

Tourism*fiji*

Annual Report 2015



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LETTER FROM THE CHAIRMAN

Bula Vinaka!

This year was another strong year for Tourism in Fiji with over 750,000 visitors being recorded. It was also a year that marks new beginnings and the need to refocus on the six key areas that Tourism Fiji outlined in its Marketing Plan.

While Australia, New Zealand and USA were the strongest markets on visitor arrival numbers, it's interesting to note that Japan, Rest of Asia and the United Kingdom were top three as far as visitor spend goes this year, respectively. This demonstrates how lucrative the Asia market is for Fiji and the great potential it has for growth and development, particularly countries like Japan, Singapore, and China.

This year our team have worked hard to ensure our industry stakeholders and international trade partners we well informed and kept up to date with the latest information on all Tourism Fiji's activities. This was achieved by utilizing Tourism Fiji's communication channels and platform, regular talanoa sessions and product updates conducted at HQ in Namaka, Nadi.

A substantial change for Tourism Fiji was the move from having representative agencies to establishing an office in the United Kingdom and Continental Europe. It was also announced this year that beginning 2016, Fiji's national carrier Fiji Airways will begin operating direct flights to Singapore, resulting in the closure of our office in Korea. Asia is an incredibly important region for Fiji and one that we highly value.

Lastly, off the back of Tourism Fiji's first and successful 2014 Fijian Tourism Expo, this year's event boasted a strong number of international buyers and media moving the benchmark higher for 2016. We have had some learnings from the event and look forward to now putting these in place to ensure FTE 2016 is bigger, better and more importantly, results in more bookings for Fiji.

Vinaka Vakalevu,

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

Truman Bradley
Executive Chair



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 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 is 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 2015, Fiji welcomed 754,835 international visitors. The value of tourism earnings across the year was estimated by Bureau of Statistics as \$1.7bn

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 Markets and Offices

Tourism Fiji has a global team that undertake marketing and promotional activities to attract international visitors to Fiji. Our offices are located in:

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

We have Market Representatives in:

- China
- India



Summary Of Tourism Fiji's Performance 2015

Tourism arrival numbers were strong in 2015, with Fiji welcoming 754,835 international visitors. This was significantly above the target visitation number of 714,000 that Tourism Fiji set itself in its annual marketing plan for 2015.

Tourism Fiji's marketing plans for 2015 reflected six focus areas:

1. Identify and target core and emerging markets
2. Differentiate the "Fiji – where happiness finds you" brand substance and delivery
3. Utilise public relations to amplify brand delivery
4. Develop stronger industry focus through communication and training
5. Grow online capability and delivery
6. Develop internal capability

From a brand perspective the focus was to build on the four pillars of the brand. The pillars were identified as people, place, experiences and the connections made in Fiji were identified as what would help visitors find their happiness. However, because happiness looks different to different people, Tourism Fiji focused on messaging to ensure the brand would be relevant and appealing to travelers. This messaging was brought to life through a push in marketing through digital channels which saw significant growth in social media followers and increased media coverage globally.

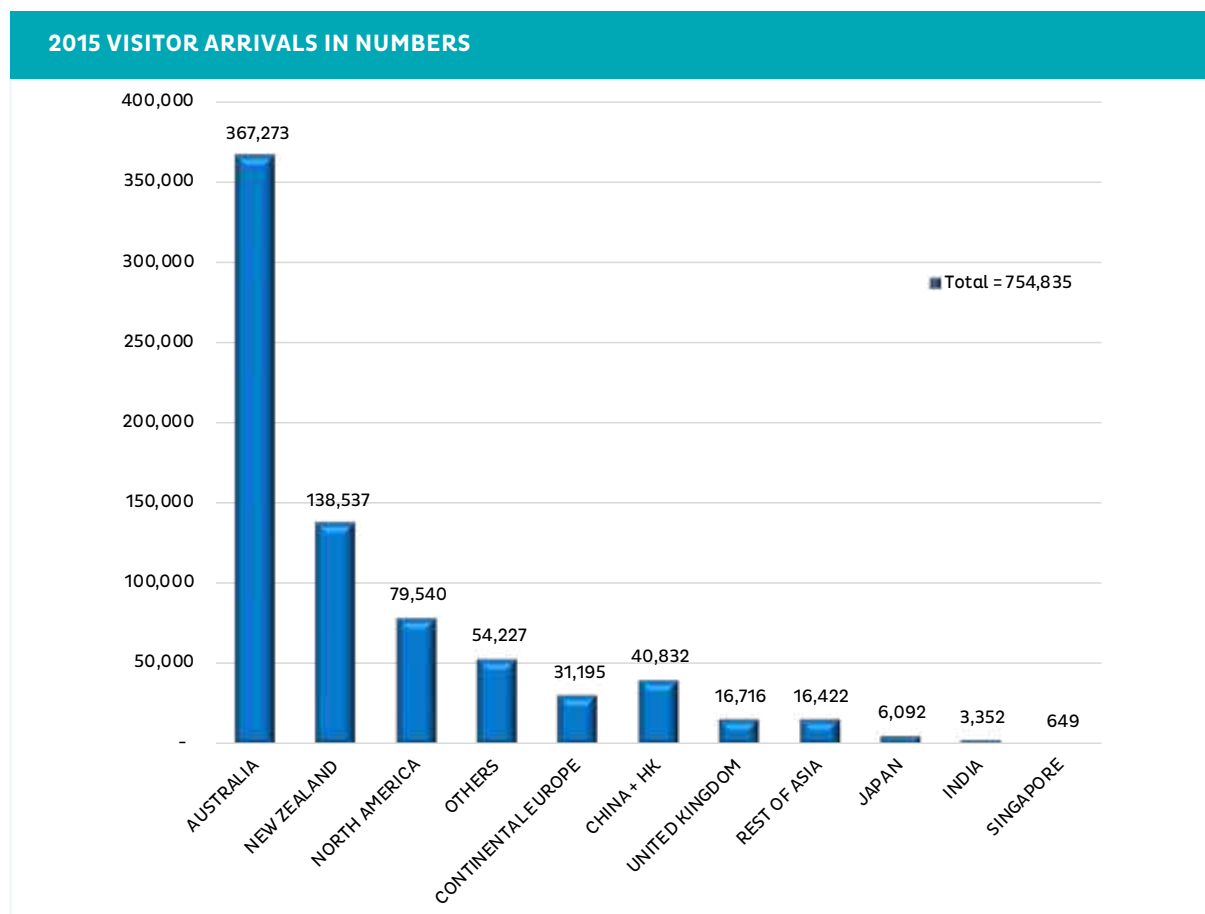
Tourism Fiji made the decision to move from a representation model in the UK & Europe markets to a dedicated resource. Tourism Fiji UK Ltd. was incorporated and registered, with bank accounts and VAT registrations following. An office was also set up in Germany to market to Continental Europe.

