



New Zealand Film Commission : Annual Report 2010

Report of the New Zealand Film Commission

for the year ended 30 June 2010

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, 2010.



Patsy Reddy
Chair



Andrew Cornwell
Board Member



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Funded by the New Zealand Government through the Ministry for Culture and Heritage and by the Lottery Grants Board

Highlights

The NZFC committed production financing to nine new feature films and eight short films during the financial year. It also supported the completion of 16 digital features. The NZFC provided strategic, logistical and financial support in the form of prints and advertising grants for seven new NZ features released in New Zealand cinemas during the year. Taika Waititi's feature film *Boy* premiered at the Sundance Film Festival. It was awarded the Grand Prix award in the Generation Section of the Berlin Film Festival in February 2010 and went on to become the highest grossing NZ film of all time with a box office of more than \$9 million. Gaylene Preston's film *Home By Christmas* enjoyed a highly successful cinematic release reaching \$1.15 million box office. The film was nominated for 10 Qantas Film Awards. Independently financed feature documentary *This Way of Life*, directed by Tom Burstyn and produced by Sumner Burstyn, received a Special Mention in the Generation Section at the Berlin Film Festival. The NZFC provided post-production assistance. The NZFC organised screenings of New Zealand feature films at 68 international film festivals and screenings of New Zealand short films in 128 festivals. The 2009 Toronto International Film Festival in September featured the world premiere screening of *The Vintner's Luck* and the North American premiere of *The Topp Twins: Untouchable Girls* and *Under the Mountain*. *Topp Twins* won the Cadillac People's Choice Award - Documentary at the festival. The NZFC launched its new low-budget film scheme, Escalator, in February 2010 with a roadshow and masterclass presented by the makers of UK low-budget hit *Shifty*. In June a week-long low-budget bootcamp was held for the 12 shortlisted teams with local and international filmmakers including Rolf de Heer and David Lightfoot. NZ Film organised New Zealand's 31st consecutive participation in the Cannes Film Festival with a high-profile sales and marketing office. 22 New Zealand filmmakers attended. New Zealand filmmaker Daniel Borgman won the Grand Prix at the Semaine de la Critique at the Festival de Cannes with his short film *Berik*. Daniel is developing his first feature with assistance from the NZFC. The NZFC-financed short film *The Six Dollar Fifty Man* continued its international success, winning the Jury Prize in International Short Filmmaking at the 26th Sundance Film Festival in Utah. This award further qualifies *The Six Dollar Fifty Man* for consideration for an Academy Award® nomination in 2011. The NZFC continued to provide administrative services for the Government's Large Budget Screen Production Grant Scheme. During the year a total of six grants were approved for projects, including *Avatar* and *District 9*. The NZFC continued as administrator for the Government's Screen Production Incentive Fund (SPIF), now in its second year. During the year a total of seven grants were approved for projects, including *Boy*.

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Chair's Introduction

Patsy Reddy, November 2010

I am pleased to introduce the annual report of the New Zealand Film Commission for the year ended 30 June 2010.

The phenomenal success of Taika Waititi's film *Boy*, released in February, was the highlight of our year, breaking the box office record for the highest grossing NZ feature film. Over 845,000 New Zealanders saw *Boy* at the cinema and thousands more are now enjoying the DVD.

At the end of the year the long awaited Jackson/Court Review of the NZFC was released and during the first half of the 2011 year we are consulting with the industry and other key stakeholders about the recommendations contained in it.

During the year the NZFC conducted its own review of key programmes and processes and implemented a number of changes.

In July 2009 the Board agreed to empower staff to take greater ownership of the feature film financing decision making process. In practice this means that all creative decisions are now taken by the senior staff who meet with applicants for funding and prepare recommendations for the Board. The Board's role is to assess these recommendations against the agreed strategy and business plan and also to provide oversight of the processes undertaken by staff.

The NZFC also developed and launched two major new talent identification initiatives – Escalator Low Budget Features and Fresh Shorts. In addition a major internal review of the sales and marketing function was completed and adopted by the Board at the June Board meeting.

It was a busy year for filmmakers too. In the twelve months under review, the NZFC made nine production financing offers, totaling \$14.5 million, and six newly completed feature films were released in cinemas around the country.

On behalf of the Board I acknowledge the substantial contributions made by three long serving Board members whose terms ended in August 2010 – Bill Birnie, Tainui Stephens and William Somerville. They devoted enormous time and energy to their roles not only at Board level but also in representing the NZFC on committees and film initiatives such as Te Paepae Ataata and SPIF.

Finally I would like to thank our staff, ably led by Chief Executive Graeme Mason, who have worked enormously hard and with great passion to support the New Zealand film industry.

Patsy Reddy,
Chair



From the Chief Executive

Graeme Mason, November 2010

The stand out event of the year was the phenomenal domestic success of Taika Waititi's second film Boy. By the end of its theatrical release Boy had become the highest grossing NZ feature of all time with a box office total in excess of \$9 million.

Whilst the NZFC was celebrating the success of *Boy* along with New Zealand, the finishing touches were being applied to the Government initiated Review of the NZFC. On 1 July 2010 the Minister for Arts, Culture and Heritage released the Review and we welcome the opportunity to discuss the key findings and recommendations contained within the Review with both Government and the local film industry.

A lot has happened since the Review process started, both within the NZFC and to our industry. We have separately identified areas requiring change and we have also commenced a range of new initiatives, many of which are outside the scope of the Review. Early feed-back from the industry on these initiatives indicates that they have found them both valuable and timely.

The Review itself was certainly timely and necessary. It provided key stakeholders the opportunity to offer comment on the future direction of a film funding agency that had reached the milestone of 30 years of existence, without fundamental change in purpose.

I think we all believe that the Review must be treated as a springboard for new directions, not only for the NZFC but also the local industry. We believe that the submissions made by film-makers, the Review itself and all the post release feed-back from industry and Government will combine to set the stage for a re-energised and vital NZFC. We look forward to a future that involves the NZFC partnering the industry to yet greater levels of both domestic and international success.

Graeme Mason,
Chief Executive

To support NZ stories and writers

Impact: That culturally-specific films and voice-driven projects generate attention and interest from audiences in New Zealand and overseas. The NZFC is committed to supporting the development of scripts that depict New Zealand stories and/or a specific New Zealand vision and which are created by New Zealand writers.

The NZFC pursued its commitment to the development of New Zealand screen stories and writers through both direct and devolved funding for scripts, as well as through programmes that offered training and/or overhead support to writers and producers. In addition to financial support NZFC staff continued to offer creative feedback on projects in development. The NZFC commitment to Māori stories and storytellers remains central and the ways in which we put this into practice in the year under review are outlined separately below.

Direct Project Support

All recipients of funding are listed in the Appendix.

Funds were offered in the following categories:

Writer Development Loans

In November 2009 the NZFC introduced a new level of funding available to writers as seed money with which to develop their feature film idea and thus increase the chances of attracting a producer.

Single Project Funding

This is available to producers for feature film projects at different stages of development:

- **Early Development Fund (EDF)** – up to a cap of \$60,000. Decisions made by development staff.
- **Advanced Development Fund (ADF)** – up to a cap of \$150,000. Decisions made by the CEO, Head of Development and Head of Sales & Marketing with advice from two independent industry professionals and development staff.
- **Board Development Funding** – amounts beyond \$150,000. Decisions made by the Board with advice from senior staff.

Documentary Development Funding

In November 2009 we introduced development funding (up to a cap of \$15,000) to help established feature documentary filmmakers. Decisions made by Development Staff.

Devolved Support

In October 2009 the previous system of devolved support (Producer Overhead Funds, Devolved Development Funds and Writer Awards) was simplified into Producer Awards and Writer Awards, each capped at \$50,000.

The recipients announced in December 2009 were:

- Producers – Pietra Brett Kelly (PBK Ltd), Arani Cuthbert (Diva Productions), Richard Fletcher (Liberty Films), and Jonathan King & Matt Grainger (Index Films)
- Writer – Greg Page

Training Support

The NZFC continued to fund a wide variety of training and development initiatives and workshops, either directly organised by the development team or in conjunction with industry partners. The objective of this training programme is to develop the skills of writers, producers, directors and developers, skills that they need in order to tell their stories on the big screen.

A comprehensive list of all professional development opportunities offered by the NZFC in the year under review can be found under Objective 2 and those run as joint initiatives can be found under Objective 5. One initiative that should be highlighted in this section, as it provides a possible entry point into NZFC funded development direct to new writers (as well as training) is the First Writers Initiative. This annual workshop was again held in Wellington in September 2009. The full list of participants, tutors and guest speakers can be found under Objective 2.

Māori Film Strategy

Developing Māori storytelling and story tellers is fundamental to the NZFC's purpose. The NZFC welcomes the increasing number of Māori filmmakers who are building successful careers in the industry and is committed to continuing to support them. In recognition of the need to expand and develop the base of Māori filmmaking talent, the NZFC has continued to focus on initiatives that address:

- The development of Māori talent and projects
- The cultural integrity of films with Māori content
- Industry infrastructure support for Māori filmmakers

The NZFC's Māori Responsiveness Strategy continues to shape NZFC policy on an ongoing basis.

Te Paepae Ataata

Te Paepae Ataata is a three-year devolved NZFC funded initiative (in partnership with Ngā Aho Whakaari) whose principal purpose is to enable the development of scripts towards production readiness. The resulting films may be modest or ambitious, but they will reflect the indigenous cinema aspirations of this country: big-screen stories that tell of the Māori experience as tangata whenua of New Zealand, and as citizens of the world.

In 2009, 10 scripts were received by Te Paepae Ataata and two selected for development. They were:

- *The Prophet* by Curtis Bristowe. Mentor: Merata Mita.
- *Kuia* (formerly *Where Shall the Bellbirds Eat*) by Kathryn Akuhata-Brown. Mentor: Philippa Campbell.

Further development of *The Pa Boys*—selected for Paepae development in 2008—continued during 2009.

Targeted development strategies for Māori filmmakers that commenced in 2008 continued during 2009. These strategies included intensive project development, visual storytelling workshops, mentoring and filmmaker support.

Ngā Aho Whakaari

The NZFC continues to help fund the activities of Ngā Aho Whakaari. Ngā Aho Whakaari began implementing new measures and internal resourcing following the passing of pouwhakaruruha Merata Mita in May 2010.

Wairoa Māori Film Festival

The NZFC was the sponsor of this June 2010 festival, which was followed by the Matariki National Travelling Film Programme.

NZFC support for Māori filmmakers in 2009/10

Production funding

Beautiful Machine – producer Grant Roa

Development funding

Pollution Girl Dreaming – writer Greg King

In Your Art – writer Rena Owen

Land of Tears – writer Taika Waititi

Heart of an Angel – writer Riwia Brown

Project-based workshop attendance

Binger Film Lab: Wiremu Grace and Greg King

Script Factory: Riwia Brown

Genre Tools: Stefen Harris and Tui Ruwhiu

Escalator Bootcamp: Stefen Harris, Brad Haami, Regan Hall, Mike Hohaia, Tom Hern, Tui Ruwhiu and Desray Armstrong

Alan Sharp Mentorship: Michael Bennett

Rotterdam Lab: Tom Hern

Post-production funding

None.

Short Film Fund with Māori Executive Producers

Kura Shorts – Quinton Hita, Tearepa Kahi (focusing on developing and supporting Māori personnel in key roles, especially those of writer, director and producer).

Short films with NZFC finance with Māori key creatives

Ebony Society – writer/director Tammy Davis, producers Ainsley Gardiner and Chelsea Winstanley

The Betrayal – director Ainsley Gardiner, writer Greg King, producer Rawiri Paratene

The Lawnmower Men of Kapu – writer/director Libby Hakaraia, producer Tainui Stephens

Short films with Māori key creatives awarded NZFC Post-Production Finance

Redemption – writers Renae Maihi and Katie Wolfe, director Katie Wolfe

IFF projects with key creatives identifying themselves as Māori

Mops short film – writer Kelly Joseph, director Briar Grace-Smith

OBJECTIVE 2

To build talent

Impact: That the industry has the necessary capability to create quality New Zealand films by New Zealanders and for New Zealanders and to build businesses in the screen industry.

NZFC initiates and supports a range of activities which are designed to build talent and expertise across all of the New Zealand film industry.

Professional Development Opportunities

The NZFC invests in a diverse range of programmes to support the professional development of New Zealand producers, directors and writers.

[Additional training initiatives were run by organisations supported by the NZFC and these are listed under Objective 5].

Accelerator, Melbourne – July

The NZFC continued its support for this development programme for short filmmakers whose films have been selected for screening at the Melbourne International Film Festival. Gaysorn Thavat with *Brave Donkey*, Grant Major with *Udergrowth* and Ainsley Gardiner with *Mokopuna* took part with NZFC assistance. Robin Murphy was selected as the Accelerator Express Producer after her participation in the MIFF Accelerator Programme in 2008.

37° South Film Market, Melbourne – July

The NZFC entered into a partnership agreement with 37°South which is attached to the Melbourne International Film Festival. Producers Philippa Campbell, Vicky Pope and Robin Scholes participated in 37°South – Bridging the Gap with projects in advanced development. Producer Tom Hern was selected by the Market for a "Breakthru Screening" with his low budget feature *I'm Not Harry Jensen*. Robin Scholes was awarded the inaugural Melbourne International Film Festival 37°South Market Alliance place at the London Production Finance Market. She received Producer Market Assistance to attend with *Mr Pip*, a screen adaptation of the award-winning NZ novel to be directed by Andrew Adamson.

Binger Film Lab, Amsterdam – September / March

With NZFC financial assistance, New Zealand writer Wiremu Grace took part in a five-month Script Development Writers' Programme organised in Amsterdam by the Binger Institute. The NZFC has supported the participation of New Zealanders in Binger programmes for eight years.

First Writers Initiative – September

This event organised by the NZFC is a grassroots training and development initiative designed to identify new screenwriting talent and to give new writers an opportunity to workshop a script with development experts. The six writers chosen to attend from over 80 applicants were: David Coyle, Rebekah Palmer, Annie Weston, Simon Hall, Emma Kinane and Barry Duffield. Tutors were Briar Grace-Smith, Matthew Grainger, Christina Milligan and Claire Dobbin, who facilitated the workshop. Guest speakers included Larry Parr, Duncan Sarkies, Christine Jeffs and, former participant, Gary Davies.

The Script Factory, Melbourne @ Sydney – October

New Zealanders attended Foundation Development training workshops by UK company The Script Factory in Melbourne and Sydney in association with Screen Australia. Those selected from 60 applicants were: Brita McVeigh, Dianne Taylor, Paul Ward, Richard Fletcher, Riwia Brown, Vanessa Alexander and Caroline Grose (who was trained as a tutor to run the workshops back in New Zealand). Also attending from NZFC were Development Executives Hone Kouka and Paul Swadel.

eQuinox, Munich – October

eQuinox is a long running European script workshop that offered a place to New Zealand writer Tom Scott this year. He attended the German workshop with his project *Higher Ground*.

