

New Zealand Film Commission

Annual Report 2013/14



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Cover photos:
Beyond the Edge
Fantail
What We Do in the Shadows



Beyond the Edge

Report of the New Zealand Film Commission

for the year ended 30 June 2014

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 2014.



Dame Patsy Reddy
Chair



Andrew Cornwell
Board Member

HIGHLIGHTS

In 2013/14, New Zealanders saw great New Zealand films supported by the NZFC. And there's more to come, with some exciting projects receiving development and production funding.

This funding coupled with the new screen incentive means there'll be more work in the screen industry in coming years, reinforcing the importance of the NZFC's support for training and development of talented professionals.

Behind the scenes, the NZFC has changed some aspects of the way we work to ensure we are better placed to help the industry grow.

Changes to New Zealand's screen incentives were implemented to attract more large-budget local and international productions.

Beyond the Edge was named second runner up in the People's Choice Award for Documentary at the 2013 Toronto International Film Festival.

We've reorganised our structure to better reflect our objectives, and transitioned out of acting as a sales agency for New Zealand films whilst maintaining our role as guardian of those films under the new concept of Te Ahi Ka.

Twelve NZFC-funded feature films (including four documentaries) were released theatrically in New Zealand. The average critic's rating for these films was 4 stars.

Almost 100 professional development opportunities were supported by NZFC at a total cost of \$1.1m.

Thirteen new feature film projects (including seven documentaries) were offered production funding, amounting to \$11.9m. Two are documentaries that reflect on New Zealand's experience at Gallipoli and contribute to the commemoration of the First World War Centenary in 2015.

A total of 10 feature films, 11 short films and two series of animated shorts have new digital versions. Many of these are now available to New Zealanders through the new "NZ Film on Demand" website VOD service we launched in May 2014.

The new Business Development Scheme, to help new and existing screen sector businesses develop scale, connections and sustainability, made its first grant to Libertine Pictures and a further three companies have been selected.

We implemented He Ara, a new feature film devolved development scheme for Māori and Pasifika filmmakers, and offered \$200,000 to three groups.

22 short films were selected for production.

Eight short films and seven feature films were selected for A-list film festivals.

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We are committed to ensuring New Zealand has a successful screen industry.

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What We Do in the Shadows

ABOUT THE NEW ZEALAND FILM COMMISSION

The New Zealand Film Commission (NZFC) is here to ensure New Zealand has a successful screen industry.

We:

- Find, foster and connect outstanding New Zealand screen talent
- Help exciting ideas become great films
- Get more people to see great New Zealand films
- Grow New Zealand's screen industry.

We are an Autonomous Crown Entity and allocate funds provided by the Crown and the Lottery Grants Board in line with the New Zealand Film Commission Act 1978.

We judge our success by the success of the New Zealand screen industry. To describe what success would look like, we use the image of 'lining up the planets' for our industry and stakeholders; when each planet is shining bright, we're getting it right.

Lining up the planets

Pathways &
careers for
people

More eyeballs
on films
(here &
overseas)

Increased
economic
activity

Culturally
significant
films

Amazing
original
different
satisfying
films

For our industry AND our stakeholders

CHAIR'S INTRODUCTION



Dame Patsy Reddy, October 2014

This Annual Report for the 2013/14 financial year outlines a number of developments that have set the scene for future cultural and economic success for our screen industry.

We regard the cultural and economic objectives for the screen sector as mutually reinforcing. Telling New Zealand stories well helps to make the New Zealand screen industry successful and a successful screen industry helps to ensure that New Zealand films are able to be made and seen in New Zealand and internationally.

I was delighted to welcome our new Chief Executive Dave Gibson, who joined the New Zealand Film Commission in January 2014. Dave is one of New Zealand's most experienced film and television producers, bringing 35 years of experience to this important leadership role. He has already done much to communicate our objectives and re-shape the way we deliver services and funding to the industry.

In December 2013 the Government confirmed its commitment to growing a vibrant screen industry through the announcement of a new consolidated grant structure which provides increased support for screen production.

The New Zealand Screen Production Grant (NZSPG) is designed to encourage more international film production in New Zealand which will strengthen the local industry and provide wider economic benefits. This was demonstrated by the announcement that three *Avatar* sequels are to be made in New Zealand. In addition, the NZSPG encourages larger scale local productions which feature New Zealand content and significant local creative control, thereby enhancing opportunities to harness and grow the benefits from local intellectual property and the opportunities to create sustainability for our local screen industry.

Another exciting feature of the Government's December announcements was the formation of a Screen Advisory Board to support New Zealand filmmakers and our local screen industry. The members of this Board are internationally celebrated and recognised filmmakers – all of whom have significant links to New Zealand. I thank Sir Peter Jackson, Fran Walsh, Andrew Adamson, Jane Campion, James Cameron and Jon Landau for making their valuable time and expertise available in this way.

During the year we continued to deepen and strengthen our collaborative relationships with other agencies in the screen sector, for example through the new Loading Docs short documentary initiative co-funded with NZ On Air. In June we formalised our collaboration with NZ On Air and Film NZ under a new 'virtual agency' Screen NZ. This provides a forum for the three organisations to ensure that our support of the screen industry is well coordinated and effective. An initial series of practical initiatives in areas such as research, marketing, skills and talent development are underway.

Alongside these new developments we have continued to fund a diverse range of feature films, documentaries and short films, and we have supported talented New Zealanders to develop their skills and build sustainable businesses. This Annual Report sets out the detail of these programmes.

I acknowledge the leadership that we have enjoyed over the past six years from the Minister for Arts, Culture and Heritage, the Hon. Christopher Finlayson, and thank him for his strong support of our sector. I also thank my colleagues on the NZFC Board for their dedication and valued contribution to the Commission and the wider industry.

I look forward to the continued growth of a stronger and sustainable screen sector so that we can continue to make and see our stories on screen.

A handwritten signature in black ink, reading 'P. Reddy'.

FROM THE CHIEF EXECUTIVE



Dave Gibson, October 2014

When I jumped the fence in January 2014, from filmmaker to decisionmaker, I found the New Zealand Film Commission doing a lot of good work to help many amazing films get made. This has been a good year for New Zealand film at the box office and on the festival circuit.

But I also found there was room for improvement and I am determined to make it easier for the industry to work with us.

We are here to help – to enable, to empower, to facilitate - so that people working in the screen industry have sustainable careers in profitable businesses making the films they're passionate about and having them widely seen.

We've made a start on becoming a more flexible, responsive, helpful agency. We have reorganised our structure to better reflect our objectives. We now have four core business units:

- Talent Development and Relationships – headed by Chris Payne and charged with finding, fostering and connecting outstanding screen talent.
- Development and Production – headed by Lisa Chatfield and focused on supporting exciting ideas to become great films.
- Marketing – headed by Jasmin McSweeney and responsible for promotion and marketing so that more people see great New Zealand films.
- Incentives – managed by Naomi Wallwork to support industry growth through the New Zealand Screen Production Grant.

We also have three support units - Research and Strategy, Business Affairs and Finance.

A big change was our transition away from acting as a sales agency for New Zealand films. Time has moved on and this is no longer an appropriate role for the NZFC. Instead, we will focus on our role as guardians of the films we have invested in under a new initiative called Te Ahi Ka, making them available to audiences through the new On Demand service as well as through more traditional venues.

We've put in place new ways of supporting the industry:

- The Business Development Scheme to help develop sustainable businesses.
- He Ara - an initiative that empowers groups of largely Māori and Pasifika filmmakers to develop films in a more devolved, collaborative fashion.

Looking ahead, we expect a higher level of activity in the next year than we have seen for some time, and I am optimistic that growth will continue.

Thanks to the Board and staff for their welcome and incredible hard work as we make changes for the future.

A handwritten signature in dark ink, appearing to read 'Dave Gibson'.



THE YEAR IN REVIEW

OVERVIEW

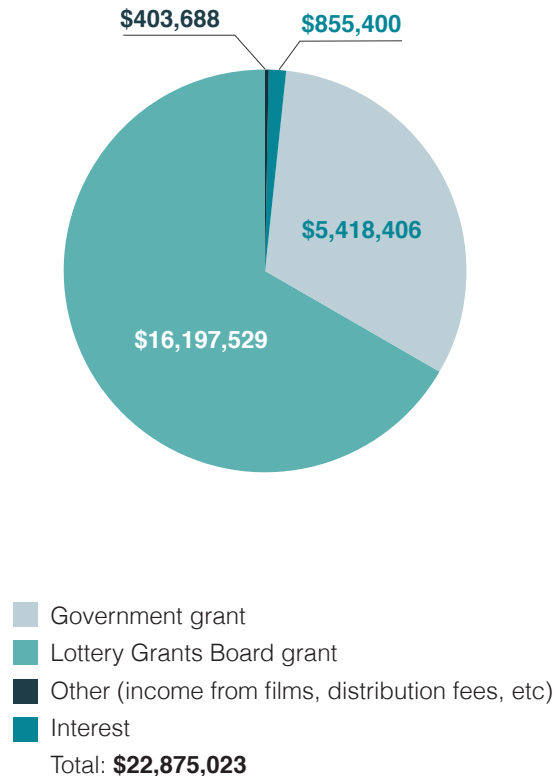
In the 2013/14 financial year, the New Zealand Film Commission spent \$25.4 million of funding across 22 funding programmes.

Our total funding was higher than initially budgeted primarily because of a special one-off distribution of \$1.9 million from the Lottery Grants Board in September 2013. As a result we were able to invest more in feature film

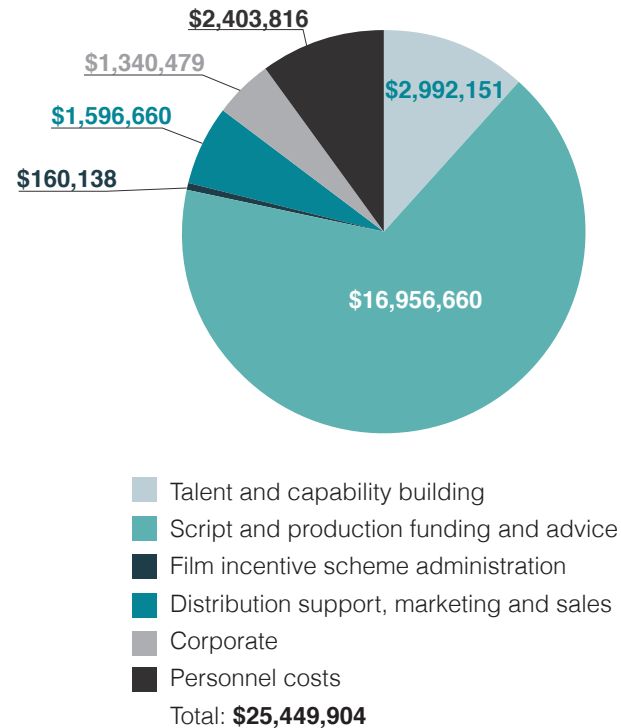
production and post-production, picking up more of the quality projects that were looking for support, while still setting aside some funding in reserves.

The following graphs give an overview of where our funding comes from, and how it was allocated.

Funding sources



Funding allocation by programme



Funding sources trend



*Other includes income from films, distribution fees and writebacks

Overall, we achieved the key outcome set out in the 2013-16 Statement of Intent; that New Zealand has a sustainable and internationally competitive screen sector, as measured by gross revenue of production and post-production sector businesses. The actual revenue was \$860 million, above our target of \$850 million.

The Statement of Service Performance (SSP) measuring results against targets set in the 2013-16 Statement of Intent, is on page 61.

The SSP shows we met or exceeded our targets for the quantity of support we would provide to the industry. We fell notably short of our stakeholder satisfaction targets in one area – the sales agency. We implemented changes in this area, and details are set out in the marketing section of this report.

As mentioned in the Chief Executive's introduction, in the past year we have reorganised our structure around the four key areas of work that contribute to helping the New Zealand screen industry grow; Talent Development and Relationships, Development and Production, Marketing, and Incentives.

In July 2014 we presented our new four-year Statement of Intent for the period 2014/15 to 2017/18. This sets out how we will assess our performance in these four areas in future.

This section of the Annual Report reviews our work in each of these areas in 2013/14.

TALENT DEVELOPMENT AND RELATIONSHIPS

We have done more to help filmmakers find pathways to success and build careers in the industry through our funding for short film production, professional development and industry support.

We set up a new professional development programme and worked with NZ On Air to provide a new co-funded documentary initiative called Loading Docs. Internally, we brought our short film and professional development staff into a new Talent Development and Relationships team headed by Chris Payne.

In the year under review we sought feedback from the industry on whether existing schemes were the best way to transition filmmakers into feature films. A new approach will be introduced in the 2014/15 financial year.

Total spend for the year was \$2.99 million against a budget of \$3.36 million. We underspent on the new Professional Development Services Programme and one-off training initiatives because we developed new criteria that were less reliant on one-off training initiatives. As a result fewer applications met the new criteria.

Short Film Production

Fresh Shorts

Fresh Shorts offered grants to 16 new short films. This programme is now in its fourth year of supporting up-and-coming talent. Eight films were funded at the Fresh 30 level (\$30,000) from 86 applications, and eight at the Fresh 10 level (\$10,000) from 149 applications. The applicants came from a variety of backgrounds with projects spanning a diverse range of genres and subject matter.

Premiere Shorts

Premiere Shorts projects are selected by industry-led executive producer groups. Six projects (out of 137 applications) were provided \$90,000 each.

Details of all short films funded in the year via the Fresh Shorts and Premiere Shorts schemes are listed in the Appendix.

During 2013/14 we consulted on whether the current short film funding schemes were meeting our desired aim of providing pathways to features. As a result we have recently announced that the Premiere Shorts programme will conclude once the current round of films are completed and delivered. In its place we will establish a programme named Premiere Pathways as part of a wider feature-focused ecosystem. This ecosystem includes programmes and activities funded and administered by NZFC, those that are run by external parties with our funding and others that are independent of the NZFC. Under Premiere Pathways, up to \$500,000 will be allocated annually to the creation of striking moving image materials, with a focus on moving compelling feature films into production. High-end short films will qualify, as will proof of concept reels, scenes from feature scripts, teaser trailers and other project-specific materials on a case-by-case basis. We will report on how this is going in next year's Annual Report.

Loading Docs

Loading Docs is a new short film initiative co-funded by the NZFC and NZ On Air. This initiative supported 10 filmmakers to make three minute short documentaries designed for viewing on the internet along with other platforms. It was managed by production company Notable Features and the 10 short documentaries were launched online in May 2014. Highlights include:

- A successful crowdfunding campaign raising over \$25,000 across the 10 projects.
- Over 338,000 cumulative views of the films by mid-July 2014 on Vimeo and the New Zealand Herald.
- Two of the documentaries (*The Jump*, *Living like Kings*) selected as Vimeo staff picks, resulting in global attention for all the films.

Find, foster
and connect
outstanding
New Zealand
screen talent

Escalator Scheme

The Escalator Scheme was a micro budget feature film initiative launched in 2010 as a professional development initiative for newer filmmakers with alternative approaches to filmmaking. Eight features were funded at \$250,000 per film:

Year one

- *Existence*
- *I Survived a Zombie Holocaust*
- *Timeslow*
- *Housebound*

Year two

- *Fantail*
- *Everything We Loved*
- *Shirley and the Hungary Bear*

Year three

- *Orphans & Kingdoms*

As of 30 June 2014, six of the eight projects were completed, one was in the final stages of visual effects and post-production (*Timeslow*) and one was in production (animated feature *Shirley and the Hungary Bear*).

This initiative proved successful with two of the films being accepted in the Breakthru Market Screenings in Melbourne 2014 and all six of the completed films having some form of local and/or international distribution attached.

