



national film and video foundation
SOUTH AFRICA
an agency of the Department of Sport, Arts and Culture

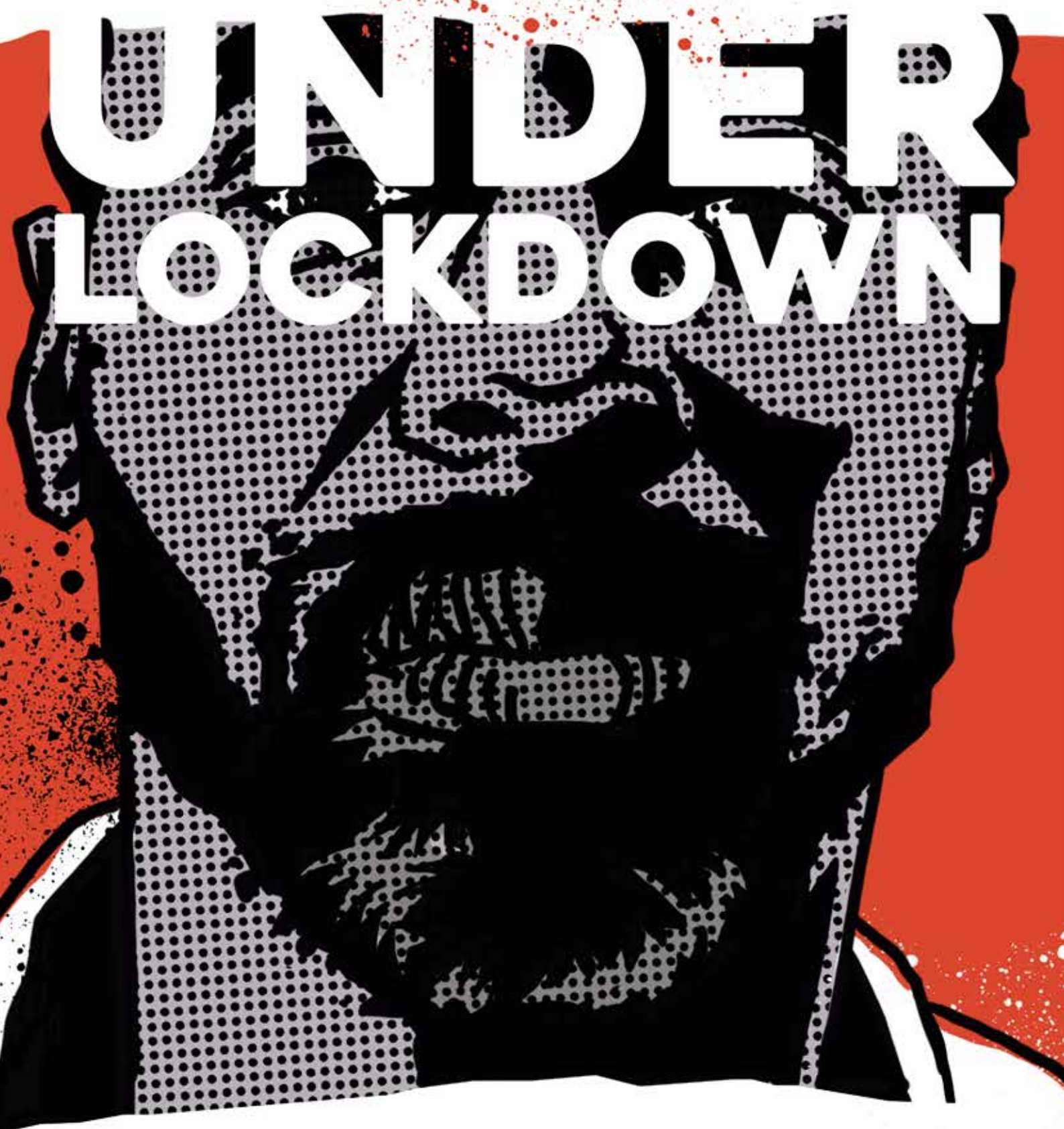
ANNUAL REPORT 2020|21



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NATIONAL FILM AND
VIDEO FOUNDATION

2020/21
ANNUAL REPORT



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SOUTH AFRICA

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A

General Information

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	National Film and Video Foundation (NFVF)
REGISTRATION NUMBER (if applicable):	Act 73 of 1997
PHYSICAL ADDRESS:	87 Central Street Houghton 2198
POSTAL ADDRESS:	Private Bag X04 Northlands 2116
TELEPHONE NUMBER:	+27 11 483 0880
FAX NUMBER:	+27 11 483 0881
EMAIL ADDRESS:	info@nfvf.co.za
WEBSITE ADDRESS:	www.nfvf.co.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	First National Bank
COMPANY/ BOARD SECRETARY:	Ms Prudence Swarts, ACG (SA)

2. ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
B-BBEE	Broad-based Black Economic Empowerment
BO	Box Office
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts and Culture
DFO	Durban Film Office
DIFF	Durban International Film Festival
DTI	Department of Trade and Industry
ECPACC	Eastern Cape Provincial Arts & Culture Council
IDC	Industrial Development Corporation
GFC	Gauteng Film Commission
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit
GRAP	Generally Recognised Accounting Practice
KZNFC	KwaZulu-Natal Film Commission
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
SA	South Africa
SAFTAs	South African Film and Television Awards
SCM	Supply Chain Management
TR	Treasury Regulations
TVET	Technical Vocational Education Training



03

Foreword by the Chairperson





Ms. Tholoana Ncheke
Chairperson
NFVF Council

INTRODUCTION

I am pleased to present to you the National Film and Video Foundation Annual Report for 2020/21 Financial Year. I am appreciative of the confidence showed in my ability by the Honourable Minister Nathi Mthethwa, to provide oversight and strategic direction to an organisation as dynamic as the National Film and Video Foundation (NFVF). My appointment as the Chairperson of the NFVF commenced in the last month of the third quarter of the 2020/21 Financial Year, and only became operational in the final quarter. This means that the achievements of the organization presented in this Annual Report were made possible by our predecessors and management. Allow me to therefore pass my sincere gratitude to the previous council, under the leadership of Mr. Phillip Molefe together with his team of previous council members. Whilst the tenure of the previous council had come to an official end on March 31, 2020, they all graciously agreed to extend their term given the disruptions caused by Covid-19, and for that, we thank them for their service.

Our tenure as the new council comes at a critical and unprecedented time of grappling with the Covid-19 pandemic, which has subjected all sectors of our society and the global political order to extraordinary stress rarely seen. The local film and television industry is no different, in a country where the economy was already under strain, Covid-19 has dealt a heavy blow to many industries.

As we begin our journey as a new Council, our immediate task is ensuring that the NFVF continues to service the industry and ensures its sustainability in the future. In January of 2021, we had to hit the ground running as we joined the management team in the middle of the critical intervention of the Presidential Economic Stimulus Plan roll-out. Whilst it was not without challenges, this was one of the ways as a new Council we provided strategic leadership in advancing the outcomes envisioned by our shareholder, the Department of Sports, Arts and Culture.