SPAAMart, Sydney – November

The NZFC continued its annual programme of assisting New Zealand feature projects to participate in this November event in Sydney. The aim is to enable producers to get a sense of the international viability of their projects. The New Zealand participants were: Vicky Pope with *Two Little Boys*, Angela Littlejohn with *Rockinghorse Road* and Leanne Saunders with *Summer Rhapsody*.

Professional Development Awards – December

This new NZFC initiative offers ten Professional Development Awards per year to filmmakers and film professional across the industry. Applicants who have feature film credits in their chosen field may apply for up to \$5,000 to help cover the costs of a significant professional development opportunity in their area of expertise.

Three awards were made after a summer call for applications. They were: Greg King, director, who attended the Judith Weston: Acting for Directors course at the Binger Filmlab in Amsterdam, Ramon Rivero, director, producer & supervisor of animated projects & VFX who undertook hands-on professional development in the integration of stereoscopy and motion capture technologies on a film in Budapest, and Robin Murphy, who attended the Story Editing Workshop by Franz Rodenkirchen at the Binger Filmlab in Amsterdam.

CineMart @ Rotterdam Lab, Rotterdam – January / February

An annual partnership with the NZFC enables a New Zealand project to participate in this financing market in Rotterdam and assists three producers to attend the Rotterdam Lab. This year a New Zealand project was not selected for the market. The three Lab participants were Kristian Eek, Maile Daugherty and Tom Hern.

Berlin Talent Campus, Berlin – February

The NZFC assisted with the costs of travel to enable New Zealand filmmakers' participation in this course for emerging filmmakers, which is part of the Berlin Film Festival. Those selected by the Talent Campus were Dan Salmon (documentary maker), Tusi Tamasese (writer & director), Julie Alp (editor) and Kahra Scott-James (sound designer).

Escalator Launch – February

The team behind UK micro-budget film sensation *Shifty* joined the NZFC in New Zealand to launch the new \$250,000 low budget film initiative – Escalator. A series of masterclasses on the making of *Shifty* were run in Auckland, Wellington and Dunedin. The events were emceed by NZ filmmaker Jonathan King, who was joined by 2010 Best Director BAFTA nominee Eran Creevey and actor Riz Ahmed to talk about the making of *Shifty*. 300 filmmakers attended.

The deadline for low budget film scheme applications was Monday 29 March. 251 applications were received for the Escalator initiative, from which 12 teams were selected to attend the Low Budget Bootcamp.

The Script Factory, New Zealand – February / March

NZFC ran a New Zealand version of the Foundation Development and Script Reader's Workshop that was tutored by Caroline Grose. Those who were selected to attend were: Athalia Bond, Catherine Fitzgerald, Esther Cahill-Chiaroni, Graeme Tuckett, Karl Zohrab, Miriam Smith and Rachel Gardner.

ACE, Paris, Zurich – March

NZFC participation with ACE (Atelier du Cinéma Européen) a European Producers' Network, became possible after the funding guidelines of the MEDIA arm of the EU changed to allow the inclusion of non-EU participants. Along with advice from experienced consultants and practitioners who feed back on all aspects of their project, the producer is invited to remain a member of the network. ACE selected Rachel Gardner to attend European workshops with her project *The Last Wish Club*.

Genre Tools Workshop, Melbourne – March

Six filmmakers attended Genre Tools, a practical three-day workshop in Melbourne in association with Film Victoria. The workshop explored film genres including thriller / comedy / horror / rom-com and genre hybrids. Genre Tools was taught by Simon van der Borgh and Jonathan Rawlinson from the UK. New Zealanders attending with NZFC assistance were Andrew Beattie, Gemma Gracewood, Glenn Wood, Matthew Saville, Stefen Harris and Tui Ruwhiu.

Rewrite workshop – March

This annual NZFC workshop, again led by Claire Dobbin, took place in Auckland in April. The other tutors were British scriptwriter Rob Ritchie, American scriptwriter Wendall Thomas and New Zealand writer Matthew Grainger. The workshop is for four teams working on projects in advanced development. Attendees were Tony Simpson & Andrew Gunn (*Kiwi Flyer*), Ali Asgar Millwala, Mukilan Thangamani & Paula Jones (*Criminally Inclined*), Stephanie Johnson, Dan Salmon & Philippa Campbell (*Heavenly Choir*), Gaylene Preston, Jeff Hayward & Steven O'Meagher (*Ronnie*).

Rob Ritchie Script Focus Sessions – March

Following the Rewrite Workshop, Rob Ritchie held script consultations on four projects in Wellington and Auckland.

Market Briefings – March

In mid-March, NZFC Head of Sales and Marketing, James Thompson and Development Executive Paul Swadel held informal breakfast meetings in Auckland and Wellington to report on the mood of the international market following their attendances at Sundance and Berlin (James) and Rotterdam/CineMart (Paul).

Escalator Bootcamp – June

12 teams were selected to attend the Low Budget Bootcamp, which occurred in the first week of June. Bootcamp Advisers were: producer Philippa Campbell, writer/

director Robert Sarkies, writer/director Gillian Ashurst, producer/director Ainsley Gardiner and, from Australia, writer/director Rupert Glasson and veteran producer (of over 20 films including *Bad Boy Bobby* and *Wolf Creek*) David Lightfoot.

Bootcamp Speakers were: filmmaker Rolf de Heer, directors of photography Chris Pryor and Leon Narbey, editors Mike Horton and Cushla Dillon, 1st ADs Marc Ashton and Hamish Gough, sound recordist Richard Flynn and sound designer Dave Whitehead. Kathryn Burnett ran Brainstorm sessions, and Park Road Post Production ran a session on post-production.

The Bootcamp filmmaking teams were: Juliet Bergh, Jessica Charlton, Melissa Dodds / Jonathan Brough, Donna Pearman, David Brechin-Smith / Gary Davies, Mike Hohaia, Rohan Satyanand / Zoe Hobson, Guy Pigden / Gerard Johnstone, Luke Sharpe / Carthew Neal, Max Currie / Tom Reilly, Wayne Gordon, Tom Hern / Tui Ruwhiu, Brad Haami, Regan Hall / Bonnie Slater, David Coyle, Paul Wedel / Ant Timpson, Victor Rodger, Leanne Saunders / Sally Tran, Omar Crawford, Jackie Dennis / Steve Whelan-Turnbull and Desray Armstrong.

Short Films – Production Funding

Emerging filmmakers gain experience so that outstanding talent can be identified.

2009/2010 Short Film Fund Executive Producer Scheme

In 2009/2010 the NZFC committed finance for the production of eight short films via the Executive Producer Scheme. The films were commissioned from more than 300 proposals by three groups of executive producers, Big Shorts (Vicky Pope and Robert Sarkies), Kura Shorts (Quinton Hita and Tearepa Kahi) and Robber's Dog Shorts (Mark Foster, Adam Stevens and Kristian Eek). The full list of short films financed is listed in the Appendix, and includes shorts to be directed by Ainsley Gardiner, Leo Woodhead, Tammy Davis and Greg Wood.

2010/2011 Fresh Shorts

At the beginning of 2010, the NZFC introduced a new low budget short film scheme to be run in-house by the Short Film team. This replaces the NZFC's investment in the Independent Filmmaker's Fund, a partnership with Creative NZ. The first funding deadline for Fresh Shorts is scheduled for October 2010, with decisions to be made by December 2010. It aims to identify the next generation of New Zealand feature filmmakers by nurturing and inspiring up-and-coming talent.

Fresh Shorts are:

- Fresh, new directorial voices with distinctive, original styles.
- Fresh ideas not seen before in short film, or new and original takes on familiar ideas.
- Cinematic – ideas that deserve to be on the big screen.
- Narrative films with impact. They could be emotional, humorous or political, or designed to scare an audience. The films should aim to reach audiences and move them.
- Films that take risks, provoke and challenge audiences. Films that have something to say.

Fresh Shorts will support:

- Up to eight narrative short films at \$10,000 per film (*including up to one documentary*)
- Up to eight narrative short films at \$30,000 per film (*including up to one documentary*)

2010/2011 Premiere Shorts

In early 2010, the Short Film Fund Executive Producer Scheme (which was introduced in 1997) was renamed Premiere Shorts.

In the 2010/2011 financial year Premiere Shorts will support six narrative short films at \$90,000. Premiere Shorts films will be selected and overseen by executive producer groups, who will each select two narrative short films.

The groups selected for 2010/2011 are:

A Collective Intake of Breath

Maile Daugherty, Michael Bennett

Tauihu Shorts

Tui Ruwhiu, Poata Eruera, Brad Haami

Tom Thumb Shorts

Steven O'Meagher, Chris Dudman, Polly Fryer

The Independent Filmmakers Fund (formerly Screen Innovation Production Fund)

In the 2009/2010 financial year, the NZFC continued to support the partnership with Creative NZ, the Independent Filmmaker's Fund (IFF), for one final round.

The IFF supports a range of moving image projects with an emphasis on innovation, uniqueness and emerging talent.

A total of 14 projects were supported, including Stephen Kang and Leanne Saunders low budget feature film *Desert*, Welby Ings and Michele Fantl's short film *Munted*, Sam Peacocke and Kristian Eek's short *Manurewa*, a documentary produced by Philippa Campbell and co-directed by Miriam Smith and Chris Pryor, a documentary directed by Zoe McIntosh and a short film by Sally Tran.

The NZFC and Creative NZ invested \$250,000 each. The grants are listed in the Appendix.

From 2010/2011, the NZFC's investment from IFF will be put toward Fresh Shorts.

Debut Features

The NZFC offered production financing to the following feature film projects with debut directors:

- Roseanne Liang – *My Wedding and Other Secrets*
- Paul Campion – *The Devil's Rock*
- Kirstin Marcon – *The Most Fun You Can Have Dying*

OBJECTIVE 3

To invest in films

Impact: That New Zealand films get made, and that they receive equal opportunities in the local marketplace.

The NZFC exists so New Zealand cinema audiences have the opportunity to view local films. The NZFC is usually the major investor in local feature films. Without this support few New Zealand feature films would get made.

Feature Films – Production Financing

The NZFC is committed to investing its production funds in projects which demonstrate their market potential and cultural value.

Nine offers of production financing were made during the year under review.

- *My Wedding and Other Secrets* (aka *Girl Meets Boy*): This first dramatic feature by writer/director Rosanne Liang is a romantic comedy based on her 2006 documentary titled *Banana in a Nutshell*. The producers are Paul Davis and John Barnett (South Pacific Pictures).
- *Love Birds* (aka *Pierre*): This project is the second feature film together for the writer/director team (Nick Ward and Paul Murphy) behind *Second-Hand Wedding*. *Love Birds* is a romantic comedy featuring the music of Queen in which an injured duck helps a Kiwi bloke (Rhys Darby) win the girl (Sally Hawkins). Matthew Metcalfe is the producer.
- *Beautiful Machine*: A feature length documentary about the Wellington rock band Shihad. The producers are Laurence Alexander and Grant Roa.
- *Stolen*: Proposed as a larger budget NZ/UK co-production, this film follows the adventures of an upper class Englishwoman in the South Island goldfields in the 19th century. The writer/producer is New Zealander Emily Corcoran and the director is Niall Johnson (UK).
- *The Most Fun You Can Have Dying*: A first feature for both producer Alex Cole-Baker and writer/director Kirstin Marcon. The film will star Matthew Whelan (*Go Girls*).
- *Billy T – Hard Case!*: A feature film documentary which will attempt to reveal the real Billy T James through use of archival material and interviews with family and friends. The director is Ian Mune and the co-producers are Tom Parkinson and Robert Boyd-Bell.
- *Two Little Boys*: Robert Sarkies' third feature film. It will be produced by Vicky Pope and Tim White and is based on the novel by Duncan Sarkies. A black comedy which asks how far you would go to keep your best mate. The best mates are played by Bret McKenzie and Hamish Blake (Aust). The cornerstone financier is the Film Fund (\$2,500,000), with the NZFC contributing \$200,000 for world sales rights.
- *Mr Pip*: A film developed from Lloyd Jones' best-selling novel. The writer/director is Andrew Adamson (*Shrek*) and the producer is Robin Scholes.
- *The Devil's Rock*: A low budget WWII horror film set in the Channel Islands, but actually shot in Wellington. The director is Paul Campion and the producer is Leanne Saunders.

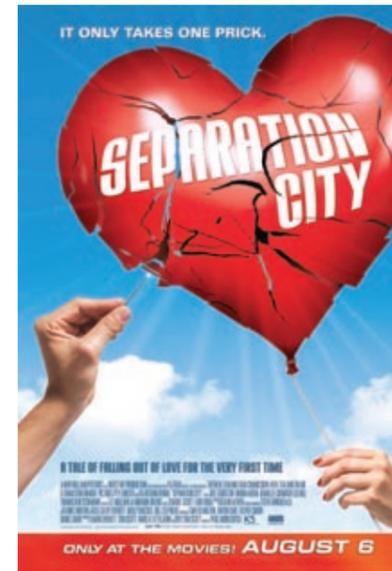
Feature Films – Domestic Theatrical Release

The domestic market is small, and NZFC is committed to providing financial support to NZ distributors to assist with theatrical releases in NZ.

The NZFC provided strategic, logistical and financial support in the form of prints and advertising grants for seven new NZ features released in New Zealand cinemas during the year.

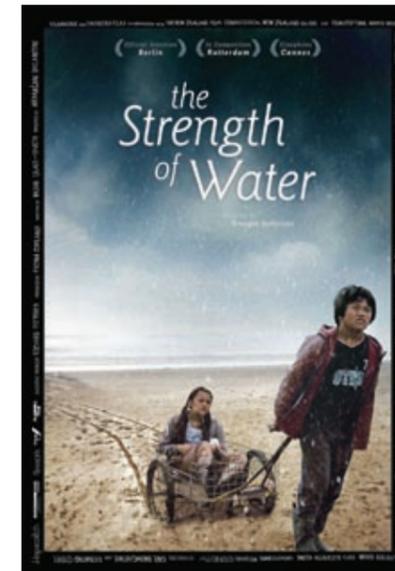
Two films, *Boy* and *Home By Christmas*, earned more than \$1,000,000 at the cinema in the period under review.

The NZFC also commenced a programme of digitisation of older film titles in 2009. In the 12 months to 30 June 2010 we completed digitisation of a further eight of the 65 New Zealand features ear-marked for archival restoration and digitization. A total of 39 have been completed. 16 of these titles were subsequently released this financial year as part of Screenline's NZ Cinema Collection. 25 in total have been released on DVD.