In 2013 we supported Make My Horror Movie, in conjunction with American distributor MPI. The film *Deathgasm* was selected for funding early in 2014 and is expected to be completed and released in the 2014/15 year. We supported this programme because of the good outcomes from our support of the Make My Movie competition in 2012 in conjunction with NZ On Air, which funded the feature *How to Meet Girls from a Distance*.

The Escalator scheme has now come to an end but in 2013/14 we reviewed our support for lower budget features and in September 2014 we announced

a new funding option at the lower budget end (budgets up to \$500,000). This funding option will be overseen by the Development and Production team.

Professional Development

Professional Development Services Programme (PDSP)

To support training initiatives that would further develop the capability of screen sector professionals, we established a new professional development services programme covering three years (to 2017), with a budget of \$500,000 a year.

There were 14 responses to our initial call for expressions of interest and eight of those were asked to prepare detailed proposals. In January 2014 we funded five initiatives:

- Script to Screen: \$410,000 over three years to run a programme including two extensive labs (aimed at developing a pool of strong film writers and further strengthening the local development culture) and mentorship programmes tailored to the needs of individual writers, script development practitioners, directors and producers.
- New Zealand Writers Guild: \$9,000 over three years to run an annual script market showcasing new projects and their writers.
- Directors and Editors Guild NZ (previously Screen Directors of Guild New Zealand): \$340,000 over three years to run workshops, mentorships, seminars and master-classes aimed at developing directors' skills and confidence. Several of these initiatives will be partnerships with actors' organisations and will benefit both professions.
- Women in Film and Television (WIFT): \$228,000 over three years to run a programme for producers focusing on finance, international sales and domestic distribution while increasing knowledge of priority co-production territories and capitalising on selected producers' experiences in key international markets.
- DocEdge: \$15,000 towards devising a workshop developing ideas with a particular interest in interactive digital storytelling.

In addition to PDSP, we supported 20 bespoke professional development initiatives including:

- The Big Screen Symposium: Script to Screen received a grant of \$40,000 towards its Big Screen Symposium in August 2013, towards the attendance of international speakers as well as workshops, panels and case studies.
- Low Budget Workshops: Jason Stutter and Kevin Stevens (Centron Pictures) received \$30,000 to hold five workshops in different centres, to capture and share learning from their own recent low budget features for the benefit of the local industry.

Industry Support

We continued to provide financial and logistical support during the period to the key industry organisations and guilds, in particular the Screen Production and Development Association (SPADA), the Directors and Editors Guild (formerly Screen Directors Guild), WIFT, Nga Aho Whakaari and Script to Screen.

We also continued to support key domestic film festivals and the Moa Film Awards, which took place in December 2013.

A full list of all industry support is set out in the Appendix.

Producer International Travel Assistance

We provided 47 travel grants to support producers to attend markets and festivals to assist them with financing their feature films and to grow their international networks, including 15 producers to 37 Degrees South in Melbourne and 17 producers to the Cannes Market. Details of all grants are in the Appendix.

Professional Development Awards

We provided 31 professional development awards to help cover the costs of a professional development opportunity either in New Zealand or overseas. Details are in the Appendix.

Connecting Talent

We assisted New Zealand screen talent to connect with other talent and expand their networks in various ways over the year. Most notably we:

- Hosted a New Zealand/Australia networking event at the Rotterdam International Film Festival.
- Hosted or co-hosted a series of events at Cannes, including:
 - UK/Australia/NZ public session
 - India co-production panel
 - Doing business with New Zealand
 - Taiwan roundtable
 - Brazil roundtable
 - Denmark networking lunch/co-production agreement signing
 - Israel roundtable and networking drinks
 - Lunch for Jane Campion to recognise her role as president of the Cannes competition jury
 - Australasian distributors and New Zealand producers cocktails
 - Sales agent networking lunch
 - South African roundtable and drinks.
- Produced a sales agent briefing document for New Zealand producers which focuses on key international sales agents with an existing relationship with New Zealand films and talent, along with those sales agents that do not have existing relationships but are keen to develop closer ties.
- Worked at convening flexible groups of key industry players who agree to work together for a defined period of time to make progress in a particular area, especially China.
- Continued to facilitate introductions to talent within and outside of New Zealand; for example, we have played a key role in bringing an Irish and New Zealand producer together to collaborate on what could become the first Irish/NZ official co-production (*A Long Way Home*).

DEVELOPMENT AND PRODUCTION

We look forward to seeing more great New Zealand films in future, based on the high demand for support and quality applications funded in the 2013/14 financial year.

We spent more than initially budgeted in this area – a total spend of \$16.96 million against a budget of \$12.15 million (in part due to committing the full three-year amount of the Business Development Scheme).

As part of our re-organisation, we changed the structure of the team working in this area, to better reflect that it's not just about script development, but that we are also interested in supporting other aspects of project development. Lisa Chatfield is the Head of Development and Production.

Script and Project Development

We considered 153 projects for development funding in the 2013/14 year, an increase on 132 the previous year.

We also approved more – the script development approval rate was 40% compared to 38% last year.

We are getting faster at turning around applications; we set a target of a six-week turnaround and are doing better than that for both the Early Development Fund (EDF) and Advanced Development Fund (ADF). During the year we decided to devolve the Seed Development Fund (SDF) application process to the New Zealand Writers Guild so that the industry is actively involved in identifying exciting new film ideas at an early stage.

Three of the six feature film drama projects offered production financing in 2013/14 had received development support from us previously. In addition, NZFC funding was a key enabler for *The Dead Lands* (via Matthew Metcalfe's Devolved Development Fund).

A list of all feature films receiving development funding is set out in the Appendix.

Te Whai Ao Fund

We have been watching with interest the progress of five films funded in 2012/13 under the new Te Whai Ao Fund, designed to support documentary filmmakers to explore one-off documentary ideas. A total of \$250,000 was committed. We will consider running Te Whai Ao again in 2015/16.

He Ara – Māori and Pasifika Pathways

He Ara is a new initiative aimed at assisting established New Zealand writers, producers and directors of Māori and Pasifika heritage to create distinctive feature film dramas or documentaries through a devolved development framework and using Māori and/or Pasifika story models.

The first application round resulted in funding support of between \$50,000 and \$100,000 being offered to three entities - Blacklands, Piki and South Pacific Pictures. Both Blacklands and South Pacific Pictures have also committed private funding.

Production Financing – Feature Films

The \$11.9 million funding for feature film production and post-production is the NZFC's biggest area of investment, at almost half (47%) of our total budget.

We provided production financing to 16 projects including 13 new projects, well above our target of supporting nine new projects. This was possible because of a \$1.9m unbudgeted one-off distribution from the LGB, and because a higher number of co-productions, lower budget features and documentaries meant we could spread our funding further.

Reflecting the multi-year nature of film-making, we provided additional funding to three projects originally financed in 2012/13 (*The Dark Horse*, *Turbo Kid*, *The Patriarch*).

The new projects funded are listed below, and the funding for each is listed in the Appendix.

Drama Projects

The Dead Lands

This pre-European te reo language action feature has been developed by producer Matthew Metcalfe in conjunction with writer Glenn Standring (*Perfect Creature*) and director Toa Fraser (*Dean Spanley*), and is an official co-production with the UK.

What We Do in the Shadows

The NZFC offered post-production financing to this independently created and shot mockumentary comedy about four vampires living in Wellington. The producers are Chelsea Winstanley, Emanuel Michael and Taika Waititi and the co-writer/directors are Taika Waititi and Jemaine Clement.

Rosa (formerly Here at the End of the World we Learn to Dance)

This film project is an adaptation of the Lloyd Jones novel. It is structured as an official co-production with Australia. The New Zealand co-producers are Emma Slade, Barrie Osborne and Dan Hennah. The director is Ray Lawrence (*Lantana*). At the time of writing, this project is still finalising financing.

Born to Dance

This feature will be New Zealand's first hip hop dance film. Produced by Leanne Saunders, Daniel Story and Jill Macnab, the first-time feature director is accomplished writer/director/actor Tammy Davis. A key member of the creative team is choreographer Parris Goebel, who has achieved numerous gold medals with her dance teams at the World Hip Hop Championships over the last few years.

Atomic Falafel

This feature is a New Zealand/Israel/Germany official co-production written and directed by Israeli filmmaker Dror Shaul and co-produced by New Zealand producer Matthew Metcalfe. It tells the story of two teenage girls from towns in Israel and Iran who spill their countries' most valuable secrets on Facebook while trying to prevent a nuclear crisis. The New Zealand contribution consists primarily of the post-production work, together with key creatives in the roles of editor, actor and composer.

Beyond the Known World

This feature drama will be New Zealand's first official co-production with India. The story primarily takes place in the Himalayan foothills and focuses on an estranged New Zealand couple's desperate search for their missing 19 year old daughter. The New Zealand producers are Matthew Horrocks and Kristian Eek, the director is Pan Nalin (*Samsara*) and the writer is Dianne Taylor.

Documentary Projects

We collaborated in a new documentary partnership with NZ On Air - the Joint Documentary Fund. We supported three documentaries through this fund. In addition we supported four further documentaries outside this fund, including the large budget animated Gallipoli documentary *25 April*. There has been a rise in audience interest in documentaries recently and consequently our funding for documentaries has reflected this.

Flickering Truth (formerly Flickering Time Bomb)

This feature length documentary concerns the race to salvage Afghanistan's film archive by following three individuals, including the man who hid the archive from the Taliban. The writer/director/producer is Pietra Brettkelly.

Waves of ANZAC Cove

This feature documentary focussed on the ANZAC legacy is the first project to come out of the new NZFC/NZ On Air Joint Documentary Fund. It's structured as an unofficial co-production with Australia and is being co-produced by Owen Hughes (NZ) and Alan Erson (Australia). The film will screen theatrically at special event screenings in the lead up to Anzac Day 2015, followed by broadcast on Maori Television and the ABC.

Too Much Love

This feature documentary is the second funded through our Joint Documentary Fund initiative with NZ On Air. It illuminates the tragic story of the death of a woman who was accidentally drowned by her whānau during a four-day mākutu-lifting ceremony. The director is David Stubbs and the producers are David Stubbs and Thomas Robins.

Back from the Death Zone

This third feature documentary funded by the Joint Documentary Fund follows two of New Zealand's most experienced mountaineers as they attempt to bring down some of the 200-plus bodies that litter Mount Everest. The director is Justin Pemberton and the producer is Virginia Wright.

25 April

This innovative feature documentary combines diaries of participants in the Gallipoli campaign with striking animation. Producer Matthew Metcalfe and director Leanne Pooley (who collaborated successfully together last year on the Hillary documentary feature *Beyond the Edge*) come together again to make what will be the NZFC's first animated feature.

Poi E

This feature film documentary will tell the story of Dalvanus Prime and his iconic 1980's hit song "Poi E". The writer/director is Tearepa Kahi and the producers are Alex Behse, Tearepa Kahi and Reikura Kahi.

Caught in the Web

This topical feature film documentary will address the issues of piracy, privacy and copyright ownership in our digital age. The producer is Alex Behse and the director is Annie Goldson. An attractive aspect of the project is the intention to explore distribution of the film in an innovative manner.

Production funding by way of a grant was also offered to television documentary *Once Were Warriors: Where are they Now?* The documentary commemorates the 20th anniversary of the production of the iconic feature film.

MARKETING

We've shifted our focus for this area of work. The NZFC will continue to be a leading advocate for New Zealand films at home and overseas, but in February 2014 we announced that time has moved on and it is no longer appropriate for us to act as an active sales agent.

We also stepped up our role as guardians of New Zealand film. The NZFC will collectively care for, safeguard and protect all the films we have invested in, within the concept of Te Ahi Ka.

Our team continued to be led by Jasmin McSweeney.

The total spend of \$1.6 million was under budget (\$2.1 million). This was primarily due to slower than anticipated progress on the digital preservation of the NZFC back catalogue. We also committed less to domestic theatrical release publicity grants than originally expected, and we spent less promoting our films and filmmakers at international festivals because most of our new feature films have international sales agents taking responsibility for international marketing.

Feature Films - Domestic Release

It was a good year at the box office for NZFC-supported films, with 12 films being seen by 466,800 people (admissions); ahead of our target of 400,000.

This was thanks in part to the success of *What We Do in the Shadows*, released in June 2014 and earning over \$2.5 million in gross box office results.

Mr Pip also topped the \$1 million box office mark.

The success of the ultra-low-budget documentary *Gardening with Soul* is noteworthy. We contributed \$40,000 to the funding for this film by way of equity and a feature film finishing grant. Its box office result of just under \$500,000 makes it the fourth highest domestic grossing New Zealand produced feature documentary of all time. It is also the 14th highest domestic grossing documentary of all time.

Beyond the Edge ranks as the second highest grossing New Zealand produced documentary and the seventh highest domestic grossing documentary from all sources.

Get more people
to see great
New Zealand
films

The 12 new NZFC-financed features that were commercially released and gross New Zealand box office results are set out below.



Festivals - International Marketing and Sales

We participated in six major international film events promoting New Zealand films and filmmakers.

2013 Melbourne International Film Festival

A large contingent of New Zealand filmmakers supported by three NZFC staff attended this A-list festival and the associated 37 Degrees South Market.

2013 Toronto International Film Festival

The 2013 Festival hosted the world premiere of Leanne Pooley's documentary *Beyond the Edge* as well as Toa Fraser's documentary *Giselle*, both produced by Matthew Metcalfe. The third NZFC-financed feature that screened at Toronto in 2013 was *White Lies*, produced by John Barnett and Chris Hampson and written and directed by Dana Rotberg. Two NZFC staff attended to support the films and filmmakers.

2014 Rotterdam International Film Festival

Fantail was screened at this prominent festival, with the writer/director/producer team in attendance supported by NZFC Head of Talent Development & Relationships Chris Payne.

2014 Clermont Ferrand Short Film Festival

Two NZFC staff attended this pre-eminent festival and market to sell New Zealand short films, support the selection of *Killing Phillip*, and assess the future presence of the NZFC at this event. We have decided not to attend this festival in 2015.

2014 Berlin International Film Festival/European Film Market

Five NZFC films screened in Berlin – three in the festival (*What We Do in the Shadows*, *Utu Redux*, *Eleven*) and two in the market (*Mt Zion*, *Everything We Loved*). Four NZFC staff attended the festival and related market this year. A function hosted by New Zealand's ambassador to Germany took place after the *Shadows* screening. A range of diplomatic and film industry guests attended.

2014 Cannes International Film Festival and Market

For the first time, NZFC attended Cannes in a marketing capacity rather than as a sales agent. A total of 51 New Zealanders attended, including four NZFC staff and 17 producers assisted by travel grants. We had a full schedule of meetings with buyers, sales agents, financiers and counterparts from offshore funding agencies. We also hosted a series of events aimed at fostering connections (see page 15).

Eight New Zealand short films were selected for prestigious A-list international film festivals:

- Melbourne International Film Festival 2013: *Wide Eyed*, *Friday Tigers*, *Maul*
- Valladolid (Spain) 2013: *The Keeper*
- Venice Film Festival 2013: *Cold Snap*
- Clermont Ferrand International Film Festival (France) 2014: *Killing Phillip*
- Berlin International Film Festival 2014: *Eleven* selected for the Generation section
- South by Southwest Film Festival (Texas) 2014: *Queenie*

In addition, three films were selected for the Palm Springs International Short Festival 2014: *Whisker*, *Lake*, *The Tide Keeper*. Steven Saussey (*Whisker*) won the Future Filmmaker award at the festival.

In New Zealand, *Honk if You're Horny* achieved Academy Awards accreditation though New Zealand short film festival Show Me Shorts.

NZFC-funded Fresh Short *Here be Monsters* won the category Best Funded Short Film at the NZ Film Awards (the Moas) in December 2013.

