

# New Zealand Film Commission

G19

Annual Report 2010-2011





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Culture and Heritage and by the Lottery Grants Board



*Director Brendan Donovan, The Hopes and Dreams of Gazza Snell.*

# Report of the New Zealand Film Commission

for the year ended 30 June 2011

In accordance with Sections 150 to 157 of the Crown Entities Act 2004, on behalf of the New Zealand Film Commission we present the Annual Report covering the activities of the NZFC for the 12 months ended 30 June 2011.



**Patsy Reddy**  
Chair



**Andrew Cornwell**  
Board Member

# Highlights

We committed production funding to nine new feature films (including two documentaries) and also supported the completion of seven low-budget independent digital features.

We provided strategic, logistic and financial support in the form of prints and advertising grants for six new NZFC-financed features released in New Zealand cinemas during the year.

NZFC-financed shorts achieved success at the Cannes Film Festival in May 2011. *Blue* won the Cannes Critics' Week prize for Best Short and *Meathead* was one of nine films selected for the Main Competition.

The 61st Berlin International Film Festival awarded the Crystal Bear to short film *Manurewa*. Written and directed by Sam Peacocke, the film screened in the Generation 14plus Youth Section of the competition.

*Boy* continued its success in New Zealand cinemas during 2010/11, finally completing its theatrical run with a record-breaking NZ box office total of \$9.3M. It won seven awards at the Qantas Film and Television Awards including Qantas Best Film and scoring a trifecta for Taika Waititi (Best Director, Best Supporting Actor and Best Screenplay).

*Boy* was also a festival favourite screening at more than 50 international film festivals. NZFC's sales arm, NZ Film, negotiated sales of *Boy* to distributors in the US, Canada, Australia, Sweden, Iceland, Poland, Turkey, Israel and Spain.

We received 133 applications in the second year of the Escalator low-budget feature film scheme and 12 teams were selected to take part in a low-budget bootcamp in May 2011.

We received over 230 applications for our new short film scheme, Fresh Shorts. The aim of the scheme is to identify and develop new talent. We funded 16 short films under this new scheme at budgets of either \$10,000 or \$30,000.

76% of total expenditure was invested in script development and film production.

# Contents

4	Chair's Introduction
5	From the Chief Executive
6	Objective 1: Idea Development
8	Objective 2: Talent Development
12	Objective 3: Film Production
15	Objective 4: Promotion
20	Objective 5: Relationships
22	Objective 6: Regulatory Functions
24	Structure
25	Financials
26	Statement of Responsibility
27	Statement of Financial Position
28	Statement of Comprehensive Income
28	Statement of Changes in Equity
29	Statement of Cash Flows
30	Notes to the Financial Statements
48	Statement of Service Performance
52	Independent Auditor's Report
53	Appendix
60	NZFC Operational Units and Staff as at 30 June 2011





## Chair's Introduction

Patsy Reddy, November 2011

I am pleased to introduce the annual report of the New Zealand Film Commission for the year ended 30 June 2011.

Implementing key recommendations from the Jackson/Court report was a key focus for us in 2010/11. The two major new talent identification initiatives (Escalator Low Budget Features and Fresh Shorts) we introduced have been very well received by the industry. Our task now is to ensure that the schemes do the job they were designed to do – that is, to identify promising new filmmakers and provide them with a platform to demonstrate their talent, whether it be writing, directing or producing.

Having regard to the financial constraints arising from the current economic environment and the need to demonstrate value for money in the use of public funds, it is pleasing to note that we were able to reduce a range of administration and marketing costs for the year by over \$500,000, without compromising the range or quality of services and programmes undertaken.

In the prevailing economic climate a key challenge for the NZFC is to assist producers to find new private or market sources of financing. We are exploring a number of ways in which we

can assist, including developing a new training scheme which would focus on up-skilling emerging producers in this area. In the interim, a further special distribution of Lottery Grant Board reserves is gratefully acknowledged.

Another priority for staff in the 2011/12 financial year is to assist the Ministry for Culture and Heritage and the Ministry of Economic Development in their comprehensive review of the screen sector.

We are also investigating ways and means to assist the expansion of the wider screen sector in order to promote economic growth within New Zealand.

Our key goal is to ensure that fresh, interesting local films are being made for local cinema audiences to enjoy. We are confident that the films scheduled for release in 2011/12 will achieve our expectations.

A handwritten signature in black ink that reads 'P. Reddy'.

**Patsy Reddy**  
Chair



## From the Chief Executive

Graeme Mason, November 2011

The most satisfying part of this very full year has been the number, diversity and range of films produced. We have seen a myriad of subjects, styles, formats and budgets. The filmmakers behind them were equally diverse, coming from a wide range of backgrounds and levels of experience.

We were delighted to be able to invest in more films than in previous years, with 11 feature films, four Escalator films and 22 short films receiving production funding. In addition, we offered post-production and/or distribution support to a further seven independent films. I would also like to acknowledge here the filmmakers who are making films independent of the NZFC and recognise their contribution to the New Zealand film industry.

The films we supported in this financial year have included everything from the first Samoan language feature film *The Orator (O Le Tulafale)*, to Canadian dogs and polar bears in *The Last Dogs of Winter*, Kiwi soldiers fighting Nazis and demons in *The Devil's Rock*, a filmmaker at the centre of his own New York *Love Story*, and the Bougainville dramatisation of the much-awarded novel *Mr Pip* – all of them with a unique Kiwi flavour and perspective.

Closer to home, we enjoyed the drama of a cross-cultural romance in *My Wedding and Other Secrets*, and were charmed by a native Paradise Shelduck in *Love Birds*. We also reflected and reminisced on slices of our history; from a search for answers to a murder in Cambodia in *Brother Number One*, to a documentary

about a much loved Kiwi entertainer, giggler and crooner in *Billy T: Te Movie*. Worth special mention is the new documentary *When A City Falls*, which tells the story of the earthquakes that hit Christchurch and how the people and the city go forward.

The variety was equally impressive for short films this year – most notably the Cannes Critics' Week winner *Blue*, revealing the sad tale of a washed-up TV mascot; Berlin Generation Section winner *Manurewa*, with a tragic tale of colliding cultures, and the Cannes Competition selection *Meathead*, mixing male rites of passage with cuts of meat.

Finally, I would like to pay tribute to all the filmmakers we work with for their continuing passion and commitment to the New Zealand film industry. I know it is not easy, with increased competition for scarce funding, and an unsettled world economy. All of us at the NZFC appreciate your continued professionalism and resilience in the face of these difficult and uncertain times.

I am very much looking forward to the coming year as our new films hit the big screen. As always they will showcase our unique New Zealand vision, continuing the NZFC's legacy of supporting cinematic stories on film for New Zealanders and the world to enjoy.

**Graeme Mason**  
Chief Executive

# Objective 1: Idea Development



**Impact:** That stories with a strong New Zealand perspective are developed and contribute to our cultural capital and national identity.

The NZFC is committed to supporting the development of scripts depicting New Zealand stories and/or a specific New Zealand vision. A key component of this commitment is making sure Māori filmmakers and Māori stories are developed. As well as encouraging Māori projects to come through internal channels, the NZFC with Ngā Aho Whakaari supports Te Paepae Ataata as an alternative pathway to develop Māori writers and their film scripts.

## KEY ACTIVITY: SCRIPT AND PROJECT DEVELOPMENT

In 2010/11 we continued to fund the development of New Zealand stories and writers, through both direct and devolved script funding. In addition to financial support, our specialist development staff provided detailed creative feedback on numerous projects in development.

- We received a total of 220 applications for development funding, an increase of 95% on the previous year. As part of comprehensive changes within the Development team – and in line with suggestions made in the Jackson/Court Review – development executives are working more closely and pro-actively with selected projects and talent.
- We continued to fund fresh ideas with the Writer Development Loan scheme, designed to provide writers with seed money to develop early-stage feature film projects and thus increase their chances of attracting a producer.
- Early Development Funding for feature documentaries was given to eight projects.
- Several projects that received NZFC script development support went into production during the period, including *The Orator (O Le Tulafale)*, *Two Little Boys* and *The Most Fun You Can Have Dying*.
- In September 2010, more than 60 applications were received for the eighth annual First Writers Initiative, a grassroots training and development initiative designed to identify new screenwriting talent and to give new writers an opportunity to workshop a script with development experts.
- The Talent Awards Scheme was introduced in 2010/11 to offer financial development support to experienced writers, producers and directors to develop their slates independently and to help practitioners who have produced their first film to sustain their professional careers. In the first round, 12 awards were granted.
- We provided a \$200,000 instalment of development funding to Te Paepae Ataata (TPA) as agreed under the 2007 MOU with Ngā Aho Whakaari. TPA consists of a panel of Māori film practitioners. Its kaupapa is to ensure tāngata whenua filmmaking is a dynamic constituent voice within the New Zealand screen industry.

## Objective 2: Talent Development

**Impact:** New and existing filmmakers are supported to create, promote and distribute quality New Zealand films by and for New Zealanders and to build the screen industry.



The NZFC is committed to funding a range of schemes and programmes which focus on developing filmmakers at all levels of experience in order to underpin the economic and creative potential of the industry.

## KEY ACTIVITY: ENTRY-LEVEL FILMMAKING OPPORTUNITIES

### Escalator low-budget film production initiative

Escalator is a new scheme created to support teams working on feature film projects purposely developed for micro budgets. The scheme is designed to develop newer filmmakers, encourage team building, allow practitioners to work on long form projects at a fraction of normal feature costs, and encourage alternative thinking.

#### Year One

Eleven of the 12 Bootcamp teams chosen in 2010 successfully submitted their Greenlight applications. The four projects selected by Greenlight Panel members (Rolf de Heer, Rachel Gardner, Jason Stutter and Cushla Dillon) were:

- *I Survived a Zombie Holocaust*: The first film under the scheme to go into production tells the story of a film crew battling its way through undead extras when a real zombie outbreak strikes on a horror film set. The director is Guy Pigden, who also co-wrote the script with Harley Neville, and the producer is Zoe Hobson.
- *Timeslow*: Short film director Sally Tran transitions into features with a film about a man who discovers the secret for slowing down time. Written by Steve Barr and Sally Tran and produced by Owen Hughes.
- *Existence*: A post-apocalyptic Western written by Juliet Bergh and Jessica Charlton, directed by Juliet Bergh and produced by Mhairead Connor and Melissa Dodds.
- *Housebound*: The debut feature from writer/director Gerard Johnstone and producers Luke Sharpe and Daniel Story. The film revolves around a young female serial offender, who is placed on home detention. She is forced to come to terms with her annoying parents and a tormented soul that lives within the walls.

The public announcement of the four selected projects was made simultaneously in October 2010 at functions held at Skycity Auckland and the NZFC office in Wellington, and streamed live via the web.

An Escalator Re-boot seminar held in November 2010 provided the greenlit teams with extra information about production financing agreements, contracting, sales, marketing and deliverables. Teams also attended a low-budget workshop and participated in script development one-on-ones with NZFC development staff and filmmaker Jonathan King.



*I survived a Zombie Holocaust*  
*Timeslow*  
*Existence*



*Angela de Silva talking to Gillian Ashurst, Bootcamp 2011*

## Year Two

133 applications were received in the second year of the Escalator low-budget feature film scheme and 12 teams were selected to take part in a low-budget bootcamp in May 2011 at the Museum Hotel in Wellington.

## Short film production programme

### Fresh Shorts

A highlight of the period under review was the introduction of Fresh Shorts, a new initiative to bring in and develop new talent. The scheme aims to fund 16 short films per annum at budgets of either \$10,000 or \$30,000. It was launched in July 2010 and received over 230 applications.

In December an NZFC-appointed panel awarded eight projects \$30,000 each and a further eight projects were awarded \$10,000 each. These 16 projects are now at various stages of production or post-production.

### Premiere Shorts

Our existing shorts scheme was renamed Premiere Shorts and is now restricted to experienced directors. The three executive producer groups chosen by the NZFC in June 2010 to administer the scheme on our behalf have selected six new projects in the period under review, all of which will shortly go into production.

The three executive producer groups are:

- A Collective Intake of Breath – Maile Daugherty and Michael Bennett
- Tauihu Shorts – Brad Haami, Poata Eruera and Tui Ruwhiu
- Tom Thumb Shorts – Chris Dudman, Polly Fryer and Steven O'Meagher



## KEY ACTIVITY: PROFESSIONAL DEVELOPMENT OPPORTUNITIES

We organised and financed a number of professional development opportunities in the period under review including learning experiences in New Zealand and overseas.

- Twelve Professional Development Awards were granted to filmmakers and professionals with at least one feature film credit in their chosen field, to help cover costs towards a significant professional development opportunity in their area of expertise. Successful applicants included writers, producers, directors, actors and cinematographers, with training opportunities in places as diverse as Amsterdam, Beijing, Berlin, London, Los Angeles, Luxembourg, Shanghai and Sydney.
- In September 2010 we introduced a Trainee Feature Director Scheme, designed to provide a chance for up-and-coming directors to gain feature production experience by shadowing the director on an NZFC-funded feature. The first recipient was Matt Inns, who was attached to the Robert Sarkies-directed *Two Little Boys*.
- Producer International Travel Assistance was granted to 25 producers, to help them with the packaging and financing of projects in advanced development. Producers travelled to Melbourne, Amsterdam, Cannes, Berlin, Los Angeles, New York, Busan, Shanghai and Toronto.
- We coordinated the New Zealand presence at the 14th Shanghai International Film Festival in June 2011 as part of our commitment to strengthening ties and fostering collaboration with China.
- We initiated an on-going series of two-day Script Factory Foundation Development Workshops, designed for those seeking to develop professional analytical assessment and development skills.
- We also ran multiple workshops covering topics such as:
  - script development, character, story and structure development
  - slate development
  - the trials and tribulations even experienced feature film producers face in the current market (with BAFTA Film Committee Chair Finola Dwyer).



*Trainee feature director Matt Inns doubles as Bret McKenzie's stand-in, Two Little Boys*

# Objective 3: Film Production

## Impact: Getting New Zealand films made.



We recognise that very few New Zealand feature films would be made in the absence of Government financial support. NZFC equity investment and the SPIF grant is often 'first in' money from which offshore and private financing is leveraged.

### KEY ACTIVITY: PRODUCTION FINANCING LEADING TO THEATRICAL RELEASES

Our fundamental purpose is to ensure that local audiences have the opportunity to see local films in New Zealand cinemas. We accept that because of the high cost of film production versus the domestic population base we will usually be the major investor in the feature films we choose to support.

We are committed to investing our production funds into feature film projects which meet some (preferably all) of the following criteria:

- Cultural: will the film reflect New Zealand and New Zealanders?
- Connection: will the film connect with the audience its targeting?
- Creative: will the film achieve critical acclaim?
- Career: will the film develop the careers of the filmmakers involved?

We also need to show good value for money. Films whose budgets/financing requests match up with realistic audience expectations are more likely to receive NZFC production funding.

The NZFC requires all feature films it invests in to have a New Zealand distribution plan at the time of NZFC funding commitment. This is to ensure the films will have the best opportunity to be seen by the widest possible domestic audience.

This year we attempted to spread our offers of production finance among a broad range of projects, although there was certainly a trend for first-time feature directors and low-budget documentaries.

Eleven offers of production financing were made during the year under review, of which nine are offers to new projects as detailed below and two are supplementary offers to projects (*The Most Fun You Can Have* and *Beautiful Machine*) originally financed in the previous financial year.