The second Fiji Tourism Expo was deemed a success, building on the inaugural event in 2014. There was growth of 30% in participants with 358 tourism operators meeting with 150 international buyers and 18 media companies.

In December 2015, Tourism Fiji announced the decision to close its Korean office to refocus its efforts on the Singapore market, following the announcement of a direct Nadi to Singapore flight from Fiji Airways commencing in April 2016.



2015 Visitor Arrivals In Numbers



Source: Fiji Bureau of Statistics

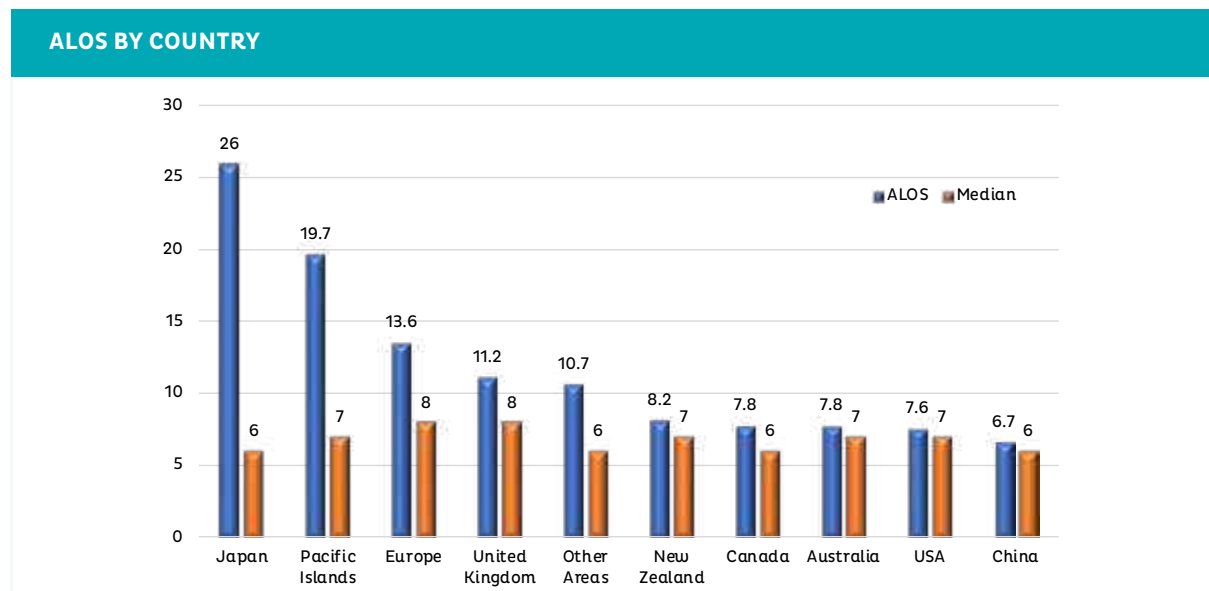
In 2015, Australia contributed 49% of total visitor arrivals, followed by New Zealand (18%), North America (11%), China + Hong Kong (5%), Continental Europe (4%), United Kingdom and Rest of Asia (at 2% share each), Japan (1%), India (0.4%), Singapore (0.1%) and all other countries at 7%.

% GROWTH BY TARGET MARKET

In terms of growth by volume, Australia contributed the most at 18,056 followed by New Zealand (14,569), China + Hong Kong (12,190), North America (5,159; increased primarily from United States) and Other countries & Rest of Asia (combined for 11,174).

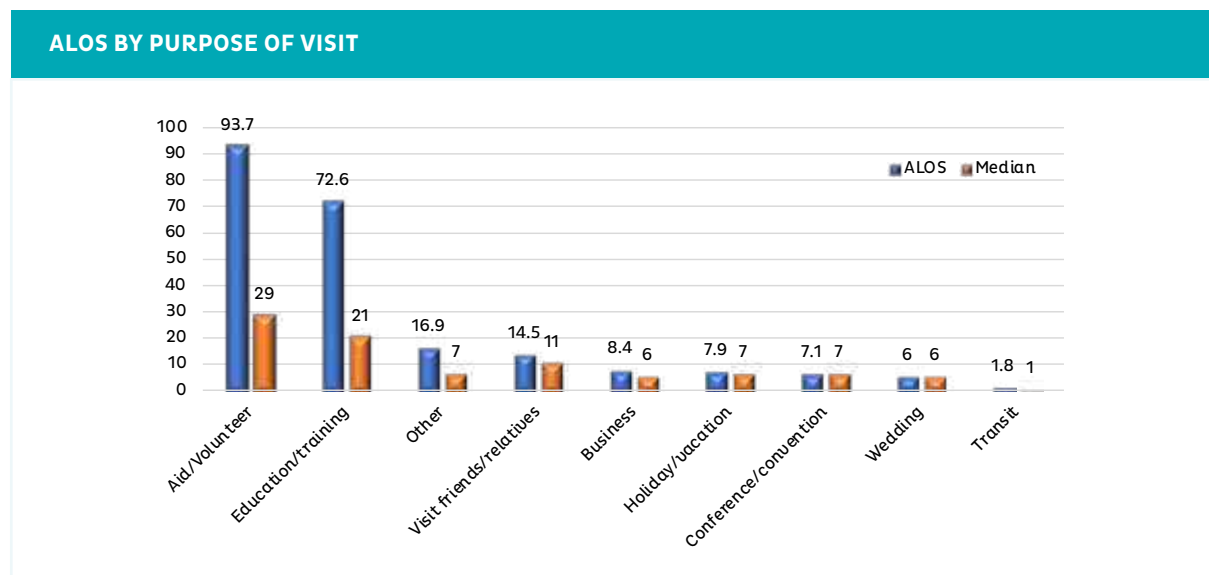
Markets that declined were Canada (748) and United Kingdom (66).