Sales

International sales of NZFC's titles continue to be modest. Half-way through the year we announced we were moving from an active sales agent role to the Te Ahi Ka model detailed below.

Te Ahi Ka

Te Ahi Ka literally means the home fire – a concept which epitomises our intention to be the ultimate and enduring home for New Zealand films, ensuring they will be seen and enjoyed by future generations of New Zealanders, here and abroad. To this end we have taken a number of steps in the past year:

- We have commenced a curatorial initiative to digitise films in our library not currently in high resolution formats; creating a living archive of films which can be enjoyed by future generations.
- We have partnered with respected international sales agency HanWay which will represent a curated collection of New Zealand films. We will work closely with this partner on the branding and marketing of these films.
- For new films, we will work with filmmakers to find a suitable sales agent that will professionally represent their film.
- Once sales and festival activity is completed, all films will return to Te Ahi Ka.
- We will represent this library of films by responding to sales and screening requests as and when they are made.

NZ Film On Demand

In May 2014 we launched our new VOD service NZ Film On Demand on the NZFC website. Films available range from recent cinema releases to newly digitised classics. The collection will grow as new titles are added. It's a transactional service currently only available within New Zealand, although the intention is to eventually open it up to international customers.

This initiative sits alongside our Te Ahi Ka guardianship role. Over time it will provide audiences with easy access to a broad range of New Zealand short and feature films. It will also generate revenues for filmmakers and investors, with 70% of the collected gross receipts being returned to the film owners through our film income collection account service.

Digital Preservation Scheme

We have completed the digitisation of 10 feature films, 11 short films and two series of animated shorts. Our \$881,000 expenditure was slightly under budget and included a grant of \$237,500 to Nga Taonga Sound & Vision (NTSV) towards the purchase and installation of a new film scanner. We expect this to lead to a significant acceleration of the digital preservation project in the next 12 months.

A list of all the digitised titles is set out in the Statement of Service Performance (page 61).

INCENTIVES AND CO-PRODUCTIONS

The New Zealand Screen Production Grant (NZSPG), introduced in April 2014, is expected to bring more international business and encourage larger scale New Zealand productions.

In December 2013, the Government announced changes to the structure and level of support for overseas and New Zealand film and television productions to ensure the further development of New Zealand's screen industry.

The new changes are designed to encourage the growth of mid-sized New Zealand-based productions that can compete successfully on the world stage; while also increasing the competitiveness of our incentives for international productions in the short to medium term.

The Large Budget Screen Production Grant (LBSPG) and Screen Production Incentive Fund (SPIF) were combined to form a single scheme called the NZSPG.

The new incentive offers a 20 per cent grant for international productions, with an additional five per cent available for a small number of productions that can pass a significant economic benefits test. A 40 per cent grant is available for New Zealand productions, with more flexibility in the definition of a New Zealand production being introduced.

NZFC staff worked closely with MCH, MBIE and Film New Zealand to ensure that key technical criteria were developed and published. NZFC staff and MBIE have also worked closely on setting up the Significant Economic Benefits Verification Panel for the additional 5% grant for international productions.

To manage the increased activity expected from the new initiatives, we have created a new role of Screen Incentives Manager, filled by Naomi Wallwork.

The NZFC administers the NZSPG and will continue to administer the LBSPG and SPIF until all projects assessed under the previous schemes are completed.

Large Budget Screen Production Grant including Post, Digital and Visual Effects

The LBSPG panel met seven times during 2013/14. The membership of the panel is set out in the section on NZFC Governance.

A total of 10 grants were made, including five for Post, Digital and Visual Effects (PDV). Seven grants related to feature films and three to TV series. An initial assessment application was also considered for a children's TV series produced by Natural History New Zealand Ltd.

Screen Production Incentive Fund

There were seven meetings of the SPIF committee to consider four final applications (seven in 2012/13) and six provisional applications (seven in 2012/13); all were for feature films. The membership of the committee is set out in the section on NZFC Governance. Three of the films were official co-productions. Three provisional certificates have subsequently lapsed because the projects did not start principal photography within six months. Details of projects are listed in the Appendix.

New Zealand Screen Production Grant

A meeting of the interim Significant Economic Benefits Verification Panel was held in May 2014 to consider an initial assessment application for the 5% Uplift by *Power Rangers*. The application was approved subject to the negotiation of a Memorandum of Understanding which was signed in August 2014.

Certification of Co-Productions

A new co-production agreement with Denmark was signed in May 2014 by the CEOs of the NZFC and the Danish Film Institute on behalf of their respective governments at a special function during the Cannes Film Festival. This agreement is the 15th international co-production agreement or MOU between New Zealand and key international film partners, giving our screen industry producers an increasingly wide choice of international partners for their film and television projects.

Work is continuing on a proposed agreement with Israel, and a television co-production agreement with China. We started working on agreements with Poland and Brazil as well as revised agreements with Korea and Canada.

Five feature films were given provisional approval as official co-productions during the year: one from Italy, two from UK, one from Canada and one from Germany (see Appendix). The Italian co-production has not yet proceeded but the other films are completed or in post-production. One TV series was given final approval as an official co-production with Australia.

Grow
New Zealand's
screen industry



NZFC GOVERNANCE

Board

The NZFC Board is a statutory body and provides governance and policy direction. In the 2013/14 financial year the Board held five scheduled meetings in Wellington and two out-of-time meetings.

Members for the year to 30 June 2014 were:

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

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

Finance, Audit and Risk 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 2014 were Andrew Cornwell (Chair), Dame Patsy Reddy and Rhiannon McKinnon.

Human Resources and Remuneration Committee

A new committee of Board members to consider human resources and remuneration issues was established during the year. The committee works in accordance with rules formulated by the NZFC. The members for the year to 30 June 2014 were Charles Finny (Chair), Chris Hampson and Witi Ihimaera. The NZFC Chair is also a member of the Committee, on an ex-officio basis.

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 Inland Revenue. One nominated representative from each of the Ministry for Culture and Heritage and the Inland Revenue are invited and entitled to attend meetings of SPIFCOM as observers. The committee comprises one NZFC Board Member, the NZFC Chief Executive or Chief Financial Officer as chair of the meetings and the NZFC Head of Business Affairs (now Screen Incentives Manager) as well as at least two industry members from a pool of five. For the year to 30 June 2014 the industry representatives were Sharon Menzies, Vincent Burke, Sue Rogers, Richard Fletcher and Trishia Downie. This committee also considered NZSPG applications as a transitional measure until a new NZSPG panel is convened.

Large Budget Screen Production Grant (LBSPG) Panel

We are responsible for convening and chairing meetings of a panel that assesses applications for the LBSPG. The panel comprises a representative from the Ministry of Business, Innovation and Employment, industry practitioners, the NZFC Chief Executive or Chief Financial Officer as chair of the meetings and the NZFC Head of Business Affairs (now Screen Incentives Manager). A nominated representative from Inland Revenue is entitled to attend meetings of the panel as an observer. Industry practitioners for the year to 30 June 2014 were Tim Coddington, Trishia Downie, Catherine Madigan, David Madigan and Chloe Smith. This panel also considered NZSPG International applications as a transitional measure until a new NZSPG panel is convened.



NZFC OPERATIONS

Staff

As at 30 June 2014 we had 21 staff (19 full-time, two part-time). Our workplace profile shows an average age of 41 years and predominantly female (71%).

Excluding maternity leave, staff turnover for the 12 month period to 30 June was 45% against a target of under 20%. While this percentage is high, it does not signal any trend. Of the 11 staff who left in the period, one was the Chief Executive who took up the role of Chief Executive of Screen Australia, three were on fixed-term contracts that had come to an end, five were junior staff who had been in their roles for a reasonable period and who chose to move on to new opportunities, one chose to return to the industry and the other was a senior staff member offered a role in a larger organisation. Some of these roles have not been replaced because the organisation has been restructured.

Collaboration

We work closely with a number of government agencies in addition to the Ministry for Culture and Heritage and the Ministry of Business, Innovation and Employment. We launched the Loading Docs initiative and funded three feature documentaries under the Joint Documentary Fund with NZ On Air, with whom we share a building. We also announced a new 'virtual agency' with NZ On Air and Film NZ to work on a number of initiatives together. We also work with Trade and Enterprise, Tourism New Zealand and the Ministry of Foreign Affairs and Trade in order to promote the New Zealand screen sector.

This year we partnered with a number of industry organisations in order to provide professional development opportunities for filmmakers.

ORGANISATIONAL HEALTH AND CAPABILITY

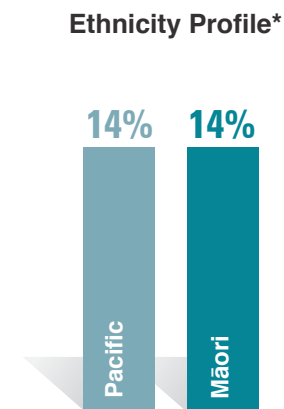
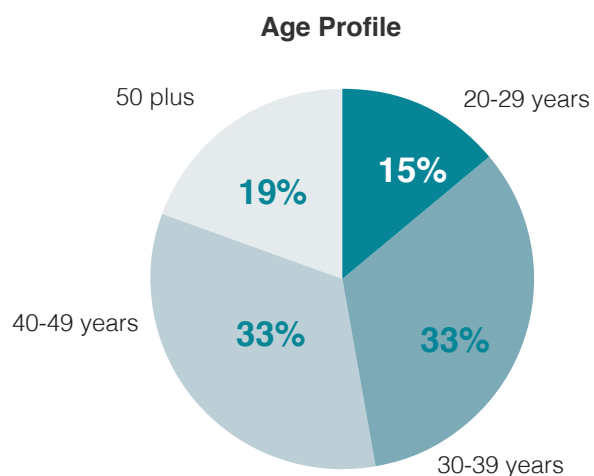
Our culture and work environment reflects a genuine commitment to the principles and policies of being a good employer and the Crown Entities Act requires us to report on these policies. We maintain a positive, dynamic and safe environment to enable the employment and retention of skilled staff, many with recent industry experience.

We demonstrate our commitment to the principles of equal employment opportunities (EEO) by elimination of all aspects of procedures, practices

or any institutional barriers that may cause or perpetuate inequalities in respect of employment opportunities for any person or group of persons.

Staff participation is important to us. We encourage staff to be involved in the development, review and renewal of policies. We did not undertake an annual staff engagement survey during the period due to staff changes but initiated one in September 2014 and will report on this next year.

Total headcount as at 30 June 2014 = 21 Total



Disability profile
Nil

*NB: where an individual has identified as both, they have been counted twice.

Good employer policies

The NZFC's activities against the seven key elements of being a 'good employer', as defined by the Human Rights Commission, are summarised below:

1. Leadership, accountability and culture

We are committed to being a good employer and as such, work to manage and lead employees fairly and equally in all aspects of employment. Our management and leadership team is committed to the principles of equal employment opportunities by elimination of all aspects of procedures, practices or any institutional barriers that may cause or perpetuate inequalities in respect of employment opportunities for any person or group of persons.

Employees are treated fairly. Different skills, talents, experiences and perspectives are recognised and valued, and different cultural values and beliefs are respected. The needs of Māori, ethnic or minority groups, women, and persons with disabilities, are recognised. We do not tolerate harassment, bullying and discrimination.

2. Recruitment, selection and induction

We appoint the best candidates after a fair and rigorous recruitment and selection process, which incorporates equal opportunity principles. Staff selection is on the basis of merit – for any position the best available person is appointed irrespective of gender, race, ethnic or national origins, religious or ethical beliefs, disability, marital or family status, age, sexual orientation or any other irrelevant factor. However, we are keen to ensure our workplace reflects New Zealand's diversity and take this into account where we are able.

Internal applications are encouraged for job vacancies, recruitment to senior positions in the NZFC is a mix of internal promotions (including to acting roles) and external appointments to ensure a freshness of

approach. Some contract positions exist to meet criteria of recent industry experience and these recruits often return to the industry after a period with us (this was the case with one staff member during the period). We believe this porous border between the organisation and the industry is healthy and we encourage it.

All new staff are involved in an induction programme, which provides useful information about the NZFC and assists new staff in settling in.

3. Employee development, promotion and exit

We offer staff a range of development opportunities and they are encouraged and supported to undertake training and professional development. We provide individually tailored professional development opportunities for all staff based on identified needs. We have supported accounting staff to study for professional qualifications by paying for exams and allowing for study leave. We also supported staff to attend leadership courses in the period and to travel to festivals and markets to better understand the international environment and network with other similar agencies.

We encourage our staff to attend industry functions, gain industry experience in their spare time and we organise regular screenings so that all staff are familiar with the films we have invested in. All staff have an opportunity to attend courses on te reo and tikanga.

We are committed to developing and up-skilling staff to work towards our objectives. The effectiveness of training and development activity is evaluated to ensure that key objectives are met.

All staff undertake an annual performance review, providing opportunities for feedback and specific work-related appraisals. All departing staff were given the opportunity to complete an exit interview.

4. Flexibility and work design

We allow flexible working hours for staff, where possible.

5. Remuneration, recognition and conditions

Pay parity is an important aspect of developing long-term capability at the NZFC. Remuneration policies are focused on attracting and retaining skilled, flexible and knowledgeable staff. In order to ensure we continue to maintain high standards in this area, a sub-committee of the board was convened in the period to consider human resources and remuneration issues.

6. Harassment and bullying prevention

We have a zero-tolerance position and respond promptly to all accusations of harassment and bullying. We use reasonable endeavours to recognise and address unacceptable behavior that may lead to harassment and bullying. All staff are required to adhere to the State Services code of conduct as well as that set out in our Policy Manual which is revised and updated from time to time.

7. Safe and healthy environment

We are committed to providing a safe and healthy work environment and take a proactive health and safety approach including fire and earthquake preparedness. Ergonomic workstation assessments are available to all staff.

FINANCIALS AND STATEMENT OF SERVICE PERFORMANCE

A photograph of a person walking on a paved path in a park-like setting during sunset. The path is lined with trees on the left and a metal railing on the right. The sun is low on the horizon, creating a warm, golden glow. The person is wearing a dark jacket and is walking towards the camera. The background shows more trees and a building in the distance.

STATEMENT OF RESPONSIBILITY

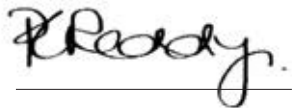
For the year ended 30 June 2014

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, set out on pages 33 to 70 fairly reflect the financial position and operations of the New Zealand Film Commission for the year ended 30 June 2014.