*Kiwi Flyer*  
*The Orator (O Le Tulafale)*



*Love Story*  
*The Last Dogs of Winter*  
*When a City Falls*

- ***The Orator (O Le Tulafale)***: This first dramatic feature by writer/director Tusi Tamasese is a drama about a man who must find the strength to speak up for those he loves. It was filmed in Samoa, in the Samoan language with a Samoan cast. Post-production took place in New Zealand. The producer is Catherine Fitzgerald.
- ***Sione's 2: Unfinished Business***: This project is a sequel to the popular *Sione's Wedding*. Five years have passed and while the 'Duckrockers' are older, they're not necessarily wiser. The director is Simon Bennett, writers are James Griffin and Oscar Kightley, and the producers are Paul Davis and John Barnett (South Pacific Pictures).
- ***Rest for the Wicked***: This first feature for director Simon Pattison is a low-budget comedy in which a retired cop goes undercover in a rest home in order to catch his oldest rival. The writer is Bob Moore and the producer is Maile Daugherty.
- ***Love Story***: This new ultra-low-budget feature is a quirky love story to spontaneity and New York. It is written, directed and produced by Florian Habicht, who also features as one of the two lead characters. *Love Story* has been selected to open the 2011 New Zealand International Film Festival in Auckland.
- ***Fresh Meat***: A comedy/horror project featuring a middle class Māori family who happen to be cannibals. This feature is scheduled to commence production in late 2011. The producer is Dave Gibson, the director is Danny Mulheron and the writer is Briar Grace-Smith.
- ***The Last Dogs of Winter***: The latest feature documentary from seasoned director/producer Costa Botes tells the story of two men and their quest to save the last indigenous dogs of Northern Canada from extinction.
- ***Kiwi Flyer***: A family film about a boy overcoming seemingly insurmountable odds in order to win the local trolley derby competition in memory of his father. The director is Tony Simpson who also co-wrote the script with Andrew Gunn. The producer is Tim Sanders.
- ***When a City Falls***: This feature-length documentary about the impact of the Christchurch earthquakes is currently in post-production. The producers are Alice Shannon and Gerard Smyth and the director is Gerard Smyth. Additional financing has come from NZ on Air and TV3.
- ***RJ: The Movie***: This high concept rock opera is based on Shakespeare's *Romeo and Juliet* and is currently in post-production. The producers are Michael O'Neill and Peter van der Fluit with Alistair Carruthers as executive producer. The director is Tim van Dammen.



## Objective 4: Promotion

**Impact:** That the profile of New Zealand films and filmmakers is maximised. As we are geographically isolated and operating in a small market, the NZFC needs to provide a link to international markets and ensure local projects and filmmakers get noticed locally and internationally.

## KEY ACTIVITY: TO GET NEW ZEALAND FILMS SEEN BY NEW ZEALAND AUDIENCES

We are committed to providing financial support to New Zealand distributors to assist with theatrical releases in New Zealand.

In the period under review nine features with NZFC production investment screened in New Zealand cinemas. We provided strategic, logistical and financial support in the form of prints and advertising grants for six new features released. The other two films in release (*Boy* and *Home by Christmas*) had received similar support in the previous financial year.

### Boy

Writer/Director Taika Waititi

Producers Ainsley Gardiner, Cliff Curtis, Emanuel Michael

*Boy* completed its theatrical run in September 2010 with a box office total of \$9,322,188, making it the highest grossing New Zealand film at the domestic box office. The film was released on DVD immediately after the theatrical release concluded. Sales figures to 30 June 2011 total 133,625 units.

*Boy* was nominated for 13 awards at the 2010 Qantas Film and Television Awards, winning seven, including Best Film, and scoring director Taika Waititi a trifecta – Best Director, Best Supporting Actor and Best Screenplay.

### Home by Christmas

Writer/Director Gaylene Preston

Producers Gaylene Preston, Sue Rogers

*Home by Christmas* completed a successful theatrical run in September 2010 with a final box office total of \$1,151,589. *Home By Christmas* was nominated for 10 awards at the 2010 Qantas Film and Television Awards, winning two awards for Best Lead Actor and Best Sound.

### Predicament

Writer/Director Jason Stutter

Producer Sue Rogers

*Predicament* opened the New Zealand International Film Festival in Wellington in July 2010 and was released commercially the following month by Rialto Film Distribution.

### The Hopes and Dreams of Gazza Snell

Writers Brendan Donovan, David Brechin-Smith

Director Brendan Donovan

Producer Robin Scholes

*The Hopes and Dreams of Gazza Snell* premiered at the 2010 New Zealand International Film Festival. The film was released theatrically in New Zealand by Rialto Film Distribution in January 2011.

### After the Waterfall

Writer/Director Simone Horrocks

Producer Trevor Haysom

*After the Waterfall* premiered at the 2010 New Zealand International Film Festival. The film was released theatrically in New Zealand by Rialto Film Distribution in November 2010.

### Matariki

Writers Michael Bennett, Gavin Strawhan

Director Michael Bennett

Producer Fiona Copland

*Matariki* was released theatrically in New Zealand by Arkles Entertainment in November 2010.

### Love Birds

Writer Nick Ward

Director Paul Murphy

Producer Matthew Metcalfe

*Love Birds* was released theatrically in New Zealand by Hoyts/Icon in February 2011.

### My Wedding and Other Secrets

Writers Roseanne Liang, Angeline Loo

Director Roseanne Liang

Producer Paul Davis, John Barnett

*My Wedding and Other Secrets* was released theatrically in New Zealand by Sony/South Pacific Pictures in March 2011.

### Tracker

Writer Nicolas van Pallandt

Director Ian Sharp

Producers Trevor Haysom, David Burns

*Tracker* was released theatrically in New Zealand by Paramount/Transmission in May 2011.

## Back catalogue digitisation initiative

The NZFC commenced a programme of digitisation of its back catalogue in 2009. This fairly rudimentary process involving transfer to digital betacam, picture and audio enhancement and a one pass colour grade is enabling many older titles to remain available to the public. In the 12 months to 30 June 2011 we completed this process for a further nine of the 70 New Zealand features ear-marked for archival restoration and digitisation at a cost of \$131,000. A total of 48 titles have now been completed. Twenty-eight of these have been released on DVD as part of Screenline's NZ Cinema Collection.



With the assistance of Park Road Post Production three of the most “in demand” older titles, *Ngati*, *Came a Hot Friday* and *Illustrious Energy*, were fully re-mastered. The superb digital restoration of *Illustrious Energy* screened to capacity audiences in this year’s New Zealand International Film Festival programme.

## Short Films

### NZ International Film Festival (NZIFF)

This year the NZIFF programmed a large number of NZFC-financed shorts in the Homegrown Shorts programmes and as films to precede international feature films. The audience for these short films exceeded 7,000 nationwide.

### Stuff Short Film Festival

This year the NZFC worked with the Stuff website and NZ On Screen to programme a series of 13 short films for internet viewing on consecutive Fridays between April 2011 and July 2011. It was very successful with films attracting up to 11,000 views over the time they were available for free viewing. A national audience of over 40,000 people was able to access the films and the stories running alongside during the festival.

## KEY ACTIVITY: INTERNATIONAL SALES AND MARKET/FESTIVAL PRESENCE AND PRODUCER MARKET ASSISTANCE AND SHORT FILM DISTRIBUTION

### Feature Films

We participated in four major international film trade events and one major international television trade event, promoting New Zealand films and filmmakers. NZ Film handled international sales for several new titles (as detailed below) and coordinated screenings of NZFC-financed features at 60 international film festivals.

New Zealand films continued to play a key role at international cultural events as a popular and powerful medium for showcasing our cultural and physical landscape. Working in collaboration with the Ministry for Culture and Heritage and the Ministry of Foreign Affairs and Trade, international audiences in Prague, Hong Kong, Stockholm, Argentina, Fiji, Singapore and London were given the opportunity to experience New Zealand on film.

### Toronto International Film Festival (TIFF)

TIFF 2010 hosted the world premieres of two New Zealand feature films – *Matariki* and *Tracker*. *Matariki* producer Fiona Copland attended with director Michael Bennett, and *Tracker*’s New Zealand co-producer Trevor Haysom attended with lead actor Temuera Morrison.

### American Film Market (AFM)

NZ Film participated for the 21st consecutive year at the AFM in November 2010. Three films (*The Hopes and Dreams of Gazza Snell*, *Matariki* and *Predicament*) screened in the market. Alongside the AFM, we sponsored a Directors Finders event screening of *Predicament* co-hosted by the Directors Guild of America (DGA) and Screen Directors Guild of NZ (SDGNZ) and held in the DGA theatre in Hollywood. LA-based New Zealand director Roger Donaldson moderated a post-screening Q&A session with *Predicament*’s writer/director Jason Stutter.

### Berlin Film Festival

A Berlin market screening of *Desert* was organised by NZ Film and our new line-up of films for 2011 was introduced to international buyers.

### MIPTV

The Head of Sales and Marketing attended this key international television market for the first time in 13 years with the objective of promoting our extensive back catalogue of films to the international buyers attending.

### Cannes Film Festival

This was the NZFC’s 32nd year of attendance at the Cannes Film Festival and market. There was a strong showing of 40 New Zealand filmmakers at the market, whom we supported by providing a central office and meeting space and daily debriefs. *The Devil’s Rock* premiered in the market to capacity screenings. We hosted a reception after the market premiere of *The Devil’s Rock*, which was attended by international buyers, A-list film festival selectors and New Zealand filmmakers. We also co-hosted an international co-production networking event with Scottish Screen, the Irish Film Board and Screen Australia.

## International Highlights – Features

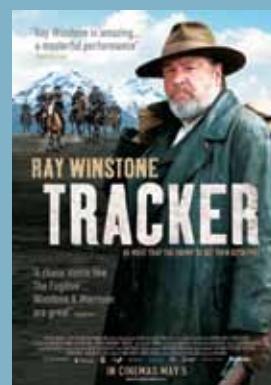
### The Devil’s Rock

Writers Paul Finch, Paul Campion, Brett Ihaka  
Director Paul Campion

Producer Leanne Saunders

UK rights for the film were pre-sold to Metrodome in Toronto and the Middle East rights sold to Gulf Films at the AFM in 2010. Following its market screening at Cannes, the film sold to North American distributor Entertainment One. The film is scheduled to release in the US on 17 January 2012.





### The Vintner's Luck

Writers Niki Caro, Joan Scheckel

Director Niki Caro

Producers Robin Laing, Pascal Judelewicz, Ludi Boeken, Laurie Parker, Niki Caro

US rights were acquired by Panorama Entertainment and the film premiered there in February at the Sedona Film Festival (where it received the Best Period Drama Directors' Award). A mainstream US release is scheduled for late 2011. German-speaking rights also sold to Capelight at Cannes 2011.

### Boy

*Boy* continues to be a festival favourite and screened at more than 50 film festivals during 2010/11. The film screened at the American Film 2010 Institute (AFI) Film Festival in the Mann Theatre, Hollywood and received the festival's World Cinema Audience Award.

In November 2010 *Boy* received the Best Children's Feature Award at the Asia Pacific Screen Awards (APSA). The film has sold to the US, Canada, Australia, Sweden, Iceland, Poland, Turkey, Israel and Spain.

### Home by Christmas

*Home by Christmas* premiered in the UK at the London International Film Festival in October 2010 and later that month in the US at the Hawaii International Film Festival. The film's lead actor, Tony Barry was awarded Best Performance by an Actor at the 2010 APSAs.

### After the Waterfall

*After the Waterfall* was selected to screen at the 2010 Hof International Film Festival in Germany and Films by the Sea in the Netherlands. The film was a finalist in the foreign film section of the Golden Rooster and Hundred Flowers Awards in Jiangyin City, China. In April 2011 the film was one of two New Zealand films selected to screen in the Panorama section of the inaugural Beijing International Film Festival.

### Matariki

Following on from its September 2010 world premiere at the Toronto International Film Festival, *Matariki* was invited to screen at the Hof International Film Festival in Germany.

### Predicament

The film was selected to screen in the Panorama section of the inaugural Beijing International Film Festival in April 2011. In May it screened in the Cinema des Antipodes section in Cannes Cinéphilie, which runs alongside the Cannes International Film Festival.

### Tracker

Following on from its September 2010 world premiere at TIFF, *Tracker* was selected to screen in the Panorama section of the 2011 Shanghai International Film Festival. A UK/NZ co-production, the film had its market premiere at the AFM in November 2010 and was theatrically released in the UK in April 2011. World sales for this film are being handled by UK sales agent, Independent Film Sales. The territories the film has sold to include the US, UK, Germany and Australia.

### My Wedding and Other Secrets

*My Wedding and Other Secrets* screened at the Asian American International Film Festival in New York in June 2011 and was selected to screen at the Melbourne International Film Festival in July 2011. World sales for this film are being handled by UK sales agent, Highpoint.

### Love Birds

*Love Birds* was selected to screen at the Shanghai International Film Festival in May 2011 and had its market premiere at Cannes 2011. World sales for this film are being handled by UK sales agent, Icon. The territories the film has sold to include the UK and Australia.

## Film Festivals with a New Zealand Focus

A film library has been established to make it easier for New Zealand diplomatic posts (including government agencies which have diplomatic status such as New Zealand Trade and Enterprise and Immigration New Zealand) to screen New Zealand films. The library ensures prints of New Zealand's most loved and admired films will always be available for posts to draw on and reduces issues associated with screening rights and distribution agreements. It is anticipated that new films will be added to the library annually to ensure it remains a valuable cultural diplomacy tool. The library has been funded through the Cultural Diplomacy International Programme (CDIP) managed by the Ministry for Culture and Heritage.

The library currently comprises 11 feature films: *Eagle vs Shark*, *Topp Twins – Untouchable Girls*, *The Strength of Water*, *In My Father's Den*, *Rain of the Children*, *Apron Strings*, *The Price of Milk*, *Ngati*, *Rain*, *No. 2* and *Second Hand Wedding*; and six short films: *Coffee and Allah*, *Journey to Ihipa*, *Noise Control*, *Hawaiiiki*, *Two Cars One Night* and *Tama Tu*.





## International Highlights – Short Films

New Zealand short films were a popular choice for international programmers throughout 2011 with selections at 176 high profile film festivals. As well as A-list festivals like Sundance, Cannes and Berlin, our short films screened at the Aspen Shortsfest, CFC Worldwide Short Film Festival, Hamburg International Short Film Festival, Palm Springs International Shortfest and Expresion En Corto International Film Festival.

### Clermont-Ferrand International Short Film Festival

France's Clermont-Ferrand International Short Film Festival, the world's premiere cinema event dedicated to short films, chose to celebrate New Zealand as its spotlight country in 2011. The festival screened a retrospective of nearly 50 New Zealand short films across six programmes, representing the extraordinary depth and breadth of short films made in New Zealand since 1988. The films were a mix of independently funded films and films financed through the NZFC.

Our CEO and Short Film Manager spearheaded the New Zealand presence at the festival, which also included the New Zealand Ambassador to France, Rosemary Banks, whose attendance celebrated the mutually successful creative relationship between New Zealand and France. The New Zealand Embassy in Paris also supported two filmmakers to attend the festival and the associated market – Meihana Durie and Shahir Daud.

### Sundance Film Festival

Two films were selected for Sundance this year – *Ebony Society* and *Redemption*. Both were programmed through Sundance's Indigenous section.

### Berlin International Film Festival

The 61st Berlin International Film Festival awarded the Crystal Bear to New Zealand film *Manurewa*. The film, written and directed by Sam Peacocke, screened in the Generation 14plus Youth Section of the competition. Two other films were selected for Berlin – *Ebony Society* and *Go the Dogs*. The NZFC Filmmaker Attendance programme supported all three directors to attend the festival.



Joon Kang, Tara Riddell, Leanne Saunders, Stephen Kang, *Blue*

### Cannes Film Festival

Two NZFC-financed short films were awarded official selection for Cannes 2011.

*Blue* was one of 10 short and medium length films selected from 1,250 entries that screened In Competition at Critic's Week, a parallel section of the Cannes Film Festival. *Blue* won the 50th Semaine De La Critique Grand Prix Canal + Du Meilleur Court Metrage Best Short Film.

*Meathead* competed in the Festival de Cannes Short Film Competition, one of only nine films chosen from around the world.

