analyse Tourism Fiji's social media data to assess current state and roadmap to future state
- Benchmark Tourism Fiji's social media positioning relative to competitors
- Prepare opportunities for improvement and recommendations to improve overall strategy, governance and processes
- Agree recommendations with project stakeholders and develop final report with agreed findings and actions for change

The report made a number of recommendations that were built into the planning cycle for the following financial year.

## FIJIAN TOURISM PLAN 2021

Fiji's tourism development plan was communicated in May 2017 with the launch of the Fijian Tourism 2021 plan. The plan was designed to address key issues for development of tourism in the country. Strategies within the plan include marketing of the Fijian brand, investment in infrastructure and related activities, sustainable development, as well as the support of small and medium enterprises. With the launch of the plan, Tourism Fiji started a process of reviewing its strategic plans to ensure that it was in a position to deliver the key relevant strategies outlined within the Fiji Tourism 2021 plan.



# **Tourism Fiji**

## **Financial Statements**

For the Period Ended 31 July 2016

# CONTENT

Directors Report	18-19
Independent Auditor's Report	20-22
Statement of Comprehensive Income	23
Statement of Changes in Accumulated Funds	24
Statement of Financial Position	25
Statement of Cash Flows	26
Notes to the Financial Statements	27-45



## OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 1254

17 March 2022

Mr Brent Hill  
The Chief Executive Officer  
Tourism Fiji  
PO Box 9217  
**NADI**

Dear Mr Hill

**TOURISM FIJI**  
AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2015, 31  
JULY 2016 **AND** 2017

Please find enclosed the audited financial statements for signing. The Management Representation letter is also attached.

We would appreciate if you could retype the attached Management Representation letter on Tourism Fiji letterhead, signed and returned with the signed accounts for the issue of the audit report.

Should you require any clarifications, please do not hesitate to contact Audit Manager Mrs. Alani Draunidalo or the undersigned on telephone 3309032.

Yours sincerely

Moshin Ali  
For **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. Andre Viljoen	Chairman
Mr. Geoffrey Shaw	Deputy Chairman (term expired on 9/05/2018)
Mr Shaheen Ali	Director
Mr Dixon Seeto	Director (deceased on 19/07/2019)
Mr Ravinder Dhesi	Director (term expired on 09/08/2018)
Ms Meliki Tuinamuana	Director (resigned on 31/03/2019)
Mr. Ajay Raniga	Director
Ms. Josephine Smith-Moffat	Director
Mr. Howard Politini	Director (term expired on 01/01/2017)
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 2017 and the accompanying statement of comprehensive income, statement of changes in accumulated funds and the statement of cash flow gives a true and fair view of the results and cash flows of the entity for the year then ended.

### Principal Activities

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

- ii. 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.
- 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 financial 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 this .....day of .....2022.

  
Shafeen  
Board of Director

  
Chief Financial Officer

## DRAFT 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 December 2015, 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 December 2015, 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 Accountants'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 December 2015 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 December 2015. 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.
2. Note 24(ii) to the financial statements notes the damage to Tourism Fiji's assets and records from the fire that occurred on 10th September 2018. The payment vouchers for the 2015 financial year were amongst the accounting records destroyed due to fire. However alternative audit procedures were applied to obtain information and explanation I require to form reasonable assurance on the financial statements.

My opinion is not modified in respect of these matters.

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## **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;