NFVF Council Involvement on Presidential Economic Stimulus Plan (PESP)

The main objective of the PESP was to ensure job creation and job retention, with the aim to:

- assist film practitioners and their projects given the financial constraints brought on by the Covid-19 pandemic;
- assist companies that incurred losses due to the ongoing nationwide lockdown;
- assist with the development of scarce skills, create, and retain jobs through stimulus support for a three (3) month period.

After an extensive terms of reference design process, the NFVF obtained approval from the DSAC for the PESP to be administered in accordance with the following streams:

- Stream 1: Production,
- Stream 2: Training and Skills Development,
- Stream 3: Industry Support (Distribution),
- Stream 4: Business Recovery

A total of R140 million was to be disbursed through the NFVF and administered according to the DSAC approved criteria, with 5% of the budget ringfenced for administration expenses. The mandate from the shareholder was the creation of 5000 new employment opportunities (streams 1-3) at a budget of R100 million and the retention of 3000 jobs, (stream 4 only) at a budget of R40 million.

One aspect of the PESP that the NFVF Council and Management did not compromise on was transparency. Whilst the industry was responding to the PESP call, a transparent process of appointing external panellists was undertaken. Council further appointed four of its members to chair and convene the panel meetings of the 4 PESP streams namely:

- Stream 1: Mr Jerry Mofokeng (Production)
- Stream 2: Ms Julie Hall (Skills Development)
- Stream 3: Mr Sanele Zondi (Distribution and Marketing)
- Stream 4: Mr Maijang Mpherwane (Business Continuity)

The same Panel chairs formed part of the established PESP Ad-hoc committee to adjudicate on any PESP related disputes for recommendation to Council. One of the shortcomings of the PESP allocation from the shareholder was the lack of budget for appeal processes and this remains one of the key lessons of the PESP. Nevertheless, the NFVF responded to all queries and where necessary escalated them to Council for consideration and resolution. In total, the NFVF received R3.2 billion worth of applications from the industry, against a net budget of R133 million. To say the PESP was overly subscribed would be an understatement, it did however highlight the dire need that the industry is facing, and it is my hope that for all the successful applicants, the PESP has gone some way in paving the road to recovery for our sector.

I am proud to confirm that the set targets will be achieved accordingly and that the implementation of the PESP went as planned, bar a few challenges that the Council attended to swiftly.

Further updates and information will be available as the PESP is being implemented but will be reported fully in 2022/23 Financial Year.

NFVF fulfilling its mandate

During the year under review, the NFVF continued to successfully fulfil its mandate as articulated in section 3 of the NFVF Act, which includes the promotion and development of the audio visual industry; providing and encouraging the provision of opportunities for persons, especially from disadvantaged communities to get involved in the film industry; encouraging the development and distribution of local film and video products; and supporting the nurturing and development of access to the film and video industry. We were extremely emboldened as the incoming Council by Management's firm handle on the Annual Performance Targets. With so many businesses and government entities adversely affected by the Covid-19 pandemic, it was re-assuring to see that Management never took their eyes off the ball and delivered sterling results overall. We acknowledge the three missed targets and satisfied ourselves as the Council that indeed all efforts were taken to ensure a 100% achievement. We will be monitoring very closely, moving forward all the performance areas and welcome all measures taken by management as we continuously strive towards reaching all our performance goals.

The Council acknowledges partnerships and relationships formed with the NFVF in the previous financial year, all in aid of the recovery and growth of the film and video industry.

The Year Ahead

The Council is committed to continue a good track record of good governance set by the previous Councils. The Council is also excited to share their various knowledge and skillset in assisting the organization navigate what will no-doubt be a trying time moving forward. With inclusion policies at the heart of global topical issues, the NFVF will continue to strive to ensure that Women, Youth and People living with disabilities

are not left behind in all key programmes. The other focus is on projects that promote social cohesion, heritage, and indigenous languages. We are also ready to contribute to policy and legislative matters and look forward to engaging the industry we serve through meaningful and productive dialogue.

I am delighted to pronounce that in October 2021, the NFVF Council and Management will converge as part of the mid-year review to holistically assess the programmes and set priorities for the NFVF for the next MTEF period. That session will require collaboration with all stakeholders in the sector; in particular, broadcasters, distributors, exhibitors, producers, film commissions, as well as government partners and entities.

Acknowledgements

We are grateful to our shareholder and political principal, Minister, Mr. Nathi Mthethwa, for his trust and his support of the NFVF strategic priorities and various initiatives which are fundamentally aimed at changing the film landscape during this difficult period. Similarly, as the NFVF Council we thank the Director-General and his team for their efforts and tireless support. I would like to thank my fellow Council Members for the sterling job over this short period of time and the guidance they have provided. I would also like express my gratitude to the CEO for her steadfast and critical leadership. As the incoming council we are encouraged by her hands-on approach to all matters both strategic and operational and note the improved relationships she has fostered in the industry. We are thankful to her, the executive management under her leadership as well as all NFVF staff as we collectively navigate and seek improved ways of servicing the industry.



Ms. Tholoana Ncheke
NFVF: Chairperson



Council Members



MORTIMER

coming soon



04

Chief Executive Officer's Overview





Ms. Makhosazana Khanyile
Chief Executive Officer
NFVF

INTRODUCTION

The financial year 2020/2021 was a year like no other. When the year began, we were already facing a sluggish economy and bracing for a tough year in the film industry. Little did we realise at the time that COVID-19 would change the world. This pandemic presented a crisis on a scale many of us have never experienced before, affecting all spheres of the economy with long-term effects on our own film and television industry.

NFVF Response to COVID-19

As challenging as the year 2020/2021 was, the NFVF responded to COVID-19 with creativity, collaboration and tenacity, although, had there been fewer financial constraints, a lot more could have been done. Filmmakers had to quickly adapt to an environment fraught with tension and uncertainty, while battling diminishing revenues and cancelled projects. While some productions were able to rebound, helped in part by relief measures from broadcasters, our shareholder the Department of Sports, Arts and Culture as well as NFVF's own relief intervention efforts, the reality is that the impact of COVID-19 will reverberate through the years.

From the very beginning of the pandemic, the NFVF focused on the following key areas:

- Securing the health, safety, and well-being of the NFVF employees who work tirelessly behind the scenes in service to the industry.
- Steering the NFVF successfully through this unprecedented crisis.
- Being a valued partner for the shareholder in its relief efforts.
- Being a valued partner for the industry through targeted interventions to assist the industry.

I am proud to report that the NFVF staff rose to the challenge and quickly adapted to working from home, meeting both work and home demands. The NFVF was implored, alongside other DSAC entities, to re-imagine their Annual Performance Plans given the impact of COVID-19. We did this successfully. Not only did we manage to pivot in the second quarter of the year and focus on new strategies, but we also successfully executed all we set out to achieve. We worked on successful partnerships that yielded what we hope will be long-term collaborations with Netflix. We successfully rolled out a relief project targeted at freelancers in the industry. We successfully collaborated with SASFED and contributed to the industry fund. We also continued our audience development efforts with a drive-in strategy.

I'm also proud to say that we were entrusted with the PESP, which we executed with the help of industry and the NFVF Council with aplomb. All this while successfully executing our Annual Performance Plans, with the added challenge of assist our shareholder with their relief efforts in managing payments on their behalf. We ensured that our employees were well equipped to work remotely and also provided much-needed support through our wellness partner, ICAS.