# Objective 5: Relationships

**Impact:** We recognise the need to maintain and foster strong relationships with our stakeholders and partners including the Government and several of its ministries, filmmakers, film industry guilds, distributors, exhibitors, co-investors and the New Zealand public as both viewers and funders.

We are committed to a partnership approach to achieve our objectives.

## KEY ACTIVITY: JOINT INITIATIVES WITH INDUSTRY PARTNERS

In partnership with industry organisations we ran a number of mentoring programmes and workshops covering everything from getting ideas off the ground, through to making films happen and on to national and international marketing, distribution and sales (see Appendix for details).

### Partnership with Government Agencies

We worked closely with a range of Government agencies in the period under review including the Ministry for Culture and Heritage, the Ministry of Economic Development, the Ministry of Foreign Affairs and Trade, the Inland Revenue Department, Statistics New Zealand, Lottery Grants Board, NZ on Air, Creative NZ and Te Papa Tongarewa on a range of issues of common interest including screen industry production surveys, international film co-production negotiations, SPIF reviews, cultural diplomacy initiatives and procurement/value for money projects.

### Communications

At the beginning of 2011 we employed a senior communications adviser (shared with NZ On Air) to speed up the information flow to the public and stakeholders. The role focuses on building further relationships with the media and stakeholders as well as refining official publications and newsletters in order to keep people informed.

## KEY ACTIVITY: INFRASTRUCTURE SUPPORT

We continued our support for the infrastructure of the film industry with grants to Documentary Edge Forum and Lab, Film NZ, the New Zealand Film and Video Technicians Guild, NZ Actors Equity, Ngā Aho Whakaari, Te Paepae Ataata, Screen Production and Development Association and its annual conference, the Screen Directors Guild of New Zealand, the New Zealand Writers Guild, Script to Screen and Women in Film and Television (NZ). Our grant funding to the New Zealand Film Archive ceased in 2010 and is now delivered directly by the Ministry for Culture and Heritage.

We were also a sponsor of the Qantas Film and Television Awards, the Pikihiua Awards for Māori writers and supported the Federation of Film Societies along with the following festivals: the New Zealand International Film Festival, the Wairoa Māori Film Festival, 48HOURS and the Show Me Shorts Film Festival.

## Objective 6: Regulatory Functions

22



**Impact:** As part of our broader role in the New Zealand screen industry, we are the entity responsible for administering the Large Budget Screen Production Grant scheme, the Screen Production Incentive Fund scheme and for certifying official co-productions and New Zealand films.

These schemes and certifications feed into the creation of New Zealand films by contributing to the finance and structuring of such films. In order to ensure these schemes and certifications are administered fairly, consistently and in a timely manner we have to ensure organisational capability is maintained, and that we are working to the highest standard in performing this role.

### KEY ACTIVITY: ADMINISTRATION OF THE LARGE BUDGET SCREEN PRODUCTION GRANT SCHEME (LBSPG)

We continued to provide administrative services for the Government's LBSPG scheme which is now in its eighth year.

The LBSPG panel which assesses applications for grants met on seven occasions to approve, decline or adjust applications, to ensure the application process is transparent, consistent and efficient and to work with and develop the criteria.

A government review of the LBSPG scheme will begin in the last quarter of 2011.

### KEY ACTIVITY: ADMINISTRATION OF THE SCREEN PRODUCTION INCENTIVE FUND (SPIF)

We continued to provide administrative services for the Government's SPIF scheme which is now in its third year.

Over the course of the financial year, the SPIF committee met on 11 occasions to approve, decline or adjust the applications, to ensure the application process runs in a transparent, consistent and timely fashion and to work with and develop the criteria. The constitution of the SPIF committee is set out in the Structure section of this document.

A full government review of the SPIF scheme will begin in the last quarter of 2011 and is due for completion in 2012.

### KEY ACTIVITY: CERTIFICATION OF CO-PRODUCTIONS

At a time when sourcing international film finance is proving difficult, official co-productions are an increasingly attractive option for New Zealand producers. As well as providing access to foreign incentives and subsidies, official co-productions offer the opportunity to share creative and technical resources and are usually the best way to structure projects of a larger scale.

A new film and television co-production agreement with India was signed in June 2011, bringing to 12 the total number of



*The Adventures of Tintin*  
*Spartacus, Gods of the Arena*

international co-production treaties or agreements to which New Zealand is a party, as at 30 June 2011.

New Zealand officials continued to progress negotiations with China over a new television co-production agreement, which would supplement the current film-only agreement.

We agreed with Screen Australia in 2010 that the reciprocal nationality arrangement for official co-productions be extended for a further two years to 1 July 2012.

Four applications were received for final co-production certification and a further two applications were received for certification as a New Zealand film (see Appendix for details).

# Structure

## Board

The NZFC Board has four key decision-making bodies.

### 1. The Board

The NZFC Board is a statutory body and provides governance and policy direction for the NZFC. For the period under review, the Board held six scheduled meetings in Wellington, and one meeting by teleconference.

Members for the year to 30 June 2011 were:

Patsy Reddy (chair), Andrew Cornwell, Charles Finny, Rhiannon McKinnon, Witi Ihimaera, Chris Hampson and Cameron Harland.

Chris Hampson and Cameron Harland joined the Board in September 2010.

All members are appointed by the Minister for Arts, Culture and Heritage.

### 2. The Finance and Audit Committee

This committee of Board members oversees financial issues and risk management. The committee works in accordance with rules formulated by the NZFC. Members for the year to 30 June 2011 were:

Andrew Cornwell (chair), Patsy Reddy and Rhiannon McKinnon.

### 3. The Screen Production Incentive Fund Committee (SPIFCOM)

This committee, appointed by the Board, is responsible for assessing whether provisional and final applications satisfy the criteria for the SPIF grant. Payment of final funding is dependent on verification from the Inland Revenue Department. One nominated representative from each of the Ministry for Culture and Heritage and the Inland Revenue Department are invited and entitled to attend meetings of SPIFCOM as observers. Its members for the year to 30 June 2011 were:

- NZFC Board members: Rhiannon McKinnon and Andrew Cornwell.
- NZFC staff: Sarah Cull (to July 2010), Naomi Wallwork (from September 2010), Graeme Mason and Mladen Ivancic.
- Independent screen production industry professionals: Trishia Downie, Dave Gibson and Matthew Metcalfe.

Dave Gibson retired from the committee as of 30 June 2011. Going forward the committee will include any two industry representatives from a larger pool of practitioners to simplify administration and strengthen industry representation. Sharon Menzies, Vincent Burke and Sue Rogers have joined the committee and other current members will be replaced gradually in order to retain continuity and expertise throughout the transition phase.

### 4. The Large Budget Screen Production Grant Scheme (LBSPG) Panel

The NZFC continued to provide administrative services for the Government's LBSPG scheme. We are responsible for convening and chairing meetings of a panel which assesses applications for grants. The panel comprises a representative from the Ministry of

Economic Development, up to four industry practitioners (Trishia Downie, Catherine Madigan, Tim Sanders and Chloe Smith), the NZFC Chief Executive or Deputy Chief Executive as chair of the meetings and the NZFC Head of Business Affairs. A nominated representative from the Inland Revenue Department is invited and entitled to attend meetings of the panel as an observer.

## Staff

One of the key recommendations in the Jackson/Court Review was that the NZFC should augment its script development team. We have taken that advice on board and expanded the Development Unit to a total of five staff, reporting directly to the CEO. We now have three dedicated Development Executives, one Professional Development Executive and one Development Coordinator. In April, Gina Rogers joined the NZFC in the newly created position of Senior Communications Adviser (shared with NZ On Air).

Other staff changes during the period were:

Naomi Wallwork joined as Head of Business Affairs at the end of August 2010, replacing Sarah Cull.

In Development, Chris Payne, Kath Akuhata-Brown and Katherine Fry replaced Marilyn Milgrom, Hone Kouka and Paul Swadel and Bonnie Slater joined the Unit in the newly created role of Professional Development Executive.

In the Marketing Unit, Tiana Odavic was replaced by Beth Brash as Sales and Marketing Assistant, and Robin Laing replaced Daniel Story on a fixed term contract as Film Materials Manager. Juliette Veber took extended leave in March and was replaced on a fixed term contract by Lisa Chatfield.

In the Corporate Unit, Film Income Manager, Dominique Fromont returned from maternity leave in March 2011 and accountant Janka Palinkas returned from extended leave in August 2010. Fiona Mulder temporarily filled the Assistant to the Chief Executive vacancy left by Shane Green's departure in July 2010. Accounts Assistant Natalie Price completed her fixed term contract and was replaced by Sophie Hathaway in December 2010.

The NZFC continued to observe its human resources policies and procedures, which are formally recorded and include a commitment to equal employment opportunities by elimination of all aspects of policies, procedures, practices and any institutional barriers that may cause or perpetuate inequalities in respect of employment opportunities for any person or groups of persons. Policies on being a good employer as outlined in the Crown Entities Act 2004 are operational. These include ensuring that all employees have opportunities to achieve their potential, recognising and valuing employees' different skills, talents, experiences and perspectives, and their different cultural values and beliefs, recognition of the aims and aspirations of Māori, and recognition of the aims, aspirations and employment requirements of ethnic or minority groups, women, and persons with disabilities. Equal employment opportunities are incorporated in staff selection and management, to achieve as diverse personnel as possible given the small size of the NZFC.

# Financials

# Statement of Responsibility

For the year ended 30 June 2011

Pursuant to the Crown Entities Act 2004, the Board of the New Zealand Film Commission accept responsibility for:

- The preparation of the New Zealand Film Commission's financial statements and statement of service performance, and for the judgements used therein.
- The establishment and maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the Board of the New Zealand Film Commission, the financial statements and statement of service performance for the year ended 30 June 2011 set out on pages 27 to 51 fairly reflect the financial position and operations of the New Zealand Film Commission.

Signed on behalf of the Board:



**Patsy Reddy**  
Chair



**Andrew Cornwell**  
Board Member

28 October 2011

# Statement of Financial Position

As at 30 June 2011

	Note	2011 Actual \$	2011 Budget \$	2010 Actual \$
<b>Equity</b>				
Accumulated funds		10,426,703	6,027,000	10,220,991
<b>Total Equity</b>		<b>10,426,703</b>	<b>6,027,000</b>	<b>10,220,991</b>
Represented by:				
<b>Current Assets</b>				
Cash and cash equivalents		7,430,312	3,500,000	6,365,991
Investments	3	9,000,000	8,500,000	15,510,849
Trade and other receivables	4	1,767,798	2,000,000	695,422
<b>Total Current Assets</b>		<b>18,198,110</b>	<b>14,000,000</b>	<b>22,572,262</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	5	484,572	500,000	580,397
Intangible Assets	6	50,677	0	50,908
<b>Total Non-Current Assets</b>		<b>535,249</b>	<b>500,000</b>	<b>631,305</b>
<b>Total Assets</b>		<b>18,733,359</b>	<b>14,500,000</b>	<b>23,203,567</b>
<i>Less Liabilities:</i>				
<b>Current Liabilities</b>				
Trade and other payables	7	1,320,235	1,000,000	1,651,528
Employee entitlements	8	117,432	0	111,820
Film income account	9	308,509	600,000	205,751
Project commitments	10	6,560,480	6,873,000	11,013,477
<b>Total Current Liabilities</b>		<b>8,306,656</b>	<b>8,473,000</b>	<b>12,982,576</b>
<b>Total Liabilities</b>		<b>8,306,656</b>	<b>8,473,000</b>	<b>12,982,576</b>
<b>Net Assets</b>		<b>10,426,703</b>	<b>6,027,000</b>	<b>10,220,991</b>

Explanations of significant variances against budget are detailed in note 28.

The accompanying notes on pages 30 to 47 form part of these financial statements.



# Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 Actual \$	2011 Budget \$	2010 Actual \$
<b>Income</b>				
Government Grant	2	3,401,000	3,401,000	3,611,000
Government Grant – SPIF (NZFC Co-invest)	12	2,270,601	2,000,000	2,532,950
Lottery Board Grant		12,045,573	9,945,000	14,015,396
Income from Films	9	564,213	400,000	411,901
Distribution Fee	9	417,506	270,000	246,738
Interest		757,117	750,000	664,813
Writebacks		1,328,262	0	2,418,754
Other Income		75,915	0	160,241
		<b>20,860,187</b>	<b>16,766,000</b>	<b>24,061,793</b>
Government Grant Revenue – SPIF	17	15,697,334	11,870,000	10,529,596
<b>Total Income</b>		<b>36,557,521</b>	<b>28,636,000</b>	<b>34,591,389</b>
<b>Expenditure</b>				
Development	11	2,202,098	2,350,000	1,905,083
Production	12	13,499,295	11,170,000	15,981,320
Professional Development and Industry Support	13	786,000	733,000	940,000
Marketing & Sales	14	1,069,802	1,373,000	1,440,071
Corporate	15	1,309,467	1,399,000	1,349,064
Personnel Costs	16	1,787,813	2,035,000	1,952,001
		<b>20,654,475</b>	<b>19,060,000</b>	<b>23,567,539</b>
Government Grant Allocation – SPIF	17	15,697,334	11,870,000	10,529,596
<b>Total Expenditure</b>		<b>36,351,809</b>	<b>30,930,000</b>	<b>34,097,135</b>
<b>Surplus/(Deficit)</b>		<b>205,712</b>	<b>(2,294,000)</b>	<b>494,254</b>
<b>Other Comprehensive Income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Comprehensive Income</b>		<b>205,712</b>	<b>(2,294,000)</b>	<b>494,254</b>

Explanations of significant variances against budget are detailed in note 28.  
The accompanying notes on pages 30 to 47 form part of these financial statements.

## Statement of Changes in Equity

For the year ended 30 June 2011

	2011 Actual \$	2011 Budget \$	2010 Actual \$
Equity at 1 July	10,220,991	8,321,000	9,726,737
Total Comprehensive Income	205,712	(2,294,000)	494,254
<b>Equity at 30 June</b>	<b>10,426,703</b>	<b>6,027,000</b>	<b>10,220,991</b>

The accompanying notes on pages 30 to 47 form part of these financial statements.

# Statement of Cash Flows

For the year ended 30 June 2011

	Note	2011 Actual \$	2011 Budget \$	2010 Actual \$
<b>Cash Flows from Operating Activities</b>				
Receipts from Crown Revenue and Other Income	25	35,875,884	27,886,000	33,503,399
Interest Received		822,731	750,000	611,849
Production Funding, Marketing, Industry Support, Suppliers and Employees	25	(40,457,971)	(33,086,000)	(31,520,612)
Goods and Services Tax (net)		(335,320)	0	849,681
<b>Net Cash from Operating Activities</b>	<b>26</b>	<b>(4,094,676)</b>	<b>(4,450,000)</b>	<b>3,444,317</b>
<b>Cash Flows from Investing Activities</b>				
Sale of Term Deposits		17,022,553	4,500,000	12,018,361
Purchase of Term Deposits		(10,511,704)	0	(15,019,594)
Purchase of Property, Plant & Equipment		(55,292)	(50,000)	(27,456)
Sale of Property, Plant & Equipment		0	0	0
Purchase of Intangible Asset		(27,007)	0	(37,521)
<b>Net Cash from Investing Activities</b>		<b>6,428,550</b>	<b>4,450,000</b>	<b>(3,066,210)</b>
<b>Cash Flows from Financing Activities</b>				
Short Term Loans Issued		(1,429,950)	(250,000)	(347,295)
Short Term Loans Repaid		160,397	250,000	2,653,982
<b>Net Cash from Financing Activities</b>		<b>(1,269,553)</b>	<b>0</b>	<b>2,306,687</b>
Net Increase / (Decrease) in Cash at Bank		1,064,321	0	2,684,794
Opening Cash at Bank		6,365,991	3,500,000	3,681,197
<b>Closing Cash at Bank</b>		<b>7,430,312</b>	<b>3,500,000</b>	<b>6,365,991</b>

The GST (net) component of operating activities reflects the net GST paid to and received by the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes on page 30 to 47 form part of these financial statements.