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

**Sairusi Dukuno**  
**AUDITOR-GENERAL**

**Suva, Fiji**  
**xx March, 2022**

**TOURISM FIJI**

**Statement of Comprehensive Income**

For the year ended 31 July 2017

	Notes	12 months ended 31 July 2017	7 months ended 31 July 2016
		\$	\$
Government grant		33,392,405	20,349,426
Co-operative promotion and advertising		2,135,484	756,273
Other operating income	5	30,153	7,082
		<u>35,558,042</u>	<u>21,112,781</u>
Employee salaries and benefits	6	(3,187,634)	(1,750,247)
Operating and administrative expenses	7(ii)	(2,550,936)	(1,137,416)
Selling and marketing expenses	7(i)	(23,808,048)	(12,857,081)
Depreciation expense	7(iii)	(150,018)	(93,303)
<b>Surplus/(deficit) from operations</b>		<b>5,861,406</b>	<b>5,274,734</b>
Finance income	8	7,146	2,782
<b>Surplus / (deficit) for the year</b>		<b>5,868,552</b>	<b>5,277,516</b>
<b>Other comprehensive income</b>			
Realised exchange (loss)/gain		71,660	(92,139)
Unrealised exchange (loss)/gain		(42,867)	137,433
<b>Total comprehensive income for the year</b>		<b>5,897,345</b>	<b>5,322,810</b>

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

## TOURISM FIJI

**Statement of Changes in Accumulated Funds**

For the year ended 31 July 2017

	12 months ended 31 July 2017	7 months ended 31 July 2016
Accumulated Funds	\$	\$
Balance at 1 January	10,432,571	5,109,761
Surplus/(deficit) for the year	5,868,552	5,277,516
Other comprehensive income	28,793	45,294
Balance at 31 December	<b>16,329,916</b>	<b>10,432,571</b>

**TOURISM FIJI**

**Statement of Financial Position**

For the year ended 31 July 2017

	Note	12 months ended 31 July 2017	7 months ended 31 July 2016
		\$	\$
<b>Current Assets</b>			
Cash at bank and on hand	10	15,395,002	11,145,957
Prepaid expenses	12	682,142	482,320
Taxes refundable	14	798,442	613,520
Inventories	21	118,030	247,994
Other receivables and advances	15	467,988	519,673
<b>Total current assets</b>		<b>17,461,604</b>	<b>13,009,464</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	424,291	371,260
Term deposit	11	20,000	20,000
Refundable deposits	13	20,713	52,449
<b>Total non-current assets</b>		<b>465,004</b>	<b>443,709</b>
<b>TOTAL ASSETS</b>		<b>17,926,608</b>	<b>13,453,173</b>
<b>Accumulated Funds</b>			
Accumulated funds		16,329,916	10,432,571
<b>Total accumulated funds</b>		<b>16,329,916</b>	<b>10,432,571</b>
<b>Liabilities</b>			
Current liabilities			
Employee entitlements	16	278,896	222,265
Expenses accrued	17	876,792	2,100,043
Income in advance	18	14,189	33,199
VAT Payable		256,561	510,761
Other payables and accruals	19	170,254	154,334
<b>Total current liabilities</b>		<b>1,596,692</b>	<b>3,020,602</b>
<b>Total liabilities</b>		<b>1,596,692</b>	<b>3,020,602</b>
<b>TOTAL ACCUMULATED FUNDS AND LIABILITIES</b>		<b>17,926,608</b>	<b>13,453,173</b>

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 Controller**

## TOURISM FIJI

## Consolidated Statements of Cash Flows

For the year ended 31 July 2017

	Note	12 months ended 31 July 2016	7 months ended 31 July 2016
<b>Cash flows from operating activities</b>			
Cash receipts from Government and related stakeholders		35,622,458	20,758,891
Cash payment to employees & other parties		(31,206,302)	(15,414,675)
Cash generated from operations		4,416,156	5,344,216
Interest received		7,146	2,782
<b>Cash flows from operating activities</b>		<b>4,423,302</b>	<b>5,346,998</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(203,050)	(29,938)
Proceeds from sale of property, plant and equipment		-	743
<b>Cash flows used in investing activities</b>		<b>(203,050)</b>	<b>(29,195)</b>
Effect of exchange rate changes on cash and cash equivalents		28,793	45,294
Net increase in cash		4,249,045	5,363,097
Cash and cash equivalents at 1 January		11,145,957	5,782,860
<b>Cash and cash equivalents at 31 December</b>	10	<b>15,395,002</b>	<b>11,145,957</b>

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

## TOURISM FIJI

### Notes to the Financial Statements

For the year ended 31 July 2017

#### 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

-----.