2015 Average Length of Stay



Source: 2015 International Visitor Survey Report

In 2015, data from the Fiji IVS exhibit that visitors spend an average of 10.1 nights in Fiji. Across source markets, visitors from Japan and the Pacific Islands stay the longest (26.0 nights) and (19.7 nights), while visitors from the United States and China stay for the shortest period (7.6 nights) and (6.7 nights)

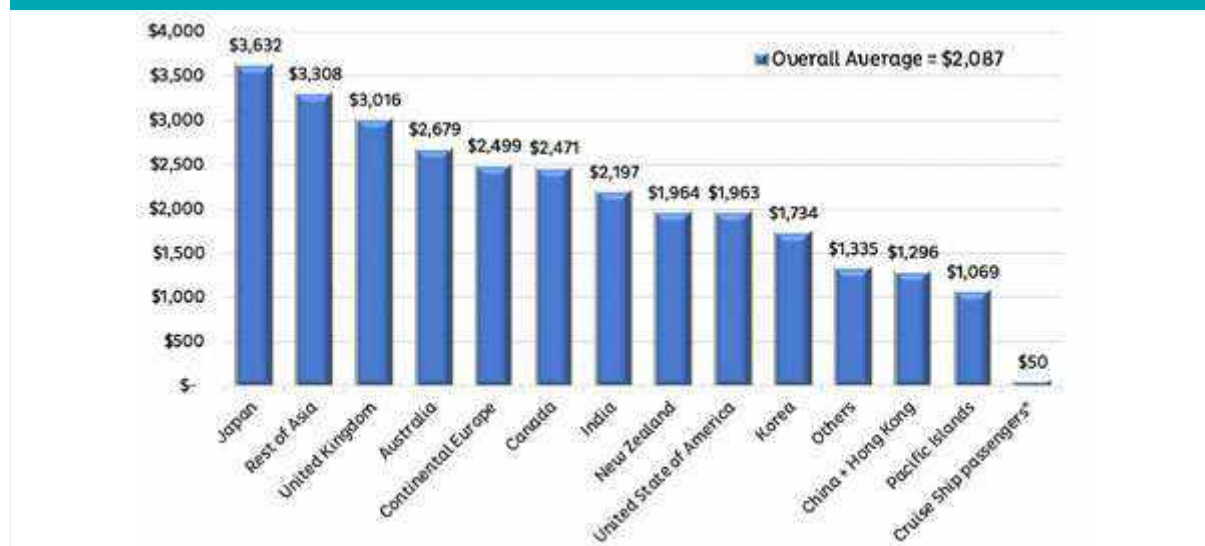


Source: 2015 International Visitor Survey Report

Examining visitors based on purpose of visit, holiday visitors spend an average of 7.9 nights in Fiji per trip while those visiting for a conference spend 7.1 nights in Fiji. Visiting Friends and Relatives (VFR) and business travelers spend longer in the country with an average length of stay of 14.5 nights and 8.4 nights, respectively. Those traveling for education and training spend an average of 93.7 nights in Fiji per trip.

2015 Average Spend

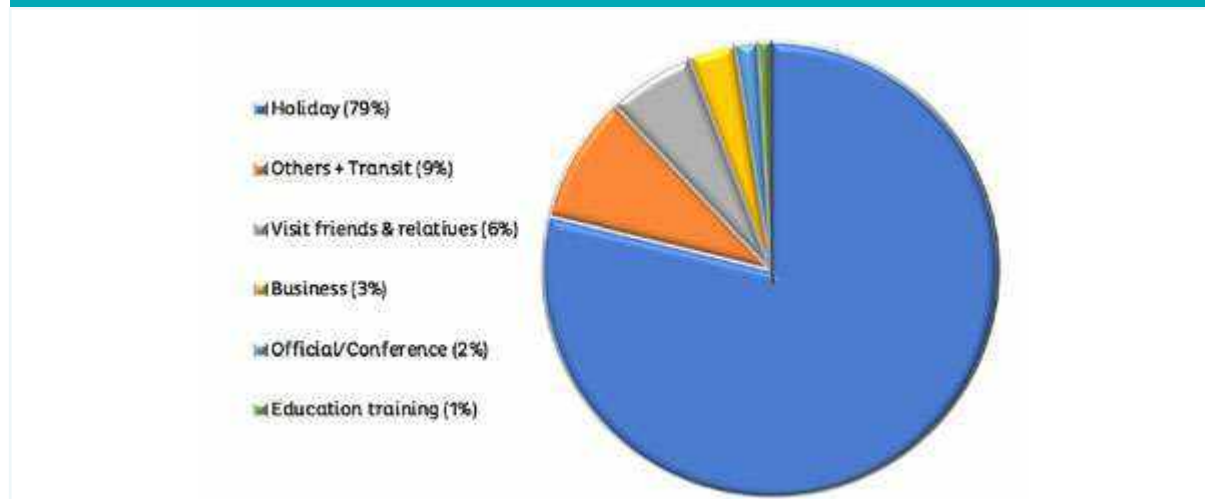
SPEND BY COUNTRY



Source: 2015 Fiji Bureau of Statistics Visitor Earnings

In 2015, Australian visitors accounted for 48% of total arrivals to Fiji and 54% of total spending by visitors. Australians spent an average of FJ\$2,679 per visitor but is ranked 3rd highest behind Japan which has the highest average spend at \$3,632 per visitor, followed by United Kingdom at \$3,016 per visitor.