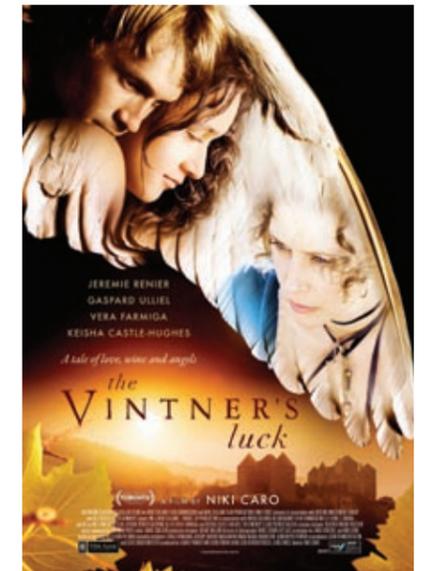
Separation City

Hoyts began this film's New Zealand theatrical release in August 2009 on 50 screens. The NZFC provided a grant to assist with the cost of prints and advertising. After 10 weeks in release 51,000 people had seen the film with a NZ box office of more than \$560,000.



The Strength of Water

Following the successful NZ International Film Festival premiere at the Civic Theatre in Auckland, Hopscotch began the New Zealand theatrical release in August 2009. The release was assisted by a prints and advertising grant from the NZFC. Launched on 16 screens, the film screened in NZ theatres for 21 weeks with a box office of \$225,000.

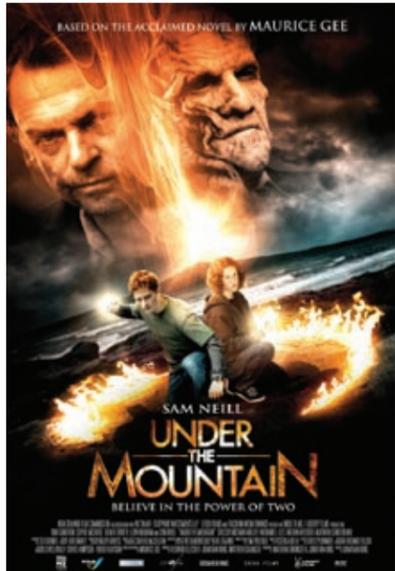


The Vintner's Luck

Hoyts began the New Zealand theatrical release of this feature (an official co-production between France and New Zealand) in November 2009 on 42 screens with a grant from the NZFC to assist with prints and advertising costs. The film screened in NZ theatres for 13 weeks with a box office of \$193,000.

To maintain a high international profile for New Zealand films and filmmakers

Impact: A strong international profile for New Zealand films and filmmakers is important to the NZFC, both in terms of achieving the best possible financial returns for the investors in our films, and to ensure that new film projects participate effectively in the global financing market. The small size of the NZ market and our geographical position is a challenge for an industry seeking international growth and improved performance. This is further compounded by the current economic climate. It is a gap that the NZFC is filling through the active, annual market participation of its sales agency arm NZ Film at major film markets and festivals in partnership with producers and the wider industry.



Under the Mountain

The theatrical release by Walt Disney began in December 2009 on 46 screens with a grant from the NZFC to assist with prints and advertising costs. The film screened in NZ theatres for nine weeks with a box office of \$277,000.



Boy

The theatrical release by Transmission began in March 2010 on 54 screens assisted by a grant from the NZFC for prints and advertising costs. The film opened in first position in the box office charts and remained in this spot for five weeks, moving to second spot where it remained for another five weeks. Ultimately, *Boy* retained a NZ box office position in the Top 20 for 21 weeks, breaking NZ box office records and entering the Top 10 chart of all films to screen in New Zealand. By 30 June, the film had been seen by over 800,000 people with a box office of \$8,964,000.



Home By Christmas

Metropolis Films began the New Zealand theatrical release of this feature in April 2010 with sneak screenings. The film officially opened a week later on 36 screens with a grant from the NZFC to assist with prints and advertising costs. The film opened in third position in the box office charts and retained a position in the Top 20 for ten weeks. By 30 June, the film had been seen by 101,000 people with a box office of \$1,112,000.

Participation at five major international film events for the marketing and sales of New Zealand films was organised by the NZFC’s sales agency arm, NZ Film. The direct cost of these events was \$142,825 excluding sales costs covered by NZ Film. (Previous year \$203,712 for six events).

The NZFC organised screenings of NZ feature films at 68 international film festivals (previous year 65) and screenings of short films in 128 festivals (120 previous year). Feature film participation at international film festivals cost \$103,333 (\$119,366). Short film participation cost \$92,714 (\$111,977).

NZ Film generated income of \$1,877,650 from its feature film sales (previous year \$3,468,948) and income of \$186,575 (from short film sales (\$155,472 previous year).

Commissions retained from these sales earned the NZFC \$246,738 (previous year \$319,706).

Income received from other sales agents into the NZFC’s collection account was \$ 182,435 (previous year \$518,370). As a collection agent, the NZFC now administers income accounts for 150 features and 301 short films. Gross income of \$2,246,660 (previous year \$4,442,424) was received during the year.

As an investor, the NZFC’s share of income was \$411,901 (previous year \$1,246,379). Income distributed to other investors was \$1,153,420 (previous year \$1,224,849).

Toronto International Film Festival

The 2009 Toronto International Film Festival in September featured the world premiere screening of *The Vintner’s Luck* and the North American premiere of *The Topp Twins: Untouchable Girls* and *Under The Mountain*. The NZFC Chief Executive and three NZ Film sales staff attended. The producers, directors and lead cast of the films selected also participated. NZ Film hosted a reception for approximately 200 festival delegates.

American Film Market

NZ Film participated for the 20th consecutive year at the American Film Market in November. Three features were screened for international distributors: *The Vintner’s Luck*, *The Topp Twins: Untouchable Girls* and *Under the Mountain*. Another six new features were promoted. Participating were the NZFC Chief Executive, the Head of Sales and Marketing and two NZ Film staff.

Sundance Film Festival

NZ Film participated at the Utah-based festival to support the world premiere of *Boy*. Writer/director Taika Waititi attended with producers Ainsley Gardiner, Cliff Curtis, Emanuel Michael and young actor James Rolleston. The NZFC Chief Executive attended with the Head of Sales and Marketing.

Short film *The Six Dollar Fifty Man* received the Jury Prize in international short filmmaking at Sundance. Writer/director filmmaking team Mark Albiston and Louis Sutherland attended the festival, along with *Vostok Station* short film director Dylan Pharazyn and producer Richard Collins.

Berlin Film Festival and Market

NZ Film participated at this major international event with *Boy* as an official selection for the Generation K Plus section of the festival. Writer/director Taika Waititi attended with producer Ainsley Gardiner and young actor James Rolleston. The NZFC Chief Executive and Head of Sales and Marketing attended. The NZ Embassy in Berlin hosted a reception for NZ filmmakers at the festival.

Cannes Film Festival and Market

In May 2010 NZ Film organised New Zealand’s 31st consecutive participation at the Cannes Film Festival with a high-profile sales and marketing office. 22 New Zealand filmmakers attended. The NZFC Chief Executive, the Head of Sales and Marketing and two NZ Film staff attended.

NZ Film’s Cannes activities focused on:

- networking opportunities and support for the participating New Zealand filmmakers, who met international producers, financiers and distributors;
- successful positioning of new films with key distributors;
- targeted pitching of new projects to key distributors and festivals, utilising new marketing materials;
- market screenings of *Boy*, *Home By Christmas* and *After the Waterfall*; and
- early promotion of three forthcoming feature titles.

International Releases and Sales – Features

The Topp Twins: Untouchable Girls

Following on from its successful theatrical release in NZ, *The Topp Twins: Untouchable Girls* went on to win the Audience Award at the Melbourne International Film Festival, the Toronto International Film Festival, the Goteborg International Film Festival, the Florida Film festival, the Nashville Film Festival and the River Run Film Festival. The film was awarded the Special Jury Award at the Festival International Du Film Documentaire Oceanien (FIFO), Best GLBT Film at the Nashville Film Festival and Best Documentary at the Portland Film Festival, Miami Gay and Lesbian Film Festival and Inside Out Toronto LGBT Film and Video Festival. The film was also selected to screen at IDFA in Amsterdam.

NZ Film held trade screenings in November at the American Film Market. The film has sold to the Netherlands, Belgium and Luxembourg and as at 30 June offers were received for the US and Canada.

Separation City

World sales for this film are being handled by UK sales agent, K5 International.

The Strength of Water

Following on from its theatrical release in NZ, *The Strength of Water* was awarded the Grand Prix at the Festival Internationale du Premier Film in Annonay, France and the Grand Jury Prize at the Cine Junior Paris Film Festival.

The film also screened at the Haifa International Film Festival in Israel, the Ghent International Film Festival in Belgium, and the Mill Valley, ImagineNative and Hawaii International Film Festivals in North America.

Under the Mountain

Following on from its North American premiere at the Toronto International Film Festival, *Under the Mountain* screened at the Fantastic Festival in Austin, Texas, the Sitges Film Festival in Spain and the Belgium International Film Festival. The film’s young New Zealand actress, Sophie McBride, was awarded the Most Popular Leading Actress – Foreign Film at the China Golden Rooster Awards.

NZ Film held trade screenings of *Under the Mountain* in November at the American Film Market. Further sales were made to Australia, Turkey, Romania, Bulgaria, Italy, France, Japan, the Philippines, Latin America and the USA. The film will now be seen by audiences in more than 30 countries.

The Vintner’s Luck

The Vintner’s Luck had its World Premiere at the Toronto International Film Festival. It was later awarded Best Feature Film at the 17th Oenovideo International Grape and Wine Film Festival.

NZ Film pre-sold the film for distribution in the UK, Switzerland and Japan. France and the Benelux are being handled by the film’s French co-producers.

NZ Film held trade screenings of *The Vintner’s Luck* in November at the American Film Market. The film sold to the Middle East and Latin American countries and as at 30 June an offer was received for North America.

Boy

Following on from *Boy*’s world premiere at the Sundance Film Festival and winning the Grand Prix, Generation Section at the Berlin Film Festival, NZ Film held market screenings in May at the Cannes Film Festival. The film also screened as part of the Cannes Cinephiles programme of Australian and NZ features, arranged in partnership with the Cannes Film Festival.

The film premiered in Australia at the Melbourne and Sydney International Film Festivals, winning the Audience Award at both. *Boy* had its UK premiere at the Edinburgh International Film Festival and screened at the Maui International Film Festival and in Taiwan at the Taipei Film Festival. The film has sold to Australia, Middle East, Poland and Iceland and as at 30 June offers were received for Canada, the US, South Korea and Israel.

Home By Christmas

Following on from its Australian premieres at the Melbourne and Sydney International Film Festivals, the film was selected to screen at the Shanghai International Film Festival. NZ Film held market screenings in May at the Cannes Film Festival. The film also screened as part of the Cannes Cinephiles programme of Australian and NZ features, arranged in partnership with the Cannes Film Festival. The film pre-sold to the Middle East.

After the Waterfall

After the Waterfall had its market premiere at Cannes and world premiere as part of the selection of New Zealand films screening in the New Zealand Film Festival in China. The film pre-sold to the Middle East.

Film Festivals with a New Zealand Focus

The NZFC provided four features for the New Zealand Film Festival in China. The programme included *Home By Christmas*, *Second-Hand Wedding*, *After the Waterfall* and *Boy*. *After the Waterfall* writer/director Simone Horrocks attended with the assistance of the NZFC.

The NZFC also supported the Pasifika Film Showcase in New York and provided a print of *The Strength of Water*. Actress Nancy Brunning attended as a guest of the National Museum of the American Indian.

The NZFC also provided two features for the Cannes Cinephiles Festival which is held at the same time as the Cannes Film Festival. *Boy* and *Home By Christmas* both screened with French subtitles. Cannes Cinephiles is an independently organised festival that takes place in the suburbs of Cannes and has a focus on films from Australia and NZ. *Boy* producer Emanuel Michael attended the screenings, as did the writer/director/producer of *Home By Christmas*, Gaylene Preston and the film’s actress Chelsie Preston-Crayford.

Short Film Festival presence and producer market assistance

The NZFC’s active participation in placing new features and short films at relevant major international film festivals is an integral part of maintaining and developing a network of relationships to benefit New Zealand filmmakers.

International Festivals – Short Films

Short films financed by the NZFC had 239 screenings at international film festivals, all organised by the short film team (compared with 233 the previous year). Highlights include:

The Six Dollar Fifty Man

The Six Dollar Fifty Man, co-written and directed by Mark Albiston and Louis Sutherland and produced by Wendy Cuthbert, has had a phenomenal year on the festival circuit. The film has now received 14 prizes at international festivals including awards at four Academy Award®-qualifying festivals: Jury Prize in International Filmmaking at Sundance Film Festival, Coopers Award for Best Short Film at Flickerfest, Best Narrative Short at Cinequest and Best Drama at Aspen Shortsfest.

The film also received a Special Mention at the Berlin International Film Festival, the Silver Spike at Valladolid International Film Festival and the Black Pearl for Best Narrative Short at Middle East International Film Festival. This follows an Honourable Mention at Festival de Cannes last year. At the end of this financial year the film has screened at over 50 international festivals including five A-list festivals – Sundance, Berlin, Valladolid, Clermont-Ferrand Short Film Festival and BFI London Film Festival.

Sundance Film Festival

As well as *The Six Dollar Fifty Man* receiving the top international short film prize at Sundance this year, *Vostok Station* was also selected for the festival. Attending the festival with support from the NZFC were *The Six Dollar Fifty Man* co-writer and directors, *Vostok Station* writer/director Dylan Pharazyn and producer Richard Collins. *Vostok Station* was also invited to A-list festival Valladolid prior to its screenings at Sundance.

Berlin International Film Festival

Three short films were selected for the Berlin International Film Festival – Generation section this year. *Zero* and *Redemption* were both selected to compete in the Generation 14 plus section, and *The Six Dollar Fifty Man* was selected for the K plus section, which is for children and young people. *Zero* writer/director Leo Woodhead and producer Jackie Dennis, and *Redemption* director Katie Wolfe and producer Rachel Jean attended the festival with support from the NZFC.

Melbourne International Film Festival

Five short films were selected for the Melbourne International Film Festival: *Mokopuna*, *Brave Donkey*, *Undergrowth*, *The Six Dollar Fifty Man* and *Careful with that Power Tool*. *Mokopuna* writer/director Ainsley Gardiner, *Brave Donkey* director Gaysorn Thavat and *Undergrowth* writer/director Grant Major attended the Accelerator director's programme as part of the festival, with support from the NZFC. *Mokopuna* was produced by Glenis Giles, *Brave Donkey* was written by Greg King and produced by Nikki Walker, *Careful with that Power Tool* was written, directed and produced by Jason Stutter and *Undergrowth* was produced by Dan Salmon.