##### (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.

##### (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.

## TOURISM FIJI

### Notes to the Financial Statements (CONT'D)

For the year ended 31 July 2017

#### 2. BASIS OF PREPARATION (CONT'D)

##### (d) Use of estimates and judgments (CONT'D)

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.

##### (f) Change of reporting period

New accounting standards and interpretations, IFRS 9 Financial Instruments, IFRS 15 Revenues from Contracts with Customers and IFRS 16 Leases have been published that are not mandatory for 31 July 2017 reporting periods and have not been early adopted by the Tourism Fiji. Tourism Fiji will apply the standard from adoption date of 1 July 2017 for the 2018 Financial Reporting period for Financial Instruments and Revenues from Contract with Customers and early adoption of Leases from 1 July 2017. Tourism Fiji intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

#### 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 year ended 31 July 2017

#### 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 year ended 31 July 2017

#### 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 year ended 31 July 2017

#### 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:

	12 months ended 31 July 2017	7 months ended 31 July 2016
	\$	\$
Other receivables and advances	467,988	519,673
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.

	12 months ended 31 July		12 months ended 31 December	
	2017	2017	2016	2016
	\$	\$	\$	\$
<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	
<b>Financial assets</b>				
Cash at bank and on hand	15,395,002	-	11,145,957	-
Other receivables and deposits	467,988	-	519,673	-
Refundable deposits	-	20,713	-	52,449
Investments - term deposits	-	20,000	-	20,000
	<b>15,862,990</b>	<b>40,713</b>	<b>11,665,630</b>	<b>72,449</b>

#### **Financial liabilities**

Other payables and accruals	170,254	-	154,334	-
Expenses accrued	876,792	-	2,100,043	-
Employee entitlements	278,896	-	222,265	-
	<b>1,325,942</b>	<b>-</b>	<b>2,476,642</b>	<b>-</b>

**TOURISM FIJI****Notes to the Financial Statements (CONT'D)**

For the year ended 31 July 2017

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 <b>2016</b>	7 months ended 31 July <b>2016</b>
<b>5. OTHER OPERATING (EXPENSE) INCOME</b>		
Other income	19,392	-
Commission	10,761	7,082
	<hr/>	<hr/>
	30,153	7,082
<b>6. PERSONNEL EXPENSES</b>		
Salaries and wages - non key management personnel	1,718,835	982,272
Key management compensation - short term benefits	1,251,246	639,334
Superannuation contributions	209,119	123,173
Training and Productivity Authority of Fiji	8,434	5,468
	<hr/>	<hr/>
The average number of employees during the year was:	39	39
	<hr/>	<hr/>
<b>7. (i) SELLING AND MARKETING EXPENSES</b>		
Advertising and branding	12,452,622	5,592,071
Information distribution	456,180	84,531
Promotional materials	504,948	192,089
Promotions	6,769,914	5,463,373
Public relations	1,151,974	675,938
Research and other marketing expenses	1,413,710	85,054
Co-operative promotion and advertising	514,559	299,713
Market representation	177,179	40,396
Global retainers	366,962	423,916
	<hr/>	<hr/>
	23,808,048	12,857,081

7.	(ii) OPERATING AND ADMINISTRATIVE EXPENSES	7 months ended	7 months ended
		31 July	31 July
		2016	2016
		\$	\$
	Assets disposals	-	8,518
	Exchange loss	112	-
	Audit fees	9,266	-
	Bad Debts	978	637
	Bank charges	40,074	23,414
	Board members remuneration and other related costs	93,072	30,913
	Cleaning materials	8,120	6,205
	Electricity	32,761	19,907
	Office expenses	82,951	46,236
	General insurance	62,457	43,823
	Medical insurance	51,739	46,533
	Travel insurance	3,711	3,227
	Maintenance grounds and buildings	11,937	14,869
	Maintenance/Leasing of office equipment	100,620	37,781
	Motor vehicle running expenses	55,421	45,176
	Freight and postage	24,853	8,881
	Printing and stationery	45,757	23,117
	Rent	359,555	196,306
	Staff relocation	69,352	21,443
	Staff training	17,787	8,127
	Subscription and advertising	97,715	170,663
	Telephone, facsimile and emails	230,568	122,695
	Travelling - local	133,147	50,661
	Travelling - overseas	25,295	65,544
	Uniforms	1,837	57,855
	Legal expenses	33,335	298
	Professional fees	830,071	34,943
	SLA IT agreement costs	86,069	27,205
	Contingency	3,647	5,754
	Disaster recovery costs	9,666	7,200
	Industry liaison	13,660	2,765
	Fringe benefit tax	15,403	6,720
		<b>2,550,936</b>	<b>1,137,416</b>