It truly was a trying year, however, all things considered, we finished the year on a high having achieved all but three of

our Annual Performance Targets. One target was not achieved at all, while two were partially achieved. This speaks to the commitment of the NFVF staff as well as their adaptability in a rapidly changing world. I am forever indebted to each and every one who rose up to the challenge and worked tirelessly in service of the industry. We are mindful of our shortcomings and aim to improve each year. With the industry as our valued partners, we can no doubt overcome any challenges.

Supply Chain Management and Good Governance

The NFVF recognises the significance of good governance in the public sector, which is crucial for effective public services and improved social outcomes. The NFVF is committed to ensuring good governance throughout the organisation by observing the principles of the King IV Report and working within the parameters of the public sector legislation. During the year under review, the NFVF ensured the following:

- Financial compliance with the NFVF Act, the Public Finance Management Act (PFMA) as well as financial and legal compliance with other statutory bodies (e.g., SARS).
- Efficient NFVF office that successfully meets and responds to the needs of its various stakeholders; and
- An administration system that ensured productivity and quality service delivery to filmmakers, shareholder, and other relevant partners.

Negative Audit Outcome

The outcome of the recently completed Auditor General's (AG) audit is one of a qualified audit opinion. According to the AG, the outcome is as a result of the way the NFVF's provisions are accounted for. We are bitterly disappointed by this result, especially having worked to reach 93% of the targets on the APP.

We want to assure the industry that all possible measures to ensure we avoid a repeat of this audit outcome have already been put in place. With a Temporary CFO at the helm, a team has been assembled to assist the Finance department to be compliant with expected AG standards of reporting. We are confident that the Audit action plan, alongside the additional resources acquired will assist the organization in the next financial year.

NFVF Against Gender-Based Violence

Although South Africa's experience with Gender-Based Violence (GBV) is not unique, the extent and prevalence of the issue, compounded by the impact of the COVID-19 pandemic,

has triggered a massive outcry from all quarters of society. Rising femicide rates shows that GBV is a scourge in a society already burdened with a number of social ills, and the film industry has not been spared.

The NFVF partnered with SWIFT in an effort to deal with issues of gender equality and GBV on sets. In the year under review, SWIFT officially introduced safety officers tasked with monitoring any and all improper sexual conduct on sets.

The NFVF in 2019 signed the SWIFT code of conduct and it remains a necessity for all NFVF production grant beneficiaries to sign said code of conduct. In an effort to play a part in ensuring that the SWIFT messages reach the industry, a hybrid event was hosted by the NFVF and SWIFT, focusing on information sharing while communicating the role of safety officers on sets.

The NFVF went a step further and partner with UNWomen and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to launch the research project called 'Step it Up for Gender Equality in South African Media'. The resulting study is titled: Towards Gender-Sensitive Storytelling in South African Entertainment Media-Hindering and Enabling Factors for more Gender-sensitive and Non-Stereotyped Content. The study is aimed at a better understanding of the challenges and opportunities experienced in the South African entertainment television sector when creating and producing gender-sensitive and non-stereotyped stories and informing the industry on how to promote more gender-sensitive content and the portrayal of characters in non-stereotypical roles.

The NFVF also partnered with GIZ to conduct gender sensitivity training. The training main target groups are: news and factual media i.e. SABC Radio, SABC News, SANEF network of editors and journalists, community radio stations, GCIS. Entertainment media practitioners: script writers, producers, directors, commissioning editors, production crew and any other practitioners in the entertainment media field. The implementation of the gender sensitivity programme will begin at the end of July 2021.

The NFVF further hosted a round table discussion focused on how women are depicted in storytelling. This was a panel aimed at both women and men in the industry, with the sole aim of sparking a dialogue around how media perpetuates certain stereotypes and what can be done to begin to change this through storytelling.

Remote Working Policy

In a world of constant change, the NFVF needed to ensure that its practices adapt and stay relevant from an Employee Value Proposition ("EVP") perspective. The 2020/2021 Financial Year saw the NFVF adopting a new policy, "Remote Working Policy". The world of work is shifting and working remotely has rapidly become part of the new norm. This Policy seeks to respond to the COVID-19 pandemic of social distancing requirements and recognises the need to maintain those advancements beyond the pandemic.

Box Office Report

South Africa's total box office revenues for the year 2020 amounted to R214 million, a decline from R1,2 billion compared to 2019. In 2020, South Africa released 96 films at the box office, six of which were locally produced films. These six films earned a total of R7,6 million in box office revenues. The market share of locally produced films in 2020 was 3,5%. These statistics obviously must be viewed within a larger scope of Government Regulated Lockdowns that had an effect on Cinemas. The closure of cinemas in the country and around the world, no doubt buoyed the growth of streaming platforms, and it was great to see South African content sitting alongside international content on streaming platforms.

Achievements /Highlights

Despite the hardships endured, there were milestones achieved. While the year's successes are detailed under "programme reporting", I would like to mention a few highlights:

Funding Policy

- 2020/2021 Financial Year saw the NFVF implement a revised Funding Policy with updated funding caps. It is important to note that the demand still far outstrips the supply in terms of budgets available, but the caps were due an update.

The NFVF Contributions to Government Legislative/ Policy Submissions in the 2020/2021 Financial Year

From time to time, the NFVF will be requested by government stakeholders to contribute on legislation or government policies for the betterment of the film industry. Below are the pieces of legislation the NFVF contributed on:

- Draft White Paper on Audio and Audio-visual Content Services Policy Framework in written and oral representations.
- Review of Films and Publications Amendment Act.

Partnerships

In the year under review, the NFVF vigorously pushed and secured more partnerships for the benefit of the industry. These partnerships showcased the NFVF's intention of ensuring that its funding activities match the dynamics of the industry, and that it assists in job creation efforts in the sector.

Below are some of the partnerships that the NFVF secured:

NETFLIX

Partnership with the production, development, and distribution giant Netflix. This partnership reflects much-needed injection into the industry with over 280 applications received for the funding of 6 micro-budget feature films at 100% of the production budgets. This initiative was incredibly well-received by the industry and shows in the number of applications received.

TIKTOK

Partnership with social media giant Tik Tok on a project called "Rising Voicess" focused on upskilling young content creators. Given the rise in popularity for the platform globally with over 1,5 billion app downloads and the strong performance of South African Tik Tokkers in global rankings, this partnership sought to empower local young Tik Tokkers with resources to monetise their platforms and become entrepreneurially minded short-form videographers.

MICT-SETA

A five-year partnership was signed with the MICT-SETA in a continued effort to empower filmmakers in terms of skills development. The partnership will ensure that NFVF is able to close the skills gap in the film industry, while reaching some of the provinces that are in dire need of skills development. These interventions will be achieved through learnerships and skills development programmes in Provinces where interventions are needed the most, including but not limited to the Free State, Mpumalanga and the Eastern Cape.

Content Development

2020/2021 Financial Year saw the NFVF funding 134 films in development compared to 80 funded films in development in 2019/20 but also the year under review saw the NFVF funding 56 films in production compared to 46 funded in production in 2019/20. This achievement was possible with the revised Annual Performance Targets that saw the NFVF prioritise channelling funds towards Production and Development.