VISITOR ARRIVALS BY PURPOSE OF VISIT



Source: 2015 Fiji Bureau of Statistics Visitor Arrivals

In 2015, holiday/vacation visitors made up 79% of arrivals, highlighting the importance of holiday visitors to Fiji's tourism industry. Visiting friends and relatives accounted for 6%, followed by Business and Conference visitors at 5% and Education/training at 1%.



Marketing Activities Undertaken In 2015

BRAND ADVERTISING

Tourism Fiji undertakes brand advertising within all international markets to ensure that Fiji remains top-of-mind as a holiday destination and is perceived as a highly desirable and aspirational destination.

In 2015 Tourism Fiji ran a number of high profile brand campaigns which included:

An outdoor campaign, including bus advertising in Sydney in Q1 2015

- TV advertising in the New Zealand market in Q1 2015
- Brand campaign with Lonely Planet in India in Q3 2015

SOCIAL MEDIA AND DIGITAL MARKETING

Tourism Fiji also promoted Fiji consistently across through its digital channels such as its website and social media platforms.

In 2015 Tourism Fiji ran a number of social media and digital marketing promotions, some highlights of which included:

- An International Happiness Day promotion which achieved over 8500 entries
- Launch of new image library to better manage digital and other assets

TRADE ENGAGEMENT

Tourism Fiji worked closely with our trade partners to ensure they had the destination knowledge, resources and distribution in place to effectively market and promote Fiji. Through workshops, forums, meetings and presentations Tourism Fiji ensured that our trade partners are well-informed and equipped to promote Fiji to their clients.

In 2015 Tourism Fiji ran a number of workshops and training, some highlights of which included:

- Luxury and Couples workshop in November 2015 in the New Zealand Market
- Wedding Roadshow in Australia in April 2015

TRADE PARTNERSHIPS

Through trade partnerships Tourism Fiji amplifies its activities via co-operative campaigns and joint ventures. These are undertaken in conjunction with airlines, retailers, wholesale partners and contributing industry.

In 2015 Tourism Fiji ran a number of trade co-operative campaigns, some highlights of which included:

- Tourism Fiji and Air New Zealand join digital campaign which resulted in 2993 additional passenger booking to Fiji

TRADE SHOWS AND EVENTS

Tourism Fiji participates at tradeshow within key international markets to engage and network with a large representation of the trade travel to develop new relationships and identify new partnerships with organizations. Tourism Fiji also hosts roadshows that bring buyers together with invited tourism industry representatives from Fiji.

- Virtuoso Travel Week in August
- ITB Asia

CONSUMER SHOWS AND EVENTS

Tourism Fiji attends some consumer shows and events to interact directly with consumers and showcase the products and experiences available within the destination.

In 2015, Tourism Fiji attended a number of consumer events, some highlights of which were

- Travel and Adventure Consumer shows in New York, LA, San Diego and Bay Area in January 2015

TRADE FAMILS

Fiji provides a remarkable visitor experience that has to be seen to be believed. By providing our trade partners with an opportunity to experience the destination they are then able to use this knowledge and understanding of the destination to better sell holidays to Fiji.

In 2015, Tourism Fiji hosted a number of Trade Famils, some highlights of which were:

- November Mega Educational – 150 Australian agents
- USA Health & Wellness famil in August 2015
- Indian agents famil in October 2015

PR AND MEDIA EVENTS

Tourism Fiji liaises with Media and hosts them to visit Fiji to ensure a strong pipeline of stories feature in the global media about Tourism Fiji

In 2015, Tourism Fiji had a strong pipeline of media engagement with, some highlight of which were

- Hosting a travel blogger event in LA
- Hosting Australia's Channel 10 show "The Living Room" which resulted in 4 x 5-minute episode aired featuring Namaka Market, Cloud 9 amongst other tourism spots in Fiji

Overview of Key Achievements

GLOBAL EVENTS

The Fijian Tourism Expo 2015 was a huge success. All of the objectives were met, specifically educating wholesalers and agents who sell Fiji, improving their understanding on the products and experiences that Fiji has to offer.

Key successes include:

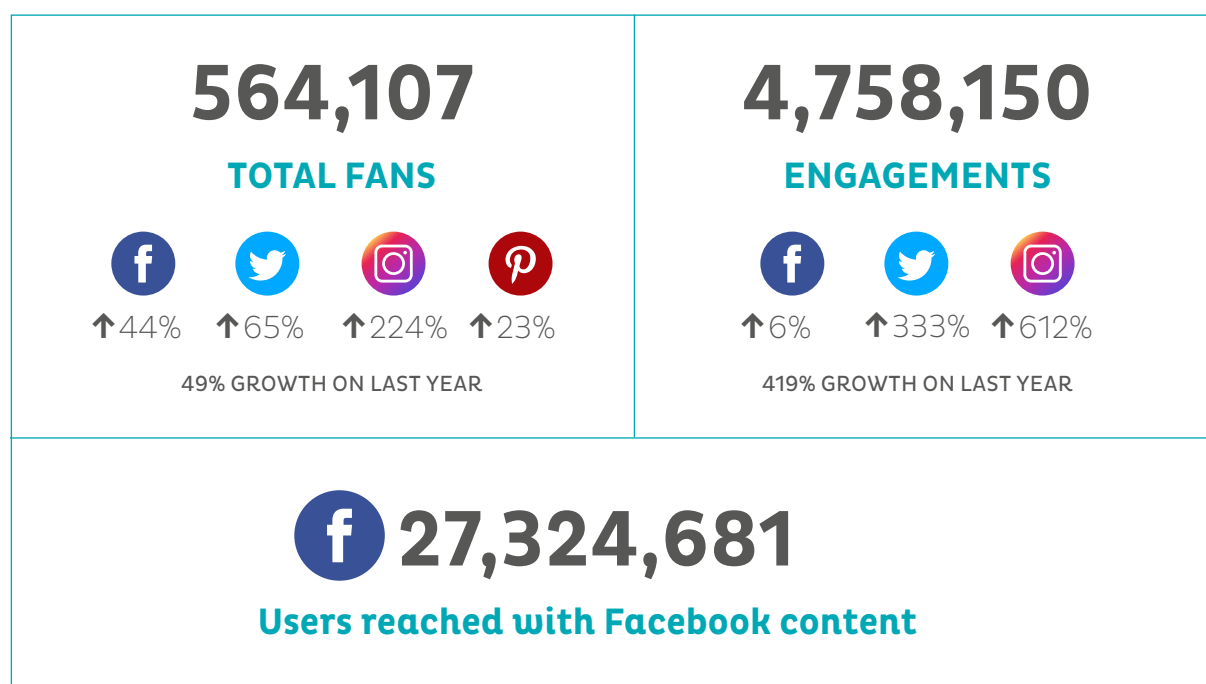
- Increase in visitor arrivals from selected agents post Fijian Tourism Expo
- Strong media coverage of Fijian Tourism Expo 2015 that featured a range of properties and attractions