Telluride

Poppy, written by David Coyle, directed by James Cunningham and produced by Paul Swadel, screened at the 36th Telluride Film Festival. James Cunningham attended the festival with support from the NZFC. *Poppy* went on to screen at numerous festivals including the 37th Siggraph Computer Animation Festival where it received the Jury Award, Siggraph Asia, where it received the top award at the festival (Best in Show), 17th Stuttgart Festival of Animated Film and South by Southwest film festival in Austin, Texas. SXSW also selected *Brave Donkey* to screen at its festival.

53rd BFI London Film Festival

After premiering at the Locarno International Film Festival in Switzerland, Gaysorn Thavat's *Brave Donkey* was also selected to screen at the 53rd BFI London Film Festival this year, along with *The Six Dollar Fifty Man*.

Tribeca Film Festival

Day Trip was selected for the narrative shorts competition at Tribeca Film Festival in New York City. Director Zoe McIntosh attended the festival with support from the NZFC. *Day Trip* was written and produced by Costa Botes.

Academy Award®-qualifying festivals

Academy Award®-qualifying festival Short Shorts Japan showcased New Zealand this year. *Roof Rattling* was selected for the international competition, and *Undergrowth*, *Valley of the Stereos*, *Aphrodite's Farm*, *Fog* and *The Six Dollar Fifty Man* were selected for the special focus programme. *Roof Rattling* writer/director James Blick, *Fog* director Peter Salmon, *Aphrodite's Farm* director Adam Strange and *The Six Dollar Fifty Man* star Oscar Vandy-Connor and Mhairread Connor attended the festival with support from MFAT.

Another high profile Academy Award®-qualifying short film festival, Aspen Shortsfest, selected four NZ shorts for its international competition this year: *Roof Rattling*, *The Six Dollar Fifty Man*, *Careful with that Axe* and *Careful with that Power Tool*. *The Six Dollar Fifty Man* won Best Drama and *Careful with that Power Tool* received Special Jury Recognition. *Roof Rattling* was written and directed by James Blick and produced by Robin Murphy. Jason Stutter wrote, directed and produced *Careful with that Axe* and *Careful with that Power Tool*, co-producing *Power Tool* with Sue Rogers.

An Academy Award®-qualifying festival in Toronto, CFC Worldwide Shortsfest, selected *Poppy*, *Vostok Station*, *Redemption*, *Choice Night* and *Careful with that Crossbow*. *Choice Night* is written by Paul Stanley Ward, directed by Chris Dudman and produced by Vicky Pope.

Palm Springs Shortsfest selected *The Six Dollar Fifty Man*, *Careful with that Crossbow*, *Careful with that Power Tool*, *Poppy* and *Roof Rattling*.

Cannes Cinefiles

10 NZFC short films were selected for Cannes Cinephiles, an independently organised festival which runs alongside Festival de Cannes, focusing on films from Australia and NZ. Shorts selected were *Zero*, *Mokopuna*, *Poppy*, *The Little Things*, *Fly*, *The Freezer*, *Nothing Special*, *Undergrowth*, *Careful with that Power Tool* and *Two Cars, One Night*.

Short Film Distribution

The NZFC shorts team has set up a YouTube channel with one-minute clips from 180 short films from the catalogue. The YouTube channel has proved hugely popular with over 59,000 views of individual short clips, 6,400 channel views and 192 subscribers. The YouTube channel has proved to be a great way to show festivals and buyers a taste of the films. It's also turned out to be a great resource for NZ filmmakers looking for directors and filmmakers to work with.

The NZFC shorts team has also teamed up with NZONSCREEN to showcase short films in their entirety on the site. The first collection was launched in 2010, featuring 12 short films screening on the site in their entirety. The short films are: *Kitchen Sink*, *The Lounge Bar*, *O Tamaiti*, *Fog*, *Despondent Divorcee*, *Nothing Special*, *Nature's Way*, *Cow*, *Closer*, *Turangawaewae*, *Boy* and *Truant*. The NZ Film Shorts team and NZONSCREEN intend to release several more collections in the future.

OBJECTIVE 5

To maintain strong stakeholder relationships

Achieving the NZFC's key outcomes and objectives is dependent on maintaining and fostering strong relationships with all stakeholders.

Joint Initiatives

The NZFC continued its support for the infrastructure of the film industry with grants to DOCNZ Summit, Film NZ, The Film Archive, the New Zealand Film & Video Technicians Guild, Ngā Aho Whakaari, SPADA and the SPADA Conference, the Screen Directors' Guild of New Zealand, the NZ Writers' Guild, Script to Screen and Women in Film & Television (NZ). The NZFC was also a sponsor of the Qantas Film & Television Awards and supported the NZ Federation of Film Societies along with the following festivals: the NZ International Film Festival, the Wairoa Māori Film Festival, the 48 Hour Film Festival and the Show Me Shorts Film Festival.

The following professional training and development opportunities were also offered in partnership with industry bodies:

Tom Abrams Directing workshop – Visual Storytelling – August

Los Angeles scriptwriter and USC Associate Professor Toms Abrams conducted workshops organised by the NZ Screen Directors' Guild with NZFC financial support. Over a three-day period participants explored ways to identify and bring out the underlying or sub-textual meaning of their stories by focusing on how they would shoot them. 30 directors participated in workshops that took place in Auckland and Wellington.

SPADA Conference Sponsorship – November

Three up-and-coming NZ filmmakers were sponsored to attend the SPADA Conference in Wellington following an open call by NZFC. They were Luke Hawker, Sumner Burstyn and Bonnie Slater.

Alan Sharp Mentorship – January / April

NZFC and The New Zealand Writers Guild presented the opportunity for three writers to work on their feature film scripts with international screenwriter Alan Sharp (*Rob Roy*, *The Hired Hand*, *Ulzana's Raid*, *Night Moves* and *Dean Spanley*). This mentorship was made available to full members of the Writers Guild and took place in the first four months of 2010. Those whose projects were selected were Pip Hall, Michael Bennett and Fiona Samuel.

Wendall Thomas Workshops - March

The NZFC contracted this visiting American screenwriter and script consultant to run three one-day workshops in Auckland: Three Act Structure: Myth and Method, Character Transformation and The Take and Pitching. These events were run in partnership with Script to Screen and were well attended by around 80 filmmakers, many of whom attended all workshops.

Christine Vachon Seminar – April

Script to Screen in partnership with NZFC ran a one-day seminar in Auckland for writers, directors and producers with US indie producer Christine Vachon. The seminar focused on the changing climate of the global independent film industry. Killer Films producer Christine Vachon is at the forefront of independent American cinema having made many successful, critically acclaimed and much talked about features including *Poison*, *Kids*, *Happiness*, *Boys Don't Cry*, *Far from Heaven* and *I'm Not There*.

Christine Vachon Script Focus – April

Script to Screen in partnership with NZFC also ran Script Focus sessions for two local feature projects in advanced development to work intensively with Christine Vachon. The successful films were: *Project J* (Toa Fraser, writer/director & Steven O'Meagher, producer) and *O Jerusalem* (Fiona Samuel, writer/director & Rachel Jean, producer).

WIFT Mentoring – May / December

This programme was designed by WIFT NZ to enable 15 emerging filmmakers ranging from producers through to craft practitioners to be mentored by a senior professional. It was a very cost-effective and successful programme. The mentors included: Producers – Philippa Campbell, Christina Milligan, Irene Gardiner, Angela Littlejohn, Catherine Fitzgerald, Glenis

Giles; Technical Practitioners – Cushla Lewis (camera), Ngila Dickson (wardrobe), Margot Francis (editing), Annie Frear (grip), Kahra Scott James (sound / digital), Mike Westgate (sound), Amanda Neale (art direction / wardrobe); Directors – Gaylene Preston, Leanne Pooley, Pietra Brett Kelly; Actors – Elizabeth McRae, Robyn Malcolm, Lisa Chappell; Writers – Kath Akuhata-Brown, Gavin Strawhan, Rachel Lang; and Business Coach – Adrienne Dunlop.

Rolf de Heer Seminars – June

Script to Screen in association with The NZFC, The NZ Broadcasting School and Screen Dunedin presented two South Island seminars with internationally acclaimed Australian filmmaker Rolf de Heer (*Bad Boy Bobby*, *The Tracker*, *Dance Me to My Song*, *Ten Canoes*) in Christchurch and Dunedin.

Thomas Mai Distribution Workshops – June

SPADA in association with The NZFC brought independent film distribution expert Thomas Mai to New Zealand to run seminars in Auckland and Wellington entitled Film Distribution Strategies 2.0 – Don't Work Harder, Work Smarter. Thomas Mai talked about old versus new marketing systems, the way in which to best utilise crowd funding, revenue streams stemming from digital distribution and how to combine what has worked in the past with up-and-coming methods in order to fund productions.

Co-Production and SPIF Workshop – June

SPADA with the assistance of the NZFC ran a one-day workshop in Auckland focused on international co-productions and the Screen Production Incentive Fund (SPIF) and included structuring and financing film co-productions and case studies of successful New Zealand/international co-productions. Panelists included New Zealand producers Richard Fletcher and Trevor Haysom, and entertainment lawyer Matt Emery. Australian producer Sue Taylor (Taylor Media) was also on the panel. Sue's latest film, *The Tree*, a French/Australian co-production, starring Charlotte Gainsbourg, Marton Csokas and Aden Young, was selected to screen at the Closing Ceremony of the 63rd Cannes Festival.

Governance Training Workshop – June

The NZFC assisted WIFT NZ to run a Governance Training Workshop. In order to enhance the functioning and stability of key industry bodies who work in funding partnerships with the NZFC, industry organisation board members attended a one-day governance training session to assist them in understanding their roles and responsibilities and delivering best practice governance. The workshop was run by Garth Nowland-Foreman who specialises in strategy, evaluation and governance for non-profit organisations and those who fund them. It was attended by board members from Nga Aho Whakaari, Script to Screen, New Zealand Writers Guild, Screen Directors Guild of New Zealand, the NZ Film & Video Technicians Guild, SPADA and WIFT NZ.

Steve Kaplan Comedy Workshops – June / July

Script to Screen in association with the NZFC brought US comedy expert Steve Kaplan to New Zealand to run comedy seminars in Auckland and Christchurch as part of the Te Ao Marama Creative Development Series. Steve Kaplan is the most highly sought-after comedy expert in the US. In addition to having taught at UCLA, NYU, Yale and other top universities, Steve Kaplan created the HBO Workspace, the HBO New Writers Program and was co-founder and Artistic Director of Manhattan Punch Line Theatre. He regularly serves as a consultant and script doctor to such companies as Dreamworks, Disney, HBO, Paramount and Touchstone.

Steve Kaplan Script Focus – June / July

Script to Screen in partnership with the NZFC also ran Script Focus sessions for two local comedy feature projects to work intensively with Steve Kaplan. The successful films were: *Ergotism* (Stefan Rochfort, writer/director & Andrew Beattie, Jonathan Dowling & Jon Staton, producers) and *Scumbags* (Michael Bennett, writer/director).

To maintain good business practice around administration of grants schemes and certification of co-productions

Administration of the Large Budget Screen Production Grant Scheme.

The NZFC continued to provide administrative services for the Government's Large Budget Screen Production Grant Scheme which is now in its seventh year. Details of the scheme and its criteria are on the NZFC website.

The NZFC continued to be responsible for convening and chairing meetings of a panel which assesses application for grants. The panel met on six occasions to approve, decline or adjust the applications, to ensure that the application process runs in a transparent, consistent and timely fashion and to work with and develop the criteria. The panel comprises a representative of both the Ministry of Economic Development and the Inland Revenue Department, up to four industry practitioners (Trishia Downie, Catherine Madigan, Tim Sanders and Chloe Smith) and the NZFC Chief Executive or Deputy Chief Executive as chair of the meetings.

During the year a total of seven grants were approved and paid (see Appendix for details).

In accordance with the target timeframe, two of the applications were processed within three months of receipt. The processing of seven applications took longer than three months due to delays in receiving extra information from the applicants about various aspects of their applications.

Work on a review of the Large Budget Screen Production Grant Scheme will commence next year.

Administration of the Screen Production Incentive Fund

The NZFC continued to provide administrative services for the Government's Screen Production Incentive Fund (SPIF) which is now in its second year. Details of the fund and its criteria and a list of 'frequently asked questions' are available on the NZFC website.

A sub-committee of the NZFC was established to assess and consider applications for provisional and final certification for a SPIF grant. During the year in review, the committee comprised three industry practitioners (Trishia Downie, Dave Gibson and Matthew Metcalfe), two NZFC Board members (Andrew Cornwell and William Somerville) and the NZFC Chief Executive, Deputy Chief Executive and Head of Business Affairs. The NZFC Chief Executive or Deputy Chief Executive chairs the meetings and a representative from the Ministry of Culture and Heritage and the Inland Revenue Department are invited to attend all meetings.

Over the course of the financial year, the Committee met on 13 occasions to approve, decline or adjust the applications, to ensure that the application process runs in a transparent, consistent and timely fashion and to work with and develop the criteria.

Five applications received provisional certification (see Appendix for details).

In accordance with the target timeframe, four of the applications were processed within six weeks of receipt. The processing of one application took three business days longer to process due to scheduling issues.

Five applications received final certification (see Appendix for details).

In accordance with the target timeframe, four of the applications were processed within three months of receipt. The processing of one application took longer due to delays in receiving extra information from the applicant about various aspects of their application.

Work on a full review of the SPIF scheme will begin in 2011 and is due for completion in 2012.

Certification of Co-Productions

During the period negotiations with China over a new film-only co-production agreement were concluded, and a signing ceremony took place in July 2010. New Zealand now has 11 international co-production treaties or agreements.

New Zealand officials continued to progress negotiations with both India and South Africa, and also opened negotiations with South Korea over a new agreement, which would encompass both film and television, replacing the current film-only agreement.

The NZFC agreed with Screen Australia that the reciprocal nationality arrangement for official co-productions be extended for a further year to 1 July 2010.

Structure

Board

The NZFC has three key decision-making bodies.

1. The full Board

The NZFC is a statutory body and the Board meets on average six times a year to decide on policy matters and major production investment for all feature films.

Members for the year to 30 June 2010 were:

Patsy Reddy (chair), Bill Birnie, (deputy chair), William Somerville, Andrew Cornwell, Tainui Stephens, Charles Finny, Rhiannon McKinnon and Witi Ihimaera.

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

William Somerville, Tainui Stephens and Bill Birnie completed their terms at the end of the financial year.

2. The Finance and Audit Committee

This committee of Board members takes responsibility for financial issues and risk management to maximise the time available for policy and production financing decisions at full Board meetings. The committee works in accordance with rules formulated by the NZFC. Members for the year to 30 June 2010 were:

Bill Birnie (chair), William Somerville and Patsy Reddy.