Signed on behalf of the Board:



Dame Patsy Reddy
Chair



Andrew Cornwell
Board Member

31 October 2014

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
Equity				
Accumulated funds		7,350,913	3,249,000	9,925,794
Total Equity		7,350,913	3,249,000	9,925,794
<i>Represented by:</i>				
Current Assets				
Cash and cash equivalents	3	6,809,990	3,000,000	5,381,697
Investments	4	12,737,834	5,000,000	6,250,000
Trade and other receivables	5	6,755,862	2,000,000	5,341,309
Total Current Assets		26,303,686	10,000,000	16,973,006
Non-Current Assets				
Investments	4	4,356,231	4,600,000	4,251,701
Property, plant & equipment	6	171,503	200,000	282,083
Intangible assets	7	331,441	350,000	123,017
Total Non-Current Assets		4,859,175	5,150,000	4,656,801
Total Assets		31,162,861	15,150,000	21,629,807
<i>Less Liabilities:</i>				
Current Liabilities				
Trade and other payables	8	3,729,789	1,800,000	986,560
Employee entitlements	9	159,583	170,000	162,585
Film income account	10	337,523	400,000	342,720
Project commitments	11	19,551,697	9,531,000	10,212,148
Total Current Liabilities		23,778,592	11,901,000	11,704,013
Non-Current Liabilities				
Rent incentive liability	19	33,356	0	0
Total Non-Current Liabilities		33,356	0	0
Total Liabilities		23,811,948	11,901,000	11,704,013
Net Assets		7,350,913	3,249,000	9,925,794

Explanations of significant variances against budget are detailed in note 28.
The accompanying notes on pages 37 to 60 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
Income				
Government grant	2	5,401,000	5,401,000	3,401,000
Government grant - SPIF		17,406	0	2,008,213
Lottery Grants Board grant		16,197,529	11,960,000	13,443,778
Income from films	10	293,628	200,000	318,699
Distribution fee	10	68,507	50,000	95,321
Interest		855,400	600,000	722,441
Writebacks		0	0	218,570
Other income		41,553	5,000	24,611
Operating Income		22,875,023	18,216,000	20,232,633
Government grant revenue - SPIF	18	4,776,413	12,750,000	15,099,414
Total Income		27,651,436	30,966,000	35,332,047
Expenditure				
Talent and capability building	12	2,992,151	3,363,000	3,162,204
Script and production funding and advice	13	16,956,660	12,152,000	12,717,708
Film incentive scheme administration	14	160,138	97,000	138,331
Distribution support, marketing and sales	15	1,596,660	2,097,000	1,023,244
Corporate	16	1,340,479	1,345,000	1,316,935
Personnel costs	17	2,403,816	2,062,000	1,897,572
Operating Expenditure		25,449,904	21,116,000	20,255,994
Government grant allocation - SPIF	18	4,776,413	12,750,000	15,099,414
Total Expenditure		30,226,317	33,866,000	35,355,408
Surplus/(Deficit)		(2,574,881)	(2,900,000)	(23,361)
Other Comprehensive Income		0	0	0
Total Comprehensive Income		(2,574,881)	(2,900,000)	(23,361)

Explanations of significant variances against budget are detailed in note 28.
The accompanying notes on pages 37 to 60 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Equity at 1 July	9,925,794	6,605,000	9,949,155
Total Comprehensive Income	(2,574,881)	(2,900,000)	(23,361)
Equity at 30 June	7,350,913	3,705,000	9,925,794

The accompanying notes on pages 37 to 60 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Actual \$	2014 Budget \$	2013 Actual \$
Cash Flows from Operating Activities				
Receipts from the Crown & other income		26,130,605	30,366,000	34,381,949
Interest received		792,417	600,000	671,568
Payments for production funding, marketing, industry support, to suppliers and employees		(20,100,569)	(35,757,000)	(30,968,204)
Goods and services tax (net)		220,263	741,000	102,959
Net Cash from Operating Activities	26	7,042,716	(4,050,000)	4,188,272
Cash Flows from Investing Activities				
Sale of investments		8,000,000	1,000,000	10,500,000
Purchase of investments		(14,592,363)	0	(13,704,617)
Sale of property, plant & equipment		420	0	0
Purchase of property, plant & equipment		(18,319)	(25,000)	(48,175)
Purchase of intangible assets		(310,469)	(25,000)	(119,176)
Net Cash from Investing Activities		(6,920,731)	950,000	(3,371,968)
Cash Flows from Financing Activities				
Short term loans issued		0	(500,000)	(363,807)
Short term loans repaid		1,306,308	1,100,000	2,141,791
Net Cash from Financing Activities		1,306,308	600,000	1,777,984
Net increase / (decrease) in cash at bank		1,428,293	(2,500,000)	2,594,288
Cash and cash equivalents at the start of the year		5,381,697	5,500,000	2,787,409
Closing cash and cash equivalents at year end		6,809,990	3,000,000	5,381,697

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 pages 37 to 60 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2014

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 2014. The financial statements were authorised for issue on 31 October 2014.

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, except the measurement of portfolio investments at fair value.

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 (NZ\$).

Foreign currency transactions are translated into NZ\$ (the functional currency) using the 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.

Changes in accounting policies

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

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

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the NZFC will likely be classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means that the NZFC expects to transition to the new standards in preparing its 30 June 2015 financial statements.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

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. Interest income on an impaired financial asset is recognised using the original effective interest rate.

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 approved by the relevant NZFC committee and the approval has been communicated to the applicant.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Financial instruments

The NZFC is party to financial instruments as part of its normal operations. Financial instruments include:

- financial assets - cash and cash equivalents, investments and trade and other receivables
- financial liabilities - trade and other payables

Purchases and sales of financial assets are recognised on the date when the NZFC becomes party to a financial contract. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired.

Financial instruments are initially recognised at fair value plus transaction cost. Subsequent measurement of financial instruments depends on the classification of the financial instrument.

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.

Trade and other receivables

Trade and other receivables are recorded at their face value, 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).

STAR loans

Short Term Assured Repayment (STAR) loans are initially recognised at their face value. 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.

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
- (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 term 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.

Investments

The NZFC designates portfolio investments at fair value through surplus and deficit, which are initially measured at fair value plus transaction costs. After initial recognition, these investments are measured at their fair value with gains and losses recognised in other comprehensive income, except for impairment losses which are recognised in the surplus or deficit.

A significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment. If impairment evidence exists, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) is recognised in the surplus or deficit.

Property, plant & equipment

Property, plant & equipment consists of the following asset classes: leasehold alterations, computer hardware, office equipment and furniture and fittings. All classes are measured at cost, 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.

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 Hardware	3 years	33.33%
Furniture and Fittings	7 years	14.29%
Office Equipment	5 years	20.00%
Leasehold Alterations	9 years	11.11%

Leasehold alterations are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the alteration, 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 development and 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 surplus or deficit.

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

Computer software	3 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.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the NZFC would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

Trade and other payables

Trade and other payables are recorded at their face value.

Employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave

earned to but not yet taken at balance date, and sick leave.

The liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlement earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

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

Salaries and wages, annual leave, sick 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 surplus or deficit 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 an 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 an 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 the financial statements.

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

Statement of Intent Line Items:		
2013/14		\$000
<i>Talent and capability building</i>		
Short films		1,126
Training		1,525
Industry support		712
		3,363

<i>Script and production funding</i>		\$000
Feature film development		2,080
Feature film financing		10,072
		12,152
<i>Film incentive scheme administration</i>		
Regulatory Costs		97
		97
<i>Distribution support, marketing and sales</i>		
Domestic		1,505
International		592
		2,097
<i>Corporate</i>		
Administration		1,024
Depreciation		200
Staff Travel - Talent Development		70
Staff Travel - Script and Production		41
Staff Travel - Marketing		10
		1,345
<i>Personnel Costs</i>		
Personnel Costs - Talent		249
Personnel Costs - Dev & Prod		420
Personnel Costs - Incentive		155
Personnel Costs - Marketing		346
Personnel Costs - Corporate		892
		2,062

Cost allocations

The NZFC has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on the proportion of direct costs for each output of total direct costs.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

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 lives and residual values 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 10 provides an explanation in relation to estimates and uncertainties surrounding the Film income account liability.

2. REVENUE FROM THE 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 (2013 = \$Nil).

3. CASH AND CASH EQUIVALENTS

	2014	2013
	\$	\$
Cash at bank and on hand	5,876,712	5,043,979
Cash held through investment portfolio	433,278	337,718
Term deposits with maturities of 3 months or less	500,000	0
	6,809,990	5,381,697

The carrying value of cash at bank and short term deposits with maturities of less than three months approximates their fair value.

4. INVESTMENTS

	2014	2013
	\$	\$
Current portion		
Term deposits with maturities of 4-12 months	12,009,632	5,500,000
Term deposits with maturities of 4-12 months held through investment portfolio	511,905	750,000
Portfolio investments	216,297	0
<i>Total current portion</i>	<i>12,737,834</i>	<i>6,250,000</i>
Non-current portion		
Portfolio investments	4,356,231	4,251,701
<i>Total non-current portion</i>	<i>4,356,231</i>	<i>4,251,701</i>
	17,094,065	10,501,701

There were no impairment provisions for investments.

Portfolio investments are measured at fair value with fair value determined by reference to published bid price quotations in an active market.

5. TRADE AND OTHER RECEIVABLES

	2014	2013
	\$	\$
Trade debtors	6,636,627	4,007,684
Prepayments	136,417	86,167
STAR loans	68	1,307,531
<i>Less: provision for impairment</i>	<i>(17,250)</i>	<i>(60,073)</i>
	6,755,862	5,341,309

The carrying value of receivables approximates their fair value.

5. TRADE AND OTHER RECEIVABLES (Continued)

The ageing profile of receivables at year end is detailed below:

	2014			2013		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$	\$	\$	\$	\$	\$
Current	6,706,828	0	6,706,828	5,192,006	0	5,192,006
Past due 31-60 days	23,722	0	23,722	17,545	0	17,545
Past due 61-90 days	0	0	0	1,255	0	1,255
Past due >91 days	42,562	(17,250)	25,312	190,576	(60,073)	130,503
	6,773,112	(17,250)	6,755,862	5,401,382	(60,073)	5,341,309

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.

Movements in the provision for impairment of receivables

Movements in the provision for impairment of receivables are as follows:

	2014 \$	2013 \$
Balance at 1 July	(60,073)	(28,613)
Additional provisions made during the year	(17,250)	(60,073)
Receivables paid	0	28,613
Receivables written off against provision	60,073	0
Balance 30 June	(17,250)	(60,073)

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

6. 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
	\$	\$	\$	\$	\$
Cost or Valuation					
Balance at 1 July 2012	495,630	297,335	140,594	314,322	1,247,881
Additions	0	35,834	0	12,341	48,175
Reclassification of assets	0	0	0	0	0
Disposals	0	0	0	0	0
Balance at 30 June 2013	495,630	333,169	140,594	326,663	1,296,056
Balance at 1 July 2013	495,630	333,169	140,594	326,663	1,296,056
Additions	0	14,119	4,200	0	18,319
Reclassification of assets	0	0	0	0	0
Disposals	0	(486)	0	0	(486)
Balance at 30 June 2014	495,630	346,802	144,794	326,663	1,313,889
Accumulated Depreciation					
Balance at 1 July 2012	274,779	242,736	120,834	236,210	874,559
Reclassification of assets	0	0	0	0	0
Depreciation expense	55,064	34,894	11,953	37,503	139,414
Eliminate on disposal	0	0	0	0	0
Balance at 30 June 2013	329,843	277,630	132,787	273,713	1,013,973
Balance at 1 July 2013	329,843	277,630	132,787	273,713	1,013,973
Reclassification of assets	0	0	0	0	0
Depreciation expense	55,064	32,632	3,657	37,181	128,534
Eliminate on disposal	0	(122)	0	0	(122)
Balance at 30 June 2014	384,907	310,140	136,444	310,894	1,142,386
Carrying amounts					
As at 30 June and 1 July 2012	220,851	54,599	19,760	78,112	373,322
As at 30 June and 1 July 2013	165,787	55,539	7,807	52,950	282,083
As at 30 June 2014	110,723	36,662	8,350	15,769	171,503

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.

7. INTANGIBLE ASSETS

Movements for intangible assets are as follows:

	Computer Equipment - Acquired Software \$
Cost or Valuation	
Balance at 1 July 2012	416,447
Additions	119,176
Disposals	0
Balance at 30 June 2013	535,623
Balance at 1 July 2013	535,623
Additions	310,469
Disposals	0
Balance at 30 June 2014	846,092
Accumulated Amortisation	
Balance at 1 July 2012	391,727
Amortisation expense	20,879
Eliminate on disposal	0
Balance at 30 June 2013	412,606
Balance at 1 July 2013	412,606
Amortisation expense	102,045
Eliminate on disposal	0
Balance at 30 June 2014	514,651
Carrying amounts	
As at 30 June and 1 July 2012	24,720
As at 30 June and 1 July 2013	123,017
As at 30 June 2014	331,441

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.

8. TRADE AND OTHER PAYABLES

	2014	2013
	\$	\$
Trade creditors	2,768,033	684,302
Sundry accruals	559,581	285,386
Rent incentive liability	8,339	0
Net GST Payable	360,540	16,872
PAYE	33,296	0
	3,729,789	986,560

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.

9. EMPLOYEE ENTITLEMENTS

	2014	2013
	\$	\$
Accrued salaries and wages	51,739	65,328
Annual leave	107,844	97,257
	159,583	162,585

10. 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.

	2014	2013
	\$	\$
Opening balance 1 July	342,720	290,200
Income from sales	1,028,453	1,727,041
Total film income	1,371,173	2,017,241
Less: NZFC distribution fees	(68,507)	(95,321)
Less: marketing & other expenses	9,811	(203,214)
Net earnings	1,312,477	1,718,706
Less: distributed to investors	(561,573)	(804,987)
Less: distributed to NZFC	(293,628)	(318,699)
Less: loan repayment to NZFC	(96,155)	(361,000)
	361,121	234,020
Provision for unrecouped expenses increase/(decrease)	(5,099)	117,611
Balance 30 June	356,022	351,631
Unpaid invoices increase / (decrease)	(18,499)	(8,911)
Balance (including unpaid invoices)	337,523	342,720

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.

11. PROJECT COMMITMENTS

	2014	2013
	\$	\$
Feature films	15,772,375	9,003,266
Short films	849,322	870,882
Devolved development and Business		
Development Scheme	2,930,000	338,000
	19,551,697	10,212,148

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

12. TALENT AND CAPABILITY BUILDING

	2014	2013
	\$	\$
Short films	1,088,814	1,032,003
Training	1,114,337	1,427,802
Industry support	789,000	702,399
	2,992,151	3,162,204

13. SCRIPT DEVELOPMENT AND PRODUCTION

	2014	2013
	\$	\$
Feature film development (incl. feature docos)	1,367,517	1,068,364
Business development	2,734,689	300,000
Documentary support (incl. JV with NZOA)	887,350	0
Feature film production financing	11,918,046	11,302,825
Other costs	49,058	46,519
	16,956,660	12,717,708

Feature film production financing costs are shown at gross cost in this note, including the NZFC's SPIF co-investment.

14. FILM INCENTIVE SCHEME ADMINISTRATION

	2014	2013
	\$	\$
Administration and screen sector review	160,138	138,331
	160,138	138,331

15. DISTRIBUTION SUPPORT, MARKETING AND SALES

	2014	2013
	\$	\$
Domestic/Media distribution and digital preservation scheme	1,146,078	399,425
International festivals	149,056	207,944
International marketing and market attendance	221,202	99,325
Sales support	80,324	316,550
	1,596,660	1,023,244

16. CORPORATE

	2014	2013
	\$	\$
Board costs	184,373	171,787
Communications	76,555	205,662
Office overheads	129,714	109,098
Depreciation and amortisation expense:		
Leasehold alterations	55,064	55,064
Computer equipment - hardware	32,632	34,894
Computer equipment - software	102,045	20,879
Office equipment	3,657	11,953
Furniture & fittings	37,181	37,503
Rent	273,840	286,334
Audit fees for the audit of the financial statements	46,450	45,250
Other costs	398,968	338,511
	1,340,479	1,316,935

17. PERSONNEL COSTS

	2014	2013
	\$	\$
Talent and capability building	282,731	242,137
Script and production funding and advice	479,926	391,615
Film incentive scheme administration	148,398	141,240
Distribution support, marketing and sales	241,623	275,316
Corporate	947,437	709,577
Consultants incl. review of incentives and Sales Agency	303,701	137,687
	2,403,816	1,897,572

18. GOVERNMENT SPIF GRANT

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

	2014	2013
	\$	\$
Funds requested from MCH and paid on to productions were:		
Feature films	4,612,155	12,197,923
TV series	164,258	2,901,491
	4,776,413	15,099,414

19. CAPITAL COMMITMENTS AND OPERATING LEASES

The NZFC had no capital commitments as at 30 June 2014 (2013=\$Nil).