# Notes to the Financial Statements

for the year ended 30 June 2011

## 1 STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2011

### Reporting entity

Pursuant to the New Zealand Film Commission Act 1978, the New Zealand Film Commission (the NZFC) was established on 13 November 1978 as a Crown Entity in terms of the Crown Entities Act 2004.

These are the NZFC's financial statements. They are prepared subject to the New Zealand Film Commission Act 1978 and the Crown Entities Act 2004.

The primary objective of the NZFC is to encourage and also participate and assist in the making, promotion and exhibition of films. It has been established exclusively for charitable purposes in New Zealand. Accordingly, the NZFC has designated itself as a public benefit entity for the purposes of NZ equivalents to IFRS (NZ IFRS).

The financial statements of the NZFC are for the year ended 30 June 2011. The financial statements were authorised for issue on 28 October 2011.

### Basis of preparation

#### Statement of compliance

The financial statements of the NZFC have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

They comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### Measurement base

The financial statements have been prepared on a historical cost basis.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the NZFC is New Zealand dollars (\$).

#### Changes in accounting policies

There have been no changes in accounting policies during the financial year.

#### Early adopted amendments to standards

The following amendments to standards have been early adopted:

- NZ IFRS 7 *Financial Instruments: Disclosures* – The effect of early adopting these amendments is that the following information is no longer disclosed:
  - the carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated; and
  - the maximum exposure to credit risk by class of financial instrument if the maximum credit risk exposure is best represented by their carrying amount.

- NZ IAS 24 *Related Party Disclosures (Revised 2009)* – The effect of early adopting the revised NZ IAS 24 is:

- more information is required to be disclosed about transactions between the NZFC and entities controlled, jointly controlled, or significantly influenced by the Crown;
- commitments with related parties require disclosure; and
- information is required to be disclosed about any related party transactions with Ministers of the Crown.

#### Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted, and which are relevant to the NZFC are:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2014. The NZFC has not yet assessed the effect of the new standard and expects it will not be early adopted.

### Significant accounting policies

#### Revenue

Revenue is measured at the fair value of considerations received or receivable.

##### *Crown Revenue*

The NZFC is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the NZFC meeting its objectives as specified in the Statement of Intent.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

##### *Other grants*

Non-government grants are recognised as revenue when they become receivable.

##### *Interest*

Interest income is recognised using the effective interest method.

##### *Returns from Film Investments*

Returns from film investments are recognised as revenue when either a sales contract is executed or in the case of film royalty "overages", when the royalties have been reported and become receivable.

## Grant expenditure

Non-discretionary grants are those grants awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the NZFC has no obligation to award on receipt of the grant application and are recognised as expenditure when the approval has been communicated to the applicant.

## Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

## Leases

### *Operating Leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## Financial Instruments

Financial assets and financial liabilities are initially measured at fair value plus transaction costs, unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the statement of comprehensive income.

## Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Any bank deposits held in foreign currencies at balance date are valued at the quoted mid-rate at the close of business on 30 June. The unrealised gain or loss resulting from the valuation is recognised in the statement of comprehensive income.

## Investments and Advances

### *Funding for film development and production*

Funding for film development and production, while in the nature of an investment, is treated as expenditure because of its high-risk nature. This expenditure is recognised at the time the commitment is approved and includes funds committed but not paid out at year-end. The exceptions to this policy are:

- (i) investments for which a certain level of income is contracted and reasonably assured. Such investments are treated as assets and valued at the minimum level of expected income; and
- (ii) short term advances made on a fully recourse basis where the payment is secured by some means so as to give a reasonable expectation of repayment.

## *Bank Deposits*

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

For bank deposits, impairment is established when there is objective evidence that the NZFC will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into receivership or liquidation, and default in payments are considered indicators that the deposit is impaired.

## Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established on a case-by-case basis, when there is objective evidence that the NZFC will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The carrying amount of the asset is reversed and written off against the unpaid invoices account in the Film Income Account. Overdue invoices that have been renegotiated are reclassified as current (i.e. not past due).

## Loans

Short Term Assured Repayment (STAR) loans are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the statement of comprehensive income.

## Prepayments

Expenses for future film markets and festivals incurred in the current year are shown as prepayments.

## Property, Plant and Equipment

Property, Plant and Equipment consists of the following asset classes: leasehold improvements, computer hardware, office equipment and furniture and fittings. They are shown at cost or valuation, less accumulated depreciation and impairment losses.

### *Additions*

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the NZFC and the cost of the item can be measured reliably.

An item of property, plant and equipment is initially recognised at its cost.



*Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

*Subsequent Costs*

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the NZFC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

*Depreciation*

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Computer Equipment		
- Hardware	three years	33.33%
Office Equipment	five years	20.00%
Furniture and Fittings	seven years	14.29%
Leasehold Alterations	nine years	11.11%

Leasehold alterations are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvement, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

**Intangible Assets***Software acquisition and development*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the NZFC, are recognised as an intangible asset.

Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the maintenance of the NZFC's website are recognised as an expense when incurred.

*Amortisation*

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised.

The amortisation charge for each period is recognised in the statement of comprehensive income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software	three years	33.33%
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**Impairment of Property, Plant and Equipment and Intangible Assets**

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**Trade and other Payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**Employee Entitlements**

Employee benefits that the NZFC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date. The NZFC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

*Presentation of employee entitlements*

Accrued salaries and wages, annual leave and bonuses are classified as a current liability.

**Superannuation Schemes**

Obligations for contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive income as incurred.

**Project Commitments**

This amount represents financial commitments and advances for film development and production committed by the NZFC, but not paid out at year-end.

### Writebacks

Writebacks represent commitments for investments and advances treated as expenditure in previous years and subsequently revised or cancelled and therefore written back to the current year's income.

### Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Income Tax

The NZFC is exempt from income tax in accordance with Section 29 of the New Zealand Film Commission Act 1978. Accordingly no provision has been made for income tax.

### Budget Figures

The budget figures are those approved by the Board at the beginning of the financial year and are reported in the Statement of Intent (SOI).

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the NZFC for the preparation of these financial statements.

The SOI has multiple line items that are condensed on the face of the financial statements.

### Statement of Intent (SOI) Line items:

2010/11	\$000's
<i>Production</i>	
Short Films	1,100
NZFC Features	7,950
SPIF – NZFC Co-invest	2,000
Other Production Costs	120
<b>Total</b>	<b>11,170</b>
<i>Marketing and Sales</i>	
International – Sales/Marketing	756
Domestic – Distribution Initiatives	617
<b>Total</b>	<b>1,373</b>
<i>Corporate</i>	
Administration	1,199
Depreciation	200
<b>Total</b>	<b>1,399</b>

### Critical judgements in applying the NZFC's accounting policies and critical accounting estimates and assumptions

In preparing these financial statements the NZFC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Estimating useful lives and residual values of property, plant and equipment*

At each balance date the NZFC reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the NZFC to consider a number of factors such as the physical condition of the asset and expected period of use of the asset by the NZFC.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The NZFC minimises the risk of this estimation uncertainty by:

- physical inspection of the asset
- asset replacement programs

The NZFC has not made significant changes to past assumptions concerning useful lives and residual values.

#### *Film Income Account*

Note 9 provides an explanation in relation to estimates and uncertainties surrounding the Film Income Account Liability.

## 2. REVENUE FROM CROWN

The NZFC has been provided with funding from the Crown for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to government funding (2010 = \$Nil).

### 3. INVESTMENTS

	2011 \$	2010 \$
Term Deposits with maturities of 4-12 months	9,000,000	15,510,849
	<b>9,000,000</b>	<b>15,510,849</b>

There were no impairment provisions for investments.

#### *Maturity Analysis and effective interest rates of term deposits*

The maturity dates and weighted average effective interest rates for term deposits are as follows:

	2011 \$		2010 \$
Term Deposits (with maturities of 4-12 months; average maturity 172 days)	9,000,000	Term Deposits (with maturities of 4-12 months; average maturity 172 days)	15,510,849
<i>weighted average effective interest rate</i>	4.17%	<i>weighted average effective interest rate</i>	4.11%
	<b>9,000,000</b>		<b>15,510,849</b>

The carrying value of term deposits with maturity dates less than 12 months approximates their fair value.

Term deposits with maturities of greater than three months are invested at fixed rates ranging from 3.72% to 4.34%.

As these deposits are at a fixed interest rate and measured at amortised cost an increase or decrease in interest rates during the period would not impact the measurement of the investments and hence there would be no impact on the surplus/(deficit) of equity.

#### 4. TRADE AND OTHER RECEIVABLES

	2011 \$	2010 \$
Trade Debtors	372,174	513,545
Net GST Receivable	39,194	0
Prepayments	31,102	39,521
Star Loans	1,459,329	243,935
Less: Bad Debt Written Off	(40,000)	(54,159)
Less: Provision for Impairment	(94,001)	(47,420)
	<b>1,767,798</b>	<b>695,422</b>

##### Fair Value

The carrying value of receivables approximates their fair value.

The carrying amount of receivables that would otherwise be past due, but not impaired whose terms have been renegotiated is \$Nil (2010 = \$Nil)

##### Impairment

As at 30 June 2011 and 2010, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Gross \$	2011 Impairment \$	Net \$	Gross \$	2010 Impairment \$	Net \$
Current	1,700,634	(40,000)	1,660,634	512,067	(54,159)	457,908
Past due 31-60 days	65,837	0	65,837	3,658	0	3,658
Past due 61-90 days	2,714	0	2,714	3,398	0	3,398
Past due > 91 days	132,614	(94,001)	38,613	277,878	(47,420)	230,458
	<b>1,901,799</b>	<b>(134,001)</b>	<b>1,767,798</b>	<b>797,001</b>	<b>(101,579)</b>	<b>695,422</b>

All receivables greater than 30 days in age are considered to be past due.

The provision for impairment has been calculated based on expected losses for the NZFC's pool of debtors. Expected losses have been determined based on the review of specific debtors. Those specific debtors that are insolvent are fully provided for.

The bad debt of \$54,159 written off in 2010 was previously recognised under Star Loans.

##### Movements in the Provision for Impairment for receivables

Movements in the Provision for Impairment for receivables are as follows:

	2011 \$	2010 \$
Balance at 1 July	(47,420)	(47,105)
Additional provisions made during the year	(46,581)	(315)
Receivables written off against provision	0	0
<b>Balance at 30 June</b>	<b>(94,001)</b>	<b>(47,420)</b>

The NZFC holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.



## 5. PROPERTY, PLANT & EQUIPMENT

Movements for each class of property, plant and equipment are as follows:

	Leasehold Alterations \$	Computer Equipment – Hardware \$	Office Equipment \$	Furniture & Fittings \$	Total \$
<b>Cost or Valuation</b>					
Balance at 1 July 2009	495,630	262,902	146,035	346,878	1,251,445
Additions	0	26,558	0	898	27,456
Reclassification of Assets	0	0	0	0	0
Disposals	0	(12,993)	0	0	(12,993)
<b>Balance at 30 June 2010</b>	<b>495,630</b>	<b>276,467</b>	<b>146,035</b>	<b>347,776</b>	<b>1,265,908</b>
Balance at 1 July 2010	495,630	276,467	146,035	347,776	1,265,908
Additions	0	55,292	0	0	55,292
Reclassification of Assets	0	0	0	0	0
Disposals	0	(42,802)	(8,340)	0	(51,142)
<b>Balance at 30 June 2011</b>	<b>495,630</b>	<b>288,957</b>	<b>137,695</b>	<b>347,776</b>	<b>1,270,058</b>
<b>Accumulated Depreciation</b>					
Balance at 1 July 2009	109,586	197,755	71,742	163,304	542,387
Reclassification of Assets	0	111	(111)	0	0
Depreciation Expense	55,064	40,608	21,768	37,847	155,287
Eliminate on Disposal	0	(12,163)	0	0	(12,163)
<b>Balance at 30 June 2010</b>	<b>164,650</b>	<b>226,311</b>	<b>93,399</b>	<b>201,151</b>	<b>685,511</b>
Balance at 1 July 2010	164,650	226,311	93,399	201,151	685,511
Reclassification of Assets	0	0	0	0	0
Depreciation Expense	55,064	35,601	21,491	37,238	149,394
Eliminate on Disposal	0	(41,154)	(8,265)	0	(49,419)
<b>Balance at 30 June 2011</b>	<b>219,714</b>	<b>220,758</b>	<b>106,625</b>	<b>238,389</b>	<b>785,486</b>
<b>Carrying Amounts</b>					
As at 30 June and 1 July 2009	386,044	65,147	74,293	183,574	709,058
As at 30 June and 1 July 2010	330,980	50,156	52,636	146,625	580,397
<b>As at 30 June 2011</b>	<b>275,916</b>	<b>68,199</b>	<b>31,070</b>	<b>109,387</b>	<b>484,572</b>

There are no restrictions over the title of the NZFC's property, plant and equipment, nor are any items of property, plant and equipment pledged as security for liabilities.

Based on our annual review of the useful life of the NZFC's property, plant and equipment, we have assessed that there is no indication of impairment.

## 6. INTANGIBLE ASSETS

Movements for intangible assets are as follows:

	Computer Equipment – Acquired Software \$
<b>Cost or Valuation</b>	
Balance at 1 July 2009	379,121
Additions	42,622
Disposals	(5,101)
<b>Balance at 30 June 2010</b>	<b>416,642</b>
Balance at 1 July 2010	416,642
Additions	27,007
Disposals	(27,202)
<b>Balance at 30 June 2011</b>	<b>416,447</b>
<b>Accumulated Amortisation</b>	
Balance at 1 July 2009	341,367
Amortisation Expense	29,468
Eliminate on Disposal	(5,101)
<b>Balance at 30 June 2010</b>	<b>365,734</b>
Balance at 1 July 2010	365,734
Amortisation Expense	27,238
Eliminate on Disposal	(27,202)
<b>Balance at 30 June 2011</b>	<b>365,770</b>
<b>Carrying Amounts</b>	
As at 30 June and 1 July 2009	37,754
As at 30 June 2010	50,908
<b>As at 30 June 2011</b>	<b>50,677</b>

There are no restrictions over the title of the NZFC's intangible assets, nor are any intangible assets pledged as security for liabilities. Based on our annual review of the useful life of the NZFC's intangible assets, we have assessed that there is no indication of impairment.

## 7. TRADE AND OTHER PAYABLES

	2011 \$	2010 \$
Trade Creditors	1,064,079	670,810
Sundry Accruals	254,836	658,367
Net GST Payable	0	296,126
PAYE	1,320	26,225
	<b>1,320,235</b>	<b>1,651,528</b>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

## 8. EMPLOYEE ENTITLEMENTS

	2011 \$	2010 \$
Accrued Salaries and Wages	49,950	44,094
Annual Leave	67,482	67,726
	<b>117,432</b>	<b>111,820</b>

## 9. FILM INCOME ACCOUNT

The film income account is used to collect and distribute to investors film proceeds received by the NZFC in its role as sales agent and / or trustee of certain films. The balance at 30 June represents film income receivable or collected but not yet distributed and unpaid film sales invoices.

	2011 \$	2010 \$
Opening Balance 1 July	205,751	192,963
Income from Sales	2,968,239	2,246,660
<b>Total Film Income</b>	<b>3,173,990</b>	<b>2,439,623</b>
Less: NZFC Distribution Fees	(417,506)	(246,738)
Less: Marketing and Other Expenses	(226,634)	(451,778)
Net Earnings	2,529,850	1,741,107
Less: Distributed to Investors	(1,556,488)	(1,153,420)
Less: Distributed to NZFC	(564,213)	(411,901)
Less: Loan Repayment to NZFC	(60,397)	(241,274)
	348,752	(65,488)
Provision for Unrecouped Expenses Increase/(Decrease)	(66,501)	358,371
Balance 30 June	282,251	292,883
Unpaid Invoices Increase / (Decrease)	26,258	(87,132)
<b>Balance (including unpaid invoices)</b>	<b>308,509</b>	<b>205,751</b>

The preparation of the film income account in conformity with NZ IFRS requires judgements, estimates and assumptions, which are based on historical experience. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised.