South African Film Accolades at International Festivals

During the year under review, we have seen several of our country's films receiving awards and nominations at various prestigious events. These include:

Two Hues, directed by **Weam Williams** – short film:

- Best Short Film - Beyond the Curve Film Festival (France) - 2021
- Best Directed Short Film - North Europe Film Festival (London edition) – 2021
- Also nominated for Best Lead Actress in a short film
- Best Women Empowerment Film - Berlin Short Film Festival - 2021

Address Unknown directed by **Nadine Cloete**: short film.

- Won Audience Choice Award @ DIFF 2020
- Official selection for Blackstar Film Festival 2020

The Colonel's Stray Dogs, a feature length documentary by **Khalid Shamis**

- Premieres at Hot Docs Canadian International Documentary Festival, largest documentary festival in North America.

African Moot, a documentary in development by **Shameela Seedat**,

- Invited to pitch at Hot Docs, Canada.

Enver Samuel's documentary series about freedom fighter Dulcie September called **Murder in Paris**.

- Premieres on SABC to great public response.

A New Country, a feature length documentary by **Sifiso Khanyile**

- Available on Showmax and screened as part of the African Film Festival New York, Official Selection.

The Year Ahead

Both the film industry and audiences face many changes. In the short term, productions will have to continually adapt to be 'COVID-19 safe', which will unavoidably carry additional costs and complications. The changes brought by COVID-19, which include digital disruption and general economic conditions, will have far-reaching consequences not just for the year ahead but for many years to come.

The NFVF will maintain its commitment to the transformation agenda to ensure that the playing field is level. The NFVF will continue to entrench operational excellence in the execution of key programmes, which is critical in ensuring improved performance in addition to the roll out of new infrastructure in some provinces and essential for driving new growth areas, particularly in post-production, animation, and new media.

The year ahead will also see the NFVF ensuring that the Film Fund is established in line with Section 18 of the NFVF Act. This fund will go a long way in supplementing the NFVF allocation received from the shareholder, and hopefully start to drum up interest from the Private Sector.

Acknowledgements/Appreciation

I would like to acknowledge the dedicated NFVF staff who use their skills so diligently towards the execution of our mandate. We also remain reassured of support from our Council. Their exemplary leadership continues to be a guiding light to myself and staff of this organisation towards our vision and mission. I would be remiss in not thanking our shareholder the Department of Sports, Arts and Culture, led by the honourable Minister Nathi Mthethwa, for the continued faith shown in the organisation. And finally, the audio-visual industry that I humbly serve.



Ms. Makhosazana Khanyile
Chief Executive Officer



5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor General.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to the NFVF.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2021.

Yours faithfully



Ms. Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation
31 March 2021



Ms. Tholoana Ncheke
Chairperson of NFVF Council
National Film and Video Foundation
31 March 2021



06

Strategic Overview

6.1 Vision

An inclusive, diverse and sustainable audio-visual ecosystem that tells South African stories to local and global audiences.

6.2 Mission

Collaborate with all stakeholders in supporting the development and promotion of a thriving South African film industry.

6.3 Values

- Integrity;
- Respect;
- Equitable;
- Innovation;
- Collaborative;
- Service Centric; and
- Professionalism.

6.4 Strategic outcome orientated goals

1. Increase the number of people trained in the industry, particularly in areas of scarce skills
2. Develop appropriate policy interventions for the South African film industry
3. Increase the number of South African films produced and PDIs producing them
4. Promote the South African Film Industry locally and internationally
5. Fulfil statutory and governance obligations of the NFVF as set out in relevant legislation.



7. LEGISLATIVE AND OTHER MANDATES

The NFVF is a Schedule 3A Public Entity in terms of the PFMA. The NFVF is governed by the National Film and Video Foundation Act 73 of 1997 as amended by the Cultural Laws Amendment Act 36 of 2001.

The mandate of the NFVF, as set out in Section 3 of the NFVF Act is:

- To promote and develop the film and video industry
- To provide and encourage the provision of opportunities for persons, especially from disadvantaged communities, to get involved in the film and video industry
- To encourage the development and distribution of local film and video products
- To support the nurturing and development of and access to the film and video industry
- To address historical imbalances in the infrastructure and distribution of skills and resources in the film and video industry

8. ORGANISATIONAL STRUCTURE



CHIEF EXECUTIVE OFFICER
Ms Makhosazana Khanyile



**ACTING HEAD:
INDUSTRY DEVELOPMENT**
Ms Yolanda Ncokotwana

HEAD: OPERATIONS
Ms Nomazulu Mda

CHIEF FINANCIAL OFFICER
Mr Zanoxolo Koyana
(Resigned 30 July 2021)

HEAD: HUMAN RESOURCES
Thobela Mayinje

B Performance Information





1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the Year Ended 31 March 2021

As the Chief Executive Officer of the NFVF, I am responsible for the preparation of the Public Entity's performance information and for the judgements made in this information.

As Chief Executive Officer I am also responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the public entity for the financial year ended 31 March 2021.

The NFVF performance information for the year ended 31 March 2021 has been examined by the external auditors and their report is presented on page 84.

The performance information of the entity set out on page 36 to page 58 was approved by the Council.



Ms. Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation
31 March 2021



2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 84 of the Annual Report (Auditor's Report), published in Part E: Financial Information.

3. SITUATIONAL ANALYSIS

3.1 Service Delivery Environment

The impact of COVID-19 and subsequent National State of disaster declared by the President of the Republic, including the nationwide lockdown necessitated the realignment of government planning in order to respond to the COVID-19 pandemic and provide continued service delivery for the year under review.

Production and development of content is at the core of the work the NFVF engages in – it is where the mandate of the organisation is most clearly fulfilled by providing the film industry with critical financial support and technical expertise to take a film project from an idea to a product that can be screened.

Despite all the disruptions that came with the COVID-19 pandemic, during the period under review, the NFVF remained focused on delivering on its mandate of growing and developing the South African film and video industry, while affording opportunities to the previously marginalised and disadvantaged individuals to participate in the film and video industry.

There was a significant increase in the number of projects funded in 2020/2021 as compared to the previous financial year 2019/2020. There was an increase of 57 films funded in the development phase and an increase of ten films funded in the production phase. The Department of Sports Arts and Culture provided additional financial support to assist film practitioners during the pandemic. A lot of the funding was used for development as this is a filming activity that can be done remotely and safely.

South Africa's local film and television industry was severely impacted by the pandemic and service delivery was seriously compromised as several productions were halted and cinemas shut down, severely impacting distribution channels for the industry as well. In response to the COVID-19 pandemic, NFVF reviewed and revised all targets from Quarter 1 and Quarter 2 cancelling all performance targets that were not compatible to levels 5 & 4 of the government's lockdown regulations. To further support the industry, NFVF made some changes to some aspects of the Funding Policy in order to provide practical support to the industry. Specific changes included increasing the funding caps to providing 100% funding to low budget films. The special purpose amendment to the Funding Policy was made purely for the prevailing COVID-19 conditions.