Operating leases as a lessee

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

	2014	2013
	\$	\$
Not later than one year	221,138	218,138
Between one and two years	221,138	218,138
Between two and five years	663,412	654,414
Later than five years	0	218,138
	1,105,688	1,308,828

The NZFC leases two floors of an office building. The lease expires on 2 July 2019.

The NZFC does not have an option to purchase the asset at the end of the lease term.

The NZFC received a rent-free period on renewal of the lease on 2 July 2013. This is recognised as a reduction of the rental expense on a straight-line basis over the lease term.

20. CONTINGENCIES

Contingent liabilities

There were no contingent liabilities at balance date (2013=\$Nil).

Contingent assets

There were no contingent assets at balance date (2013=\$Nil).

21. FINANCIAL INSTRUMENTS

21A. Financial Instrument Categories

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

	2014	2013
	\$	\$
Loans and receivables		
Cash and cash equivalents	6,809,990	5,381,697
Investments	12,521,537	6,250,000
Trade and other receivables	6,755,862	5,341,309
<i>Total loans and receivables</i>	<i>26,087,389</i>	<i>16,973,006</i>
Financial assets at fair value through surplus and deficit		
Investments - portfolio investments	4,572,528	4,251,701
Financial liabilities		
Trade and other payables	3,729,789	986,560
Film income account	337,523	342,720
Project commitments	19,551,697	10,212,148
<i>Total financial liabilities</i>	<i>23,619,009</i>	<i>11,541,428</i>

21B. 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. The fair values are determined according to the following hierarchy:

- Quoted market prices (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- Valuation techniques using observable inputs (level 2) - Financial instruments with quoted prices for identical instruments in active markets or similar instruments in inactive markets and financial instruments values using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	Total \$	Quoted market price \$	Observable inputs \$	Significant non- observable inputs \$
30 June 2013				
Portfolio Investments	4,251,701	4,251,701	0	0
30 June 2014				
Portfolio Investments	4,572,528	4,572,528	0	0

21C. 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

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 and portfolio investments 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.

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 \$147,822 higher/lower (2013 = \$106,811).

This movement is attributable to the amount of term deposits directly managed by the NZFC at any one time during the year and the interest rate on these deposits. It excludes term deposits and investments held through the portfolio.

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.

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 2014 amounted to \$Nil (2013=\$Nil).

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: Kiwibank, ASB, BNZ, Rabobank and ANZ New Zealand Limited.

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 (Note 3), short term deposits (Note 4) and trade debtors (Note 5).

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 2014 the NZFC had a credit limit of \$78,500 (2013 = \$61,000) 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:

	2014 \$	2013 \$
COUNTERPARTIES WITH CREDIT RATINGS		
Cash at bank and term deposits		
AA-	18,706,139	8,140,821
A+	5,200,000	3,500,000
<i>Total cash at bank and term deposits</i>	23,906,139	11,640,821
COUNTERPARTIES WITHOUT CREDIT RATINGS		
Debtors and other receivables		
Existing counterparty with no defaults in the past	6,755,862	5,341,309
Existing counterparty with defaults in the past	0	0
<i>Total debtors and other receivables</i>	6,755,862	5,341,309

21C. Financial Instrument Risks (continued)

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 6 months \$	6 months- 1 year \$	more than 1 year \$
2013					
Trade and other payables	986,560	986,560	986,560	0	0
2014					
Trade and other payables	3,729,789	3,729,789	3,729,789	0	0

22. 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, whilst remaining a going concern.

23. 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 \$5.401M (2013 = \$5.401M) for specific purposes as set out in its legislation and the scope of the relevant government appropriations and an additional \$17,406 was retained in relation to SPIF allocations to productions (2013 = \$8,213).

The Lottery Grants Board has provided the NZFC with funding of \$16.197M (2013 = \$13.443M). In addition the NZFC has received \$4.776M (2013 = \$15.099M) from the Crown for the SPIF scheme, which the NZFC administers. This was paid on by the NZFC to the qualifying film and television productions.

Furthermore, the NZFC received \$37,200 from MCH as contribution towards a strategic advisor and other consulting services (2013 = \$6,493 as re-imbursment of travel expenses).

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 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 2014 totalled \$212,208 excl. GST (2013 = \$258,408 excl. GST). These transactions included the purchase of electricity from Genesis, postal services from New Zealand Post and distribution of film income to NZ On Air and TVNZ amongst others.

The balance still payable to these entities as at 30 June 2014 is \$169 (2013 = \$2,751).

Key Management Personnel

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

- The NZFC distributed \$39,779 of film income to the New Zealand Film Production Fund Trust (Film Fund) in its capacity as investor (2013 = \$71,697). The Chair of the Film Fund, Sir David Gascoigne, is the husband of the NZFC's Chair Dame Patsy Reddy.

The balance still payable to the Film Fund as at 30 June 2014 is \$Nil (2013 = \$Nil).

In addition the Film Fund paid \$752,519 to the NZFC (2013 = \$5,148) for re-imbursment of production drawdowns made on behalf of the Film Fund and for providing administration services.

The balance still receivable from the Film Fund as at 30 June 2014 is \$Nil (2013 = \$2,500).

- The NZFC is investor in and sales agent for the feature film "Mt. Zion", which is distributed by Sony Pictures (NZ) Ltd. Andrew Cornwell, member of the NZFC Board, is a director of Sony Pictures (NZ) Ltd. The NZFC purchased DVD's and provided a publicity grant to Sony Pictures (NZ) Ltd totalling \$52,017 (2013 = \$65,123). The balance still payable to Sony Pictures (NZ) Ltd as at 30 June 2014 is \$Nil (2013 = \$Nil). In addition, Sony paid film income into the NZFC collection account totalling \$316,811 (2013 = \$139,644). The balance still receivable from Sony Pictures (NZ) Ltd as at 30 June 2014 is \$Nil (2013 = \$102,711).
- The NZFC purchased goods and services from Park Road Post totalling \$520,446 (2013 = \$175,935) particularly for digitisation of NZFC back-catalogue films. Board member Cameron Harland is the general manager of Park Road Post. The balance still payable to Park Road Post as at 30 June 2014 is \$100,045 (2013 = \$260).

- The NZFC also received \$34,666 from Park Road Post as a contribution towards the Screen Sector Review (2013 = \$Nil). The balance still receivable from Park Road Post as at 30 June 2014 is \$Nil (2013 = \$Nil).
- The NZFC paid \$254,560 to Script To Screen for industry support, professional development services and training in 2014 (2013 = \$168,935). Naomi Wallwork, the NZFC's Screen Incentives Manager was a Board Member of Script To Screen until January 2014. The balance still payable as at 30 June 2014 is \$Nil (2013 = \$Nil).
- The NZFC paid \$40,000 in industry support and training to the Film New Zealand Trust (FNZ) (2013 = \$40,000). In addition the NZFC paid \$720 to Film NZ for re-imbursment of costs (2013 = \$2,385). The balance still payable to FNZ as at 30 June 2014 is \$Nil (2013 = \$Nil). In addition FNZ contributed \$15,000 towards the Screen Sector Review (2013 = \$Nil). This was still receivable as at 30 June 2014 (2013 = \$Nil). The NZFC's CEO Graeme Mason was a member of the FNZ Board until September 2012 when he resigned as Board member.
- The NZFC paid \$77,948 to Women In Film and Television (WIFT) for industry support, professional development services and training in 2014. Jasmin McSweeney, the NZFC's Marketing Manager is a Board Member of WIFT. The balance still payable as at 30 June 2014 is \$Nil (2013 = \$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. Project one has not received any funding during the year under review (2013 = \$Nil). The second project has received a conditional offer of production financing in 2013 and an additional conditional offer in 2014.
- The NZFC paid \$294 to AEL Managers Ltd for re-imbursment of expenses (2013 = \$Nil). The NZFC's Chair Dame Patsy Reddy is a shareholder and director of AEL Managers Ltd. The balance still payable as at 30 June 2014 is \$Nil (2013 = \$Nil).

- The NZFC processed an invoice of \$12,500 from Gibson Group Ltd in the period 1 January to 31 January 2014 for project development funding committed in November 2013. Dave Gibson, the NZFC's CEO from 1 January 2014, was a director and shareholder of Gibson Group Ltd until 31 January 2014. This amount was still payable to Gibson Group as at 31 January 2014.
- \$1,000 was paid to the Victoria University of Wellington Foundation for a scholarship (2013 = \$Nil). Charles Finny, member of the NZFC Board, is a director on the Victoria University of Wellington Council. The balance still payable to Victoria University as at 30 June 2014 is \$Nil (2013 = \$Nil)

No provision has been required nor any expense recognised for impairment of receivables from related parties (2013 = \$Nil).

Key Management Personnel Compensation

	2014	2013
	\$	\$
Salaries and other short-term employee benefits	1,158,673	858,573
Post-employment benefits (Kiwisaver)	26,933	15,160
Other long-term benefits	0	0
Termination benefits	0	0
	1,185,606	873,733

Key management personnel in 2014 includes all board members, the Chief Executive, Chief Financial Officer, Head of Business Affairs, the Marketing Manager, Head of Development and Production, Head of Talent Development and Relationships, Screen Incentive Manager (as of April 2014) and Strategic Advisor (fixed term to 20 June 2014).

24. BOARD MEMBER REMUNERATION

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

	2014	2013
	\$	\$
Dame 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	16,000
Chris Hampson	16,000	16,000
Cameron Harland	16,000	16,000
	136,000	136,000

\$3,500 excl. GST in total was paid to four members of the SPIF Committee who were not board members in the year under review (2013 = \$4,500 in total to three members). No other payments have been made to committee members appointed by the Board who were not board members in 2014 (2013 = \$Nil).

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 (2013 = \$Nil).

25. 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	Number of Employees	
	2014	2013
\$260,000 - \$270,000	0	1
\$180,000 - \$190,000	2	0
\$170,000 - \$180,000	0	1
\$130,000 - \$140,000	1	0
\$120,000 - \$130,000	1	0
\$110,000 - \$120,000	2	1
\$100,000 - \$110,000	2	0
	8	3

The number of employees includes a CEO to 1 November 2013 and another CEO from 1 January 2014 onwards. In addition the NZFC engaged a Strategic Advisor for the year under review to assist with the Screen Sector Review.

During the year ended 30 June 2014 no employees received compensation and other benefits in relation to cessation (2013 = \$Nil).

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

	2014 \$	2013 \$
Net Surplus/(Deficit)	(2,574,881)	(23,361)
<i>Add back: Non Cash Items</i>		
(Gain)/Loss on Disposals	0	0
Doubtful Debts	17,250	31,460
Bad Debts Written Off	(60,073)	0
Star Loan	1,155	0
Rent incentive	41,695	0
Depreciation and Amortisation	230,579	160,293
	(2,344,275)	168,392
<i>Movements in Working Capital</i>		
Decrease/(Increase) in Accounts Receivable after excluding Capital Items	(2,679,193)	(742,814)
(Decrease)/Increase in Accounts Payable after excluding Capital Items	2,391,166	(293,378)
(Decrease)/Increase in Employee Entitlements	(3,002)	(2,936)
(Decrease)/Increase in GST Payable	343,668	551,635
(Decrease)/Increase in Film Income Account	(5,197)	52,520
(Decrease)/Increase in Project Commitments	9,339,549	4,454,853
Total Movements in Working Capital	9,386,991	4,019,880
Net Cash Flows from Operating Activities	7,042,716	4,188,272

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

Lottery Grants Board (LGB) Grant

Income received from the LGB was \$4.23M higher than budgeted as actual profits generated by the Lotteries Commission exceeded projections.

Script and production funding

Script and production funding spend was ahead of budget by \$4.8M, mainly due to the allocation of \$2.7M towards the Business Development Scheme (BDS), which is a new initiative introduced at the end of the last financial year.

Distribution support, marketing and sales

NZFC spend in this area was below budget by \$500,340. This was primarily due to slower than anticipated progress on the digital preservation of the NZFC back catalogue.

Statement of financial position

Trade and other receivables

Trade and other receivables were \$4.755M higher than budget, due to a timing delay in receiving a GST refund and the final quarterly instalment of the LGB Grant.

Project commitments

Project commitments at year end were \$10.02M higher than budget. This is largely due to unanticipated delays in the production schedules of two major feature film projects to which significant NZFC funding commitments were made. In addition BDS funding of \$2.7M was committed towards the end of the financial year.

Statement of cash flows

Receipts and payments from Crown were lower than budgeted due to a large budget SPIF project failing to move into production in the period.

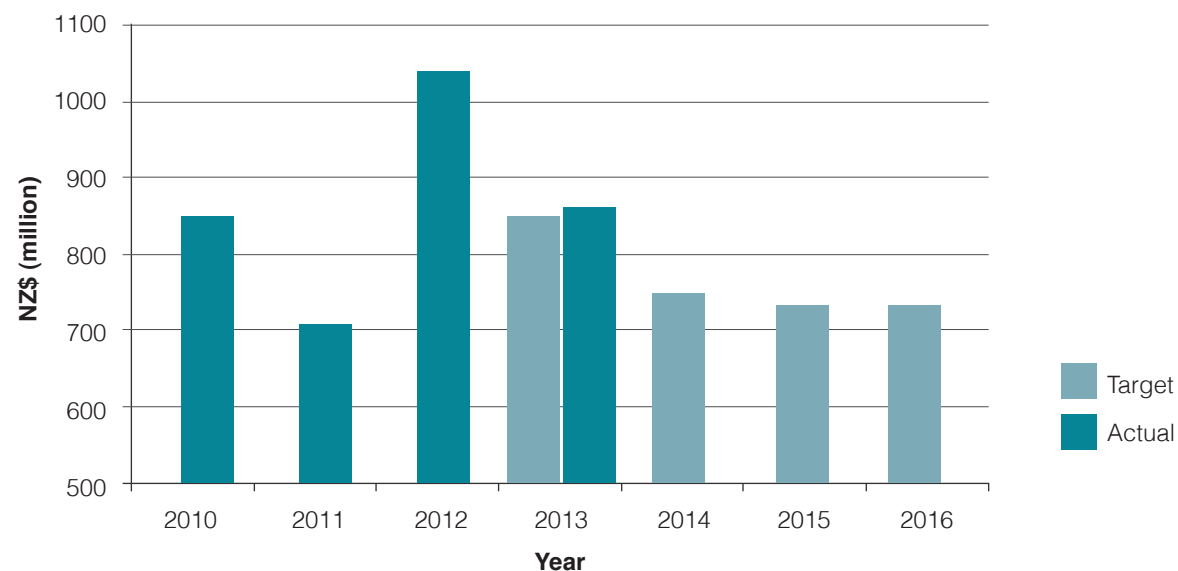
STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2014

OUTCOME MEASURE

Key outcome	Outcome measure	Actual 2012	Target 2013	Actual 2013*
New Zealand has a sustainable and internationally competitive screen sector	Gross revenue of production and post-production sector businesses (feature film)	\$1,040 million	\$850 million	\$860 million
				The graph below shows actuals for the past four years along with the targets set out in the 2014/15 SPE.