Tourism Fiji's Industry Day 2015 was held at the Sofitel Fiji Resort and Spa and recorded 300 registrants, with feedback from Industry being incredibly positive.

GLOBAL SOCIAL MEDIA CAMPAIGNS

Tourism Fiji's social media channels saw huge growth in regards to both fans and engagements across social media campaigns in 2015.

Highlights include:



FACEBOOK: ENGAGEMENT

Top Performing Posts by Total Engagement (Organic)



INSTAGRAM: ENGAGEMENT

Top Performing Posts by Total Engagement



Australia

1. FLIGHT CENTER EXPOS

A key activity in 2015 was attendance at Flight Centre Expos.

In Sydney, there were approximately 27,000 attendees. Tourism Fiji, in conjunction with 7 exhibitors, attended the 2-day expo that was open to the public. The expo was deemed to be very successful, with Tourism Fiji winning the award for “Best Stand” for the second year in a row. They also had a few instant sales—two weddings booked at the event that achieved a strong return on investment for the destination.

In Melbourne, approximately 24,000 attendees attended the 2-day expo. Again, Tourism Fiji won the award for “Best Stand”. In Brisbane, approximately 20,000 attendees attended the 2-day expo. Finally, in Canberra, approximately 12,000 attendees attended the expo. While this was a smaller show, Canberra had an attractive number of attendees in this lucrative market.

2. OUTDOOR ADVERTISING - BUS ADVERTISING IN SYDNEY

Tourism Fiji undertook a number of key brand pieces in the Australian market. One of the highlights was advertising on public transport, which gave strong visibility for the brand.

3. MATAI LAUNCH

Tourism Fiji also relaunched the Matai programme to the Australian travel trade in 2015. The new online training program and format was highly acclaimed by agents with over 600 registering following launch.

Additionally, a Matai Conference was held and hosted 78 Australian travel agents. These agents met with 50 suppliers at the Sofitel Resort & Spa. Every agent had the opportunity to speak with all suppliers in the “speed dating” style of presentation with 8 minutes per presentation.

Outdoor Advertising - Bus Advertising in Sydney



New Zealand

1. BRAND CAMPAIGN – PHASE 1

In New Zealand, TV advertising featured across Channel One, Two and Three with 1.2 million Kiwi's seeing the advert at least once. This achieved a 10% higher reach than expected.

In the press, Tourism Fiji advertised in the NZ Herald Travel Section, which has the largest audience for holiday seekers and a reach of 278,000 readers weekly. Fiji was placed on the front cover, in 2 full pages and 5 editorial pages. This feature was a finalist for Best Feature Advertising – 2015 PANPA Advertising & Marketing Awards.

Brand Campaign Phase 1



2. MATAI AGENTS INCENTIVE PROGRAMME

This incentive programme profiled Fiji's regions to encourage dispersal. When agents booked a holiday to a particular region, they could log it to enter the draw to win a trip to Fiji. There were 273 entries over the 8 regions and one overall winner, creating an engaging incentive for Matai Agents.



Matai Agents Incentives Program



North America

1. ADVENTURE SHOWS

Tourism Fiji participated in three Travel and Adventure shows in key California markets. It included 2 days of trade show along with a few celebrity speakers. The shows drew attendance figures between 16,000 and 33,000 consumers per show.

- Santa Clara – 18,912 attendees
- San Diego – 16,227 attendees
- Los Angeles – 33,484 attendees

2. INCENTIVE TRAVEL EXCHANGE SHOW

In 2015, the Incentive Travel Exchange (ITE) show celebrated its 10th anniversary. ITE enabled suppliers to meet with fully vetted, high performing meeting and incentive travel buyers over 2 days, with pre-arranged meetings with buyers from key incentive purchasing sectors. Fiji was the only South Pacific Island destination that was part of the show, with 33 appointment

slots filled with buyers that included World of Travel, Performance Strategies, American Express, and Evolutionary Events.

3. MEDIA ENGAGEMENT

A Huffington Post Native Article – “6 Things You Can Learn from the Happiest Place on Earth” achieved 39k Unique Views, 43.5% Engagement Rate and 37k Total Social Interactions.

4. RE-LAUNCH OF MATAI

Tourism Fiji relaunched the Matai programme in North America via Trade Media, Tradeshow, Consortia Engagement and the Bula Marau Roadshow, all which proved very successful in recruiting new Matai agents.



Media Engagement



Social Media Pickup – Influencers Drive Engagement



Travel Age West (Matai Recruitment Ads)



United Kingdom & Europe

1. INTERNATIONALE TOURISMUS-BORSE BERLIN (ITB)

Tourism Fiji attended ITB Berlin, which is a significant global trade show in Berlin that consists of three trade days and three consumer days. There were 7 stakeholder tables that included Tourism Fiji. The Tourism Fiji stand was hosted jointly with Fiji Airways and completed a total of 35 meetings. This was the best attendance recorded at ITB for Tourism Fiji and the show in general. The Matai programme was also launched at this event.