## 10. PROJECT COMMITMENTS

	2011 \$	2010 \$
Feature Films	5,360,160	9,459,315
Short Films	1,090,320	1,129,162
Devolved Development and Producer Overhead Funds	110,000	425,000
	<b>6,560,480</b>	<b>11,013,477</b>

Project commitments represent commitments for investments and advances for film development and production committed by the NZFC, but not paid out at year-end.

## 11. DEVELOPMENT

	2011 \$	2010 \$
Feature Films – Development	1,632,940	1,360,520
Creative Development	545,724	510,716
External Services	23,434	33,847
	<b>2,202,098</b>	<b>1,905,083</b>

## 12. PRODUCTION

	2011 \$	2010 \$
Feature Films – Production Financing	12,238,056	14,792,099
Short Films – Production Financing	1,154,910	790,464
Screen Innovation Production Film Fund	0	250,000
Other Costs	66,329	94,598
Bad Debt Written Off	40,000	54,159
	<b>13,499,295</b>	<b>15,981,320</b>

Feature Film Production Financing costs are shown at gross cost in this note. For consistency, the 2010 figure and the 2010 Government Grant SPIF (NZFC Co-invest) have been restated accordingly. Bad debts in 2010 were previously recognised under Feature Films-Production Financing.

## 13. PROFESSIONAL DEVELOPMENT & INDUSTRY SUPPORT

	2011 \$	2010 \$
Festivals and Awards	215,500	192,000
Industry Support	570,500	748,000
	<b>786,000</b>	<b>940,000</b>

## 14. MARKETING AND SALES

	2011 \$	2010 \$
Domestic/Media Distribution	579,387	551,516
International Marketing	217,028	198,133
Market Attendance	118,776	142,825
Sales Agency – Features	113,194	504,072
Sales Agency – Shorts	41,417	43,525
	<b>1,069,802</b>	<b>1,440,071</b>

To be more informative to the reader of these statements the NZFC has changed the presentation of the first two lines under Marketing and Sales.

In 2010 NZFC grouped costs under Features Marketing and Shorts Marketing (\$639,893 and \$109,756 respectively). In 2011 NZFC has reallocated \$534,473 from Features Marketing and \$17,043 from Shorts Marketing and classified them as Domestic/Media Distribution.

The remaining amounts from Features Marketing of \$105,420 and Shorts Marketing of \$92,713 have now been classified as International Marketing.



## 15. CORPORATE

	2011 \$	2010 \$
Board Costs	173,454	190,455
Communications	68,819	89,668
Office Overheads	150,973	159,312
Depreciation and Amortisation Expense:		
Leasehold Alterations	55,064	55,064
Computer Equipment – Hardware	35,601	40,608
Computer Equipment – Software	27,238	29,468
Office Equipment	21,491	21,768
Furniture and Fittings	37,238	37,847
Rent	271,420	263,078
Audit Fees		
For the audit of the financial statements	40,039	35,886
Other Costs	428,130	425,910
	<b>1,309,467</b>	<b>1,349,064</b>

## 16. PERSONNEL COSTS

	2011 \$	2010 \$
Development	342,784	354,379
Sales and Marketing	394,616	407,805
Corporate	921,961	995,448
Consultants	128,452	194,369
	<b>1,787,813</b>	<b>1,952,001</b>

## 17. GOVERNMENT SPIF GRANT

Although the NZFC is not directly responsible for the SPIF scheme it is the entity administering it and making sure that grants are paid on time to the productions eligible.

Funds requested from MCH and paid on to productions were:

	2011 \$	2010 \$
Feature Films	12,656,793	9,789,419
TV Series	3,040,541	740,177
	<b>15,697,334</b>	<b>10,529,596</b>

## 18. CAPITAL COMMITMENTS AND OPERATING LEASES

The NZFC had no capital commitments as at 30 June 2011 (2010 = \$Nil).

### *Operating Leases as a lessee*

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2011 \$	2010 \$
Not later than one year	218,138	218,138
Between one and two years	218,138	218,138
Between two and five years	0	218,138
Later than five years	0	0
	<b>436,276</b>	<b>654,414</b>

The NZFC leases two floors of an office building. The lease expires on 2 July 2019, with an option to vacate the premises at the renewal dates of 2 July 2013 and 2 July 2016.

The NZFC is assuming it will not vacate the premises at the lease renewal date of 2 July 2013. The NZFC does not have an option to purchase the asset at the end of the lease term.

## 19. CONTINGENCIES

### Contingent liabilities

There were no contingent liabilities at balance date (2010 = \$Nil).

### Contingent assets

There were no contingent assets at balance date (2010 = \$Nil).

## 20. FINANCIAL INSTRUMENTS

### 20A. FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of financial assets and financial liabilities in each of the NZ IAS 39 categories are as follows:

	2011 \$	2010 \$
<b>Loans and receivables</b>		
Cash and cash equivalents	7,430,312	6,365,991
Investments	9,000,000	15,510,849
Trade and other receivables	1,767,798	695,422
<b>Total loans and receivables</b>	<b>18,198,110</b>	<b>22,572,262</b>
<b>Financial liabilities</b>		
Trade and other payables	1,320,235	1,651,528
Film income account	308,509	205,751
Project commitments	6,560,480	11,013,477
<b>Total financial liabilities</b>	<b>8,189,224</b>	<b>12,870,756</b>

### 20B. FAIR VALUE HIERARCHY

The carrying amounts of financial instruments included in the statement of financial position reflect the fair values of the financial instruments at balance date. These have all been determined using a valuation technique as outlined in the accounting standards.

## 20C. FINANCIAL INSTRUMENT RISKS

The NZFC's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The NZFC has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market risk

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The NZFC purchases goods and services overseas which require it to enter into transactions denominated in foreign currencies.

The NZFC also holds a small balance of EUR with an international bank in order to settle transactions denominated in EUR when logistically necessary. As a result of these activities, exposure to currency risk arises.

In addition if the NZFC has reasonable assurance that a foreign exchange debtor will pay on a due date and if the sum is material then the NZFC will use a foreign currency contract to manage the foreign currency exposure.

The forward exchange contracts outstanding at 30 June 2011 amounted to \$Nil (2010 = \$Nil).

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The NZFC's exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest.

The NZFC does not actively manage its exposure to fair value interest rate risk.

#### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the NZFC to cash flow interest rate risk.

The NZFC's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements.

The NZFC currently has no variable interest rate investments.

The interest rates on the NZFC's investments are disclosed in note 3.

#### *Sensitivity Analysis*

If during the year interest rates had been 100 basis points higher or lower, with all other variables held constant, the surplus/deficit would have been \$184,433 higher/lower (2010 = \$173,092).

This movement is attributable to the amount of term deposits held by the NZFC at any one time during the year and the interest rate on these deposits.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to the NZFC, causing the NZFC to incur a loss. In the normal course of business the NZFC is exposed to credit risk from cash and term deposits with banks, debtors and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Due to the timing of its cash inflows and outflows, the NZFC invests surplus cash with registered banks that have a Standard and Poor's credit rating of at least A2 for short term and A- for long-term investments. The NZFC has experienced no defaults of interest or principal payments for term deposits.

These banks are: Kiwi Bank, HSBC, ASB, BNZ, Rabobank and The National Bank of New Zealand.

The NZFC's investment policy limits the amount of credit exposure to any one institution to no more than 35% of total investments held.

The NZFC's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, short term deposits (Note 3) and trade debtors (Note 4).

There are no major concentrations of credit risk with respect to trade debtors and exposure to them is monitored on a regular basis. The NZFC does not require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with.

The NZFC does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics due to the large number of customers included in the NZFC's customer base.

As at 30 June 2011 the NZFC had a credit limit of \$70,000 (2010 = \$73,000) over the combined company credit cards.

#### *Credit quality of financial assets*

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	2011 \$	2011 \$
<b>COUNTERPARTIES WITH CREDIT RATINGS</b>		
<b>Cash at bank and term deposits</b>		
AAA	2,561,920	0
AA	10,360,719	15,346,856
AA-	3,500,000	6,506,576
A-1	7,673	23,408
<i>Total cash at bank and term deposits</i>	16,430,312	21,876,840
<b>COUNTERPARTIES WITHOUT CREDIT RATINGS</b>		
<b>Debtors and other receivables</b>		
Existing counterparty with no defaults in the past	1,767,798	695,422
Existing counterparty with defaults in the past	0	0
<i>Total debtors and other receivables</i>	1,767,798	695,422

**Liquidity risk**

Liquidity risk is the risk that the NZFC will encounter difficulty raising liquid funds to meet commitments as they fall due.

In meeting its liquidity requirements the NZFC closely monitors its forecast cash requirements with expected cash drawdowns for film productions and ensures that term investments mature in time to meet any obligations. In addition the NZFC maintains a target level of available cash to meet liquidity requirements.

*Contractual maturity analysis of financial liabilities*

The table below analyses the NZFC's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cashflows.

	Carrying amount \$	Contractual cashflows \$	Less than six months \$	six months – one year \$	more than one year \$
2010					
Trade and other payables	1,651,528	1,651,528	1,651,528	0	0
2011					
Trade and other payables	1,320,235	1,320,235	1,320,235	0	0

**21. CAPITAL MANAGEMENT**

The NZFC's capital is its equity, which is accumulated funds. Equity is represented by net assets.

The NZFC is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The NZFC manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure the NZFC effectively achieves its objectives and purpose, while remaining a going concern.

## 22. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

All related party transactions have been entered into on an arm's length basis.

The NZFC is a wholly owned entity of the Crown.

### *Significant transactions with government-related entities*

The NZFC has been provided with funding from the Crown of \$5.671M (2010 = \$6.144M) for specific purposes as set out in its legislation and the scope of the relevant government appropriations.

The Lottery Grants Board has provided the NZFC with funding of \$12.046M (2010 = \$14.015M).

In addition the NZFC has received \$15.697M (2010 = \$10.53M) from the Crown for the SPIF scheme, which the NZFC administers. This was paid on by the NZFC to the qualifying film productions.

### *Collectively, but not individually, significant transactions with government-related entities*

In conducting its activities, the NZFC is required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The NZFC is exempt from paying income tax.

The NZFC also entered into transactions with entities controlled, significantly influenced, or jointly controlled by the Crown.

Transactions with these government-related entities for the year ended 30 June 2011 totalled \$302,346 excl. GST (2010 = \$795,210 excl. GST).

These transactions included the purchase of electricity from Genesis, air travel from Air New Zealand, postal services from New Zealand Post and distribution of film income to NZ On Air and TVNZ. The balance still payable to these entities as at 30 June 2011 is \$64,196 (2010 = \$56,309).

### *Key Management Personnel*

The following transactions (excl. GST) were entered into during the year with key management personnel:

- In 2011 the NZFC distributed \$581,896 of film income to the New Zealand Film Production Fund Trust (Film Fund) in its capacity as investor (2010 = \$283,527). The Chair of the Film Fund, Sir David Gascoigne, is the husband of NZFC Chair Patsy Reddy.

The balance still payable to the Film Fund as at 30 June 2011 is \$159,086 (2010 = \$19,296).

In addition in 2011 the Film Fund paid \$350,933 to the NZFC (2010 = \$92,817) as reimbursement of funds paid by NZFC on the Film Fund's behalf.

The balance still receivable from the Film Fund as at 30 June 2011 is \$Nil (2010 = \$13,794).

- The NZFC committed funding of \$10,000 (2010 = \$80,000) towards a short film project, *The Lawnmower Men of Kapu*. The producer of this film is Tainui Stephens, who was a member of the Board until September 2010.

The balance still payable on this short film project as at 30 June 2011 is \$25,000 (2010 = \$80,000).

- The NZFC is investor in and sales agent for the feature film *Billy T James: Te Movie* which is distributed by Sony Pictures (NZ) Ltd. Andrew Cornwell, a member of the NZFC Board, is also a director of Sony Pictures (NZ) Ltd.

The NZFC sold film materials totalling \$6,414 to Sony Pictures (NZ) Ltd for trailers provided in 2011 (2010 = \$Nil).

The balance still receivable from Sony Pictures (NZ) Ltd as at 30 June 2011 is \$6,414.

- In the year under review the NZFC purchased goods and services from Park Road Post totalling \$396,682 (2010 = \$531,986). Board member Cameron Harland is the Park Road Post General Manager.

The balance still payable to Park Road Post as at 30 June 2011 is \$4,893 (2010 = \$81,215).

- During the year 2011 the NZFC received \$470 for reimbursement of costs from the Film New Zealand Trust (FNZ) (2010 = \$Nil).

The NZFC paid FNZ \$41,853 as per the MOU and for reimbursement of advertising costs (2010 = \$40,000).

The NZFC's CEO Graeme Mason is a member of the FNZ Board.

The balance still payable to/receivable from FNZ as at 30 June 2011 is \$Nil (2010 = \$Nil).

- The NZFC currently has two projects in its pool of projects under development which are screenplay adaptations of novels written by current Board member Witi Ihimaera. Both projects first applied to the NZFC prior to Witi Ihimaera's appointment to the Board and have not received any funding during the year under review (2010 = \$Nil).

No provision has been required nor any expense recognised for impairment of receivables from related parties (2010 = \$Nil).



### Key Management Personnel Compensation

	2011 \$	2010 \$
Salaries and other short-term employee benefits	890,931	977,529
Post-employment benefit	12,703	14,067
Other long-term benefits	0	0
Termination benefit	0	0
	903,634	991,596

Key management personnel includes all Board members, the Chief Executive, Deputy Chief Executive, Head of Development, Head of Sales and Marketing and Head of Business Affairs.

Key management personnel compensation excludes the remuneration and other benefits the Minister for Arts, Culture and Heritage receives. The Minister's remuneration and other benefits are not received only for his role as a member of key management personnel of the Ministry. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Civil List Act 1979 and are paid under Permanent Legislative Authority, and not paid by the Ministry for Culture and Heritage.

## 23. BOARD MEMBER REMUNERATION

The total value of remuneration paid or payable to each Board member during the year was:

	2011 \$	2010 \$
Patsy Reddy (Chair)	40,000	40,000
Andrew Cornwell	16,000	16,000
Rhiannon McKinnon	16,000	16,000
Charles Finny	16,000	16,000
Witi Ihimaera	16,000	14,667
Chris Hampson	13,333	0
Cameron Harland	13,333	0
William Somerville	2,667	16,000
Bill Birnie	2,667	16,000
Tainui Stephens	4,000	16,000
	140,000	150,667

\$8,000 excl. GST in total was paid to three members of the SPIF Committee who are not Board members in the year under review (2010 = \$3,500 in total to two members). No other payments have been made to committee members appointed by the Board who are not board members in 2011.

The NZFC has effected Directors and Officers Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2010 = \$Nil).

## 24. EMPLOYEE REMUNERATION

During the year, the number of employees of the NZFC, not being Board members, who received remuneration and other benefits in excess of \$100,000 were:

	Total remuneration	
	2011	2010
\$250,000 - \$260,000	1	1
\$190,000 - \$200,000	0	0
\$170,000 - \$180,000	1	1
\$140,000 - \$150,000	0	2
\$130,000 - \$140,000	0	0
\$120,000 - \$130,000	1	0
\$110,000 - \$120,000	1	1
	<b>4</b>	<b>5</b>

During the year ended 30 June 2011, no employees received compensation and other benefits in relation to cessation. No Board members received compensation or other benefits in relation to cessation (2010 = \$Nil).

## 25. CASHFLOWS FROM OPERATING ACTIVITIES

Receipts from Crown Revenue and Payments to Production Funding in 2011 include \$15,697,334 received and paid as Government SPIF grant.

To be consistent 2010 figures have been revised upwards by \$10,529,596 accordingly.