Gross revenue of production and post-production sector businesses (feature film)



*To 31 March 2013 (Statistics NZ will release results for the year ended 31 March 2014 on 1 April 2015)

IMPACT MEASURES

1. New Zealand screen talent is recognised internationally

	Impact and measure	Actual 2012/13	Target 2013/14	Actual 2013/14	Notes
	Talented individuals are well-connected internationally				
1A	Proportion of directors from talent identification schemes gone on to direct feature films	1 in 6 approx (reported as 15.6% – since adjusted to 15.1%)	1 in 7	1 in 7 approx (14.4%)	Of 374 short films funded between 1985 and 2013, 83 of those films have directors who have gone on to features. Some of those films have the same director so there are 54 unique directors. In the period, short film director Paolo Rotondo directed the Escalator feature film <i>Orphans & Kingdoms</i> (screened in the NZIFF 2014). Three other short film directors are also directing feature films but these have not yet been completed (Alan Dickson – <i>Shirley & the Hungary Bear</i> , Jason Lei Howden – <i>Deathgasm</i> , Tammy Davis – <i>Born to Dance</i>).
1B	Number of NZFC-funded films that are selected for A-list film festivals	5 Shorts 3 Features	5 Shorts 2 Features	8 Shorts 7 Features	Shorts – <i>Wide Eyed</i> , <i>Friday Tigers</i> , <i>Maul</i> (MIFF), <i>Cold Snap</i> (Venice), <i>The Keeper</i> (Valladolid), <i>Killing Phillip</i> (Clermont-Ferrand), <i>Eleven</i> (Berlin), <i>Queenie</i> (SXSW) Features – <i>Beyond the Edge</i> , <i>Giselle</i> , <i>White Lies</i> (Toronto), <i>What We Do in the Shadows</i> (Sundance/Berlin), <i>Fantail</i> (Rotterdam), <i>Utu Redux</i> (Berlin), <i>Housebound</i> (SXSW)
1C	Number of directors supported by NZFC who work internationally	TBC – new measure	Increase	40%	As a proxy we have measured the proportion of directors with more than one feature film credit.

Methodology:

1A. Figure is derived from total number of short films funded from 1985 onwards and adjusted to reflect directors who have directed more than one short film, e.g. Taika Waititi directed two NZFC-funded shorts before moving on to feature films so is only counted once. A director is only counted as having directed a feature film once that film has been released. We will also be tracking directors of Escalator features who move into higher budget feature films but it is too soon to begin this measure as some of the Escalator films have not yet been completed.

1B. Measure is based on qualifying A-list film festivals (as defined in the Short Film Recommended Festivals list available on our website and for

feature films as defined on the Key Festivals and Markets list on our website). Shorts and features were separate impact measures in the 2012/15 SOI.

1C. For this year we have used the proportion of directors with more than one feature film credit as a proxy for the number of directors supported by NZFC who work internationally while we determine the best methodology for this measure and ensure we have the means to track it. Note that this measure is changed in our latest SPE to “Number of actors who move from NZ short and feature films to international projects” and “Number of writers/directors/producers/actors attached to long-form projects with strong market attachments”.

2. Material with high production values gets funded

	Impact and measure	Actual 2012/13	Target 2013/14	Actual 2013/14	Notes
Overseas and local investors are aware of talented individuals and investment opportunities in New Zealand					
2A	Ratio of private local and foreign direct investment to total budget of NZFC-funded feature films	37% in year (24% rolling 3-year average)	Increase on previous year	63% in year (39% rolling 3-year average)	There was a high number of co-productions in the year which resulted in more offshore funding. We have also included a 3-year average given the relatively small sample size (9 films).
2B	Amount of time taken for NZFC supported projects to move from development to production	2.5 years	Decrease	Not applicable	<i>The Dead Lands</i> , <i>25 April</i> and <i>Atomic Falafel</i> went into production this year but were via a devolved development fund with NZFC putting in advanced development just prior to green-lighting.
2C	Additional measure: Average domestic review star rating for all NZFC-funded feature films released in the year.	3.5	No target	4.1	<i>What We Do in the Shadows</i> (4.1) <i>Fantail</i> (4.3) <i>The Deadly Ponies Gang</i> (4.0) <i>The Pa Boys</i> (3.5) <i>Beyond the Edge</i> (4.0) <i>Utu Redux</i> (4.0) <i>Antarctica: A Year on Ice</i> (5.0) <i>Mr Pip</i> (4.0) <i>Romeo & Juliet: A Love Song</i> (4.0) <i>Gardening with Soul</i> (4.2) <i>The Weight of Elephants</i> (4.0) <i>Giselle</i> (3.5)

Methodology:

2A. This measure replaces previous measure “Percentage of films entering production with NZFC production finance that also received NZFC funding” This measure does not count features funded under the Escalator Scheme as they were intended to be 100% NZFC funded. It is based on productions that started principal photography (or received funding from the NZFC if it is for post-production) in the 2013/14 financial year.

2B. This measure only applies to NZFC-funded films that have received direct (as opposed to devolved) development funding from NZFC. Time is measured from the first tranche of development received to the first day of shoot.

2C. Additional measure not included in 2013/16 SOI but monitored throughout the year. Average rating is based on reviews in The NZ Herald, The Dominion Post, The Press, TV3 and The Listener.

3. New Zealand films are seen and valued in New Zealand and overseas

	Impact and measure	Actual 2012/13	Target 2013/14	Actual 2013/14	Notes
Publicly-funded productions reach their target audiences					
3A	Number of NZFC-funded films that secure more than 100,000 admissions at the NZ box office	2 films in last 3 years	2 films in last 3 years	3 films in the last 3 years	<i>Sione's 2</i> (Jan 2012 – 159,800) <i>Mt Zion</i> (Feb 2013 – 106,300) <i>What We Do in the Shadows</i> (Jun 2014 – 213,400)
3B	Estimated annual admissions at the NZ box office for all NZFC-funded films	289,100	400,000	466,800	<i>What We Do in the Shadows</i> (213,400) <i>Fantail</i> (5,800) <i>The Deadly Ponies Gang</i> (3,600) <i>The Pa Boys</i> (10,100) <i>Mr Pip</i> (91,400) <i>Beyond the Edge</i> (73,200) <i>Utu: Redux</i> (2,900) <i>Gardening with Soul</i> (40,600) <i>Giselle</i> (7,200) <i>The Weight of Elephants</i> (3,200) <i>Romeo and Juliet: A Love Song</i> (2,400) <i>Antarctica: A Year on Ice</i> (11,900)
3C	Percentage of people who think New Zealand films are important	88%	Maintain	Not available	NZOA discontinued Public Perception Survey in the period. We intend to conduct a separate survey in 2014/15.

Methodology:

3A and 3B. All admissions are allocated to the financial year the film is initially released even if admissions occurred in the next financial year. The results for *What We Do in the Shadows* are for the week to 8 October 2014 (the last week of its release)

Removed former measure 3C from 2012/15 SOI "Gross revenue for NZFC-funded films" in order to rationalise impact measures in 2013/16 SOI.

OUTPUT MEASURES

1. Talent and capability building

	Actual 2012/13	Budget 2013/14	Actual 2013/14
Revenue	3,458,146	4,092,000	3,632,276
Direct Expenditure - note 12	2,846,272		2,992,151
- note 17 (personnel)	242,137		282,731
Indirect expenditure - admin/depreciation	225,090		191,317
- personnel	144,647		166,077
Total expenditure	3,458,146	4,092,000	3,632,276

	Output measure	Actual 2012/13	Target 2013/14	Actual 2013/14	Notes
1a.	Number of short films funded by the NZFC (Fresh Shorts, Premiere Shorts)	22 (16 Fresh Shorts and 6 Premiere Shorts)	22	22	See Appendix for list of funded films.
1b.	Average overall satisfaction rating in dealing with team responsible for short films	4.14	3.75	3.74	
1c.	Number of training initiatives funded by the NZFC including producer international travel assistance	98	30	67	PITA = 47 Training Initiatives = 20 The target was set conservatively due to changes in the way we fund professional development. We also had the biggest delegation of producers to Cannes this year (17) which contributed to the high level of PITA grants. In addition, the new Talent Development and Relationships team was proactive in identifying bespoke training opportunities which increased the amount supported. A further 31 Professional Development Awards were made but these are not included in the measure as per the notes on methodology below.
1d.	Average rating of training initiatives excluding producer international travel assistance	4.63	3.75	4.21	

Methodology:

1b and 1d. Figures taken from stakeholder survey conducted in 2013/14. Rating is out of 5 with 1 equating to Strongly Dissatisfied and 5 representing Strongly Satisfied.

1c. This output relates to workshops, seminars and internships and Producer International Travel Assistance (PITA). These initiatives also contribute to encouraging and promoting, for the benefit of the

New Zealand film industry, the study and appreciation of films and of filmmaking (section 17(4) of the NZFC Act). It does not include Professional Development Awards as these are demand-based and discretionary.

Removed measure 1c from 2012/15 SOI "Number of low-budget films funded by NZFC" because the Escalator scheme has now ended.

2. Script and production funding and advice

	Actual 2012/13	Budget 2013/14	Actual 2013/14
Revenue	14,809,236	11,118,000	16,791,479
Direct expenditure - note 12	12,855,115		16,956,660
- note 17 (personnel)	391,615		504,171
Indirect expenditure - admin/depreciation	965,452		1,020,051
- personnel	620,415		885,478
Total expenditure	14,832,597	14,018,000	19,366,360

	Output measure	Actual 2012/13	Target 2013/14	Actual 2013/14	Notes
2a.	Number of scripts at advanced development stage that received NZFC development funding	18 (average over the year)	10	19	Actual figure is as at December 2013 using the methodology set out in the notes below. During this year, the new CEO and Head of Development and Production reviewed the way projects were tracked through to production. A new methodology has been implemented in the 2014/15 year and will be reported against in the next Annual Report.
2b.	Time taken to provide feedback and advice from receiving a new draft	4.96 weeks (average over the year)	6 weeks average	5.41 weeks average	7 x EDF meetings (one meeting split in three), 2 x SDF meetings (now transitioned to NZWG), 11 x ADF applications
2c.	Average overall satisfaction rating in dealing with team responsible for development funding	3.93	3.75	3.71	
2d.	Number of NZFC-funded feature films (4 drama, 5 docos ex Joint Documentary Fund)	12 (including 5 low-budget films and 6 docos – some also counted as low-budget)	9	13 (6 drama, 7 doco)	Drama: <i>Atomic Falafel</i> <i>The Dead Lands</i> <i>Rosa (aka Here at the End of the World We Learn to Dance)</i> <i>What We Do in the Shadows</i> <i>Born to Dance</i> <i>Beyond the Known World</i>

2d.					<p>Documentary: <i>Poi E</i> <i>Flickering Truth (aka Flickering Time Bomb)</i> <i>25 April</i> <i>Caught in the Web</i> <i>Waves of ANZAC Cove (JDF)</i> <i>Back from the Death Zone (JDF)</i> <i>Too Much Love (JDF)</i></p> <p>Funded as a grant: <i>Once Were Warriors</i> (doco)</p> <p>We were able to support 13 new projects instead of nine because of a \$1.9 million one-off distribution from the Lottery Grants Board, and because a higher number of co-productions, lower budget features and documentaries meant we could spread our funding further.</p>
2e.	Average overall satisfaction rating in dealing with team responsible for production funding	3.88	3.75	3.77	

Methodology:

2a. In order to determine whether a project is at advanced development stage we applied the following criteria: a) director attached; b) draft at a stage that is advanced; and c) project overall is approaching market-readiness/market-ready/currently being packaged or financed. NZFC development funding includes Te Paepae Ataata funding or devolved development funding.

2b. Measured from the due date for the relevant funding round (usually the 20th of the month) to notification of decision.

2c and 2e. Figures taken from stakeholder survey conducted in 2013/14. Rating is out of 5 with 1 representing Strongly Dissatisfied and 5 representing Strongly Satisfied.

2d. Measured from date commitment made.

3. Film incentive scheme administration and certification

	Actual 2012/13	Budget 2013/14	Actual 2013/14
Revenue	313,041	280,000	342,207
Direct expenditure - note 12	138,331		160,138
- note 17 (personnel)	141,240		148,398
Indirect expenditure - admin/depreciation	20,376		18,024
- personnel	13,094		15,647
Total expenditure	313,041	280,000	342,207

	Output measure	Actual 2012/13	Target 2013/14	Actual 2013/14	Notes
3a.	Percentage of complete SPIF and LBSPG final applications processed within 3 months	100%	100%	100%	SPIF – 100% (one part of an application took longer because further information sought). LBSPG – 100% (one interim application took longer because waiting on information).
3b.	Time taken to update SPIF and LBSPG Frequently Asked Questions	SPIF – 6 weeks LBSPG – 1 month (average 5 weeks)	Within one month of relevant meeting	N/A	SPIF FAQs were updated 12 November 2013 to reflect new Criteria dated 1 October. LBSPG FAQs were updated on 1 November 2013 to reflect new Criteria dated 1 October. Criteria were then revised again and republished May 2014. New FAQs are being developed for the new Criteria.
3c.	Average overall satisfaction rating in dealing with team responsible for regulatory approvals and financial incentives	Regulatory approvals – 4.31 Financial incentives – 4.30	3.75	Regulatory approvals - 4.27 Financial incentives - 4.22	

Methodology:

3a. This time frame is based on fully-completed applications being received. Occasionally further information is required to process an application in which case the start date commences when the further information is received. The two week period over Christmas and New Year is excluded from the calculations as applications are not being processed during this time. Most fully-completed applications take between 2.5 and 3 months to process.

3c. Figures taken from stakeholder survey conducted in 2013/14. Rating is out of 5 with 1 representing Strongly Dissatisfied and 5 representing Strongly Satisfied.

4. Distribution support, marketing and sales

	Actual 2012/13	Budget 2013/14	Actual 2013/14
Revenue	1,652,210	2,726,000	2,109,061
Direct expenditure - note 12	1,200,244		1,596,660
- note 17 (personnel)	275,316		304,882
Indirect expenditure - admin/depreciation	107,542		111,087
- personnel	69,108		96,432
Total expenditure	1,652,210	2,726,000	2,109,061

	Output measure	Actual 2012/13	Target 2013/14	Actual 2013/14	Notes
4a.	Number of prints & advertising grants made	8	7	9	<p>Grants released for:</p> <p><i>Giselle</i> <i>Gardening with Soul</i> <i>Mr Pip</i> <i>Beyond the Edge</i> <i>The Weight of Elephants</i> <i>Utu Redux</i> <i>The Pa Boys</i> <i>The Deadly Ponies Gang</i> <i>What We Do in the Shadows</i></p> <p>Our target is set based on films that we have provided equity funding to that are due to be released in the period. <i>Utu Redux</i> and <i>The Deadly Ponies Gang</i> were films that we funded at a late stage and therefore had not included in our target.</p>
4b.	Distribution fees earned by NZ Film Commission	\$95,321	\$50,000	\$68,507	<p>In the period we have repositioned our sales agency so that we did not take on any new films and therefore distribution fees have reduced accordingly. The last film we were an active sales agent for was <i>The Weight of Elephants</i> which was released in August 2013.</p>
4c.	Number of NZFC-funded films digitally preserved and publicly accessible	74% (based on old measure)	9 features 10 shorts	10 features, 11 + 2 shorts	<p>Features:</p> <p><i>What Becomes Of The Broken Hearted</i> <i>Stickmen</i> <i>Eagle vs Shark</i> <i>Mr Wrong</i> <i>An Angel At My Table</i> <i>Scarfies</i> <i>Smash Palace</i> <i>Sleeping Dogs</i> <i>Vigil</i> <i>The Quiet Earth</i></p>

4c.					Shorts: <i>Infection</i> <i>Kitchen Sink</i> <i>Run</i> <i>The Lounge Bar</i> <i>O Tamaiti</i> <i>Tama Tu</i> <i>Boy</i> <i>Junk</i> <i>Lemming Aid</i> <i>The Singing Trophy</i> <i>Lenny Minute</i> <i>Hairy Maclary (SD)</i> <i>The Magical World of Margaret Mahy (SD)</i> The digitisation project was a new initiative and it was not known how long each film would take to go through the process. As such, we made a conservative estimate at the outset which we are pleased to have exceeded.
4d.	Average overall satisfaction rating in dealing with team responsible for feature film sales agency, distribution and marketing.	3.57	Increase on previous year	2.85	The survey was conducted between December 2013 and January 2014 when the role of the NZFC sales agency was under review. Comments from those who had been in contact with the NZFC about feature film sales agency, distribution or marketing, indicated a degree of frustration with the lack of clarity from the NZFC at this time. In February 2014, we formally announced that the sales agency was being repositioned (more detail in the body of this report).