2. RUGBY WORLD CUP 2015

The visiting band Waikoula Kei Tavua ensured that Fijian music played a big part to the event atmosphere. There was

a strong cultural element (warriors, kava, craft making, musicians) that provided ample content for continuous interviews to occur each day.

The objective of this campaign was to leverage interest, branding, and bookings to Fiji through heightened PR. The Media Value equated to 500,000 GBP with 47 million people reached.

Tourism Fiji implemented significant out-of-home advertising through key train stations feeding the stadium traffic (reaching 60,000-80,000 fans each). These were digital display advertisements that used pre-roll video footage.

A digital advertising campaign was also carried out that targeted normal niche channels and sports sites.



Internationale Tourismus-Börse Berlin (ITB)



Rugby World Cup 2015



Travel Content: AOL Travel Channel



China

1. SOUTH PACIFIC TOURISM ORGANISATION (SPTO) CHINA CITY ROADSHOW & CHINESE INTERNATIONAL TRAVEL MART, KUNMING

At the invitation of SPTO, Tourism Fiji joined SPTO and other member countries on a 2-city roadshow to Guangzhou and Chengdu, which was followed by the trade expo in Kunming. This expo focused on keeping Fiji in the hearts and minds of consumers to drive business to Fiji.

2. ITB ASIA

ITB Asia is a Business to Business platform with an exceptional professional standard of Travel Trade exchange. The travel trade buyers who attended were key decision makers in their respective organizations,

and Tourism Fiji's attendance allowed for the opportunity to convince the buyers to allow Fiji to be a part of their product line. This platform also enabled Tourism Fiji to establish new partnerships with suppliers from China that cater to groups – a potential niche for Fiji.

3. DIVING RESORT TRAVEL SHOW HONG KONG

Tourism Fiji attended the Diving Resort Travel (DRT) show in Shanghai to ensure that Fiji was present in the minds of divers as a premium dive destination. It raised more awareness of Fiji's dive experiences and referred leads to the Fiji resorts present. Fiji was voted Best Shark Diving Destination at the DRT Shanghai Show 2015.



Rest of Asia

1. BRAND CAMPAIGN WITH LONELY PLANET INDIA

This partnership included a booklet which included travel tips, main regions and islands with options for accommodation, activities, and experiences that Fiji has to offer to the discerning Indian traveller. It also featured testimonials by the Lonely Planet team who had visited Fiji, including the editor and 8 clients from 6 Indian cities.

This booklet was circulated with 110,000 copies of the magazine.

2. HANA TOUR GLOBAL GOLF CHALLENGE

A package was created by Tourism Fiji and Hana Tour for the public. There were 10 participants and two media partners, Golf Digest and Golf Magazine, who were invited to cover the story on the Fiji International and the Hana Tour Golf Challenge. .

The golf challenge was successful and achieved 16-pages of coverage in Golf Digest (50,000 copies) and Golf Magazine (98,000 copies). The PR Value was US\$288,000.

3. YASAWA CRUISE & SCUBA DIVING MAGAZINE WITH NOMA DIVE

Noma Dive and Jintour carried out paid famils with 15-20 passengers attending. This was to support advertising this tour to the region and to support the tour programme in general.

Due to a growing dive market in Korea – 3 million divers and 190 dive shops – this was a vital familiarisation visit to promote Fiji's dive and cruise products.



Tourism Fiji
Financial Statements
For the Year Ended 31 December 2015

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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Mocyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



Telephone: (679) 330 9032
E-mail: info@auditorgeneral.sov.fj
Website: www.oag.gov.fj



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 December 2015 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. Stephan Pichler	Chairman (term expired on February 2015)
Mr. Truman Bradley	Chairman (appointed on 04/03/2015, term expired on 09/06/2016)
Mr. Andre Viljoen	Chairman (appointed on 09/06/2016)
Mr. Geoffrey Shaw	Deputy Chairman (term expired on 9/05/2018)
Ms. Josephine Smith-Moffat	Director
Mr. Lawrence Tikaram	Director (term expired on 21/01/2016)
Mr. Shane Cunnings	Director (term expired on 21/01/2016)
Mr. Shaheen Ali	Director (appointed on 16/02/2016)
Mr. Dixon Seeto	Director (appointed on 04/03/2015, deceased on 19/07/2019)
Mr. Howard Politini	Director (appointed on 01/01/2015, term expired on 01/01/2017)
Mr. Ravinder Dhesi	Director (appointed on 09/08/2016, 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 09/08/2016)
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 December 2015 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 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 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 year ended 31 December 2015 represent the state of affairs, results and cashflow of Tourism Fiji during a period when the undersigned were not directors of Tourism Fiji 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 thisday of2022.


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 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 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.

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 December 2015

	Notes	2015 \$	2014 \$
Government grant		23,043,476	23,043,481
Co-operative promotion and advertising		1,485,013	1,760,707
Other operating income	5	73,363	65,818
		24,601,852	24,870,006
Employee salaries and benefits	6	(3,508,909)	(2,987,594)
Operating and administrative expenses	7(ii)	(1,906,067)	(1,647,067)
Selling and marketing expenses	7(i)	(18,503,196)	(25,648,334)
Depreciation expense	7(iii)	(165,922)	(148,734)
Surplus/(deficit) from operations		517,758	(5,561,723)
Finance income	8	6,171	15,693
Surplus / (deficit) for the year		523,929	(5,546,030)
Other comprehensive income			
Realised exchange (loss)/gain		303,431	52,699
Unrealised exchange (loss)/gain		264,854	(89,730)
Total comprehensive income for the year		1,092,214	(5,583,061)

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

Tourism Fiji

Statement of Changes in Accumulated Funds

For the year ended 31 December 2015

	2015	2014
Accumulated Funds	\$	\$
Balance at 1 January	4,017,547	9,600,608
Surplus/(deficit) for the year	523,929	(5,546,030)
Other comprehensive income	568,285	(37,031)
Balance at 31 December	5,109,761	4,017,547