Improved intergovernmental relations and subsequent strategic alignment in the implementation of programmes, created a collaborative service delivery environment which led to greater efficiencies for our various stakeholders. NFVF further partnered with a number of national and international entities creating

opportunities for South African filmmakers and opening up platforms for emerging black filmmakers. These include the partnership with Media, Information, Communication and Technology SETA to roll out internship for recently graduated learners wanting to acquire workplace experience.

3.2 Organisational Environment

The NFVF continues to operate under a myriad of challenges and constraints, especially but not exclusively over extended staff, a fragmented industry and a shortage of funding, and we continue to stretch ourselves to find ways to creatively utilise the limited resources at our disposal. The year under review saw the implementation of the job alignment process to all departments to ensure we optimise the existing resources. Hopefully this alleviate some of the resource challenges identified. The 360-performance management system is still at its optimum and both employees and management have seen value in the performance system which takes into consideration the employee score and the overall organisational performance. As a result of the performance review, training needs were identified and executed.

3.3 Key Policy Developments and Legislative Changes

There have been a number of proposed laws, such as the Copyright Amendment Bill and the Performers Protection Amendment Bill of 2018, which will affect the audio-visual industry and the NFVF. The National Assembly has passed the legislation and sent them to the President for him to sign into law. However, the President remitted the Bills to the National Assembly, citing that the Bills in their current form do not pass Constitutional muster [i.e., withstand a legal challenge on Constitutional grounds] and are therefore vulnerable to constitutional challenge."

The Minister of Labour issued a notice calling for interested parties to make submissions on the proposal to deem persons in the film and television industry as employees for the purpose of selected portions of South Africa's labour law. The Basic Conditions of Employment Act (BCEA) empowers the Minister to deem persons to be employees. This has the effect that persons – who may otherwise not be classified as employees for the purpose of employment legislation – would enjoy the rights (and obligations) of employees. The Minister called on interested parties to make submissions on the proposal.

STRATEGIC GOALS

Increase number of people trained in the industry, particularly in areas of scarce skills

The film industry is one of the key sectors that can provide job creation and economic growth, given the labour-intensive nature of film production. However, to ensure a sustainable

industry that contributes to the national economy, an increase in skills development is pertinent for growth and development as an upskilled labour force directly impacts on the number of local film productions. The major skills gaps as identified by the NFVF continue to hinder the industry from sourcing adequate and alternative financing resources and or models to produce films that could perform locally and internationally. These gaps are dominant in screenwriting, directing and executive producing and the NFVF has devised interventions accordingly.

The NFVF continues to commit itself to comply with the national policy of skills development and ensure that the industry benefits from resources available to upskill itself and build sustainable production companies that can contribute to the eradication of unemployment in the sector. The NFVF is also committed to forming partnerships with a variety of organisations to ensure that industry development is achieved. Particular emphasis is placed on grooming young people and women to enter into the industry and for those who are already forming a career in film, to secure their longevity in the industry by gaining crucial experience.

Develop appropriate policy interventions for the industry

The NFVF undertakes an annual review of its policies to ensure that inefficiencies are addressed, to align with its NFVF strategic objectives and to ensure compliance with legislation. Often feedback is received from the industry, NFVF staff, internal audit, Council committees and the NFVF's panel members.

Increase number of South African films produced and PDIs producing them.

The production and development values have improved even though there is still limited funding sources available to finance local film budgets. The NFVF is dedicated to building a sustainable industry and creating more content by continuing to fund slates projects such as documentary, fiction which included animation, female and youth filmmaker project. The NFVF continues to create opportunities and open the co-production platform for emerging black filmmakers by sourcing additional production funding (incentives) outside existing co-production treaties.

Promote the South African film industry locally and internationally

The role of Marketing and Communications within the NFVF has grown in importance and focuses on the broad Marketing and Communications strategy of the NFVF. Furthermore, our objective is to create appetite for South Africans to watch local films and create awareness and the appreciation of South African produced films. We have seen the success at the box office of the many films produced by black filmmakers and funded through the NFVF's Marketing and Distribution.

This period has seen the implementation of the NFVF's global positioning strategy and effective promotion of South African films, the South African Film Industry, and the NFVF brand both locally and globally under the positioning statement of “#love SA film”

Every year the NFVF facilitates and guides the participation of filmmakers in festivals and markets abroad with the following aims:

1. Opening up markets for South African content.
 - To find new markets for the distribution of South African feature films, documentaries and television concepts.
2. Securing partnerships for Co-Production.
 - To find new partners to co-produce, co-finance, distribute and or sell South African feature films, documentaries and television concepts.
 - To explore co-production challenges and opportunities with those countries with whom co-production treaties exist.
3. Skills exchange and skills development opportunities.
 - To foster and build relations with institutions for best practice.
 - To position South African filmmakers in global platforms aimed at professional and business skills development.
4. Positioning of the South African Film Industry (as a filmmaking destination and a production partner).
 - To market South Africa as a preferred filmmaking destination as well as a co-production partner.

The NFVF continues to deliver on its mandate and objectives through various activations at markets and film festivals, media and public relations initiatives, funding roadshows and stakeholder engagements.

In response to the NFVF mandate and objectives of increasing audience access to South African films, the NFVF continued to run a series of roadshows and activations at various festivals around the country.

Fulfil statutory and governance obligations of the NFVF as set out in relevant legislation

The NFVF has a fully functioning and efficient finance department that includes a supply chain management function and adheres to the PFMA. The role of the department is to ensure that the NFVF fulfils its statutory obligations in terms of the NFVF Act and the PFMA and fully meets the needs of its stakeholders.

The NFVF is governed by a Council that is appointed in terms of Section 6 of the NFVF Act. The NFVF also has an Audit Committee that assists the Council in providing the necessary governance oversight of the organisation.