3. The Screen Production Incentive Fund Committee (SPIFCOM)

This Committee, appointed by the Board, is responsible for assessing whether provisional and final applications satisfy the criteria for the SPIF grant. Payment of final funding is dependent on verification from the Inland Revenue Department. One nominated representative from each of the Ministry for Culture and Heritage and the Inland Revenue Department are invited and entitled to attend meetings of SPIFCOM as observers. Its members for the year to 30 June 2010 were:

- NZFC Board members: William Somerville and Andrew Cornwell
- NZFC Staff: Sarah Cull, Graeme Mason and Mladen Ivancic
- Independent Screen Production Industry Professionals: Trishia Downie, Dave Gibson and Matthew Metcalfe

Staff

During the period under review James Thompson was appointed Head of Sales & Marketing in January 2010, and Sarah Allerby was appointed as the new Business Affairs Executive in April 2010.

Other staff changes during the period were Lizzie Dunn appointed as Short Film Assistant; Faith Dennis was appointed Development Coordinator; Beth Brash was appointed as Receptionist; Natalie Price was appointed Accounts Assistant and Lauren Granshaw moved into the newly created role of Fresh Shorts Assistant.

Film Income Manager Dominique Fromont went on maternity leave in March 2010, since which time Fiona Mulder has been covering her role. Janka Palinkas took a year of leave from her role as Accountant beginning in August 2009 with Nicola Wood covering the position in her absence.

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

Statement of Responsibility

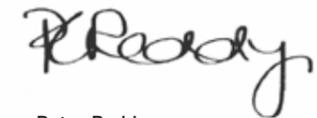
For the year ended 30 June 2010

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

The preparation of the financial statements and the 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 New Zealand Film Commission and the management of the New Zealand Film Commission, the financial statements and Statement of Service Performance for the year ended 30 June 2010 set out on pages 28 to 48 fairly reflect the financial position and operations of the New Zealand Film Commission.



Patsy Reddy
Chair



Andrew Cornwell
Board member

1 November 2010

Statement of Financial Position

As at 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Equity				
Accumulated funds		10,220,991	3,800,000	9,726,737
Total Equity	2	10,220,991	3,800,000	9,726,737
Current Assets				
Cash and cash equivalents	3	6,365,991	3,000,000	3,681,197
Investments	4	15,510,849	8,500,000	12,509,616
Trade and other receivables	5	695,422	2,000,000	3,678,045
Total Current Assets		22,572,262	13,500,000	19,868,858
Non-Current Assets				
Property, plant & equipment	6	580,397	750,000	709,058
Intangible Assets	7	50,908	0	37,754
Total Non-Current Assets		631,305	750,000	746,812
Total Assets		23,203,567	14,250,000	20,615,670
<i>Less Liabilities:</i>				
Current Liabilities				
Trade and other payables	8	1,651,528	1,000,000	1,797,817
Employee entitlements	9	111,820	0	86,841
Film income account	10	205,751	600,000	192,963
Project commitments	11	11,013,477	8,850,000	8,811,312
Total Current Liabilities		12,982,576	10,450,000	10,888,933
Total Liabilities		12,982,576	10,450,000	10,888,933
Net Assets		10,220,991	3,800,000	9,726,737

The accompanying notes on pages 31 to 46 form part of these financial statements.

Statement of Comprehensive Income

For the year ended 30 June 2010

	Note	2010 Actual \$	2010 Budget \$	2009 Actual \$
Income				
Government Grant		3,611,000	3,611,000	3,611,000
Government Grant - SPIF (NZFC Co-invest)		2,000,000	2,000,000	2,000,000
Lottery Board Grant		14,015,396	9,588,000	9,587,500
Income from Films	10	411,901	850,000	1,246,379
Distribution Fee	10	246,738	230,000	319,706
Interest		664,813	450,000	1,459,370
Writebacks		2,418,754	0	2,773,999
Other Income		160,241	50,000	167,089
		23,528,843	16,779,000	21,165,043
Government Grant Revenue - SPIF		10,529,596	13,396,000	0
		34,058,439	30,175,000	21,165,043
Expenditure				
Development	12	1,905,083	2,337,000	2,851,437
Production	13	15,448,370	12,191,000	13,739,030
Professional Development and Industry Support	14	940,000	933,000	1,020,000
Marketing & Sales	15	1,440,071	1,663,000	1,735,208
Corporate	16	1,349,064	1,447,000	1,429,488
Personnel Costs	17	1,952,001	2,009,000	2,066,994
		23,034,589	20,580,000	22,842,157
Government Grant Allocation - SPIF		10,529,596	13,396,000	0
		33,564,185	33,976,000	22,842,157
Total Comprehensive Income		494,254	(3,801,000)	(1,677,114)

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

The accompanying notes on pages 31 to 46 form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2010

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Equity at 1 July	9,726,737	7,601,000	11,403,851
Total Comprehensive Income	494,254	(3,801,000)	(1,677,114)
Equity at 30 June	10,220,991	3,800,000	9,726,737

The accompanying notes on pages 31 to 46 form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2010

	2010 Actual \$	2010 Budget \$	2009 Actual \$
Cash Flows from Operating Activities			
Receipts from Crown Revenue & Other Income	22,973,803	30,225,000	20,174,954
Interest Received	611,849	450,000	1,687,884
Production Funding, Marketing, Industry Support, Suppliers & Employees	(20,991,016)	(36,085,000)	(30,446,158)
Goods and Services Tax (net)	849,681	(40,000)	(689,467)
Net Cash from Operating Activities	26 3,444,317	(5,450,000)	(9,272,787)
Cash Flows from Investing Activities			
Sale of Term Deposits	12,018,361	4,500,000	20,200,000
Purchase of Term Deposits	(15,019,594)	0	(12,509,616)
Purchase of Property, Plant & Equipment	(27,456)	(50,000)	(83,302)
Sale of Property, Plant & Equipment	0	0	89,291
Purchase of Intangible Asset	(37,521)	0	(22,450)
Net cash from investing activities	(3,066,210)	4,450,000	7,673,923
Cash Flows from Financing Activities			
Short Term Loans Issued	(347,295)	(500,000)	(2,735,886)
Short Term Loans Repaid	2,653,982	1,500,000	898,850
Net Cash from Financing Activities	2,306,687	1,000,000	(1,837,036)
Net Increase / (Decrease) in Cash at Bank	2,684,794	0	(3,435,900)
Opening Cash at Bank	3,681,197	3,000,000	7,117,097
Closing Cash at Bank	6,365,991	3,000,000	3,681,197

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 31 to 46 form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2010

1 STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2010

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 New Zealand Film Commission'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 and 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 2010. The financial statements were authorised for issue on 1 November 2010.

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).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

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

Measurement base

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

Functional and presentation currency

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

Foreign currency transactions are translated into 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 are recognised in the statement of comprehensive income.

Changes in accounting policies

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

The NZFC has adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- NZ IAS 1 *Presentation of Financial Statements (Revised 2007)* replaces NZ IAS 1 *Presentation of Financial Statements (Issued 2004)*. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The NZFC has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.
- Amendments to NZ IFRS 7 *Financial Instruments: Disclosures (revised)*. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used, and requires the maturity analysis of derivative liabilities to be presented separately from non-derivative financial liability contractual maturity analysis. This new information is disclosed in note 20. The transitional provisions of the amendments do not require disclosure of comparative information in the first year of application. The NZFC has elected to disclose comparative information.

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

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

- NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004) and is effective for reporting periods commencing on or after 1 January 2011. The revised standard:
 - Removes the previous disclosure concessions applied by the NZFC for arms-length transactions between the NZFC and entities controlled or significantly influenced by the Crown. The effect of the revised standard is that more information is required to be disclosed about transactions between the NZFC and entities controlled by the Crown.
 - Provides clarity on the disclosure of related party transactions with Ministers of the Crown. Further, with the exception of the Minister for Arts, Culture and Heritage, the NZFC will be provided with an exemption from certain disclosure requirements relating to transactions with other Ministers of the Crown. The clarification could result in additional disclosures should there be any related party transactions with Ministers of the Crown.
 - Clarifies that related party transactions include commitments with related parties.

The NZFC expects it will early adopt the revised standard for the year ended 30 June 2011.

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS39 is being replaced through the following 3 main phases: Phase 1 Classification and measurement, Phase 2 Impairment methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial

instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The NZFC has not yet assessed the effect of the new standard and expects it will not be early adopted.

Significant accounting policies

Revenue

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

Crown Revenue

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

Other grants

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

Interest

Interest income is recognised using the effective interest method.

Returns from Film Investments

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

Leases

Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Financial Instruments

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

Cash and cash equivalents

Cash includes cash on hand and funds on deposit with banks and is measured at its face value.

Foreign Currencies

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

Investments and Advances

Funding for film development and production, 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. Investment classification includes transferable certificates of deposit and short term deposits. Investments are valued at the lower of cost or market value. Interest has been accrued at year-end.

Trade and other receivables

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

Impairment of a receivable is established on a case by case basis, when there is objective evidence that the NZFC will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The carrying amount of the asset is reversed and written off against the unpaid invoices account in the Film Income Account. Overdue invoices that have been renegotiated are reclassified as current (i.e. not past due).

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

Prepayments

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

Property, Plant & Equipment

Property, Plant & Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses

Additions

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

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 included in the statement of comprehensive income.

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.

Depreciation

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

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

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

Intangible Assets

Software acquisition and development

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

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

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

Staff training costs are recognised as an expense when incurred.

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

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

Amortisation

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

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

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

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

Computer software	3 years	33.33%
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Trade and other payables

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

Employee Entitlements

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

Superannuation Schemes

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

Project Commitments

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

Writebacks

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

Goods and Services Tax (GST)

The financial statements are prepared on a GST exclusive basis, except for receivables and payables, which are stated GST inclusive. Where GST is irrecoverable 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.

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 IFRS 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 (SOI) Line items:

2009/10	\$'000's
<i>Production</i>	
Short Films	1,080
NZFC Features	8,991
SPIF - NZFC - co-invest	2,000
Other Production costs	120
	12,191
<i>Marketing and Sales</i>	
International - Sales/ Marketing	781
Domestic - Distribution Initiatives	882
	1,663
<i>Corporate</i>	
Administration	1,232
Depreciation	215
	1,447

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:

Property, plant and equipment useful lives and residual value

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.

Film Income Account

Note 10 provides an explanation in relation to estimates and uncertainties surrounding the Film Income Account Liability.

2. EQUITY

	2010 \$	2009 \$
Accumulated funds		
Balance at 1 July	9,726,737	11,403,851
Surplus/(deficit)	494,254	(1,677,114)
Total Equity as 30 June	10,220,991	9,726,737

3. CASH AND CASH EQUIVALENTS

	2010 \$	2009 \$
Cash at bank and in hand	6,365,991	3,181,197
Term Deposits maturing three months or less from date of acquisition	0	500,000
	6,365,991	3,681,197

The carrying value of term deposits with maturity dates of three months or less approximates their fair value.

Refer to note 4 for weighted average effective interest rate for cash and cash equivalents.

4. INVESTMENTS

	2010 \$	2009 \$
Term Deposits with maturities of 4-12 months	15,510,849	12,509,616
	15,510,849	12,509,616

There were no impairment provisions for investments.

Maturity Analysis and effective interest rates of term deposits

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

	2010 \$		2009 \$
Term Deposits (with maturities of 3 months or less)	0	Term Deposits (with maturities of 3 months or less)	500,000
<i>weighted average effective interest rate</i>	0.00%	<i>weighted average effective interest rate</i>	3.63%
Term Deposits (with maturities of 4-12 months; average maturity 172 days)	15,510,849	Term Deposits (with maturities of 4-12 months; average maturity 160 days)	12,509,616
<i>weighted average effective interest rate</i>	4.11%	<i>weighted average effective interest rate</i>	4.23%
	15,510,849		13,009,616

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

Term deposits with maturities of greater than 3 months are invested at fixed rates ranging from 3.12% to 4.90%.

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

5. TRADE AND OTHER RECEIVABLES

	2010 \$	2009 \$
Trade Debtors	513,545	628,101
Net GST Receivable	0	493,523
Prepayments	39,521	52,904
Star Loans	189,776	2,550,622
Less: Provision for impairment	(47,420)	(47,105)
	695,422	3,678,045

The carrying value of receivables approximates their fair value.

The carrying amount of receivables that would otherwise be past due, but not impaired whose terms have been renegotiated is Nil (2009 = Nil).

As at 30 June 2010 and 2009, all overdue receivables have been assessed for impairment and appropriate provisions applied, as detailed below:

	Gross \$	2010 Impairment \$	Net \$	Gross \$	2009 Impairment \$	Net \$
Current	457,908	0	457,908	769,787	0	769,787
Past due 31-60 days	3,658	0	3,658	60,861	0	60,861
Past due 61-90 days	3,398	0	3,398	65,021	0	65,021
Past due →91 days	277,878	(47,420)	230,458	2,829,481	(47,105)	2,282,376
	742,842	(47,420)	695,422	3,725,150	(47,105)	3,678,045

The provision of 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.

As at 30 June 2010 the NZFC has identified 1 debtor totalling \$45,951 (2009 = \$41,389) that is insolvent.