## 26. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES WITH THE NET SURPLUS FOR THE YEAR

	2011 \$	2010 \$
<b>Net Surplus</b>	205,712	494,254
Add back: Non Cash Items		
(Gain)/loss on Disposals	1,723	(4,271)
Doubtful Debts	46,581	0
Bad Debts Written Off	40,000	54,159
Depreciation and Amortisation	176,632	184,755
	<b>470,648</b>	<b>728,897</b>
<b>Movements in Working Capital</b>		
Decrease/(increase) in Accounts Receivable after excluding Capital Items	149,790	128,256
(Decrease)/increase in Accounts Payable after excluding Capital Items	(35,167)	(442,416)
(Decrease)/increase in Employee Entitlements	5,612	24,979
(Decrease)/increase in GST Payable	(335,320)	789,649
(Decrease)/increase in Film Income Account	102,758	12,787
(Decrease)/increase in Project Commitments	(4,452,997)	2,202,165
Total Movements in Working Capital	(4,565,324)	2,715,420
<b>Net Cash Flows from Operating Activities</b>	<b>(4,094,676)</b>	<b>3,444,317</b>

## 27. EVENTS AFTER BALANCE DATE

There have been no significant events after the balance date.

## 28. MAJOR BUDGET VARIANCES

Explanations for major variances from the NZFC's budgeted figures in the Statement of Intent are as follows:

### Statement of comprehensive income

#### *Income*

Total Income (excl. SPIF grants) was \$4.094M higher than budgeted caused primarily by an unexpected allocation from the LGB Reserves and an unbudgeted feature film project writeback totalling \$1.328M.

#### *Expenses*

Total expenses (excl. SPIF grants) are over budget mainly due to production expenditure exceeding original budget by \$2.33M. This is mainly attributable to the NZFC approving production financing commitments of \$12.238M to 11 feature film projects and four Escalator projects versus a budgeted total of \$9.950M for four feature film projects and four Escalator projects. This level of commitment was made possible by the extra income NZFC received during the year from the LGB.

### Statement of financial position

Cash and cash equivalents are \$3.93M over budget at year-end due to the extra funds received from the reserves of the LGB.

### Statement of cash flows

Receipts from Crown Revenue are higher than budgeted due to an unexpected allocation from the LGB during the year.

# Statement of Service Performance

for the year ended 30 June 2011

Objective	Activities	Performance Measures	Targets for 2010/2011
<b>1. Idea Development</b>	Script development	Number of scripts funded	Ten scripts at advanced development stage
		Number of funded feature films which reflect NZ culture and/or showcase NZ talent	100% of projects invested in to reflect NZ culture and/or promote NZ talent
	First Writers' Initiative		
	Support Te Paepae Ataata		
<b>2. Talent Development</b>	Professional development	Number of programmes run	At least eight professional initiatives supported (excluding joint ventures and First Writers')
	Two new short film schemes	Number of short film investments	Implement two new schemes while maintaining Short Film Fund (aka Premiere Shorts)
	Low-budget feature film scheme (Escalator)	Effectiveness/success of activity	Establish Escalator scheme with four films in production
<b>3. Production</b>	Production funding	Number of feature film investments	Invest in at least four feature films per year
			100% of funded feature films to have NZ distributor attached prior to investment
		Effectiveness/success of activity	Two feature films every three years with cinema audiences in excess of 100,000; and an additional two every three years with audiences in excess of 50,000
	Distribution grants	Number of distribution grants	Distribution grants made for 100% of NZFC films released theatrically

## Achievements 2010/2011

Achieved.

Currently 21 scripts at advanced development stage.

Achieved.

All projects funded reflect NZ culture or promote NZ talent.

Achieved.

The First Writers' workshop, for the seven selected writers, working on six projects, took place on 21 and 22 September 2010.

Achieved.

The final tranche under the current MOU of \$200,000 was released in October 2010.

Achieved (14 initiatives supported)

1. Trainee Feature Film Directors Scheme (new) – Matthew Inns attached to *Two Little Boys*.
2. Talent Awards Programme – 12 awards made in December 2010.
3. Professional Development Awards – 10 awards made to date.
4. Binger Doc Lab – Pietra Brett-Kelly selected.
5. Script Factory Workshops – workshops have been held in Auckland and Wellington and eight filmmakers were selected for each.
6. Tim White seminar.
7. Tim White producer focus programme.
8. Development Tools – Jonathan Rawlinson/Simon van der Borgh seminar.
9. Simon van der Borgh script consultations.
10. Leanne Pooley seminars – November 2010.
11. Finola Dwyer seminar – December 2010.
12. ACE (Ateliers du Cinéma Européen) – producer Fiona Copland attended the Paris- and Italy-based workshops in March/April 2011 with her project *The President and Me*.
13. Rotterdam Producers Lab – producers Karl Zohrab, Matthew Horrocks and Tui Ruwhiu attended the Lab in January/February 2011.
14. Robert McKee Story Seminar – writer Bob Moore and writer/director Brian Challis attended this Sydney seminar in June 2011.

Achieved.

Fresh Shorts Scheme fully implemented – 16 shorts chosen.

Commitment to support Nga Aho Whakaari's (NAW) Te Ara Kita Paepae: Waharoa Strategy – an iwi-based short film development initiative.

Not achieved.

Four Escalator projects have been selected. Three projects moved into production before 30 June 2011. The fourth project has been delayed until November 2011 as a result of script rewrites and logistical issues related to the shoot.

133 applications were received in the second round of the Escalator scheme. From these, 12 teams were selected to take part in a low-budget filmmaking bootcamp in May 2011.

Achieved.

Nine new feature film projects – *The Orator (O Le Tulafale)*, *Rest for the Wicked*, *The Last Dogs of Winter*, *Kiwi Flyer*, *Sione's 2: Unfinished Business*, *Fresh Meat*, *When a City Falls*, *Love Story* and *RJ: The Movie* have been offered production financing.

Achieved for all feature film dramas – *Rest for the Wicked* (Metropolis), *The Orator (O Le Tulafale)* (Transmission), *Kiwi Flyer* (Rialto), *Sione's 2: Unfinished Business* (SPP/Sony), *Fresh Meat* (Sony), *Love Story* (Metropolis) and *RJ: The Movie* (Rialto).

The two low-budget feature film documentaries supported have acceptable self-distribution plans – *The Last Dogs of Winter* (Lone Pine) and *When a City Falls* (Franklin).

Achieved – three films in last three years:

*Topp Twins* 165,500 admissions [08/09].

*Home by Christmas* 105,000 [09/10].

*Boy* 843,600 admissions [09/10].

Achieved – three films in last three years:

*Separation City* 51,000 admissions [09/10].

*Love Birds* 53,200 admissions [10/11].

*My Wedding and Other Secrets* 62,300 admissions [10/11].

Achieved.

All six films eligible for support being *Predicament*, *After the Waterfall*, *Matariki*, *The Hopes and Dreams of Gazza Snell*, *Love Birds* and *My Wedding and Other Secrets* were provided with NZFC distribution grants.



Objective	Activities	Performance Measures	Targets for 2010/2011
4. Promotion	Attendance at international markets	Number of markets attended	At least three major film markets attended by NZFC
	Industry market assistance	Number of persons assisted	At least 12 industry personnel supported to attend international markets

5. Relationships	Communication	Regular newsletter distributed	Quarterly newsletter to be sent to mailing list and placed on website
		Seminar/workshops held	At least four seminar/workshops held in Auckland and Wellington to communicate/ disseminate information
	Joint initiatives	Number of joint initiatives	At least five joint initiatives with industry bodies

6. Administration	Prompt processing of applications	Processing to meet targeted timeframes	100% of fully-completed applications to be processed within three months of receipt
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	Communication to industry about criteria and guidelines	Information about the schemes to be easily accessible	Criteria and frequently asked questions to be available on website. FAQs to be updated regularly
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Output Class: Promotion & Support of the Arts & Film	2011 Actual \$	2011 Budget \$	2010 Actual \$
Revenue	36,557,521	28,636,000	34,591,389
Expense	36,351,809	30,930,000	34,097,135
Surplus/(Deficit)	205,712	(2,294,000)	494,254

## Achievements 2010/2011

Achieved (four markets attended)

NZFC staff attended Toronto International Film Festival (TIFF) in September 2010, American Film Market (AFM) in November 2010, Berlin International Film Festival and Market (BIFF) in February 2011 and Cannes Film Festival (CFF) in May 2011.

Achieved (13 producers supported)

1. TIFF: *Matariki* producer Fiona Copland received assistance to attend.
2. International Financing Forum (IFF) at TIFF: Michelle Turner producer of *Cold Storage* (in early development stage) received assistance to attend.
3. Strategic Partners International Co-production Market in Halifax: Robin Laing producer of *Cousins* (in advanced development stage) received assistance to attend.
4. Busan International Film Festival and the Asian Film Market: Leanne Saunders, producer of independently funded feature *Desert*, received assistance to attend.
5. IFP/No Borders International Co-Financing Market in New York: Angela Littlejohn producer of *Rocking Horse Road* and Glenis Giles producer of *The Tear Collector* received assistance to attend.
6. DigiSPAA Digital Feature Film Competition/SPAA Conference in Sydney: Rhys Cain producer of *The Fall Guys* received assistance to attend.
7. BIFF: Emma Slade received assistance to meet with prospective partners in Berlin and for further co-production meetings in London, Copenhagen and Singapore.
8. CFF: Producers Dave Gibson (*Fresh Meat*), Leanne Saunders (*The Devil's Rock*) and Steven O'Meagher (*Boy and Teacher*) received assistance to attend.
9. Shanghai International Film Festival Co-Production Film Pitch and Catch: Producers Leanne Saunders (*Desert, Summer Rhapsody*) and Maile Daugherty received assistance to attend.

Achieved.

Five electronic newsletters (August, October, December 2010, March and May 2011) distributed.

Achieved.

1. Three NZFC seminars held in December (Christchurch, Wellington and Auckland) setting out response to Jackson/ Court Review)
2. National workshops on script development were held by the NZ Writers Guild (NZWG) in Auckland and Wellington in June 2011. NZFC staff attended and gave advice on current NZFC development guidelines.

Achieved (eight joint initiatives).

1. NZFC renewed its partnership with Women in Film and Television (WIFT) to financially assist the WIFT mentorship programme for women filmmakers in the early to middle stages of their careers.
2. 'Making Babies – And Selling Them' was run in conjunction with NZWG. Four one-day workshops were held in Auckland, Wellington, Christchurch and Dunedin.
3. Christopher Vogler screenwriting workshop was held in Wellington and was run in partnership with Script to Screen.
4. Demystifying Distribution, Exhibition and International Sales Workshop run in partnership with Screen Producers and Development Association (SPADA) and led by Tait Brady. Held in Auckland prior to SPADA Conference in November 2010.
5. Nadia Tass Workshops in partnership with the Screen Directors Guild (SDGNZ). Held in Auckland and Wellington in October 2010.
6. Dunedin Festival of Film & Television Craft, in association with Script to Screen, NZWG, Natural History New Zealand and SDGNZ was held in Dunedin during April 2011.
7. Peter Gilbert Masterclass & Bootcamp, in association with Script to Screen, DocEdge, AUT and BNO Productions, took place in April and June 2011 in Auckland and also in Wellington in June 2011.
8. Killer Films US Screenwriting Internship – Script to Screen selected short filmmaker Michelle Savill for the 2011 US Screenwriting Internship Scholarship to Killer Films in New York.

Screen Production Incentive Fund (SPIF) – Achieved

100% of complete applications for SPIF final certificates were turned around within three months of receipt (excluding the two week period over Christmas/New Year).

Two incomplete applications took longer than the target timeframe of three months due to delays in acquiring extra information from the applicants.

100% of complete applications for SPIF provisional certificates were turned around within six weeks of receipt. One incomplete application took longer than the target timeframe of six weeks due to delays in acquiring extra information from the applicants.

Large Budget Screen Production Grant Scheme (LBSPG) – Not achieved

71% of complete applications for LBSPG grants were turned around within three months of receipt. 29% of complete applications took longer than three months due to workload issues.

Three incomplete applications took longer than the target timeframe of three months due to delays in acquiring extra information from the applicants.

Achieved

SPIF

The SPIF FAQs were updated on 6 December 2010 following changes to the SPIF Criteria and again on 28 March 2011.

LBSPG

The LBSPG FAQs were not updated during the period. The LBSPG Criteria were amended in May 2011 and a summary of changes was published at the time. As the LBSPG and Post, Digital & Visual Effects Production Grant Scheme (PDV) has been in place for longer than the SPIF, most issues are already covered by FAQs.

# Independent Auditor's Report

To the readers of New Zealand Film Commission's financial statements and statement of service performance for the year ended 30 June 2011

The Auditor General is the auditor of New Zealand Film Commission (the Commission). The Auditor General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Commission on her behalf.

We have audited:

- the financial statements of the Commission on pages 27 to 47, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Commission on pages 48 to 51.

## Opinion

In our opinion:

- the financial statements of the Commission on pages 27 to 47:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect the Commission's:
    - financial position as at 30 June 2011; and
    - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Commission on pages 48 to 51:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects, the output class for the year ended 30 June 2011, the Commission's
    - service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
    - actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 28 October 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

## Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making

those risk assessments, we consider internal control relevant to the Commission's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## Responsibilities of the Board

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Commission's financial position, financial performance and cash flows; and
- fairly reflect its service performance.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the Crown Entities Act 2004 and the New Zealand Film Commission Act 1978.

## Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

## Independence

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Commission.



**Kelly Rushton**  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of New Zealand Film Commission for the year ended 30 June 2011 included on New Zealand Film Commission's website. The New Zealand Film Commission's Board is responsible for the maintenance and integrity of New Zealand Film Commission's website. We have not been engaged to report on the integrity of New Zealand Film Commission's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 28 October 2011 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

# Appendix

## Key:

Project  
Production Company/s  
Producer/s  
Writer/s  
Director/s

A/New feature films with investment from NZFC

**The Orator (O Le Tulafale) .....** **\$2,313,000**  
Blueskin Films Ltd  
Catherine Fitzgerald  
Tusi Tamasese  
Tusi Tamasese

**Sione's 2: Unfinished Business.....** **\$2,500,000**  
South Pacific Pictures Ltd  
Paul Davis & John Barnett  
James Griffin & Oscar Kightley  
Simon Bennett

**Rest for the Wicked .....** **\$2,000,000**  
RFTW Ltd  
Maile Daugherty  
Bob Moore  
Simon Pattison

**Love Story.....** **\$170,000**  
Pictures for Anna Ltd  
Florian Habicht  
Florian Habicht, Peter O'Donoghue & the people of New York City  
Florian Habicht

**The Last Dogs of Winter (documentary) .....** **\$176,770**  
Lone Pine Film & TV Productions Ltd  
Costa Botes  
n/a  
Costa Botes

**Kiwi Flyer .....** **\$750,000**  
Torrent Films Ltd  
Tim Sanders  
Tony Simpson & Andrew Gunn  
Tony Simpson

**When a City Falls (documentary) .....** **\$65,000**  
Frank City Falls Ltd  
Alice Shannon & Gerard Smyth  
Gerard Smyth  
Gerard Smyth

**Fresh Meat**  
Gibson Group Fresh Meat Ltd  
Dave Gibson  
Briar Grace-Smith  
Danny Mulheron

**RJ: The Movie (post-production)**  
Factory Fiction Ltd  
Michael O'Neill, Alastair Carruthers & Peter van der Fluit  
Michael O'Neill & Peter van der Fluit  
Tim van Dammen

## B/Feature films with additional investment from the NZFC

**The Most Fun You Can Have Dying.....** **\$15,000**  
Ten Cent Pictures Ltd  
Alex Cole-Baker  
Kirstin Marcon  
Kirstin Marcon

**Beautiful Machine (documentary).....** **\$58,900**  
ION Films Ltd  
Laurence Alexander, Grant Roa & David White  
Sam Peacocke & Graeme Tuckett  
Sam Peacocke