3.4 Report Against the Originally Tabled Annual Performance Plan until Date of Re-tabling

PROGRAMME PERFORMANCE REPORT

Production and Development of Content									
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021 Until re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations	Reasons for revisions to the Annual Targets	
To provide funding for content development	Commercially viable South-African content development and production opportunities are identified and funded by the NFVF	To fund the development & production of South African content	80 projects were funded in development	50 projects funded in development p.a.	There was no target in this Quarter but 109 projects in development were approved for funding	Due to Covid 19 pandemic target was revised upward with more budget	N/A	The reasons for revising the target was to help filmmakers to have work and mitigate the impact of Covid 19	
			46 projects funded in production	21 projects funded in production p.a.	There was no target in this Quarter but 14 projects in production had been approved for funding	Due to Covid 19 pandemic target was revised upward with more budget	N/A	The reasons for revising the target was to help filmmakers to have work and mitigate the impact of Covid 19	
Content development opportunities that enable social cohesion, nation building and transformation are identified and supported	Award 1 new animation slate	Award 1 new animation slate	Funded 3rd year of Animation Slate	Award 1 animation slate	0 animation slate awarded	The target was scrapped	N/A	Due to Covid 19 regulations, it was felt that the target won't be met, and budget was redirected to other programmes	
			Award 1 new documentary slate	Fund 1st year documentary slate	1 documentary slate was funded	Target achieved in this quarter	N/A	N/A	
A transformed filmmaking ecosystem through Capacity Building, especially for previously disadvantaged individuals	PDI identified for higher learning opportunities	Annual Documentary special projects	N/A	Award 4 Documentary special projects	There was no target	Due to Covid 19 pandemic target was revised downward to 2 from 4	N/A	Due to Covid 19 regulations, a decision was taken to revise the target downward to mitigate and avoid missing the original target	
			68 bursaries were awarded. (4 International bursaries)	70 bursaries awarded per annum	4 International Bursaries were awarded	Target achieved in this quarter	N/A	N/A	
Capacitate previously disadvantaged Training Providers	To provide funding to 3 training providers to train the filmmakers the industry scarce skills	To provide 70 bursaries to tertiary students	3 Training companies were funded	3 Training initiative to be funded	The target was to fund 1 Training initiative in this Quarter, but the target was deferred to other quarter due to Covid 19 regulations	Target not achieved in this quarter	Due to Covid 19 regulations the target was deferred to other quarters	Due to Covid 19 regulations the target was deferred to other quarters	
			70 Film makers participate in Sediba programmes p.a.	60 Filmmakers to participate in Sediba Programme	There was no target in this quarter	N/A	N/A	The target was revised downward due to Covid 19 from 60 to 30 filmmakers to participate in Sediba	
Training interventions identified for previously disadvantaged filmmakers	To provide 60 filmmakers with industry skills to enhance their craft	To provide 60 filmmakers with industry skills to enhance their craft	70 Film makers participate in Sediba programmes p.a.	60 Filmmakers to participate in Sediba Programme	There was no target in this quarter	N/A	N/A	The target was revised downward due to Covid 19 from 60 to 30 filmmakers to participate in Sediba	

Production and Development of Content								
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021 Until re tabling	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations	Reasons for revisions to the Annual Targets
	Expose students to the business of filmmaking – including mentoring and coaching to facilitate their transition into the industry	To expose 20 students to the business of filmmaking including skills exchange programme and exposure to film festivals	32 students/Film makers to participated in Mentorship programmes	15 Students participate on Mentorship programme pa 5 students to participate at African Film Festival	There was a target of 5 students to be exposed to the business of filmmaking in this quarter, however 6 students were exposed to business of filmmaking but the target was revised downward due to Covid 19 regulations	Target achieved in this quarter	Anney offered programmes which were students focused and NRVF took advantage of this opportunity by funding more than 5 animation students.	Target was revised downward due to Covid 19 to mitigate the risk of missing the target
	School learners exposed to diverse career opportunities within the filmmaking industry	School learners exposed to diverse career opportunities within the filmmaking industry		1000 learners to participate on schools programme pa, at least 60% from rural schools	350 learners were to participate in School programme, however, none learners participated and the target was scrapped	Target was not achieved	Target was scrapped	The target was scrapped due to Covid 19 regulations and there was uncertainty as schools were closed

PROGRAMME PERFORMANCE REPORT

Policy, Compliance and Research								
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021 Until re tabling	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations	Reasons for revisions to the Annual Targets
To provide Marketing and Policy support to understand, enable and promote the SA Industry	Completed research shared with the industry and available on content platforms	Conduct and disseminate monitoring and research on SA film industry	2 Industry Reports and 1 Research were conducted and disseminated 4 quarterly policy monitoring reports were prepared	2 Industry Reports, 2 research reports Produce 4 quarterly policy monitoring reports	The target was to achieve 1 industry report and 1 research report – Target was deferred to 4th quarter 1 Quarterly policy monitoring report was produced	Target not achieved in this quarter Target achieved	Target was deferred to 4th quarter due to Covid 19 Regulations N/A	Target deferred to the other quarters due to lockdowns regulations N/A
	Policies developed to enhance a compliance culture	Develop, review and implement NRVF Policies to ensure compliance with relevant legislation	2 Policy Manuals were developed	3 Policy Manuals to be developed and reviewed	There was no target in this Quarter	N/A	N/A	N/A
To manage an organisational Contract Management System	Proper capturing and management of contracts and functioning of the system	Develop, manage an organisational Contract Management System – to manage and ensure 100% compliance on organisational contract management system	N/A	To ensure 100% compliance with the system	Contract management was developed, managed and ensured it is 100 compliances	Target achieved	N/A	N/A

PROGRAMME PERFORMANCE REPORT

Marketing and Distribution									
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021 Until re tabling	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations	Reasons for revisions to the Annual Targets	
To provide support to the industry in the areas of marketing and Policy to better understand, enable and promote the SA Film Industry	Strategic support for festivals that meet set criteria	To develop audiences for SA Films and Content	22 Festival Grants awarded to National Festivals	9 Festival Grants to be awarded to National Festivals	3 grants to be awarded in this quarter but 6 grants were awarded	Target achieved - 3 more grants were awarded due to demand	More demands as Festival Directors were starting to look at new ways of doing things	N/A	
	SA Filmmakers supported to showcase their work at markets and festivals	Position SA Filmmakers at film markets and festivals	105 Filmmakers were funded to attend Markets and Film Festivals	Fund 86 Filmmakers to attend Markets and Film Festivals	The target was to fund 30 filmmakers to attend but only 10 were funded due to Covid 19	Target not achieved in this quarter	Due to Covid 19 target was revised down to 50	The target was revised downward due to travel restriction and low application rate	
	Showcase SA content to strategic markets.	Local Brand Positioning to promote the NFVF and SA Film Industry	16 brand activations were implemented	4 Brand Activation per quarter	There were only 3 brand activation in this quarter	Target not achieved in this quarter	Some festivals were postponed due to lockdown regulations worldwide	Target deferred to the other quarters	
	Strategically identified National Festivals aligned to NFVF mandate	Local activations and promotional events to showcase SA film & content	Activated at 14 National Film Festivals Activated at 1 DSAC activation	Activate at 12 National Festivals 1 DSAC Activation	Target was to activate at 2 National Festivals and 1 DSAC activation, however, target was deferred to other quarters due to Covid 19 restrictions and DSAC activation was scrapped	Target not achieved in this quarter Target scrapped	Target deferred to the other quarters	Target deferred to the other quarters due to lockdown regulations DSAC activation was scrapped as target due to Covid 19 regulations	
		To position the NFVF and the SA Film Industry through international activations.		Activate at 4 International Festivals. Activate at 3 African Focus Festivals and Markets	Target was to Activate at 1 International Festival, but the target was deferred to other quarters due to Covid 19 Regulations	Target not achieved in this quarter Activation at 3 African Focus Festival target scrapped	Target deferred to other quarters Target scrapped	N/A Activation at 3 African Focus Festival target scrapped due to travel restrictions due to Covid 19	
		Showcase SA content to strategic markets		Activate at 2 strategic Markets	There was no target for this quarter, but the target was scrapped due to Covid 19 Regulations	Target Scrapped	Target Scrapped	Activation at Strategic Market was scrapped as target due to Covid 19 regulations	
		Successful SAFTA's awards planned, coordinated & hosted	Successful SAFTA's awards planned, coordinated & hosted	Successfully, planned, coordinated and Hosted the Virtual Awards (SAFTAs 14) online	Plan, coordinate and host the SA Film and TV Awards (SAFTAs)	No planning, and coordination of SAFTAs due to Covid 19 regulations	Target not achieved in this quarter	Target deferred to other quarters	Due to lockdown regulations planning for SAFTAs was delayed
		Engage in industry awareness initiatives		N/A	Implement 4 industry support initiatives	1 Industry support initiative was suppose to be implemented but due to lockdown regulations target was deferred to other quarters	Target not achieved in this quarter	Target deferred to other quarters	N/A
		The SAFTAs are efficiently and effectively planned and executed annually							
	To ensure recognition of stakeholders in the SA Film and Video Industry.								