Movements in the Provision for Impairment for receivables

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

	2010 \$	2009 \$
Balance at 1 July	(47,105)	(214,239)
Reversal of Provision from prior year	47,105	214,239
	0	0
Additional provisions made during the year	(47,420)	(47,105)
Balance 30 June	(47,420)	(47,105)

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 2008	495,630	248,982	178,657	334,165	1,257,434
Additions	0	32,018	38,571	12,713	83,302
Reclassification of Assets	0	2,185	(2,185)	0	0
Disposals	0	(20,283)	(69,008)	0	(89,291)
Balance at 30 June 2009	495,630	262,902	146,035	346,878	1,251,445
Balance at 1 July 2009	495,630	262,902	146,035	346,878	1,251,445
Additions	0	26,558	0	898	27,456
Reclassification of Assets	0	0	0	0	0
Disposals	0	(12,993)	0	0	(12,993)
Balance at 30 June 2010	495,630	276,467	146,035	347,776	1,265,908
Accumulated Depreciation					
Balance at 1 July 2008	54,522	179,634	104,770	125,837	464,763
Reclassification of Assets	0	(9,730)	(465)	0	(10,195)
Depreciation Expense	55,064	48,032	22,735	37,467	163,298
Eliminate on Disposal	0	(20,181)	(55,298)	0	(75,479)
Balance at 30 June 2009	109,586	197,755	71,742	163,304	542,387
Balance at 1 July 2009	109,586	197,755	71,742	163,304	542,387
Reclassification of Assets	0	111	(111)	0	0
Depreciation Expense	55,064	40,608	21,768	37,847	155,287
Eliminate on Disposal	0	(12,163)	0	0	(12,163)
Balance at 30 June 2010	164,650	226,311	93,399	201,151	685,511
Carrying amounts					
As at 30 June and 1 July 2008	441,108	69,348	73,887	208,328	792,671
As at 30 June and 1 July 2009	386,044	65,147	74,293	183,574	709,058
As at 30 June 2010	330,980	50,156	52,636	146,625	580,397

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 2008	356,671
Additions	22,450
Disposals	0
Balance at 30 June 2009	379,121
Balance at 1 July 2009	379,121
Additions	42,622
Disposals	(5,101)
Balance at 30 June 2010	416,642
Accumulated Amortisation	
Balance at 1 July 2008	293,356
Amortisation Expense	10,196
Eliminate on Disposal	37,815
Balance at 30 June 2009	341,367
Balance at 1 July 2009	341,367
Reclassification of Assets	0
Amortisation Expense	29,468
Eliminate on Disposal	(5,101)
Balance at 30 June 2010	365,734
Carrying amounts	
As at 30 June and 1 July 2008	63,315
As at 30 June 2009	37,754
As at 30 June 2010	50,908

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

	2010 \$	2009 \$
Trade Creditors	670,810	1,153,399
Sundry Accruals	658,367	623,120
Net GST Payable	296,126	0
PAYE	26,225	21,298
Money held on Co-investor's behalf	0	0
	1,651,528	1,797,817

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

	2010 \$	2009 \$
Accrued Salaries and Wages	44,094	13,114
Annual Leave	67,726	73,727
	111,820	86,841

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.

	2010 \$	2009 \$
Opening Balance 1 July	192,963	188,876
Income from Sales	2,246,660	4,442,424
Total Film Income	2,439,623	4,631,300
Less: NZFC Distribution Fees	(246,738)	(319,706)
Less: Marketing & Other Expenses	(451,778)	(460,847)
Net Earnings	1,741,107	3,850,747
Less: Distributed to Investors	(1,153,420)	(1,224,849)
Less: Distributed to NZFC	(411,901)	(1,246,379)
Less: Loan Repayment to NZFC	(241,274)	(836,898)
	(65,488)	542,621
Provision for Unrecouped Expenses Increase/(Decrease)	358,371	(147,297)
Balance 30 June	292,883	395,324
Unpaid Invoices Increase / (Decrease)	(87,132)	(202,361)
Balance (including unpaid invoices)	205,751	192,963

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

	2010 \$	2009 \$
Feature Films	9,459,315	6,633,140
Short Films	1,129,162	983,043
Devolved Development and Producer Overhead Funds	425,000	1,195,129
	11,013,477	8,811,312

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. DEVELOPMENT

	2010 \$	2009 \$
Feature Films - Development	1,360,520	2,264,823
Creative Development	510,716	553,696
External Services	33,847	32,918
	1,905,083	2,851,437

Development Personnel Costs previously shown in Note 12 Development (2009 = 352,349) have been moved into a separate category of Personnel Costs under Note 17.

Consultant Costs included in Creative Development and External Services in 2009 of \$7,085 and \$18,208 respectively have also been moved to Personnel Costs under Note 17.

13. PRODUCTION

	2010 \$	2009 \$
Feature Films - Production Financing	14,313,308	12,160,762
Short Films - Production Financing	790,464	983,545
Independent Filmmakers Fund (was Screen Innovation Production Fund)	250,000	350,000
Other Costs	94,598	244,723
	15,448,370	13,739,030

Consultant Costs included in Short Films - Production Financing in 2009 of \$128,396 have been moved to Personnel Costs under Note 17.

14. PROFESSIONAL DEVELOPMENT & INDUSTRY SUPPORT

	2010 \$	2009 \$
Festivals and Awards	192,000	205,000
Industry Support	748,000	815,000
	940,000	1,020,000

15. MARKETING AND SALES

	2010	2009
	\$	\$
Features Marketing	639,893	796,667
Shorts Marketing	109,756	128,963
Market Attendance	142,825	203,712
Sales Agency - Features	504,072	545,519
Sales Agency - Shorts	43,525	60,347
	1,440,071	1,735,208

Marketing and Sales Personnel Costs previously shown in Note 15 Marketing and Sales (2009 = 427,724) have been moved into a separate category of Personnel Costs under Note 17.

16. CORPORATE

	2010	2009
	\$	\$
Board Costs	190,455	223,130
Communications	89,668	104,486
Office Overheads	159,312	168,459
Depreciation and Amortisation Expense:		
Leasehold Alterations	55,064	55,064
Computer Equipment - Hardware	40,608	48,032
Computer Equipment - Software	29,468	37,815
Office Equipment	21,768	22,735
Furniture & Fittings	37,847	37,467
Rent	263,078	246,529
Audit Fees		
For the audit of the financial statements	35,886	37,220
Other Costs	425,911	448,551
	1,349,064	1,429,488

Corporate Personnel Costs previously shown in Note 16. Corporate (2009 = 1,060,655 including consultant costs of \$49,648) have been moved into a separate category of Personnel Costs under Note 17.

Consultants previously included in Office Overheads (2009 = \$72,577) have also been moved to Personnel Costs under Note 17.

17. PERSONNEL COSTS

	2010	2009
	\$	\$
Development	354,379	352,349
Sales and Marketing	407,805	427,724
Corporate	995,448	1,011,007
Consultants	194,369	275,914
	1,952,001	2,066,994

18. CAPITAL COMMITMENTS AND OPERATING LEASES

The NZFC had no capital commitments as at 30 June 2010 (2009 = Nil).

Operating Leases as a lessee

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

	2010	2009
	\$	\$
Not later than one year	218,138	218,138
Between one and two years	218,138	218,138
Between two and five years	218,138	436,276
Later than five years	0	0
	654,414	872,552

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

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

19. CONTINGENCIES

Contingent liabilities

There were no contingent liabilities at balance date (2009 = Nil).

Contingent assets

There were no contingent assets at balance date (2009 = Nil).

20. FINANCIAL INSTRUMENTS

Financial Instrument Categories

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

	2010	2009
	\$	\$
Loans and receivables		
Cash and Cash equivalents	6,365,991	3,681,197
Investments	15,510,849	12,509,616
Trade and other receivables	695,422	3,678,045
Total loans and receivables	22,572,262	19,868,858
Financial liabilities		
Trade and other payables	1,651,528	1,797,817
Film income account	205,751	192,963
Project commitments	11,013,477	8,811,312
Total financial liabilities	12,870,756	10,802,092

Fair Value Hierarchy Disclosures

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

21. FINANCIAL INSTRUMENT RISK

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.

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 is not exposed to any significant currency risk. 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 2010 amounted to Nil (2009=Nil). The NZFC enters into foreign currency forward contracts to hedge currency transactions. Any exposure to gains or losses on those contracts is generally offset by a related loss or gain on the item being hedged. Apart from foreign currency forward contracts, all financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of comprehensive income. The estimated fair values of the NZFC's financial assets and liabilities are as per disclosed in the financial statements.

Interest rate risk

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

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

The interest rates on the NZFC's investments are disclosed in note 4.

Sensitivity Analysis

If during the year interest rates had been stronger by 1% (100 basis points) the surplus for the year would have been \$173,092 higher.

If however interest rates had been weaker during the year by 1% (100 basis points) than the surplus for the year would have been \$173,092 lower. This movement is attributable to the amount of term deposits held by the NZFC at any one time during the year and the interest rate on these deposits.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the NZFC, causing the NZFC to incur a loss. In the normal course of business the NZFC incurs credit risk from trade debtors and financial institutions.

Due to the timing of its cash inflows and outflows, the NZFC invests surplus cash with registered banks. These banks are: Kiwi Bank, HSBC, ASB, BNZ and The National Bank. The NZFC's Investment policy limits the amount of credit exposure to any one institution. 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. The credit risk on cash at bank, short term investments and foreign exchange dealings is limited as the NZFC spreads its business amongst a number of AA+ rated counterparties. The credit risk relating to cash at bank and short term investments is insured by the Government deposit guarantee scheme up to a maximum of \$1,000,000 per depositor per guaranteed institution.

As at 30/06/2010 the NZFC had a Credit Limit of \$73,000 over the combined company credit cards.

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
	\$	\$	\$	\$	\$
2009					
Trade and other payables	1,797,817	1,797,817	1,797,817	0	0
2010					
Trade and other payables	1,651,528	1,651,528	1,651,528	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

Related party transactions

The NZFC is a wholly owned entity of the Crown. The government significantly influences the role of the NZFC in addition to being a major source of revenue.

The NZFC enters into transactions with government departments, state-owned enterprises and other Crown Entities.

Those transactions that occur within a normal supplier or client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the NZFC would have adopted if dealing with that entity at arm's length in the same circumstances have not been disclosed as a related party transaction.

The following transactions were carried out with related parties other than those described above:

All related party transactions have been entered into on an arms length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Transaction	Transaction Value Year Ended 30 June		Balance Outstanding Year Ended 30 June	
	2010 \$	2009 \$	2010 \$	2009 \$
(i) Tainui Stephens: Board member – Short Film Production Funding	80,000	0	80,000	0
(ii) Tainui Stephens: Board member – Advanced Development financing	0	47,700	0	0
(iii) Vanessa Alexander: Board member - Industry Infrastructure + professional development	0	120,378	0	378
(iv) Vanessa Alexander: Board member - Script Development	0	20,000	0	0

(i) Tainui Stephens, Board member, is the Producer of Short Film Project "The Lawnmower Men of Kapu".

In its pool of projects under development, the NZFC currently has two projects which have been adapted for screenplay based on novels written by current board member Witi Ihimaera. Both projects first applied to the NZFC prior to Witi Ihimaera appointment to the board and have not received any funding during the year under review (2009 = Nil).

No provision has been required nor any expense recognised for impairment of receivables from related parties (2009=Nil)

Key Management Personnel

	2010 \$	2009 \$
Salaries and other short-term employee benefits	991,596	917,277
Post-employment benefit	0	0
Other long-term benefit	0	0
Termination benefit	0	0
	991,596	917,277

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

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

24. BOARD MEMBER REMUNERATION

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

	2010 \$	2009 \$
Patsy Reddy (Chair from July 2009)	40,000	0
William Somerville	16,000	16,000
Andrew Cornwell	16,000	16,000
Rhiannon McKinnon	16,000	0
Charles Finny	16,000	0
Bill Birnie	16,000	15,800
Tainui Stephens	16,000	15,800
Witi Ihimera	14,667	0
David Cullwick (Chairman until June 2009)	0	40,000
Vanessa Alexander	0	16,000
Shane Simpson	0	15,800
Wendy Palmer	0	16,000
	150,667	151,400

\$2,500 and \$1,000 excl. GST was paid to two members of the SPIF Committee who are not Board members in the year under review. No other payments have been made to committee members appointed by the Board who are not Board members in 2010. In 2009 payments of \$15,000 and \$10,000 were made to the Chair of the Sales Agency Advisory Committee and the Chair of the Film Fund 2 Committee respectively. These two committees were disbanded at the beginning of the year under review.

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.

25. EMPLOYEE REMUNERATION

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

	Number of Employees Total remuneration	
	2010	2009
\$250,000 - \$260,000	1	0
\$190,000 - \$200,000	0	1
\$170,000 - \$180,000	1	0
\$140,000 - \$150,000	2	1
\$130,000 - \$140,000	0	2
\$110,000 - \$120,000	1	0
	5	4

During the year ended 30 June 2010, no employees received compensation and other benefits in relation to cessation. No Board members received compensation or other benefits in relation to cessation (2009 = Nil)

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

	2010 \$	2009 \$
Net Surplus	494,254	(1,677,114)
Add back: Non Cash Items		
(Gain)/loss on Disposals	(4,271)	0
Doubtful Debts	0	167,334
Bad Debts Written Off	54,159	(47,105)
Depreciation and Amortisation	184,755	201,113
	728,897	(1,355,772)
Movements in Working Capital		
Decrease/(increase) in Accounts Receivable after excluding Capital Items	128,256	581,705
(Decrease)/increase in Accounts Payable after excluding Capital Items	(442,416)	(17,506)
(Decrease)/increase in Employee Entitlements	24,979	15,274
(Decrease)/increase in GST Payable	789,649	(689,467)
(Decrease)/increase in Finance Lease	0	(13,237)
(Decrease)/increase in Film Income Account	12,787	(190,894)
(Decrease)/increase in Project Commitments	2,202,165	(7,602,890)
Total Movements in Working Capital	2,715,420	(7,917,015)
Net Cash Flows from Operating Activities	3,444,317	(9,272,787)

27. EVENTS AFTER BALANCE DATE

After the balance date, the NZFC has withdrawn a commitment for investment into film production totalling \$1,024,000. There have been no other significant events after the balance date.

28. MAJOR BUDGET VARIANCES

Total income (excluding SPIF grants) was \$23.528M, 40.2% higher than budgeted. This was due to an unexpected windfall from the Lottery Grands Board of \$4.42M and also unbudgeted feature film project writebacks totalling \$2.418M. Of this total writeback 84.75% relates to the project "Falling Angels"

Total expenditure (excluding SPIF grants) was \$23.035M, 11.9% higher than budgeted. The overspend was primarily feature film production financing, and was possible because of the level of reserves carried forward at the beginning of the financial period, which had been specifically tagged by the NZFC towards production financing.