Tourism Fiji

Statement of Financial Position

As at 31 December 2015

	Notes	2015 \$	2014 \$
Current Assets			
Cash at bank and on hand	10	5,782,860	7,859,864
Prepaid expenses	12	980,703	635,312
Taxes refundable	14	476,320	547,298
Inventories	21	18,801	25,040
Other receivables and advances	15	168,515	389,886
Total current assets		7,427,199	9,457,400
Non-Current Assets			
Property, plant and equipment	9	451,527	475,441
Term deposit	11	20,000	20,000
Refundable deposits	13	52,585	26,091
Total non-current assets		524,112	521,532
TOTAL ASSETS		7,951,311	9,978,932
Accumulated Funds			
Accumulated funds		5,109,761	4,017,547
Total accumulated funds		5,109,761	4,017,547
Liabilities			
Current liabilities			
Employee entitlements	16	248,121	237,810
Expenses accrued	17	2,224,342	3,944,568
Income in advance	18	36,063	39,927
VAT Payable		172,947	1,289,238
Other payables and accruals	19	160,077	449,842
Total current liabilities		2,841,550	5,961,385
Total liabilities		2,841,550	5,961,385
TOTAL ACCUMULATED FUNDS AND LIABILITIES		7,951,311	9,978,932

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 year ended 31 December 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts from Government and related stakeholders		24,774,506	24,627,606
Cash payment to employees & other parties		(27,302,317)	(29,074,190)
Cash generated from operations		(2,527,811)	(4,446,583)
Interest received		6,171	15,693
Cash flows from operating activities		(2,521,640)	(4,430,891)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(142,008)	(171,029)
Proceeds from sale of property, plant and equipment		18,359	-
Cash flows used in investing activities		(123,649)	(171,029)
Effect of exchange rate changes on cash and cash equivalents		568,285	(37,032)
Net increase in cash		(2,077,004)	(4,638,949)
Cash and cash equivalents at 1 January		7,859,864	12,498,812
Cash and cash equivalents at 31 December	10	5,782,860	7,859,864

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 December 2015

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.

0 (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.

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.

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 currencyForeign 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 equipmentRecognition 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.

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (CONT'D)

Recognition and measurement (CONT'D)

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.

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.

(d) Impairment**(i) Financial assets**

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

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

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment (CONT'D)

(i) Financial assets (CONT'D)

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 judgment 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.

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.

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Contingent liabilities and contingent assets (CONT'D)

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.

4. FINANCIAL RISK MANAGEMENT

Overview

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

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

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

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

Risk management framework

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

Credit risk

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

Other receivables

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

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

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

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

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:

	2015 \$	2014 \$
Other receivables and advances	-	389,886
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.

	2015 \$ Less than 1 year	2015 \$ More than 1 year	2014 \$ Less than 1 year	2014 \$ More than 1 year
Financial assets				
Cash at bank and on hand	5,782,860	-	7,859,864	-
Other receivables and deposits	168,515	-	389,886	-
Refundable deposits	-	52,585	-	26,091
Investments - term deposits	-	20,000	-	20,000
	5,951,375	72,585	8,249,750	46,091
Financial liabilities				
Other payables and accruals	160,077	-	449,842	-
Expenses accrued	2,224,342	-	3,944,568	-
Employee entitlements	248,121	-	237,810	-
	2,632,540	-	4,632,220	-

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.

5. OTHER OPERATING (EXPENSE) INCOME	2015	2014
	\$	\$
Other income	22,332	31,754
Commission	51,031	34,064
	<u>73,363</u>	<u>65,818</u>
 6. PERSONNEL EXPENSES		
Salaries and wages - non key management personnel	2,133,772	1,509,304
Key management compensation - short term benefits	1,102,029	1,312,406
Superannuation contributions	262,493	154,775
Training and Productivity Authority of Fiji	10,615	11,109
	<u>3,508,909</u>	<u>2,987,594</u>
 The average number of employees during the year was:	<u>43</u>	<u>31</u>
 7. (i) SELLING AND MARKETING EXPENSES		
Advertising and branding	9,575,934	16,795,150
Information distribution	257,603	255,268
Promotional materials	502,651	174,699
Promotions	5,915,156	5,824,785
Public relations	753,865	660,775
Research and other marketing expenses	127,281	159,592
Co-operative promotion and advertising	492,689	454,454
Market representation	107,689	391,563
Global retainers	770,328	932,049
	<u>18,503,196</u>	<u>25,648,335</u>

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

	2015	2014
	\$	\$
7. (ii) OPERATING AND ADMINISTRATIVE EXPENSES		
Exchange loss	3,691	5,213
Audit fees	8,783	-
Bank charges	32,866	20,902
Board members remuneration and other related costs	82,506	82,722
Cleaning materials	16,997	15,749
Electricity	35,631	36,123
Office expenses	48,904	46,884
General insurance	68,498	43,245
Medical insurance	70,295	18,301
Travel insurance	1,964	52
Maintenance grounds and buildings	13,995	7,303
Maintenance/Leasing of office equipment	101,580	159,123
Motor vehicle running expenses	89,553	75,871
Freight and postage	29,917	53,614
Printing and stationery	42,559	27,004
Rent	440,205	342,501
Staff relocation	41,466	6,832
Staff training	11,622	17,494
Subscription and advertising	55,809	14,662
Telephone, facsimile and emails	166,619	110,673
Travelling - local	36,724	38,175
Travelling - overseas	178,697	219,113
Uniforms	5,524	3,996
Legal expenses	54,492	11,769
Professional fees	136,591	177,520
SLA IT agreement costs	67,840	72,851
Contingency	6,155	7,593
Disaster recovery costs	30,886	8,800
Industry liaison	12,505	2,604
Fringe benefit tax	13,193	20,378
	1,906,067	1,647,067

7. (iii) DEPRECIATION EXPENSE

Depreciation expense	165,922	148,734
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8. FINANCE INCOME

Interest Income	6,171	15,693
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9. PROPERTY, PLANT AND EQUIPMENT