Marketing and Distribution									
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021 Until re tabling	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations	Reasons for revisions to the Annual Targets	
Partnerships established to provide technical, funding and other support to NFVF programmes		Partners are identified and agreements signed	N/A	Identify 10 partners and sign agreements	The target was to identify partners and sign agreements in this quarter, however, due to lockdown regulations target had to be deferred and revised downward	Target not achieved in this quarter	Target deferred to other quarters	Due to lockdown regulations target had to be deferred to other quarters and revised downward	
		Host public screening to promote SA content	N/A	Host 8 Public Screenings to promote SA content	2 public screenings were supposed to be hosted but due to lockdowns regulations the target was deferred and revised downward	Target not achieved in this quarter	Target deferred to other quarters	due to lockdown regulations target had to be deferred to other quarters and revised downward	
		Stakeholder Relations Management (Internal & External)	16 Stakeholder Engagement held	16 Stakeholder Engagements per annum (including Provincial Depts)	5 stakeholder engagements were held.	Target achieved	COVID-19 pandemic and lockdown regulations necessitated more engagement between NFVF and the film industry	N/A	
		Secure funds for the NFVF Fund local, continental and globally partners to endow NFVF Film Fund	N/A	Registered Fund and Create Framework for the fund	There was no target in this quarter	N/A	N/A	N/A	
	Signed Co-Productions	To certify National Films	Certified 100% of all applications received 3 Co-production Activations	Certify 100% of all applications received 3 Co-production activations p.a.	Nothing was certified as no applications received 1	Target not achieved in this quarter Target Deferred to quarter 2	Target deferred to other quarters N/A	N/A N/A	

PROGRAMME PERFORMANCE REPORT

Administration and Human Resources

Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement Until re tabling 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations	Reasons for revisions to the Annual Targets
To ensure coherence and accountability towards achieving organizational mandate.	Complete and accurate management reports	Submit Quarterly reports to Council, DSAC and National Treasury	4 Quarterly Reports submitted to DAC, National Treasury and Council	Quarterly reporting to Council, DAC and Treasury	Quarterly Reports submitted to DAC, National Treasury and Council	Target achieved	N/A	N/A
	Complete fairly presentable financial statements	Obtain an unqualified Audit report	12 Monthly and 4 Management accounts submitted and Annual Financial Statement were prepared	Prepare 12 and 4 Monthly Management Accounts – Prepare Annual Financial Statement	Management-Accounts submitted	Target achieved	N/A	N/A
	Complete accurate Supply Chain management reports on compliance	Compliance to supply chain management processes.	N/A	Submission of quarterly report on Supply Chain Management confirming compliance to regulations and SCM policy With a 100% compliance	Quarterly report on Supply Chain Management confirming compliance to regulations and SCM policy with a 100% compliance submitted	Target achieved	N/A	N/A
	Effective management of SLA's and infringement reports.	Effective ICT security measures and policies supported by up-to date infrastructure	N/A	Quarterly ICT Reports: including SLA infringement and incident reports with a target of 100% SLA compliance.	Quarterly ICT Reports: including SLA infringement and incident reports with a target of 100% SLA compliance submitted	Target achieved	N/A	N/A
	IT Report on stability of the ICT infrastructure, supported by ICT Policies	End-user feedback mechanism						
	Updated Risk Register based on continual identification and assessment of risks	Effectively Managed Risk register	Risk assessment workshop was conducted	Conduct an annual risk assessment workshop and quarterly risk management reports	Risk register updated and a quarterly and quarterly risk management report submitted	Target achieved	N/A	N/A
	Internal Audit: Progress Report	Implementation of three year rolling internal audit plan based on the outcome of the risk assessment	4 Internal Audits completed	4 internal audits conducted per annum	Target was to conduct 1 internal audit, per quarter, but due to Covid 19 regulations the target was not achieved and deferred the target to other quarters	Target not achieved in this quarter	Target deferred to other quarters	N/A
		Develop Audit Actions plan to address the root cause of the audit findings	N/A	Develop Audit Actions plan to address the root cause of the audit findings	Quarterly Audit Action Plan was implemented	Target Achieved	N/A	N/A

Administration and Human Resources									
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021 Until re tabling	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations	Reasons for revisions to the Annual Targets	
	Train and capacitate industry professionals with a focus on impactful training	Provide graduates with an opportunity to gain workplace experience	120 interns were placed	Placed 30 interns per annum	NFVF could not place 30 interns the target are deferred to other quarters	Target not achieved in this quarter	Target deferred to other quarters	Due to lockdown regulations target had to be revised downward	
	Effectively Managed Performance management system focused on KPAs	To measure & align employee performance to service delivery	PMS fully implemented	Implement PMS (Bi-annual reviews)	All performance contract were signed	Target Achieved	N/A	N/A	
	Employee Engagement Effectively managed Employee Wellness Programmes	Capacitate employees with skills & knowledge to assist with service delivery Employee Engagement	14 staff trained	Training 10 staff per annum To conduct 2 employee wellness engagements	Work Skills Plan/ Training Plan report submitted 1 employee wellness engagement conducted	Target Achieved	N/A	N/A	
				2 employee engagements	There was no target in this quarter	N/A	N/A	N/A	

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme I: Training and Skills Development

PROGRAMME DESCRIPTION

Purpose of programme

The announcement of lockdown in South Africa encouraged the NFVF to adopt new methods of delivering training programmes. Building a sustainable film industry requires rigorous interventions and programmes that will eliminate the structural impediments such as poor education and lack of the required skills. In addressing skills shortages, the NFVF offers bursaries to deserving students and provides various training interventions to the industry. The other methods adopted during lockdown was to conduct virtual e-learning classes covering different topics. These programmes were successful as they resulted in many participants attending the sessions.

Pre lockdown, NFVF had already identified major skills gaps that continue to hinder the industry from sourcing adequate and alternative financing resources and or models to produce

films that could perform locally and internationally while providing audiences with engaging yet entertaining content. These gaps were dominant in screenwriting, directing and executive producing. To that end the NFVF continues to intervene through the in-house training programmes, funding for further studies and through international mentorships.

Despite the challenges of the FY 2020–2021, the training and development department managed to achieve its annual targets by using alternative ways of implementing the programmes without contravening the COVID 19 regulations.