Statement of Service Performance

for the year ended 30 June 2010

Objective	Activities	Performance Measures	Targets for 2009/2010	Achievements 2009/2010 at 30 June 2010
1. To support NZ stories and writers	1. Script development	1. Number of scripts funded	1. 10 scripts at advanced development stage	Achieved. (14 scripts at advanced development stage)
	1st Writer's Initiative Support Te Paepae Ataata			
Actual cost: \$1,997,404		2. Number of funded feature films which reflect NZ culture and/or showcase NZ talent	2. 100% projects invested in to reflect NZ culture and/or showcase NZ talent	Achieved.
Expected cost: \$2,524,627				
2. To build talent	2. Professional development	3. Number of programmes run	3. At least 8 professional initiatives supported	Achieved. (16 professional initiatives supported)
	3. Short Film Production Independent Filmmakers Fund (formerly SIFF)	4. Number of short film investments	4. Invest in 8 short films.	Achieved. Cold Snap, 43,000 Feet, Ebony Society, Killing Phillip, Nocturnal Ignition, The Betrayal, Running Stitch, The Lawnmower Men of Kapu.
	4. Short Film Marketing	5. Effectiveness/success of activity	5. 3 of these to be selected in A-list festivals (taking average over 3 years)	Achieved. The Six Dollar Fifty Man (Valladolid International Film Festival, BFI 53rd London Film Festival, UK, Sundance Film Festival, Melbourne International Film Festival, Clermont-Ferrand International Film Festival, Berlin International Film Festival), Poppy (Telluride Film Festival), Zero (Berlin International Film Festival).
		6. Number of feature film investments	6. Invest in at least 4 feature films per year	Achieved. 9 production financing offers made (Lovebirds, Girl Meets Boy, Beautiful Machine, Stolen, The Most Fun You Can Have Dying, Billy T, Two Little Boys, Mr Pip, The Devil's Rock).
3. To invest in audience-focused, well-budgeted feature films	6. Distribution grants	7. Effectiveness/success of activity	7. Two feature films every 3 years with cinema audience in excess of 100,000 and;	Achieved. (4 films in the last 3 years) Boy 776,300 admissions (09/10), Second Hand Wedding 188,500 admissions (07/08), Topp Twins 165,500 admissions (08/09), Eagle vs Shark 101,927 admissions (07/08).
		8. Number of Distribution grants	8. an additional two every 3 years with audiences in excess of 50,000	Achieved. (3 films in the last 3 years) Home By Christmas 96,000 (09/10), The Tattooist 58,200 (07/08), Separation City 51,000 (09/10).
		9. 100% feature films to have NZ distribution attachment prior to investment (to guarantee NZ theatrical release on completion)		Achieved. Girl Meets Boy (SPP/Sony), Lovebirds (Icon), Beautiful Machine (Rialto), Stolen (Metropolis), The Most Fun You Can Have Dying (Rialto), Billy T (Sony), Two Little Boys (Hopscotch), Mr Pip (Transmission), The Devil's Rock (Vendetta).
		10. Distribution grants made for every NZ film released theatrically		Achieved. 6 released theatrically with prints and advertising (P&A) support. (Strength of Water, Separation City, The Vintners Luck, Under the Mountain, Boy, Home By Christmas).
Actual cost: \$16,558,300				
Expected cost: \$26,664,414 (includes SPIF grant of \$13,396,000)				

Audit Report

To the readers of the New Zealand Film Commission's financial statements and statement of service performance for the year ended 30 June 2010

<p>4. To maintain a high international profile for NZ films and filmmakers</p>	<p>7. Attendance at international markets</p>	<p>9. Number of markets attended</p>	<p>11. At least 3 major film markets attended by NZFC staff</p>	<p>Achieved. (4 markets attended) Toronto FF (September 2009), American Film Market – Los Angeles (November 2009), Sundance FF – Utah (January 2010), Berlin FF (February 2010), Cannes FF (May 2010).</p>
<p>Actual cost: \$1,597,454 Expected cost: \$1,813,537</p>	<p>8. Industry market assistance</p>	<p>10. Number of persons assisted</p>	<p>12. At least 12 industry personnel supported to attend international markets</p>	<p>Achieved (17 industry personnel supported) Toronto FF: The Vintners Luck producer Robin Laing and director Niki Caro; cast Keisha Castle-Hughes; The Topp Twins producer Arani Cuthbert and director Leanne Pooley; cast Lynda and Jools Topp Under the Mountain director Jonathan King. Sundance FF: BOY producer Ainsley Gardiner; director Taika Waititi; cast James Rolleston. Berlin FF: BOY producer Ainsley Gardiner; director Taika Waititi; cast James Rolleston. Cannes FF: Home By Christmas producer/director Gaylene Preston; producers Tim White, Vicky Pope.</p>
<p>5. To maintain good stakeholder relationships</p>	<p>9. Communication</p>	<p>11. Regular newsletter distributed</p>	<p>13. Quarterly newsletter to be sent to mailing list</p>	<p>Achieved. 6 newsletters distributed to our mailing list.</p>
<p>Actual cost: \$1,414,571 Expected cost: \$1,423,860</p>	<p>10. Joint initiatives</p>	<p>12. Seminar/workshops held</p>	<p>14. Seminar/workshops held in Auckland and Wellington to communicate/disseminate information about new guidelines or schemes</p>	<p>Achieved. Rewrite workshop, First Writers initiative, Market feedback sessions Auckland & Wellington, Escalator, Script Factory Foundation Development Workshop Auckland.</p>
<p>6. To effectively administer the LBSPG and SPIF schemes</p>	<p>11. Prompt processing of applications</p>	<p>14. Processing to meet targeted timeframes</p>	<p>16. All fully-completed applications to be processed within 3 months of receipt</p>	<p>Achieved. 4 complete applications for the LBSPG were turned around within 3 months of receipt. The processing of 3 incomplete LBSPG applications took longer than the target time-frame of 3 months due to delays in acquiring extra information from the applicants about various aspects of production required in order to properly assess the applications.</p>
<p>Actual cost: \$142,348 Expected cost: \$121,131</p>	<p>12. Communication to industry about criteria and guidelines</p>	<p>15. Information about the schemes to be easily accessible</p>	<p>17. Criteria and frequently asked questions to be available on website.</p>	<p>Yes.</p>
			<p>18. FAQs to be updated regularly.</p>	<p>Yes</p>

The Auditor General is the auditor of the New Zealand Film Commission (the Commission). The Auditor General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements and statement of service performance included in the annual report of the Commission for the year ended 30 June 2010.

Unqualified Opinion

In our opinion:

- The financial statements of the Commission on pages 28 to 46:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Commission's financial position as at 30 June 2010; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Commission on pages 47 to 48:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 1 November 2010, and 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 the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

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

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Commission as at 30 June 2010 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Commission's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Board's responsibilities arise from the Crown Entities Act 2004 and the New Zealand Film Commission Act 1978.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This 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 Institute of Chartered Accountants of New Zealand.

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



K. M Rushton
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

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

This audit report relates to the financial statements and statement of service performance of New Zealand Film Commission for the year ended 30 June 2010 included on the New Zealand Film Commission's website. The New Zealand Film Commission's Board is responsible for the maintenance and integrity of the New Zealand Film Commission's website. We have not been engaged to report on the integrity of the New Zealand Film Commission's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

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

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

Appendix

Key:
Production Company
Producer
Writer
Director

A/Feature films with investment from NZFC

Love Birds (aka Pierre/ Crazy Little Thing)	\$3,000,000
General Film Corp (Pierre) Ltd Matthew Metcalfe and Alan Harris Nick Ward Paul Murphy	
My Wedding and Other Secrets (aka Girl meets Boy)	\$2,870,000
South Pacific Pictures Ltd John Barnett and Paul Davis Roseanne Liang and Angeline Loo Roseanne Liang	
Beautiful Machine	\$755,000
Beautiful Machine Productions Ltd Laurence Alexander and Grant Roa	
The Devil's Rock	\$400,000
Severe Features Ltd Leanne Saunders Paul Finch and Paul Campion Paul Campion	
Stolen	
Stolen Lights NZ Ltd Emily Corcoran and Andrew Rennie Emily Corcoran Niall Johnson (UK)	
The Most Fun You Can Have Dying	\$3,000,000
Ten Cent Pictures Limited Alex Cole-Baker Kirstin Marcon Kirstin Marcon	
Billy T – Hard Case!	
BJT Movie Ltd Tom Parkinson and Robert Boyd-Bell Ian Mune Ian Mune	
Two Little Boys	
Tent Pole Films Limited Vicky Pope and Tim White Robert Sarkies and Duncan Sarkies Robert Sarkies	
Mr Pip	
Eyeworks Ltd Robin Scholes, Andrew Adamson and Tim White Andrew Adamson Andrew Adamson	

B/Feature films with additional investment from the NZFC

None

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

Land of the Long White Cloud	\$15,700
Pictures for Anna Florian Habicht..... Florian Habicht Florian Habicht	
Earth Whisperers	\$4,764
Wickcandle Film Ltd John Gallagher and Kathleen Gallagher Kathleen Gallagher Kathleen Gallagher	
Assume Nothing	\$3,999
Girl on a Bike Films Ltd Kirsty MacDonald Kirsty MacDonald Kirsty MacDonald	
Lost in Wonderland	\$1,500
Lone Pine Film and TV Productions Ltd Costa Botes Zoe McIntosh Zoe McIntosh	
Candyman	\$10,000 and \$15,000
Lone Pine Film and TV Productions Ltd Costa Botes Costa Botes Costa Botes	
There Once was an Island	\$25,000
On the Level Productions Ltd Lyn Collie Briar March and Prisca Bouchet Briar March	
The Unnatural History of the Kakapo	\$13,510
Elwin Productions Ltd Scott Mouat Scott Mouat and Ian McGee Scott Mouat	
The Insatiable Moon	\$25,000
The Insatiable Moon (NZ) Ltd Mike Riddell Mike Riddell Rosemary Riddell	
Last Paradise	\$25,000
Paradise Films Clive Neeson Clive Neeson Clive Neeson	
Sam Hunt – From Bottle to Battle to Death	\$25,000
Exploded View Ltd Jim Scott Tim Rose and Jim Scott Tim Rose	
Gordon Crook	\$10,000
GoGo Media Ltd Glenis Giles Clare O'Leary Clare O'Leary	

Trinity Roots	\$22,000
Transmit Ltd Sarah Hunter Sarah Hunter Sarah Hunter	
Russian Snark	\$10,000
Godzone Pictures Ltd Liz DiFiore Stephen Sinclair Stephen Sinclair	
Asylum Pieces	\$4,500
Lost Comet Ltd Kathy Dudding Kathy Dudding Kathy Dudding	
From Poverty Bay to Broadway	\$10,000
D4 Films Lydia Monin Lydia Monin Lydia Monin	
Gordonia	\$10,000
Tom Reilly Tom Reilly Tom Reilly	

D/ NZFC development finance for feature film projects

i) Early Development Fund

The True Picture	\$20,000, \$20,000 & \$5,000
Great Southern Film and Television Ltd Angela Littlejohn Dianne Taylor Kirsten Green	
Beyond the Known World	\$20,000 & \$20,000
Reservoir Films Ltd Matthew Horrocks Dianne Taylor TBC	
Kiwi Flyer	\$12,000 & \$18,000
Torrent Films Ltd Tony Simpson Andrew Gunn TBC	
Pollution Girl Dreaming	\$5,000
PGD Film Ltd Mhairlead Connor Gregory King Gregory King	
Summer Rhapsody	\$14,500 & \$5,500
Headstrong Ltd Leanne Saunders Stephen Kang Stephen Kang	
The Perfect Woman	\$20,000
Isola Productions Ltd Rachel Jean Fiona Samuel Murray Keane	
The Last Wish Club	\$20,000
Great Southern Film and Television Ltd Rachel Gardner Rebecca Hobbs Rebecca Hobbs	
Sister Zombie	\$9,950
Sister Zombie Productions Ltd Robert Rowe Harold Brodie Harold Brodie	

Blue Smoke	\$20,000
Blue Smoke Productions Ltd Ross Jennings, Carmel Jennings, Dean Parker and Aileen O'Sullivan Dean Parker TBC	
Hungry Ghost	\$20,000
Lippy Pictures Ltd Paula Boock & Donna Malane Paula Boock & Ian Wedde TBC	
One of Us	\$20,000
XY Films Ltd Arani Cuthbert Norelle Scott Chris Dudman	
Shopping	\$20,000
Five Finger Films Ltd Robin Murphy Louis Sutherland and Mark Albiston Mark Albiston and Louis Sutherland	
Hot Debate (Documentary)	\$5,000
Community Media Trust Alister Barry Alister Barry Alister Barry	
House with a Hundred Rooms (Documentary)	\$5,000
Firesign Ltd Michael Wrenn Costa Botes and Shane Danielsen Costa Botes	
Bonestorm (Writer Development Loan)	\$7,500
Grant Lahood	
Kathleen (Writer Development Loan)	\$7,500
Frances Edmond	
We are Not Saved (Writer Development Loan)	\$7,500
Kirstin Marcon	
Don't Fence Me In	\$5,000
Robin Murphy Productions Ltd Robin Murphy Brian Challis Miles Murphy	
Showpony	\$20,000
Southern Light Films Ltd Timothy White and Sonja Armstrong Jodie Molloy TBC	
Shang High 85	\$37,500
Chopper Productions Ltd Michelle Turner Nick Ward and Ellory Elkayem Ellory Elkayem	
Miracle at St Lukes	\$5,000
Top Shelf Productions Ltd Vincent Burke Paul Oremland Paul Oremland	
The Graduation	\$15,000
Gibson Group Ltd Dave Gibson Matthew Saville TBC	
One Night Burgling	\$20,000
Robber's Dog Films Ltd Mark Foster Glenn Wood Adam Stevens	
Tandoori Apocalypse (Writer Development Loan)	\$7,500

Barry Duffield	
Silvertops	\$18,000
Inspire Films Ltd Catherine Juniot Robert Johnson and Christopher Webb Louis Sutherland	
Emerald City Blues	\$15,000
Second Cine Ltd Nik Beachman Michael Duignan Michael Duignan	
Tip Face Bunyan (Writer Development Loan)	\$7,500
Susy Pointon	
Forever (aka Ingham Twins)	\$30,000
Firesign Ltd Michael Wrenn Maxine Fleming and Dianne Taylor Kriv Stenders	
Paradise	\$20,000
Curious Film Ltd Matt Noonan Josh Frizzell Josh Frizzell and Shane Danielsen	
River Justice (Writer Development Loan)	\$7,500
Julie Thomas	
Mystery Ride	\$19,000
Firesign Ltd Michael Wrenn Virginia Heath and Maxine Fleming Virginia Heath	
Babylon	\$20,000
Great Southern Film and Television Ltd Rachel Gardner Glenn Standing Glenn Standing	
In Your Art (Writer Development Loan)	\$7,500
Rena Owen	
Land of Tears	\$25,000
Wild Pork Ltd Charlie McClellan Taika Waititi Paul Murphy	
The Pilgrim	\$20,000
Pilgrim Films Ltd Catherine Juniot and David Strong David Strong TBC	
Long Black Coat	\$20,000
Eek Ltd Kristian Eek Jon Coutts TBC	
Cold Storage (Writer Development Loan)	\$7,500
Nick Ward	
There Were Brave Men Before Agamemnon	\$5,000
Firesign Ltd Michael Wrenn Dane Giraud Dane Giraud	
The Amazing Extraordinary Friends	\$20,000
Greenstone Pictures Ltd Jon Harris and Stephen Campbell Stephen Campbell	
Darker Shades of Blue	\$20,000
Eek Ltd Kristian Eek Barry Duffield	