Methodology:

4a. Based on financial year in which the liability to pay the grant arises (the date the film is released in New Zealand). Grants are paid in two instalments and both are allocated to the financial year of release even if the payment is made after that year

4b. Based on commissions received on films for which we're sales agent.

4c. Measure was changed from "Percentage of NZFC-funded feature films restored or undergoing restoration" in 2012/15 SOI. A new list of all films to be digitised as part of the new project was generated in the period. Section 17(3) of the NZFC Act states that one of our functions is to "encourage and

promote the proper maintenance of films in archives". However, funding for the Film Archive (now renamed Nga Taonga Sound and Vision) has been removed from the NZFC and is provided directly from MCH. Nevertheless, we still undertake to ensure those films we have funded are accessible for future generations and contributed to the purchase of a scanner for this purpose.

4d. Figures taken from stakeholder survey conducted in 2013/14. Rating is out of 5 with 1 representing Strongly Dissatisfied and 5 representing Strongly Satisfied.

Independent Auditor's Report

To the readers of the New Zealand Film Commission's financial statements and non-financial performance information for the year ended 30 June 2014

The Auditor-General is the auditor of the New Zealand Film Commission (the Commission). The Auditor-General has appointed me, Clare Helm, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the Commission on her behalf.

We have audited:

- the financial statements of the Commission on pages 2 to 24, that comprise the statement of financial position as at 30 June 2014, 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 non-financial performance information of the Commission on pages 25 to 37 that comprises the statement of service performance, and which includes the report about outcomes and impacts.

Opinion

In our opinion:

- the financial statements of the Commission on pages 2 to 24:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Commission's:
 - financial position as at 30 June 2014; and

- financial performance and cash flows for the year ended on that date.

- the non-financial performance information of the Commission on pages 25 to 37:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Commission's service performance, outcomes and impacts for the year ended 30 June 2014, including for each class of outputs:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
 - its 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 31 October 2014. 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 non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. 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 non-financial performance

AUDIT REPORT (continued)

information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Commission's financial statements and non-financial performance information 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 appropriateness of the reported non-financial performance information within the Commission's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

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 non-financial performance information 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, outcomes and impacts.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

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

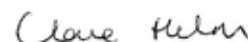
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information 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 External Reporting Board.

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



Clare Helm
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

APPENDIX

KEY: P: Producer D: Director W: Writer

A/ NEW FEATURE FILMS WITH INVESTMENT FROM NZFC

25 April (doco) 1,950,000

P: Matthew Metcalfe

D/W: Leanne Pooley

Atomic Falafel 335,000

P: Matthew Metcalfe, Andro Steinborn, Chilik Michaeli

D/W: Dror Shaul

Beyond the Known World 2,000,000

P: Matthew Horrocks, Kristian Eek

D: Pan Nalin

W: Dianne Taylor

Born To Dance fka Born Tu Dance 1,516,336

P: Leanne Saunders, Jill Macnab, Daniel Story

D: Tammy Davis

W: Hone Kouka, Steve Barr, Casey Whelan

Caught in the Web (doco) Conditional

P: Alex Behse

D/W: Annie Goldson

A Flickering Truth fka Flickering Time Bomb (doco) 250,000

P/D/W: Pietra Brett Kelly

Poi E (doco) 921,984

P: Reikura Kahi, Tearepa Kahi, Alex Behse

D/W: Tearepa Kahi

Rosa fka Here at the End of the World We Learn to Dance Conditional

P: Dan Hennah, Emma Slade, Barrie Osborne

D: Ray Lawrence

W: Beatrix Christian, Dan Hennah, Graeme Tettley

The Dead Lands 1,550,000

P: Matthew Metcalfe

D: Toa Fraser

W: Glenn Standring

What We Do in the Shadows fka Shadows 250,000

P: Chelsea Winstanley, Emanuel Michael, Taika Waititi

D/W: Jemaine Clement, Taika Waititi

Waves of ANZAC Cove (doco) - Joint Documentary Fund 141,000

P: Owen Hughes, Alan Erson

D: Peter Butt

W: Owen Hughes, Alan Erson

Back from the Death Zone (doco) - Joint Documentary Fund Conditional

P: Virginia Wright

D: Justin Pemberton

Too Much Love (doco) - Joint Documentary Fund 260,015

P: David Stubbs, Thomas Robins

D: David Stubbs

Once Were Warriors: Where Are They Now? (doco) 45,753*

P: Claire Logan

D: Julian Arahangā

W: Claire Logan, Julian Arahangā

*As a grant.

B/ FEATURE FILMS WITH ADDITIONAL INVESTMENT FROM NZFC

The Dark Horse fka Genesis 50,000

P: Tom Hern, Jim Marbrook

D/W: James Napier Robertson

Turbo Kid 30,000

P: Ant Timpson, Tim Riley

D/W: Anouk Whissell, Francois Simard, Yoann Whissell

The Patriarch Conditional

P: Robin Scholes

D: Lee Tamahori

W: John Collee

C/ FEATURE FILM FINISHING GRANTS

3 Mile Limit 25,000

P/D: Craig Newland

W: Andrew Gunn

Aunty and the Star People (doco) 23,933

P/D: Gerard Smyth

Cap Bocage (doco) 13,802

P/D: Jim Marbrook

Hot Air (doco) 24,530

P/D: Alister Barry, Abi King-Jones

Housebound 25,000

P: Luke Sharpe

D/W: Gerard Johnstone

Nga Reo o te Whenua: Voices of the Land (doco) 25,000

P: Catherine Fitzgerald

D: Paul Wolfram

Te Awa Tupua: Voices from the River (doco) 7,070

P/D: Paora Joseph

The Inheritance (doco) 10,000

P/D: Jeff McDonald

D/ BUSINESS DEVELOPMENT SCHEME

C=Company K=Key People

Amount over 3 years

C: Libertine Pictures 1,000,000

K: Richard Fletcher, Paul Davis, Neil Cross

C: Field Theory 800,000

K: Fiona Copland, Philippa Campbell, Tim Sanders

C: GFC Fightertown 600,000

K: Matthew Metcalfe

C: Gibson Group 600,000

K: Victoria Spackman, Catherine Fitzgerald, Steve Barr

E/ NZFC DEVELOPMENT FINANCE FOR FEATURE FILM PROJECTS

EARLY DEVELOPMENT FUND (EDF) INCLUDING SEED DEVELOPMENT FUND (SDF)

25 April (CEO) 20,000

P: Matthew Metcalfe

D: Leanne Pooley

W: Leanne Pooley, Matthew Metcalfe

Ark of Kindness fka Finding Johnson 20,000

P/D/W: Costa Botes

Black Lotus 10,000

P: Tim White

D/W: Roseanne Liang

Black Lotus 22,000

P: Tim White

D/W: Roseanne Liang

Burn Out 12,500

P: Karl Zohrab

D: tba

W: Matthew Horrocks

Call Me Carmen 10,000

P: Vincent Burke, Debra Kelleher, Walt Missingham

D: Dee McLaughlan

W: Michael Bennett

Call Me Carmen 25,000

P: Vincent Burke, Debra Kelleher, Walt Missingham

D: Dee McLaughlan

W: Michael Bennett

Camp of One (SDF) 10,000

P: tba

D: tba

W: Gavin McGibbon

Chester Grindle 25,000

P: Kevin Stevens

D: Jason Stutter

W: Jason Stutter, Kevin Stevens

City of Dreams (fka The Art of Recovery) (doco)	5,000	Maea: A Thousand Ropes	27,500
P: Peter Young		P: Catherine Fitzgerald	
D: Peter Young		D/W: Tusi Tamasese	
W: Peter Young, Alex Reed			
Encounter	10,000	Manseed	10,000
P: Inge Rademeyer, Mike Wallis		P: Ruth Korver	
D/W: Mike Wallis		D: Dean Hewison	
		W: Dean Hewison, Richard Falkner, Sam Dickson	
Firehands	10,000	Maria Take a Bow	10,000
P: Matthew Saville, Claire Kelly		P: Nadia Maxwell	
D/W: Matthew Saville		D: Martin Sagadin	
		W: Martin Sagadin, Alayne Dick,	
God of War	17,000	No Ordinary Sheila (fka Sheila) (doco)	5,000
P: Tim Coddington		P: Hugh Macdonald, Christine Dann	
D: tba		D/W: Hugh Macdonald	
W: Guy Hamling			
Grace Notes	12,500	Oak	10,000
P: Bevin Linkhorn, Steve Barr		P: tba	
D: tba		D: So Yong Kim	
W: Juanita Deeley		W: So Yong Kim, Armagan Ballantyne	
Green on Blue	10,000	Oil (CEO)	9,000
P: tba		P: Emma Slade, Dan Hennah	
D: tba		D: Dan Hennah	
W: David Brechin-Smith		W: Michael Bennett	
Hello Again (doco)	7,000	Paradise	23,000
P: Quinton Hita		P: Jeff Hayward, Bob Hayward	
D: Paora Te Oti Takarangi Joseph		D: Ellory Elkayem	
W: tba		W: Jeff Hayward, Ellory Elkayem	
Hui (SDF)	10,000	Pasha Patel: A journey to me	21,500
P: tba		P: Carthew Neal, Leanne Saunders	
D: tba		D: tba	
W: Mitch Tawhi Thomas, Rachel House		W: Madeleine Sami, Thomas Sainsbury, Carthew Neal	
Human Traces fka Lure of Little Voices	15,750	Photos of Loving Summer	15,000
P: Nadia Maxwell		P: Rachel Jean	
D: Nic Gorman, Paul Glubb		D: tba	
W: Nic Gorman		W: Tim Balme	
Lovebooks	20,000	Pokarekare Ana	10,000
P: Bevin Linkhorn, Steve Barr		P: tba- NZ producer, Sebastian Dong Hun Lee (ROK producer)	
D: tba		D: tba	
W: Brendan Donovan		W: Michael Bennett	

<i>Pushing It</i>	25,000	<i>The Light in the Bottle</i>	20,000
P: Luke Sharpe		P: Philippa Campbell	
D/W: Gerard Johnstone		D/W: Daniel Borgman	
<i>Reservoir Hill</i>	20,000	<i>The Rehearsal</i>	25,000
P: Thomas Robins, David Stubbs, Richard Fletcher		P: Bridget Ikin	
D: David Stubbs, Thomas Robins		D: Alison Maclean	
W: Martha Hardy-Ward		W: Emily Perkins	
<i>Rutherford's Apprentice (SDF)</i>	10,000	<i>The Tickle King: The Hunt for the Truth in Competitive Tickling (CEO)</i>	10,000
P: tba		P: David Farrier	
D: tba		D: tba	
W: Gillian Ashurst		W: tba	
<i>Squall (SDF)</i>	10,000	<i>The Whole World's Watching</i>	25,000
P: tba		P: Richard Thomas	
D: tba		D/W: Alan Erson	
W: Zia Mandviwalla		<i>Tide</i>	24,500
<i>Steve the Surfing Vampire (CEO)</i>	10,500	P: Michelle Turner	
P: Mark Overett, Steve Barr		D: Ellory Elkayem	
D: tba		W: Nick Ward, Kathryn Burnett	
W: Joshua Conn		<i>Under the Palms (CEO)</i>	4,000
<i>The Banker</i>	25,000	P: Matthew Horrocks	
P: Barrie Osborne, Emma Slade, Mark Overett, San Fu Maltha		D: Dominic Murphy	
D/W: Scott Walker		W: Irene Harris, Stuart Thomas	
<i>The Book of Fame</i>	50,000	<i>Unspeakable Secrets of the Aro Valley</i>	17,000
P: Robin Scholes		P: tba	
D: tba		D: Jonathan King	
W: Gavin Strawhan		W: Jonathan King, Danyl Mclauchlan	
<i>The Conductor</i>	25,000	<i>Untitled Jeffs-Laing Wine Comedy (CEO)</i>	25,000
P: Karl Zohrab		P: Robin Laing	
D: tba		D/W: Christine Jeffs	
W: Toa Fraser		<i>Untitled Sam Kelly project</i>	23,600
<i>The Confessions of Burgess the Murderer fka Blood Rush</i>	15,000	P: Vicky Pope	
P: Karl Zohrab		D/W: Sam Kelly	
D: tba		<i>Viet Kieu (SDF)</i>	10,000
W: Brian Challis		P: tba	
<i>The Guinea Pig Club</i>	25,000	D: tba	
P: Tim Sanders		W: Sally Tran	
D: Roger Donaldson			
W: Mike Riddell			

Waituhi (CEO)	12,500	The Dead Lands	100,000
P: Sue Rogers, Robert Hagen		P: Matthew Metcalfe	
D: tba		D: Toa Fraser	
W: Witi Ihimaera, Sue Rogers		W: Glenn Standring	
Wounded	14,800	The Inland Road fka Annabelle, Black Across the Field, In the Roar	15,000
P: Trevor Haysom		P: Aaron Watson	
D: tba		D/W: Jackie Van Beek	
W: Brad Haami		The Patriarch fka Mahana, Bulibasha (CEO)	10,000
Wulf	25,000	P: Robin Scholes	
P: Robin Scholes, Brad Haami		D: Lee Tamahori	
D: Sam Peacocke		W: John Collee	
W: Michael Bennett		The Unlikeliest Hero	90,000
You and Me	20,000	P: Sue Thompson, Natalie Bell	
P: Kelly Kilgour, Tim White		D: James Cunningham	
D: tba		W: Barbara A Connell	
W: Casey Whelan			
ADVANCED DEVELOPMENT FUND		BOARD DEVELOPMENT DECISIONS	
Amchitka	20,000	25 April	200,000
P: Robin Laing		P: Matthew Metcalfe	
D: Christine Jeffs		D/W: Leanne Pooley	
W: Aubrey Nealon		Born To Dance fka Born Tu Dance	78,500
Amchitka (CEO)	12,000	P: Leanne Saunders, Jill Macnab, Daniel Story	
P: Robin Laing		D: Tammy Davis	
D: Christine Jeffs		W: Hone Kouka, Steve Barr, Casey Whelan	
W: Aubrey Nealon		DEVOLVED DEVELOPMENT	
Born To Dance fka Born Tu Dance (CEO)	25,000	Piki - He Ara	100,000
P: Daniel Story, Jill Macnab		P: Carthew Neal, Leanne Saunders	
D: Tammy Davis		W: Louis Sutherland, Madeleine Sami, Oscar Kightley, Taika Waititi, Tusi Tamasese	
W: Hone Kouka, Steve Barr		Blacklands - He Ara	50,000
Jojo Rabbit (CEO)	20,000	P: Ainsley Gardiner, Bailey Mackey	
P: Chelsea Winstanley, Emanuel Michael		South Pacific Pictures – He Ara	50,000
D/W: Taika Waititi		P: Rachel Jean	
Stray	20,000	W: Damon Fepulea'i, Teuila Blakely, Malo Luafutu, Oscar Kightley, Arnette Arapai	
P: Philippa Campbell		Te Paepae Ataata	6,000
D/W: Dustin Feneley			