## C/Digital features with post production grants from the NZFC

**The Holy Roller .....** **\$25,000**  
E.H. Productions Ltd  
Patrick Gillies  
Angus Benfield & Patrick Gillies  
Patrick Gillies

**Water Whisperers Tangaroa (documentary).....** **\$15,000**  
Wickcandle Film  
Kathleen Gallagher  
Kathleen Gallagher  
Kathleen Gallagher

**Desert.....** **\$17,500**  
Curious Ltd & Severe Features Ltd  
Leanne Saunders & Matt Noonan  
Stephen Kang  
Stephen Kang

**Gordonia (documentary).....** **\$5,420**  
Colossus Films Ltd  
Tom Reilly  
Tom Reilly  
Tom Reilly

**Operation 8 (documentary) .....** **\$25,000**  
CutCutCut Films Ltd  
Errol Wright & Abi King-Jones  
Errol Wright & Abi King-Jones  
Errol Wright & Abi King-Jones

**Hook, Line & Sinker .....** **\$24,552**  
Torchlight Films Ltd  
Jeremy Macey, Andrea Bosshard & Shane Loader  
Andrea Bosshard & Shane Loader  
Andrea Bosshard & Shane Loader

**Daytime Tiger (documentary) .....** **\$20,000**  
Lone Pine Film & TV Productions Ltd  
Costa Botes  
n/a  
Costa Botes

## D/Escalator low-budget feature films

**I Survived a Zombie Holocaust.....** **\$250,000**  
38 Pictures Ltd  
Zoe Hobson  
Guy Pigden  
Guy Pigden

**Timeslow .....** **\$250,000**  
Realtime Ltd  
Owen Hughes  
Sally Tran & Steve Barr  
Sally Tran

**Existence .....** **\$250,000**  
Existence Ltd  
Mhairead Connor & Melissa Dodds  
Juliet Bergh & Jessica Charlton  
Juliet Bergh

**Housebound**.....\$250,000  
 Kitchen Sink Films Ltd  
 Luke Sharpe & Daniel Story  
 Gerard Johnstone  
 Gerard Johnstone

## E/NZFC development finance for feature film projects

### i) Early Development Fund

**The Ballad of Helen and the Go-Go Ninjas (Writer Development Loan)** .....\$7,500  
 Michael Bennett

**The Whole World's Watching (Writer Development Loan)** .....\$7,500  
 Alan Erson

**Shearers' Motel (Writer Development Loan)** .....\$7,500  
 Lala Rolls

**Black Skies Blue (Writer Development Loan)** .....\$7,500  
 Simone Horrocks

**Rise (Writer Development Loan)**.....\$7,500  
 Andy Sophocleous  
 \$7,500

**Kiwi Idle (Writer Development Loan)** .....\$7,500  
 Michael Beran

**Beyond Endurance (Writer Development Loan)** .....\$7,500  
 Guy Hamling

**String Through the Earth (Writer Development Loan)** .....\$7,500  
 Colin Hodson

**Operation Foxley (Writer Development Loan)** .....\$7,500  
 David Coyle

**Demolition Daisy (Writer Development Loan)**.....\$7,500  
 Matthew Saville

**Return (Writer Development Loan)** .....\$7,500  
 Kelly Kilgour

**13 (Writer Development Loan)** .....\$7,500  
 Henry Feltham

**Middlemarch (Writer Development Loan)**.....\$7,500  
 Riwia Brown

**Miss Adventure (Writer Development Loan)**.....\$7,500  
 Joe Lonie

**First Pass Under Heaven (Writer Development Loan)**.....\$7,500  
 Nathan Hoturoa Gray

**Mike and Virginia (Writer Development Loan)** .....\$7,500  
 Kathryn Burnett

**Emerald Curse (Writer Development Loan)** .....\$7,500  
 Frances Edmond

**Old Nut Crackers (Writer Development Loan)** .....\$7,500  
 Stewart Main

**Burn Out (Writer Development Loan)** .....\$7,500  
 Matthew Horrocks

**Shaolin Burning (Writer Development Loan)** .....\$7,500  
 Jesse Warn & Peter Cox

**The Red Car (Writer Development Loan)** .....\$7,500  
 Jeff Hayward

**Legacy (Writer Development Loan)** .....\$7,500  
 Paora Joseph

**One for the Road**.....\$20,000  
 Clean Slate Films Ltd  
 Bonnie Slater  
 Kelly Kilgour  
 Sam Kelly

**Don't Fence Me In (fka The Big Huey)** .....\$5,000  
 Robin Murphy Productions Ltd  
 Robin Murphy  
 Brian Challis  
 Miles Murphy

**Tamada** .....\$7,500 & \$11,000  
 Reservoir Films Ltd  
 Matthew Horrocks  
 Tim Tsiklauri  
 Tim Tsiklauri

**Ergotism** .....\$20,000  
 Bad Bread Ltd  
 Andrew Beattie, Jonathan Dowling & Jon Staton  
 Stefan Rochfort  
 Stefan Rochfort

**Parihaka** .....\$40,000  
 Simmonds Brothers Animation Ltd  
 Matthew Horrocks, Te Miringa Hohaia & Phill Simmonds  
 Phill Simmonds & Matthew Horrocks  
 Phill Simmonds

**Rocking Horse Road**.....\$20,000  
 Great Southern Film & Television Ltd  
 Angela Littlejohn  
 Brian Challis  
 Brian Challis

**The Last Dogs of Winter** .....\$10,000  
 Lone Pine Film & TV Productions Ltd  
 Costa Botes  
 n/a  
 Costa Botes

**The Weight of Elephants** .....\$20,000 & \$20,000  
 Severe Features Ltd & Zentropa  
 Leanne Saunders & Katja Adomeit  
 Daniel Borgman  
 Daniel Borgman

**There Were Brave Men Before Agamemnon** .....\$15,000  
 Firesign Productions Ltd  
 Michael Wrenn  
 Dane Giraud  
 Dane Giraud

**Interior**.....\$20,000  
 PGD Film Ltd  
 Mhairead Connor  
 Gregory King  
 Gregory King

**Collision (fka The Frozen Sea)**.....\$20,000  
 Great Southern Film & Television Ltd  
 Rachel Gardner  
 Mike Smith  
 Mike Smith

**Deep South** .....\$20,000  
 Sister Zombie & Deep South Productions Ltd  
 Robert Rowe  
 Harold Brodie  
 Harold Brodie

**The 53rd Victim** .....\$20,000  
 Whenua Films Ltd  
 Ainsley Gardiner  
 Pip Hall  
 Peter Burger

**Death or Milton**.....\$10,000  
 Certain Scenes Productions Ltd  
 Rhys Cain  
 Scott Boswell & Derryn Beath  
 Scott Boswell

**Otira (documentary)** .....\$5,000  
 Monsoon Pictures International Ltd  
 Alex Behse  
 Tom Burstyn  
 Tom Burstyn

**Bomb NZ! (documentary)**.....\$5,000  
 Fire and Ice Pictures Ltd  
 Michael McLachlan  
 Tim McLachlan  
 Tim McLachlan



**The Search for the Gentleman Racer (documentary)** ..... \$15,000  
 Cloud South Films Ltd  
 Sumner Burstyn  
 Sumner Burstyn  
 Tom Burstyn & Sumner Burstyn

**The Dark Horse** ..... \$19,660 & \$15,250  
 Four Knights Film Ltd  
 Tom Hern  
 James Napier Robertson  
 James Napier Robertson

**Lowdown Dirty Criminals (fka The Knock Off)** ..... \$20,000  
 Lowdown Dirty Criminals Ltd  
 David Brechin-Smith, Angela Littlejohn & Bonnie Slater  
 David Brechin-Smith  
 TBC

**Moifaa** ..... \$12,240  
 Liberty Films Ltd & Garage Light Films Ltd  
 Richard Fletcher & Ed Talfan  
 Jeff Murphy  
 TBC

**Cold Storage** ..... \$22,000  
 Off Ramp Films Ltd  
 Michelle Turner  
 Nick Ward & Jeff Hayward  
 Ellory Elkayem

**The Very Last Girl** ..... \$21,000 & \$15,000  
 Second Cine Ltd  
 Nik Beachman  
 Michael Duignan  
 Michael Duignan

**A Gift to Zion** ..... \$25,000  
 Kura Productions Ltd  
 Quinton Hita  
 Tearepa Kahi  
 Tearepa Kahi

**O Jerusalem** ..... \$20,000  
 Isola Productions Ltd  
 Rachel Jean  
 Fiona Samuel  
 Fiona Samuel

**Paradise** ..... \$20,000  
 Curious Film Ltd  
 Matt Noonan  
 Josh Frizzell  
 Josh Frizzell

**Downside Story (fka Scumbags)** ..... \$18,500  
 ACIOB Ltd  
 Maile Daugherty & Michael Bennett  
 Michael Bennett & Hamish Bennett  
 TBC

**Amandla Blues** ..... \$15,000  
 Gaylene Preston Productions Ltd  
 Gaylene Preston  
 Gaylene Preston  
 Gaylene Preston

**Inside Dope** ..... \$10,000  
 Film Business Ltd  
 Murray Francis  
 David Brechin-Smith  
 TBC

**The Perfect Woman** ..... \$20,000 & \$18,000  
 Isola Productions Ltd  
 Rachel Jean  
 Fiona Samuel  
 Murray Keane

**Newland** ..... \$11,500  
 THE Film Ltd  
 Trevor Haysom  
 Jodie Molloy  
 TBC

**Maggie Hall** ..... \$20,000  
 Index Films Ltd  
 Jonathan King & Matthew Grainger  
 Jonathan King  
 Jonathan King

**The Last Saint** ..... \$15,000  
 Reservoir Films Ltd  
 Matthew Horrocks  
 Rene Naufahu  
 Rene Naufahu

**Babylon** ..... \$20,000 & \$20,000  
 Great Southern Film and Television Ltd  
 Rachel Gardner  
 Glenn Standring  
 Glenn Standring

**The Sunset Club** ..... \$4,740  
 Greenstone Pictures  
 John Harris  
 John Davies  
 TBC

**Kiri-haehae: Skin Deep** ..... \$20,000  
 Tauihu Media Ltd  
 Tui Ruwhiu & Brad Haami  
 Riwia Brown  
 Katie Wolfe

**Insane Jane** ..... \$10,000  
 Great Southern Film and Television Ltd  
 Rachel Gardner  
 Matt Heath & Jodie Molloy  
 Matt Heath

**One Night Burgling** ..... \$20,000  
 Robber's Dog Films Ltd  
 Mark Foster  
 Glenn Wood  
 Adam Stevens

**Miracle at St Johns** ..... \$10,000  
 Top Shelf Productions Ltd  
 Vincent Burke  
 Paul Oremland  
 Paul Oremland

**The Amazing Extraordinary Friends** ..... \$20,000  
 Greenstone Pictures Ltd  
 Stephen Campbell  
 Stephen Campbell  
 Stephen Campbell

**Finding Johnson (documentary)** ..... \$5,000  
 Lone Pine Film & TV Productions Ltd  
 Costa Botes  
 n/a  
 Sven Pannell

**Poisoned Earth** ..... \$18,000  
 Minute Productions Ltd & Sensible Ltd  
 Tim Sanders  
 Glenn Standring  
 Glenn Standring

**Mountain Oysters** ..... \$10,000  
 Sycorax Enterprises Ltd  
 Grant & Bryce Campbell  
 Grant & Bryce Campbell  
 TBC

**Dawn Raids** ..... \$10,000  
 Inkubator Ltd  
 Paula Jones & Alex Lee  
 Tom Dreaver  
 TBC

**Maori Detective and the Boogie Fever** ..... \$15,000  
 Boogie Fever Ltd  
 David Brechin-Smith  
 David Brechin-Smith & Kelly Kilgour  
 TBC

**Showband** ..... \$17,500  
 Desert Road Films Ltd  
 Steven O'Meagher  
 Vanessa Alexander  
 Vanessa Alexander

**Life on the Island** ..... \$16,500  
 Escapade Pictures Ltd  
 Philippa Campbell  
 Colin Hodson  
 Colin Hodson

**Beyond Endurance** ..... \$14,000  
 Supercollider Ltd  
 Paul Swadel  
 Guy Hamling  
 James Cunningham

**Photos of Loving Summer** ..... \$16,000  
 Isola Productions Ltd  
 Rachel Jean  
 Katie Wolfe & Hone Kouka  
 Katie Wolfe

**Susi Newborn** ..... \$4,000  
 Rongo Productions Ltd  
 Stephanie Bennett  
 Stephanie Bennett  
 Stephanie Bennett

**The Tear Collector** ..... \$15,000  
 One Car Films Ltd  
 Glenis Giles  
 Linda Niccol  
 Linda Niccol

**When a City Falls (documentary)** ..... \$5,000  
 Frank City Falls Ltd  
 Alice Shannon & Gerard Smyth  
 Gerard Smyth  
 Gerard Smyth

#### ii) Advanced Development Committee

**The Straggler** ..... \$16,500  
 Nom de Guerre Films Ltd  
 Michael Wrenn  
 Jonathan Ogilvie  
 Jonathan Ogilvie

**Boy and Teacher** ..... \$46,000 & \$20,000  
 Desert Road Films Ltd  
 Steven O'Meagher  
 Toa Fraser  
 Toa Fraser

**Land of Tears** ..... \$15,000  
 Wild Pork Ltd  
 Charlie McClellan  
 Paul Murphy & Taika Waititi  
 Paul Murphy

**Cities** ..... \$50,000  
 General Film Corporation Ltd  
 Matthew Metcalfe  
 Roger Donaldson & Ken Friedman  
 Roger Donaldson

**The Fat Man** ..... \$44,050  
 Herbert Muskie Filmwerks Ltd  
 Tim White  
 Robert Humphrey Gyde  
 Toa Fraser

**Lowdown Dirty Criminals (fka The Knock Off)** ..... \$25,000  
 Lowdown Dirty Criminals Ltd  
 Angela Littlejohn  
 David Brechin-Smith  
 Glenn Standing

**A Gift to Zion** ..... \$20,000  
 Kura Productions Ltd  
 Quinton Hita  
 Tearepa Kahi  
 Tearepa Kahi

**The Weight of Elephants** ..... \$40,000  
 Severe Features Ltd & Zentropa  
 Leanne Saunders & Katja Adomeit  
 Daniel Borgman  
 Daniel Borgman

#### F Development awards

##### i) Professional Development Awards

**Desray Armstrong** ..... \$2,097  
**Fleur Saville** ..... \$4,777  
**Karl Schodt** ..... \$4,717  
**Matthew Sunderland** ..... \$5,000  
**Simone Horrocks** ..... \$5,000  
**Victoria Spackman** ..... \$5,000  
**Brian Challis** ..... \$4,850  
**David Strong** ..... \$2,513  
**Roseanne Liang** ..... \$2,725  
**Gareth Reeves** ..... \$4,360  
**Maile Daugherty & Michael Bennett** ..... \$5,000  
**Norelle Scott** ..... \$4,540

##### ii) Talent Awards

**Ainsley Gardiner** ..... \$50,000  
**Alan Harris** ..... \$30,000  
**Ant Timpson** ..... \$25,000  
**Gregory King** ..... \$15,000  
**Jason Stutter** ..... \$15,000  
**Leanne Pooley** ..... \$25,000  
**Leanne Saunders** ..... \$25,000  
**Sumner Burstyn** ..... \$30,000  
**Tom Hern & James Napier Robertson** ..... \$15,000

##### iii) CEO Talent Awards

**Taika Waititi** ..... \$50,000  
**Gaylene Preston** ..... \$30,000  
**Mark Albiston & Louis Sutherland** ..... \$30,000

##### iv) Other

**Te Paepae Ataata** ..... \$200,000

## G/Producer International travel assistance

### i) To Markets

#### To 37°South, Melbourne

Angela Littlejohn .....	\$2,000
Catherine Fitzgerald .....	\$2,000
Leanne Saunders .....	\$2,000
Liz DiFiore .....	\$2,000
Paul Swadel .....	\$2,000
Rachel Gardner .....	\$2,000
Tom Hern .....	\$2,000

#### To Toronto

Michelle Turner .....	\$5,950
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#### To Berlin

Emma Slade .....	\$6,310
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#### To Cannes

Dave Gibson .....	\$7,900
Leanne Saunders .....	\$7,900
Steven O'Meagher .....	\$7,900

#### To Halifax

Arani Cuthbert .....	\$5,892
Robin Laing .....	\$6,052

#### To Pusan

Leanne Saunders .....	\$6,302
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#### To the International Documentary Film Festival, Amsterdam (IDFA)

Lyn Collie .....	\$6,065
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#### To the American Film Market, Los Angeles (AFM)

Sue Rogers .....	\$8,356
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#### To DigiSpaa, Sydney

Rhys Cain & Scott Boswell .....	\$1,888
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### ii) General

Matthew Horrocks & Guy Hamling to New York .....	\$9,850
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## H/Festival travel assistance for feature filmmakers

Gaylene Preston – Home by Christmas .....	\$2,500
History Makers Awards/New York .....	