## TOURISM FIJI

## Notes to the Financial Statements (CONT'D)

For the year ended 31 July 2017

		12 months ended 31 July 2017	7 months ended 31 July 2016				
		\$	\$				
<b>7.</b>	<b>(iii) DEPRECIATION EXPENSE</b>						
	Depreciation expense	93,303	93,303				
<b>8.</b>	<b>FINANCE INCOME</b>						
	Interest Income	7,146	2,782				
<b>9.</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>						
		12 months ended 31 December 2017	Total				
		Motor Vehicles	Plant & Machinery	Office Equipment	Furniture & Fitting	IT Hardware	Renovation
<b>Cost</b>		\$	\$	\$	\$	\$	\$
Balance at 1 January 2016	332,909	32,440	136,492	142,568	383,397	293,266	1,321,072
Effects of change in exchange rates	(3,296)	-	474	1,093	228	2,868	1,367
Additions	-	-	9,235	22,718	129,132	42,936	204,021
Balance at 31 July 2016	329,613	32,440	146,201	166,379	512,757	339,070	1,526,460
<b>Depreciation</b>							
Balance at 1 January 2015	201,886	9,699	99,255	115,910	273,223	249,839	949,812
Effects of change in exchange rates	(2,148)	-	457	1,013	416	2,601	2,339
Depreciation	60,930	8,110	13,220	5,194	38,305	24,259	150,018
Balance at 31 December 2015	260,668	17,809	112,932	122,117	311,944	276,699	1,102,169
<b>Carrying amount</b>							
	131,023	22,741	37,237	26,658	110,174	43,427	371,260
Balance at 31 December 2015	68,945	14,631	33,269	44,262	200,813	62,371	424,291

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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
<hr/>							
Depreciation							
Balance at 1 January 2015	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 December 2015	201,886	9,699	99,255	115,910	273,223	249,839	949,812
<hr/>							
Carrying amount							
	171,047	27,472	52,712	19,653	119,605	61,038	451,527
Balance at 31 December 2015	131,023	22,741	37,237	26,658	110,174	43,427	371,260

**TOURISM FIJI****Notes to the Financial Statements (CONT'D)**

For the year ended 31 July 2017

	12 months ended 31 July 2017	7 months ended 31 July 2016
	\$	\$
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	360,810
Sydney office	73,269	73,269
Auckland office	27,925	27,925
Los Angeles office	15,951	-
UK office	4,365	15,951
Europe	482,320	4,365
	<b>482,320</b>	<b>482,320</b>

**13. REFUNDABLE DEPOSITS**

Electricity deposit(HQ)	6,325	6,325
Standup Paddle and Paddleboard Championship Deposit	-	34,320
Car park bond (Sydney)	1,389	1,347
Office rental bond	7,115	4,374
Office rental bond (LAX)	5,884	6,083
	<b>20,713</b>	<b>52,449</b>

**14. TAXES RECEIVABLES**

GST receivable - Sydney Office	291,654	224,624
GST receivable - Auckland Office	244,656	199,708
VAT receivable - UK/Europe Office	262,132	189,188
	<b>798,442</b>	<b>613,520</b>