F/ SHORT FILM PROJECTS WITH PRODUCTION FINANCE FROM THE NZFC

Premiere Shorts funding scheme through executive producer groups

Blue Harvest EP - Paul Swadel, Daniel Story, Steve Barr

Feeder 90,000

P: Mhairead Connor

D: Christian Rivers

W: Guy McDouall

Judgment Tavern 90,000

P: Ruth Korver

D/W: Dean Hewison

Jump Film and TV EP – Robin Scholes

21 Points 90,000

P: Rob Linkhorn

D: Pete Circuit

W: Pete Circuit, Steve Best

Zealandia 90,000

P: Axel Paton

D: Bruno du Bois

W: Aline Tran

Short and Sharp – Michelle Turner, Nick Ward

Restoration 90,000

P: Nicola Peeperkoorn

D: Tim Tsiklauri

W: Luke Watkinson, Tim Tsiklauri

The World in Your Window 90,000

P: Hamish Mortland, Natasha Romaniuk

D/W: Zoe McIntosh

FRESH SHORTS FUNDING SCHEME THROUGH NZFC

Actually Alex 10,000

P: Bonnie Low, Jules Lovelock

D/W: Ness Simons

Home 10,000

P: Mina Mathieson

D: Chris Molloy

W: Aroha Awarau

Hope 10,000

P/D/W: Ryan Alexander Lloyd

Meet Peter 10,000

P: Alex Behse

D/W: Gemma Duncan

Mouse 10,000

P/D/W: Lani-Rain Feltham

Scruff 10,000

P: Alex Porter

D/W: Ed Lust

Stick To Your Gun 10,000

P: Morgan Leigh Stewart

D/W: Joe Hitchcock

Unit 6 10,000

P: Margaret Slater

D/W: Jane Sherning Warren

Break in the Weather 30,000

P: Alexander Gandar

D/W: Aidee Walker

Clean Hands Save Lives (Abandon Ship) 30,000

P: Jeremy Macey

D/W: Katherine McRae

Each to Their Own 30,000

P: Lani-Rain Feltham

D/W: Maria Ines Manchego

Ron 30,000

P: Jozsef Fityus

D: Brett O'Gorman, Mick Andrews

W: Mick Andrews

Spring Jam 30,000

P: Georgiana Taylor

D: Ned Wenlock

W: Christopher Brandon

Tits on a Bull 30,000

P: Piripi Curtis

D/W: Tim Worrall

Tree **30,000**
P: Andrew Cochrane, Jeremy Macey
D/W: Lauren Jackson

We Kill (Oink) **30,000**
P: David White
D: Paul Wedel
W: David White, Paul Wedel

G/ SHORT FILM PROJECTS WITH POST PRODUCTION FINANCE FROM THE NZFC

Cold Snap **5,510**
P: Rebekah Kelly
D/W: Leo Woodhead

Eleven **10,925**
P/W: Kate Prior
D: Abigail Greenwood

Poppy **1,500**
P: Paul Swadel
D: James Cunningham
W: David Coyle

Pumanawa - The Gift **7,779**
P: Tui Ruwhiu
D: Poata Eruera
W: Marie Thompson, Wayne Te Tai

Queenie **2,536**
P: Melissa Donald, Michelle Savill
D: Paul Neason
W: Sam Burt, Jeremy Liss

H/ PROFESSIONAL DEVELOPMENT

PRODUCER TRAVEL

Description	Name	Amount
37 Degrees South Market - Melbourne International	Aaron Watson	2,589
37 Degrees South Market - Melbourne International	Andrew Beattie	2,615
37 Degrees South Market - Melbourne International	Catherine Fitzgerald	2,500
37 Degrees South Market - Melbourne International	Curtis Vowell	2,540
37 Degrees South Market - Melbourne International	Fiona Copland	2,554
37 Degrees South Market - Melbourne International	Jeremy Macey	2,550

37 Degrees South Market - Melbourne International	Maile Daugherty	2,500
37 Degrees South Market - Melbourne International	Paul Swadel	2,500
37 Degrees South Market - Melbourne International	Robin Murphy	3,068
37 Degrees South Market - Melbourne International	Robin Laing	2,588
37 Degrees South Market - Melbourne International	Stuart McKenzie	2,500
37 Degrees South Market - Melbourne International	Angela Littlejohn	2,532
37 Degrees South Market - Melbourne International	Tim Sanders	2,536
37 Degrees South Market - Melbourne International	Sarah Cook	2,557
37 Degrees South Market - Melbourne International	Philippa Campbell	2,592
American Film Market	David Gould	2,975
Berlin European Film Market	Trevor Haysom	5,000
Cannes Market	Alex Behse	7,500
Cannes Market	Andrew Beattie	7,500
Cannes Market	Carthew Neal	5,075
Cannes Market	Catherine Fitzgerald	7,500
Cannes Market	Emma Slade	5,500
Cannes Market	Karl Zohrab	7,500
Cannes Market	Leanne Saunders	7,500
Cannes Market	Matthew Horrocks	7,500
Cannes Market	Pietra Brett Kelly	6,525
Cannes Market	Robin Laing	7,500
Cannes Market	Steven O'Meagher	7,500
Cannes Market	Tara Riddell	3,000
Cannes Market	Tom Hern	7,500
Cannes Market	Victoria Spackman	7,500
Fantasia Market	David Stubbs, Thomas Robins	7,724
International Documentary Festival Amsterdam Forum	Pietra Brett Kelly	6,760
International Emmy Awards 2013	Steven O'Meagher	5,000
International Emmy Awards 2013	Philippa Campbell	3,500
London Finance Co-production Market 2013	Tim Sanders	5,359
London - packaging and financing	Paula Boock, Donna Malane	10,000
No Borders - Independent Film Week	Pietra Brett Kelly	5,878
NZIFF producer travel	Sarah Cook	336
Producers Lab Toronto and IFF 2013	Fiona Copland	4,535
Toronto Film Festival 2013	Tim Riley, Ant Timpson	10,000
Toronto Film Festival 2013	Matthew Metcalfe	6,500
Toronto Film Festival 2013	John Barnett	6,500

Toronto Producers Lab	Robin Laing	3,930
Palm Springs Film Festival and Market	Tom Hern	5,000
Sundance Film Festival and Berlin Film Festival	Chelsea Winstanley	5,000
Rotterdam Film Festival	Sarah Cook	5,000

PROFESSIONAL DEVELOPMENT AWARDS

Description	Name	Amount
Acting coaching	Miranda Harcourt	5,000
AFM and Austin Film Festival	Nicola Peeperkom	5,000
AIDC	Charlotte Purdy	2,395
Binger Filmlab	Nadia Maxwell	5,000
Binger Filmlab	Fraser Brown	5,000
Cannes	Virginia Wright	5,000
Cannes	Zoe Sua Cho	3,350
Cannes	Desray Armstrong	3,050
Captivate Action	Leanne Pooley	5,000
Director Placement	Ivan Slavov	5,435
Ivana Chubbuck Masterclass	Jennifer Ward-Lealand	3,534
Film Preservation	Cameron Curd	5,000
Hong Kong FILMART	Alex Clark	5,000
imagineNATIVE	Wairoa Maori Film Festival	1,500
International Emmy Awards 2013	Justin Pemberton	5,000
International Emmy Awards 2013	Tina Cleary	2,751
Judith Weston Workshop	Zoe McIntosh	4,412
LA Meetings	Inge Rademeyer, Mile Wallis	5,000
Media Business School	Jill Macnab	5,000
Post Production	Roger Grant	2,995
Rotterdam	Sophie Henderson	3,658
Rotterdam & Goteburg	Simon Price	5,000
Saint-Tropez Antipodes	Paora Joseph	5,000
Scandar Copti Workshop	Allan George	2,500
Sound Supervisor	Andrew McKay	5,000
SPA Transmedia	Renee Mark	1,352
Steadicam Workshop	Iain Frengley	750
SXSW	Gerard Johnstone	5,000
SXSW	Luke Sharpe	5,000
Tariq Anwar Edit	Samantha Sperlich	4,600
Toronto Film Festival	David Long	4,605

TRAINING INITIATIVES

Description	Partner	Amount
Accelerator Programme 2013 Attendees	Various	3,600
ANIMFX scholarships 2014	Various	2,050
Berlinale Talents 2014	Various	9,500
Big Screen Symposium Scholarships 2013	Script To Screen	2,560
Brad McGann Scholarship NZFC contribution 2013	Victoria University	1,000
Development Award - Michelle Savill	Paint-By-Numbers Ltd	10,000
Development Award - Slavko Martinov	Sabineprogram	15,000
Director Internship - Atomic Falafel	GFC (Atomic) Ltd	19,769
DocWeek AIDC - Gardening with Soul	POP Film	2,420
ImagineNATIVE 2013	ImagineNative Film & Media Arts Festival	10,639
Laura Collela Low Budget Workshop- NZFC Initiative	Jake Mahaffy	6,752
Loading Docs - Jason Sondhi Workshop	20th Century Fox Film Distribution	2,200
Low Budget Workshops - Jason Stutter and Kevin Stevens	Centron Pictures (Deadroom) Ltd	30,000
Maoriland Filmmaker Networking Event 2013	Kakano Films Ltd	1,200
Milford Earl Thomas	Milford Thomas	2,274
NFTS Workshop - SPADA (D. White and C Neale)	SPADA	2,351
Producer Internship - Desray Armstrong	Slow West NZ Ltd	10,000
Producers Role in Development Workshop- WIFT	WIFT NZ Incorporated	3,000
Seed Grant Funding Roadshow - NZWG	New Zealand Writers Guild	1,945
Tropfest- Roughcuts 2013	Tropfest	5,000

I/ PROFESSIONAL DEVELOPMENT SERVICES PROGRAMME

Organisation	Programme	Amount
DocEdge	Interactive digital storytelling workshop	15,000
Directors and Editors Guild of New Zealand	Workshops, mentorships, seminars and master-classes for directors	340,000
NZ Writers Guild	Annual script market showcasing new projects and their writers	9,000
Script to Screen	A programme including two extensive labs (and mentorship programmes)	410,000
Women in Film & Television	A programme for producers focusing on finance, international sales and domestic distribution	228,000

The amounts above are the full 3-year commitment.

J/ INDUSTRY SUPPORT

Organisation	Amount
SPADA	85,000
Directors and Editors Guild of New Zealand	85,000
NZ Writers Guild	85,000
Script to Screen	85,000
Women in Film & Television	50,000
Actors Equity NZ	30,000
Nga Aho Whakaari	50,000
NZ Film & Video Technicians Guild	65,000

K/ FESTIVAL TRAVEL ASSISTANCE FOR FEATURE FILMMAKERS

Film maker	Film	Festival	Amount
Tom Hern, James Napier Robertson	<i>The Dark Horse</i>	Cannes 2014	2,000
Pietra Brett Kelly	<i>Flickering Truth</i>	Cannes 2014	1,000
Taika Waititi, Jemaine Clement	<i>What We Do in the Shadows</i>	Sundance/Berlin 2014	12,500
Dana Rotberg	<i>White Lies</i>	Toronto 2013	1,917
Leanne Pooley	<i>Beyond the Edge</i>	Toronto 2013	1,599
Toa Fraser	<i>Giselle</i>	Toronto 2013	4,533

L/ FESTIVAL TRAVEL ASSISTANCE FOR SHORT FILMMAKERS

Film maker	Film	Festival	Amount
Rebekah Kelly	<i>Cold Snap</i>	Venice 2013	3,300
Leo Woodhead	<i>Cold Snap</i>	Venice 2013	3,300
James Cunningham	<i>Retrospective</i>	Sapporo 2013	1,200
Allan George	<i>Sounds Perfect</i>	ImagineNATIVE 2013	3,473
Renae Maihi	<i>Butterfly/Purerehua</i>	ImagineNATIVE 2013	4,052
Adam Gunsen	<i>Killing Philip</i>	Clermont Ferrand 2014	3,570
Kate Prior	<i>Eleven</i>	Berlin 2014	3,936
Abigail Greenwood	<i>Eleven</i>	Berlin 2014	3,936
Melissa Donald	<i>Queenie</i>	SXSW 2014	3,286
Paul Neason	<i>Queenie</i>	SXSW 2014	3,286
Michelle Savill	<i>Queenie</i>	SXSW 2014	3,286
Yolande Dewey	<i>Whisker</i>	Palm Springs 2014	2,500
Steve Saussey	<i>Whisker</i>	Palm Springs 2014	2,500

M/ DOMESTIC THEATRICAL DISTRIBUTION SUPPORT – PRINT AND PUBLICITY GRANTS

Project	Distributor	Amount
<i>The Deadly Ponies Gang</i>	Zoe McIntosh Films	5,000
<i>The Pa Boys</i>	Whenua Films	30,000
<i>Beyond the Edge</i>	Rialto Distribution	50,000
<i>Utu REDUX</i>	Kiwi Film Productions	2,500
<i>Mr Pip</i>	Paramount Pictures NZ	60,000
<i>Gardening with Soul</i>	POP Film	7,203
<i>The Weight of Elephants</i>	Transmission Films Pty	3,000
<i>Giselle</i>	Rialto Distribution	8,626
<i>What We Do in the Shadows</i>	Two Canoes	62,500

N/ CERTIFICATION AS A NEW ZEALAND FILM (FOR PURPOSES OF THE INCOME TAX ACT)

Project	Producer	Format
<i>Struggle to the Stars</i>	Aircrow Productions Limited	Documentary feature film

O/ PRODUCTIONS CERTIFIED AS OFFICIAL CO-PRODUCTIONS

Provisional certification

Name of Production	Format	Co-Production Country	Applicant Company
<i>The Space Between</i>	Feature film	Italy	Daydream Productions
<i>Slow West</i>	Feature film	UK	Slow West NZ
<i>The Dead Lands</i>	Feature film	UK	GFC (Warrior)
<i>Turbo Kid</i>	Feature film	Canada	T&A Films
<i>Atomic Falafel</i>	Feature film	Germany/Israel	GFC (Atomic)

Final certification

<i>New Zealand From Above</i>	TV series	Australia	Making Movies
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SCREEN PRODUCTION INCENTIVE FUND (SPIF)

Provisional certification

Project	Format	Co-Production	Applicant Company
<i>Steven Christ</i>	Feature film	No	Farmgate Films
<i>Slow West</i>	Feature film	Yes - NZ/UK	Slow West NZ
<i>The Wonder (revised)</i>	Feature film	No	Wonder Films NZ
<i>The Dead Lands</i>	Feature film	Yes - NZ/UK	GFC (Warrior)
<i>Breathing is Singing</i>	Feature film	Yes - NZ/ Germany	Karamata Productions
<i>25 April</i>	Feature film	No	GFC (Gallipoli)

Final certification

Project	Format	Co-Production	Applicant Company	Amount
<i>Shopping (additional)</i>	Feature film	No	Shopping NZ	4,800
<i>Mt Zion</i>	Feature film	No	Small Axe Films	1,122,579
<i>Beyond the Edge</i>	Feature film	No	GFC (Everest)	1,899,385
<i>The Dark Horse (aka Genesis)</i>	Feature film	No	Genesis Pictures	1,585,392

NZFC OPERATIONAL UNITS AND STAFF

As at 30 June 2014

Corporate

Dave Gibson
Antoinette Wilcox
Chloe McLoughlin
Rochelle Cooney
Naomi Wallwork
Rufus Richardson
Mladen Ivancic
Janka Palinkas
Vacant
Dominique Fromont

Chief Executive
Executive Assistant to the Chief Executive
Head of Business Affairs (part-time)
Business Affairs Executive
Screen Incentives Manager
Front of House Coordinator
Chief Financial Officer
Accountant
Accounts Assistant
Film Income Manager (part-time)

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Development and Production

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Linda Halle

Head of Development and Production
Development Executive
Development Executive
Development Executive
Development Coordinator

Talent Development and Relationships

Chris Payne
Bonnie Slater
Whetu Fala
Mia Henry-Tierney
Vacant

Head of Talent Development and Relationships
Professional Development Executive
Acting Short Film Manager
Short Film Assistant
Talent Development and Relationships Coordinator

Marketing

Jasmin McSweeney
Faith Dennis
Tracey Brown
Tim Hope
Jo Didier-Dixon

Marketing Manager
Marketing Executive
Film Materials Manager
Film Festival Coordinator
Film Materials Coordinator



Back cover photos:
Maul
The Keeper
Antarctica: A Year On Ice



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