#### Rosemary Riddell, Mike Riddell, Rawiri Paratene

The Insatiable Moon .....	\$6,897
UK premiere .....	

Sumner Burstyn & Tom Burstyn – This Way of Life .....	\$6,000
Los Angeles screenings/Oscar campaign .....	

Mike Wallis & Inge Rademeyer – Good for Nothing .....	\$5,000
Santa Barbara Film Festival .....	

## I/Festival travel assistance for short filmmakers

Josh Thomson – Only Son .....	\$3,500
Fantastic Film Festival (Austin, Texas) .....	

Chris Dudman – Choice Night .....	\$4,822
Times BFI London/Valladolid Film Festival .....	

Tammy Davis – Ebony Society .....	\$6,500
Sundance Film Festival/Berlin International Film Festival .....	

Chelsea Winstanley – Ebony Society .....	\$5,000
Sundance Film Festival .....	

Katie Wolfe – Redemption .....	\$5,000
Sundance Film Festival .....	

Rachel Jean – Redemption .....	\$5,000
Sundance Film Festival .....	

Sam Peacocke – Manurewa .....	\$4,189
Berlin International Film Festival .....	

Jackie van Beek – Go the Dogs .....	\$4,000
Berlin International Film Festival .....	

Kirsten Green – Hauraki .....	\$3,559
Tribeca Film Festival .....	

Glen Real – Preferably Blue .....	\$2,982
Tribeca Film Festival / Stuttgart Festival of Animated Film .....	

Stephen Kang – Blue .....	\$4,630
Semaine de la Critique, Cannes .....	

Tara Riddell – Blue .....	\$4,630
Semaine de la Critique, Cannes .....	

Sam Holst – Meathead .....	\$5,000
Festival du Cannes .....	

Chelsea Winstanley – Meathead .....	\$4,420
Festival du Cannes .....	

Desray Armstrong – Meathead .....	\$4,420
Festival du Cannes .....	

Maria-Elena Doyle – Meniscus .....	\$2,891
Annecy International Animated Film Festival .....	

## J/Short film projects with production finance from the NZFC

### Premiere Shorts funding scheme through executive producer groups

#### (i) A Collective Intake of Breath – Maile Daugherty and Michael Bennett

Night Shift .....	\$90,000
Chelsea Winstanley & Matt Noonan .....	
Zia Mandviwalla .....	
Zia Mandviwalla .....	

Tiger Country .....	\$90,000
Jeremy Macey .....	
Sarah Boddy .....	
TBC .....	

#### (ii) Tauihu Shorts – Brad Haami, Poata Eruera and Tui Ruwhiu

The Jubjub Bird .....	\$98,000
Claire Kelly .....	
Paul Stanley Ward .....	
Dylan Pharazyn .....	

Inorganic .....	\$82,000
Angela da Silva & Donna Pearman .....	
Nick Ward .....	
Maria-Elena Doyle .....	

#### (iii) Tom Thumb Shorts – Chris Dudman, Polly Fryer and Steven O'Meagher

Bee .....	\$90,000
Ainsley Gardiner .....	
Loren Taylor .....	
Loren Taylor .....	

Sonny, My Older Brother .....	\$90,000
Chelsea Winstanley & Matt Noonan .....	
Tammy Davis .....	
Tammy Davis .....	

### Fresh Shorts funding scheme through the NZFC:

A Bend in the Road .....	\$30,000
Gemma Freeman .....	
Rollo Wenlock .....	
Rollo Wenlock .....	

Fadeaway .....	\$30,000
Amorangi Paitai .....	
Hone Kouka .....	
Robert George .....	

<b>Lambs</b> .....	<b>\$30,000</b>
Tom Hern	
Sam Kelly	
Sam Kelly	
<b>Pot Luck</b> .....	<b>\$30,000</b>
Desray Armstrong	
Martha Hardy-Ward	
Michelle Savill	
<b>Pool</b> .....	<b>\$30,000</b>
Carla Brereton	
Carla Brereton & Stephen Ballantyne	
Stephen Ballantyne	
<b>Runaways</b> .....	<b>\$30,000</b>
Alix Whittaker	
Jordan Dodson	
Jordan Dodson	
<b>Ten Thousand Days</b> .....	<b>\$30,000</b>
Nik Beachman	
Michael Duignan	
Michael Duignan	
<b>Uphill</b> .....	<b>\$30,000</b>
Aaron Watson	
Jackie van Beek	
Jackie van Beek	
<b>Baby Steps</b> .....	<b>\$10,000</b>
Fred Renata	
Mark Ruka	
Mark Ruka	
<b>Hitchhike</b> .....	<b>\$10,000</b>
Julia Parnell	
Matthew Saville	
Matthew Saville	
<b>Slugs and Snails</b> .....	<b>\$10,000</b>
Andrew Beattie	
Luke Anastassiou	
Luke Anastassiou	
<b>Sneak Out</b> .....	<b>\$10,000</b>
Yani Feltham	
Ying Ly	
Ying Ly	
<b>The Dump</b> .....	<b>\$10,000</b>
Orlando Stewart	
Hamish Bennett	
Hamish Bennett	
<b>The Red Beret</b> .....	<b>\$10,000</b>
Nicholas Henwood & David White	
Glen Maw	
Glen Maw	
<b>The Tinny House</b> .....	<b>\$10,000</b>
Rhys Morgan	
Rhys Morgan	
Rhys Morgan	
<b>Tuffy</b> .....	<b>\$10,000</b>
Marc Swadel & Jay Ryan	
Matthew Sunderland	
Matthew Sunderland	

### K/Short film projects with post production finance from the NZFC

<b>Blue</b> .....	<b>\$34,096</b>
Tara Riddell	
Stephen Kang	
Stephen Kang	
<b>Brainy</b> .....	<b>\$20,000</b>
Katja Adomeit	
Daniel Borgman	
Daniel Borgman	

<b>Ebony Society</b> .....	<b>\$6,547</b>
Ainsley Gardiner & Chelsea Winstanley	
Tammy Davis	
Tammy Davis	
<b>Go the Dogs</b> .....	<b>\$30,750</b>
Aaron Watson	
Jackie van Beek	
Jackie van Beek	
<b>Hauraki</b> .....	<b>\$1,962</b>
Stephen Lovatt	
Dianne Taylor	
Kirsten Green	
<b>Manurewa</b> .....	<b>\$15,421</b>
Kristian Eek	
Sam Peacocke	
Sam Peacocke	
<b>Meniscus</b> .....	<b>\$3,589</b>
Maria-Elena Doyle	
Maria-Elena Doyle	
Maria-Elena Doyle	
<b>Indigenous Initiative Te Ara ki te Paepae</b> .....	<b>\$100,000</b>

### L/Professional development

#### i) NZFC Initiatives

<b>First Writers' Initiative</b> .....	<b>\$58,498</b>
<b>Trainee Feature Director Scheme (Two Little Boys)</b> .....	<b>\$10,000</b>
<b>The Mercurial Art: A Conversation with Tim White/</b> <b>Tim White Producer Focus Programme</b> .....	<b>\$7,058</b>
<b>Leanne Pooley Documentary Directing Seminar</b> .....	<b>\$1,400</b>
<b>Binger Doc Lab</b> .....	<b>\$20,000</b>
<b>Berlinale Talent Campus</b> .....	<b>\$6,000</b>
<b>No Borders, New York</b> .....	<b>\$30,968</b>
<b>Script Factory Workshops</b> .....	<b>\$15,764</b>
<b>Development Tools Workshop &amp;</b> <b>Simon Van der Borgh Consultations</b> .....	<b>\$19,497</b>
<b>Producing: An (On-going) Education with Finola Dwyer</b> .....	<b>\$2,924</b>
<b>ACE</b> .....	<b>\$12,235</b>
<b>Cinemart &amp; Rotterdam Lab</b> .....	<b>\$30,148</b>
<b>Accelerator, Melbourne</b> .....	<b>\$11,709</b>
<b>37°South Partnership</b> .....	<b>\$9,771</b>

#### ii) Joint Initiatives

<b>Making Babies and Selling Them – Screenwriting</b> <b>Workshops in association with NZWG</b> .....	<b>\$7,900</b>
<b>Christopher Vogler Workshop: The Writer's</b> <b>Journey in association with Script to Screen</b> .....	<b>\$5,956</b>
<b>WIFT NZ Mentorships</b> .....	<b>\$10,650</b>
<b>Nadia Tass Directing for the Cinema</b> <b>Workshops in association with SDGNZ</b> .....	<b>\$22,778</b>
<b>Follow-up sessions for Show Me Shorts:</b> <b>Short Film Lab 2010 participants</b> .....	<b>\$1,600</b>
<b>Demystifying Distribution, Exhibition and</b> <b>International Sales in association with SPADA</b> .....	<b>\$12,300</b>
<b>Killer Films US Screenwriting Internship</b> <b>in association with Script to Screen</b> .....	<b>\$10,000</b>
<b>Dunedin Festival of Film and Television Craft</b> <b>(Script to Screen, NZWG, NHNZ, SDGNZ)</b> .....	<b>\$500</b>
<b>Peter Gilbert Masterclass and Bootcamp</b> <b>(SDGNZ, Script to Screen, DocEdge, University of Auckland</b> <b>and BNO Productions)</b> .....	<b>\$7,700</b>
<b>Development Workshops in association with NZWG</b> .....	<b>\$3,150</b>

## M/Industry Infrastructure Support

Film NZ.....	\$40,000
Nga Aho Whakaari.....	\$60,000
NZWG .....	\$80,000
Script to Screen .....	\$110,000
SDGNZ.....	\$100,000
SPADA .....	\$95,000
WIFT NZ .....	\$60,000
48HOURS Film Festival.....	\$25,000
New Zealand International Film Festival .....	\$85,000
New Zealand Screen Awards .....	\$50,000
NZ Federation of Film Societies .....	\$10,000
Wairoa Māori Film Festival .....	\$20,000

## N/Domestic theatrical distribution support – publicity grants

Metropolis for Home by Christmas .....	\$22,801
Transmission for Boy .....	\$86,833
Rialto for Predicament .....	\$15,134
Rialto for The Hopes & Dreams of Gazza Snell.....	\$8,200
Rialto for After the Waterfall .....	\$6,044
Icon for Love Birds .....	\$26,367
South Pacific Pictures/Sony for My Wedding and Other Secrets ...	\$40,589
Godzone Snark Productions for Russian Snark .....	\$2,500
Torchlight Films for Hook, Line & Sinker.....	\$600

## O) Domestic Theatrical Releases – Gross Box Office

Boy .....	\$9,322,188
Home by Christmas .....	\$1,151,589
Predicament.....	\$155,537
After the Waterfall.....	\$63,279
Matariki .....	\$17,814
The Hopes & Dreams of Gazza Snell .....	\$68,976
Love Birds.....	\$588,063
My Wedding & Other Secrets .....	\$688,253
Tracker .....	\$65,745

## P/Certification as a New Zealand film (for purposes of the Income Tax Act)

### Provisional Certification

**Mr Pip**  
Feature Film  
Mr Pip Ltd

### Final Certification

**The Insatiable Moon**  
Feature Film  
The Insatiable Moon Ltd

## Q/Productions certified as official co-productions

### Provisional Certification

**Emilie Richards: Tales of the South Pacific (Series 3)**

- 1) A Bunch of Magic
  - 2) The Secret of the Opal
  - 3) Duncan's Lady
  - 4) Whiskey Island
- 4 telemovies  
GFC (Germany)Ltd  
NZ/Germany co-production

## Final Certification

**Turbo Dogs**  
Animated Television Series  
Racer Dogs (Productions) Ltd  
NZ/Canada co-production

**Ice**  
Feature Film  
Ice Features Ltd  
NZ/UK co-production

**Ice**  
Television Mini-series  
Ice Features Ltd  
NZ/UK co-production

**Tracker**  
Feature Film  
Digit Films Ltd  
NZ/UK co-production

**Emilie Richards: Tales of the South Pacific (Series 2)**

- 5) Longing for Your Affection
  - 6) Just Think About the Two of Us
  - 7) Fire of Love
- 3 telemovies  
GFC (Germany)Ltd  
NZ/Germany co-production

## R/Screen production Incentive fund scheme (SPIF) approvals

### i) Provisional Certification

**Two Little Boys**  
Feature Film  
Tent Pole Films Ltd

**Emilie Richards: Tales from the South Pacific (Series 3)**  
Television Series  
GFC (Germany) Ltd

**Sione's 2: Unfinished Business**  
Feature Film  
Sione's 2 Ltd

**The Stolen**  
Feature Film (Significant NZ Content only)  
Stolen Lights NZ Ltd

**Mr Pip**  
Feature Film  
Mr Pip Ltd

### ii) Final Certification

**The Hopes & Dreams of Gazza Snell .....** **\$1.884M**  
Feature Film  
Hopes & Dreams Ltd

**Emilie Richards: Tales from the South Pacific (Series 2) .....** **\$0.931M**  
Television Series  
GFC (Germany) Ltd

**Tracker .....** **\$2.553M**  
Feature Film  
Digit Films Ltd

**Life Force (Australia).....** **\$0.143M**  
Single Episode Documentary  
NHNZ Ltd

**Life Force (New Zealand).....** **\$0.215M**  
Single Episode Documentary  
NHNZ Ltd

**Ice (Television Mini-series) .....** **\$1.659M**  
ICE Features Ltd

**Ice (Feature Film).....** **\$2.489M**  
ICE Features Ltd

**Love Birds.....** **\$3.433M**  
Feature Film  
General Film Corp. (Pierre) Ltd



# NZFC Operational Units and Staff as at 30 June 2011

## Corporate

Graeme Mason	Chief Executive
Mladen Ivancic	Deputy Chief Executive
Naomi Wallwork	Head of Business Affairs
Sarah Allerby	Business Affairs Executive
Erin Banks	Business Affairs Assistant
Gina Rogers	Senior Communications Adviser (part-time)
Janka Palinkas	Accountant
Sophie Hathaway	Accounts Assistant
Dominique Fromont	Film Income Manager (part-time)
Fiona Mulder	Executive Assistant
Claire Watson	Receptionist

## Production and Development

Chris Payne	Development Executive
Kath Akuhata-Brown	Development Executive
Katherine Fry	Development Executive
Bonnie Slater	Professional Development Executive
Faith Dennis	Development Coordinator

## Sales and Marketing

James Thompson	Head of Sales and Marketing
Jasmin McSweeney	Marketing and Communications Executive
Robin Laing	Film Materials Manager
Beth Brash	Sales and Marketing Assistant
Lisa Chatfield	Short Film Manager (Acting)
Lizzie Dunn	Short Film Assistant
Lauren Granshaw	Fresh Shorts Assistant

## Consultants

Henrietta Hall	ICT Consultant
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*Film Editor Chris Plummer, The Hopes and Dreams of Gazza Snell*