**15. OTHER RECEIVABLES AND ADVANCES**

	12 months ended 31 July 2017	7 months ended 31 July 2016
	\$	\$
<b>Head Office</b>		
Participation fees owed	71,944	74,141
Fiji excellence awards	335,739	108,058
Refundable taxes	6,659	6,204
Other general advances	9,228	6,743
<b>Sydney Office</b>		
Participation fees owed	29,631	94,665
<b>Auckland Office</b>		
Participation fees owed	13,150	104,767
<b>LAX Office</b>		
Participation fees owed	1,637	101,473
Advances	-	(20)
<b>Uk/Europe</b>		
Advances	-	23,642
	<hr/>	<hr/>
	467,988	519,673

**15. EMPLOYEE ENTITLEMENTS**

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

Salaries and annual leave dues	208,895	158,132
Superannuation	70,001	64,133
	<hr/>	<hr/>
	278,896	222,265

## TOURISM FIJI

## Notes to the Financial Statements (CONT'D)

For the year ended 31 July 2017

	12 months ended 31 July 2017	7 months ended 31 July 2016
	\$	\$
<b>17. EXPENSES DUE</b>		
<b>Operating expenses</b>		
Head office	15,667	110,953
Sydney office	2,451	2,807
Auckland office	14,498	2,945
Los Angeles office	8,445	14,546
UK	2,695	10,751
Europe	-	389
Total	43,756	142,391
<b>Marketing expenses</b>		
Head office	472,336	786,008
Sydney office	130,038	665,142
Auckland office	32,370	345,033
Los Angeles office	149,099	19,134
UK	6,014	94,730
China	20,150	-
Europe	23,029	47,605
Total	833,036	1,957,652
<b>Total Expenses Due</b>	<b>876,792</b>	<b>2,100,043</b>
<b>18. INCOME RECEIVED IN ADVANCE</b>		
Fiji office	4,092	4,102
NZ office	10,097	29,097
	14,189	33,199
<b>19. OTHER PAYABLES AND ACCRUALS</b>		
TAG - Funds plus interest	86,005	85,945
Others	84,249	68,389
	170,254	154,334

## 20. RELATED PARTIES

### (a) Directors

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

Mr. Andre Viljoen	Chairman	
Mr. Geoffrey Shaw	Deputy Chairman	- term expired on 9/05/2018
Mr Shaheen Ali	Director	
Mr Dixon Seeto	Director	- deceased on 19/07/2019
Mr Ravinder Dhesi	Director	- term expired on 09/08/2018
Ms Meliki Tuinamuana	Director	- resigned on 31/03/2019
Mr. Ajay Raniga	Director	
Ms. Josephine Smith-Moffat	Director	
Mr. Howard Politini	Director	- term expired on 01/01/2017
Mr. Shane Cummings	Director	- appointed on 09/08/2018
Mr. Lawrence Tikaram	Director	- term expired on 21/01/2016
Mr. Neeraj Chadha	Director	- appointed on 03/04/2019
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 year ended 31 July 2017

## 21. INVENTORIES

	12 months ended 31 July 2017	7 months ended 31 July 2016
	\$	\$
Survival Kit	292	11,305
USB	14,135	-
Tags	3,662	14,868
Pens	12,141	3,942
Bags	-	30,280
Caps	17,797	32,485
T-Shirts	34,856	94,964
TF Lanyards	5,551	4,332
TF Coaster	5,625	12,246
TF Lapel Pins	310	314
TF Sulus	-	12,766
TF Business Card Holder	-	10,374
TF Umbrellas	8,969	18,067
TF Key Rings	-	2,051
TF Notebooks	14,692	-
	118,030	247,994

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	1,216,662	91,164
Between one and two years	1,880,838	391,746
Between two and five years	1,477,968	447,481
Total operating lease commitments	4,575,468	930,391

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**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 financial year ended 31 July 2017, a grant totalling \$35,954,768VIP (\$32,986,026VEP) was received from the Government of Fiji to enable Tourism Fiji to carry out its functions of promoting and marketing Fiji as a tourist destination. \$27,645,088VIP was received for marketing and \$8,309,680VIP for operation. The grant was recognised in income as Tourism Fiji has unconditional entitlement to it.

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