TBC	
ii) Chief Executive Delegations	
Travel assistance to Shanghai International Film Festival	
James Napier Robertson	\$1,850
This Way of Life	\$5,000
Cloud South Film & TV Ltd Sumner Burstyn and Tom Burstyn Tom Burstyn Sumner Burstyn	
O Le Tulafale aka The Orator	\$20,000
Blueskin Films Ltd Catherine Fitzgerald Tusi T Tamesese Tusi T Tamesese	
The Beach of Falesa	\$20,000
Escapade Pictures Ltd Philippa Campbell Alan Sharp and Toa Fraser Toa Fraser	
Billy T – Hard Case!	\$20,000
E-Cast Ltd Robert Boyd-Bell and Tom Parkinson Phil Gifford & Ian Mune Ian Mune	
New Land	\$770
Firesign Ltd Michael Wrenn Rachel Davies Rachel Davies	
Heart of an Angel	\$10,000
Blueskin Films Ltd Catherine Fitzgerald Riwi Brown TBC	
The Weight of Elephants	\$5,000
Severe Features Ltd/Zentropa Ltd Leanne Saunders and Katja Adomeit Daniel Borgman Daniel Borgman	
Firebird	\$5,000
Blueskin Films Ltd Catherine Fitzgerald Peter Wells Christine Parker and Peter Wells	
Beautiful Machine	\$5,000
Laurence Alexander and Grant Roa	
Two Little Boys	\$10,400
Nightmare Productions Ltd Vicky Pope and Tim White Robert and Duncan Sarkies Robert Sarkies	
Little Dragon	\$5,000
Shadow Films Ltd Michelle Turner Lynda Chanwai-Earle Rachel Douglas	
The Cook	\$20,000
Cooking It Up Ltd Robin Laing Charlie McClellan Alan Sharp	
Ebony Society	\$10,000
Grouchy Films Ltd Tammy Davis Ainsley Gardiner	

Chelsea Winstanley	
iii) Advanced Development Committee	
Two Little Boys	\$20,000 and \$27,500
Nightmare Productions Ltd Vicky Pope and Tim White Robert and Duncan Sarkies Robert Sarkies	
Fresh As	\$15,000 and \$20,000
New Holland Pictures NZ Ltd Emma Slade and Mark Overett Justine and Paul Simei-Barton Justine Simei-Barton	
Capsized	\$24,000
Making Movies Ltd James Heyward Stephanie Johnson Mark Joffe	
Here at the End of the World We Learn to Dance (aka Rosa)	\$65,000
Deep-Pond Ltd Dan Hennah and Barrie Osborne Graeme Tetley Ray Lawrence	
The Cook	\$15,000
Cooking It Up Ltd Robin Laing Charlie McClellan Alan Sharp	
Billy T – Hard Case!	\$15,000
E-Cast Ltd Robert Boyd Bell and Tom Parkinson Phil Gifford Ian Mune	
Miramar Dog	\$25,000
Miramar Dog Films Ltd Robin Murphy and Kerry Robins Brian Challis Paul Murphy	
iv) Board development decisions	
None	
E/Devolved Development Funds	
i) Producer Awards	
Arani Cuthbert	\$50,000
Jonathan King/Matthew Grainger	\$50,000
Richard Fletcher	\$50,000
Pietra BrettKelly	\$50,000
ii) Writer Awards	
Greg Page	\$50,000
iii) Professional Development Awards	
Greg King	\$3,400
Ramon Rivero	\$5,000
Robin Murphy	\$5,000
iv) Other	
Te Paepae Ataata	\$200,000
F/ Producer Market Assistance	
To 37°South Market Melbourne	
Philippa Campbell	\$1,946
Robin Murphy	\$2,000

Tom Hern	\$1,086
Vicky Pope	\$2,000
To Toronto	
Arani Cuthbert	\$5,000
Robin Laing	\$5,000
To HotDocs	
Costa Botes	\$5,000
To Berlin	
Sumner Burstyn	\$5,000
Ainsley Gardiner	\$5,000
To Cannes	
Tim White	\$7,500
Vicky Pope	\$7,500
Gaylene Preston	\$7,500
To London Production Finance Market	
Robin Scholes	\$3,500
To Sundance	
Ainsley Gardiner	\$5,000
G/Festival travel assistance for feature film directors	
Leanne Pooley: Int. Documentary Festival, Amsterdam	\$4,000
Niki Caro: Toronto	\$7,363
Taika Waititi: Sundance	\$5,547
Taika Waititi: Berlin	\$2,588
Tusi Tamasese: Berlin Talent Campus	\$3,000
Simone Horrocks: China	\$1,750
H/Festival travel assistance for short filmmakers	
James Cunningham – <i>Poppy</i>	\$2,838
Telluride Film Festival	
Zoe McIntosh – <i>Day Trip</i>	\$5,000
Tribeca Film Festival	
Rachel Jean – <i>Redemption</i>	\$4,628
Berlin International Film Festival	
Katie Wolfe – <i>Redemption</i>	\$4,696
Berlin International Film Festival	
Mark Albiston – <i>The Six Dollar Fifty Man</i>	\$5,000
Sundance Film Festival/Clermont-Ferrand Short Film Festival	
Louis Sutherland – <i>The Six Dollar Fifty Man</i>	\$5,000
Sundance Film Festival/Clermont-Ferrand Short Film Festival	
Francis Glenday – <i>Tumanako Springs</i>	\$3,500
Clermont-Ferrand Short Film Festival	
Dylan Pharazyn – <i>Vostok Station</i>	\$3,195
Sundance Film Festival	
Richard Collins – <i>Vostok Station</i>	\$3,195
Sundance Film Festival	
Leo Woodhead – <i>Zero</i>	\$3,751
Berlin International Film Festival	

Jackie Dennis – <i>Zero</i>	\$4,928
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I/Short Film projects with production finance from the NZFC

Executive Producers

i) Big Shorts – Robert Sarkies and Vicky Pope

<i>43,000 Feet</i>	\$90,000
Producer: Heather Lee	
Director: Campbell Hooper	
Writer: Matt Harris	

<i>Cold Snap</i>	\$90,000
Producer: Rebekah Kelly	
Director: Leo Woodhead	
Writer: Paul Stanley Ward	

<i>Nocturnal Ignition</i>	\$90,000
Producers: Rachel Gardner, Anna Geddes and Matt Heath	
Writer/Director: Joe Lonie	

ii) Kura Shorts – Quinton Hita and Tearepa Kahi

<i>Ebony Society</i>	\$90,000
Producer: Ainsley Gardiner, Chelsea Winstanley	
Writer/Director: Tammy Davis	

<i>The Lawnmower Men of Kapu</i>	\$80,000
Producer: Tainui Stephens	
Writer/Director: Libby Hakaraia	

iii) Robber’s Dog Shorts – Kristian Eek, Mark Foster and Adam Stevens

<i>The Betrayal</i>	\$90,000
Producer: Rawiri Paratene	
Director: Ainsley Gardiner	
Writer: Greg King	

<i>Running Stitch</i>	\$90,000
Producers: Declan Cahill and Jonathan Gerard	
Director: Greg Wood	
Writer: Levi Slavin	

<i>Killing Philip</i>	\$90,000
Producer: Tara Landry	
Writer/Director: Adam Gunser	

J/Short Film projects with post production finance from the NZFC

<i>Vostok Station</i>	\$2,838
Producer: Richard Collins	
Writer/Director: Dylan Pharazyn	

<i>Careful with that Crossbow</i>	\$6,666
Writer/Director/Producer: Jason Stutter	

<i>Day Trip</i>	\$14,382
Writer/Producer: Costa Botes	
Director: Zoe McIntosh	

<i>Manurewa</i>	\$15,421
Producer: Kristian Eek	
Writer/Director: Sam Peacocke	

<i>Redemption</i>	\$26,980
Producer: Rachel Jean	
Writers: Tim Balme, Renae Maihi, Katie Wolfe	
Director: Katie Wolfe	

K/Grants from Independent Filmmakers Fund (a partnership between the NZFC and Creative NZ)

Miriam Smith/Chris Pryor/ Phillippa Campbell.....documentary	\$63,000
<i>Untitled Jerusalem Project</i>	

Welby Ings/Michele Fantl.....short film	\$70,000
<i>Munted</i>	

Gaylene Preston.....moving image work	\$60,000
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<i>Kia Tu Tonu</i>	
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Stephen Kang/Leanne Saundersfeature film	\$70,000
<i>Desert</i>	

Tim Gruchy.....360° projection	\$26,950
<i>Clesthya’s Undoing</i>	

Kelly Joseph/Briar Grace-Smithshort film	\$29,945
<i>Mops</i>	

Sam Peacocke/Kristian Eekshort film	\$6,750
<i>Manurewa</i>	

Zoe McIntosh/Gareth Moon.....documentary	\$15,000
<i>King of Caravans</i>	

Kathy Dudding	post production essay film.....	\$25,000
<i>Wabi Sabi of the Asylum</i>		

Maria-Elena Doyle	post production	\$18,260
<i>Meniscus</i>	experimental short film	

Daniel Monaghan	animated short film	\$18,664
<i>The King of Things</i>		

Robin Greenberg	post production documentary	\$4,800
<i>Free China Junk</i>		

Sally Tran/David White	experimental short film	\$29,998
<i>Toi la Who?</i>		

Bernadette Murphy/ Louise Leitch/Sue Ruffell.....short film	\$30,000
<i>Whakatiki</i>	

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L/Professional development

i) NZFC initiatives

Escalator initiative	\$100,723
Eurista Tasmania	\$7,000

Accelerator, Melbourne.....	\$9,420
First Writers Initiative	\$40,025

37°South partnership	\$3,768
Rob Ritchie script focus sessions.....	\$639

Binger Film Lab script development programme	\$20,000
eQuinox, Germany	\$8,000

Spaamart	\$39,645
CineMart & Rotterdam Lab.....	\$37,263

Berlin Talent Campus	\$12,000
ACE	\$17,000

Rewrite Workshop	\$53,950
Market briefings	\$1,202

Script Factory development training workshops NZ	\$13,750
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ii) Joint Initiatives

Screen Australia Script Factory development training workshops Australia	\$16,339
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SDGNZ Tom Abrams directing workshop.....	\$32,810
SPADA co-production & SPIF workshops	\$7,000

WIFT NZ mentorship	\$10,000
WIFT NZ governance training workshop	\$2,220

Film Victoria Genre Tools workshop.....	\$27,755
SPADA Thomas Mai distribution workshops.....	\$7,200

NZWG Alan Sharp mentorship	\$15,000
Script to Screen Wendall Thomas workshops	\$10,000

Script to Screen Christine Vachon seminar & script focus sessions.....	\$8,240
Steve Kaplan comedy workshops & script focus sessions	\$8,210

Script to Screen Rolf de Heer seminars	\$6,000
Show Me Shorts workshops	\$6,826

M/Industry Infrastructure support

Film NZ	\$40,000
New Zealand Film Archive	\$210,000

Nga Aho Whakaari	\$55,000
NZ Writers Guild	\$75,000

NZF&VTG.....	\$20,000
Script to Screen	\$108,000

SDGNZ	\$95,000
SPADA	\$90,000

WIFT NZ.....	\$55,000
48 Hour Film Festival	\$15,000

New Zealand International Film Festival	\$75,000
New Zealand Screen Awards	\$50,000

NZ Federation of Film Societies	\$15,000
Show Me Shorts Film Festival.....	\$5,000

Wairoa Māori Film Festival.....	\$20,000
Te Ao Marama/Creative Film & TV Forum	\$32,824

DocNZ.....	\$15,000
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N/ Domestic Theatrical Distribution Support – Publicity Grants

Hoyts for <i>Separation City</i>	\$19,313
Hopscotch for <i>The Strength of Water</i>	\$24,028

Hoyts for <i>The Vintner’s Luck</i>	\$40,624
Cloud South Films for <i>This Way of Life</i>	\$2,662

Buena Vista for <i>Under the Mountain</i>	\$68,031
Transmission for <i>Boy</i>	\$82,500

Metropolis for <i>Home by Christmas</i>	\$17,594
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O/Certification As New Zealand Film (For Purposes Of The Income Tax Act)

Final

The Sun Sets West

Feature Film
Mi Films Ltd

P/Productions Certified As Official Co-Productions

Provisional

Ice

Feature Film
Ice Features Ltd
NZ/UK co-production

Tracker

Feature Film
Digit Films Ltd
NZ/UK co-production

Heist In the Glen

Feature Film
Glen Fallow Ltd
NZ/UK co-production

Emilie Richards:Tales of the South Pacific

- 1) Longing for Your Affection
- 2) Just Think About The Two of Us
- 3) Out of The Ashes

3 Telemovies
GFC (Germany) Ltd
NZ/Germany co-production

Q/Large Budget Screen Production Grant Scheme Approvals

Legend of the Seeker (Series 1)

\$7.415 million
The Walt Disney Company (New Zealand) Limited

Avatar (4th interim)

\$10.827 million
880 Productions Limited

District 9

\$0.517 million
District 9 Limited

The Warrior’s Way

\$6.372 million
Sad Flutes Limited

The Wot Wots

\$0.591 million
Weta Productions Limited

Power Rangers – RPM

\$3.031 million
Ranger Productions Limited

Tintin (1st interim)

\$8.987 million
DWTT Productions Limited

R/Screen Production Incentive Fund Scheme Approvals

i) Provisional Certification:

The Insatiable Moon

Feature film
The Insatiable Moon (NZ) Limited

Tracker

Feature film
Digit Films Limited

The Hopes and Dreams of Gazza Snell

Feature film
Eyeworks Film & TV Drama Limited

Love Birds

Feature film
General Film Corp (Pierre) Limited

Emilie Richards: Tales from the South Pacific (Series 2)

Television series
GFC (Germany) Limited

ii) Final certification

Bite Me

\$0.450 million
NHNZ Limited

Matariki

\$1.683 million
Filmwork (Matariki) Ltd.

Separation City

\$2.046 million
Separation City Limited

Boy

\$2.067 million
The Volcano Company Limited

Predicament

\$2.404 million
Novel Productions Limited

NZFC Operational Units and Staff as at 30 June 2010

Corporate

Graeme Mason	Chief Executive
Mladen Ivancic	Deputy Chief Executive
Sarah Cull	Head of Business Affairs
Sarah Allerby	Business Affairs Executive
Erin Banks	Business Affairs Assistant
Shane Green	Executive Manager and Assistant to the Chief Executive
Beth Brash	Receptionist
Nicola Wood	Accountant (contract)
Natalie Price	Accounts Assistant (contract)
Fiona Mulder	Film Income Manager (contract)

Production and Development

Marilyn Milgrom	Head of Development
Paul Swadel	Development Executive
Hone Kouka	Development Executive
Faith Dennis	Development Coordinator

Marketing and Sales

James Thompson	Head of Sales and Marketing
Jasmin McSweeney	Marketing and Communications Executive
Daniel Story	Sales and Marketing Executive
Tiana Odavic	Sales and Marketing Assistant
Juliette Veber	Short Film Manager
Lizzie Dunn	Short Film Assistant
Lauren Granshaw	Fresh Shorts Assistant

Consultants

Henrietta Hall	ICT Consultant
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www.nzfilm.co.nz
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