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)	-	(71,043)
Balance at 31 December 2015	335,308	32,440	146,153	133,928	376,290	292,633	1,316,752
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)	-	(71,043)
Balance at 31 December 2015	164,261	4,968	93,441	114,275	256,685	231,595	865,225
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 year ended 31 December 2015

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

2014	Motor Vehicles \$	Plant & Machinery \$	Office Equipment \$	Furniture & Fitting \$	IT Hardware \$	Renovation \$	Total \$
Cost							
Balance at 1 January 2014	350,798	-	113,190	123,400	288,398	267,090	1,142,876
Effects of change in exchange rates	1,921	-	(2,990)	303	454	(3,491)	(3,803)
Additions	101,897	-	12,375	-	56,460	-	170,732
Disposals	(64,634)	-	-	-	(122)	-	(64,756)
Balance at 31 December 2014	389,982	-	122,575	123,703	345,190	263,599	1,245,049
 Balance at 1 January 2014	172,044	-	70,059	103,892	177,330	166,403	689,728
Effects of change in exchange rates	2,153	-	(3,018)	251	89	(3,435)	(3,960)
Depreciation	47,692	-	11,688	5,726	47,847	35,578	148,531
Disposals	(64,634)	-	-	-	(24)	-	(64,658)
Balance at 31 December 2014	157,255	-	78,729	109,869	225,242	198,546	769,641
 Carrying amount							
Balance at 1 January 2014	178,754	-	43,131	19,508	111,068	100,687	453,148
Balance at 31 December 2014	232,727	-	43,846	13,834	119,948	65,053	475,408

10. CASH AND CASH EQUIVALENTS

	2015 \$	2014 \$
Cash on hand	576	693
Cash at bank	5,782,284	7,859,171
	5,782,860	7,859,864

11. TERM DEPOSIT

Term deposit	20,000	20,000
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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	337,607	112,536
Sydney office	571,511	378,827
Auckland office	50,496	128,185
Los Angeles office	-	15,764
UK office	21,089	-
	980,703	635,312

13. REFUNDABLE DEPOSITS

Electricity deposit(HQ)	6,325	6,325
Standup Paddle and Paddleboard Championship Deposit	34,320	-
Car park bond (Sydney)	1,338	1,351
Office rental bond	4,374	4,374
Office rental bond (LAX)	6,228	5,620
Office rental bond (Shanghai)	-	8,421
	52,585	26,091

14. TAXES RECEIVABLES

GST receivable - Sydney Office	207,833	301,258
GST receivable - Auckland Office	174,236	246,041
VAT receivable - UK/Europe Office	94,251	-
	476,320	547,298

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

15. OTHER RECEIVABLES AND ADVANCES

	2015 \$	2014 \$
Head Office		
Participation fees owed	33,073	5,278
Fiji excellence awards	75,327	30,114
Refundable taxes	6,019	5,464
Other general advances	15,022	927
Sydney Office		
Participation fees owed	35,425	5,934
Auckland Office		
Participation fees owed	-	1,034
LAX Office		
Participation fees owed	2,900	338,079
Advances	(20)	961
Korea Office		
Advances	769	2,095
	<u>168,515</u>	<u>389,886</u>

16. EMPLOYEE ENTITLEMENTS

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

Salaries and annual leave dues	218,359	222,560
Superannuation	<u>29,762</u>	<u>15,250</u>
	248,121	237,810

17. EXPENSES DUE**Operating expenses**

Head office	72,788	15,649
Sydney office	3,965	2,121
Auckland office	2,023	235
Los Angeles office	6,397	2,266
UK	13,950	-
Korea	8,775	-
Europe	1,509	-
Total	109,407	20,271

Marketing expenses

Head office	276,654	977,313
Sydney office	523,257	2,719,319
Auckland office	4,963	10,038
Los Angeles office	929,002	188,567
UK	218,854	-
Korea	2,843	29,060
Europe	159,362	-
Total	2,114,935	3,924,297

Total Expenses Due

2,224,342	3,944,568
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18. INCOME RECEIVED IN ADVANCE

Fiji office	5,890	24,500
NZ office	30,173	15,427
	36,063	39,927

19. OTHER PAYABLES AND ACCRUALS

TAG - Funds plus interest	109,142	109,142
Others	50,935	340,700
	160,077	449,842

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

20. RELATED PARTIES

(a) Directors

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

Mr. Stephan Pichler	Chairman	- term expired on February 2015
Mr. Truman Bradley	Chairman	- appointed on 04/03/2015, term expired on 09/06/2016
Mr. Andre Viljoen	Chairman	- appointed on 09/06/2016
Mr. Geoffrey Shaw	Deputy Chairman	- term expired on 9/05/2018
Ms. Josephine Smith-Moffat	Director	
Mr. Lawrence Tikaram	Director	- term expired on 21/01/2016
Mr. Shane Cunnings	Director	- term expired on 21/01/2016
Mr. Shaheen Ali	Director	- appointed on 16/02/2016
Mr. Dixon Seeto	Director	- appointed on 04/03/2015, deceased on 19/07/2019
Mr. Howard Politini	Director	- appointed on 01/01/2015, term expired on 01/01/2017
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
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.

21. INVENTORIES

	2015	2014
	\$	\$
Survival kit	8,377	13,773
USB	-	3,498
Tags	1,205	2,993
Pens	38	652
Bags	1,775	4,124
Caps	7,406	-
	<u>18,801</u>	<u>25,040</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	485,949	132,342
Between one and two years	439,344	238,632
Between two and five years	203,187	65,803
Total operating lease commitments	<u>1,128,480</u>	<u>436,777</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.

Tourism Fiji

Notes to the Financial Statements (CONT'D)

For the year ended 31 December 2015

24. EVENTS SUBSEQUENT TO BALANCE DATE (CONT'D)

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 2015, a grant of \$26,500,000VIP (\$23,043,476VEP) 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. \$23,500,000VIP was received for marketing and \$3,000,000VIP for operation. The grant was recognised in income as Tourism Fiji has unconditional entitlement to it.

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