Strategic objectives related to training and skills development:

- Growth in number of trained professionals
- Increased number of programmes supported
- Address industry skills gaps
- Encourage skills transfer to PDIs
- Learners are recognised for their completion of NFVF training programmes



PROGRAMME PERFORMANCE REPORT

Training and Development							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
A transformed filmmaking ecosystem through Capacity Building, especially for previously disadvantaged individuals	PDI identified for higher learning opportunities	To provide 70 bursaries to tertiary students	68 bursaries were awarded. (4 International bursaries)	Award 70 bursaries per annum	70 bursaries were awarded	Achieved	N/A
	Capacitate previously disadvantaged Training Providers	To provide funding to 3 training providers to train the filmmakers the industry scarce skills	3 Training companies were funded	3 Training initiative to be funded.	3 Training initiatives were funded	Achieved	N/A
	Training interventions identified for previously disadvantaged filmmakers	To provide 30 filmmakers with industry skills to enhance their craft	70 Film makers participate in Sediba programmes per annum	30 Filmmakers to participate in Sediba Programme	114 filmmakers participated in Sediba Programme	Overachieved by extra 84 filmmakers who participated in Sediba Programme	These virtual classes could accommodate more participants and it was cheaper to have more participants because the only cost was for data
	Expose students to the business of filmmaking – including mentoring and coaching to facilitate their transition into the industry	To expose 5 students to the business of filmmaking including skills exchange programme and exposure to film festivals	32 student's/ Film makers to participated in Mentorship programmes.	5 Students to participate in Mentorship Programme.	6 Students participated in Mentorship programme	Overachieved by 1 extra student	A festival was virtual and cheaper, the only costs were for data and accreditation
	Train and capacitate industry professionals with a focus on impactful training	Interns identified and placed in relevant industry institutions	120 interns were placed	Placed 10 interns per annum	11 Interns placed	Overachieved by 1 additional intern	Additional intern was requested by the industry host employer and funds were available to assist
	Job creation for unemployed youth – COVID 19 intervention	Assist government to create employment opportunities for youth	N/A	Appoint 12 youth per annum	12 youth appointed.	Achieved	N/A

SIGNIFICANT ACHIEVEMENTS

Despite the challenges of the FY 2020–2021, the training and development department managed to achieve its annual targets by using alternative ways of implementing the programmes without contravening the COVID 19 regulations.

KEY PROGRAMME OUTPUTS

The announcement of lockdown in South Africa encouraged the NFVF to adopt new methods of delivering training programmes. The other methods adopted during lockdown was to conduct virtual e-learning classes covering different topics. These programmes were successful as they resulted in many participants attending the sessions.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The NFVF will continue to commit itself to comply with the national policy of skills development, ensuring that the film industry benefits from resources available to upskill itself and build sustainable production companies that can contribute to the eradication of unemployment in the creative industries. The NFVF is also committed to forming partnerships with a variety of organisations to ensure that industry development is achieved. Particular emphasis is placed on grooming young people to enter into the industry and for those who are already forming a career in film, to secure their longevity in the industry by gaining crucial experience

To maximise the effort of providing more developmental opportunities, the NFVF has signed a five-year MoU with Media, Information, Communication and Technology SETA (MICT-SETA). This opportunity will offer the NFVF financial capacity to award more bursaries to deserving students. This MoU also grants the NFVF a chance to partner and implement programmes that might be needed as the industry skills continue to transform.

One of the programmes which was introduced as a result of the partnership with MICT-SETA was the learnership programme. This programme is aimed at unemployed youth who are passionate about the filmmaking industry but have never had an opportunity to study further.

CHANGES TO PLANNED TARGETS

Certain targets were amended and some were removed completely when the COVID-19 lockdowns regulations were implemented. The NFVF had to remove schools programme from its annual plan due to the pandemic that also disrupted school's academic year.

4.2 Programme 2: Policy, Compliance and Research

PROGRAMME DESCRIPTION

Purpose of programme

In ensuring that it assists in creating and maintaining not only an enabling regulatory environment but a thriving and empowering one, the Policy, Compliance and Research Programme is tasked with providing the NFVF with comprehensive and accurate information by conducting research on the film and video industry in order to make policy recommendations to the NFVF Council. Research conducted also provides critical information and key performance indicators of the South African film industry.

The purpose of the NFVF's policy department is three-fold: to monitor policies impacting the audio-visual industry for the benefit of the film and television industry; to make submissions in respect of those policies; and to monitor, engage with staff in respect of the NFVF's internal policies and policy framework. The programme ensures that internal and external policies are drafted to make sure the NFVF is able to deliver on its various objectives.

The film industry is impacted by a number of policies, laws and regulations that are developed from time to time. Policy monitoring and intervention is an important function that identifies policies and laws that impact either positively on the NFVF and/or the industry. Policy submissions developed by the department seek to respond to the proposed laws and presenting alternative positions for consideration by the drafters of the proposed policies or laws.

Research projects undertaken and subsequent policy interventions are critical to ensure that the film industry contributes to government imperatives such as job creation, social cohesion and enterprise development.

Strategic objectives related to policy, compliance and research:

- Policy formulation
- Sectoral information management (reliable source of film industry information)
- Proposed regulations
- Administration and certification of national films (local and official co-productions)

PROGRAMME PERFORMANCE REPORT

Policy, Compliance and Research							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
To provide Marketing and Policy support to understand, enable and promote the SA Industry	Completed research shared with the industry and available on content platforms	Conduct and disseminate monitoring and research on SA film industry	2 Industry Reports and 1 Research were conducted and disseminated	2 Industry Reports, 2 research reports	2 industry reports were produced and 2 research conducted	Achieved	N/A
			4 quarterly policy monitoring reports were prepared	Produce 4 quarterly policy monitoring reports	4 Quarterly policy & monitoring reports were submitted	Achieved	N/A
	Policies developed to enhance a compliance culture	Develop, review and implement NFVF Policies to ensure compliance with relevant legislation	2 Policy Manuals were developed	Develop and review 3 Policy Manuals	6 policy manuals were developed and reviewed	Overachieved by 3 extra policy manuals	Need to strengthen governance and controls warranted the development of new policies
To manage an organisational Contract Management System	Proper capturing and management of contracts and functioning of the system	Develop, manage an organisational Contract Management System – to manage and ensure 100% compliance on organisational contract management system	N/A	Develop and manage the system and ensure 100% compliance with the contract management system	Manual Contract Management system was developed, and it is managed to ensure 100% compliance	Achieved	N/A

SIGNIFICANT ACHIEVEMENTS

Two additional policies were created to enhance governance and effective control within the NFVF the Whistleblowing Policy and the Remote Working Policy.

THE REMOTE WORKING POLICY

In a world of constant change, the NFVF needs to ensure that its practices adapt and stay relevant from an Employee Value Proposition (“EVP”) perspective. The world of work is shifting and working remotely has rapidly become part of the new norm. This Policy seeks to respond to the COVID-19 pandemic social distancing requirements and recognises the need to maintain those advancements beyond the pandemic

WHISTLEBLOWING POLICY

This policy encourages any employee or third parties who have a valid reason to believe that the NFVF or its employees are engaging in improper conduct, to disclose this under the terms of the Policy.

Whistleblowing is an essential tool that allows the NFVF to protect its employees, third parties and the organisation as a whole from activities, including but not limited to : fraud, misconduct, unethical conduct, bribery, corruption, mismanagement, misappropriation or other wrongdoings.

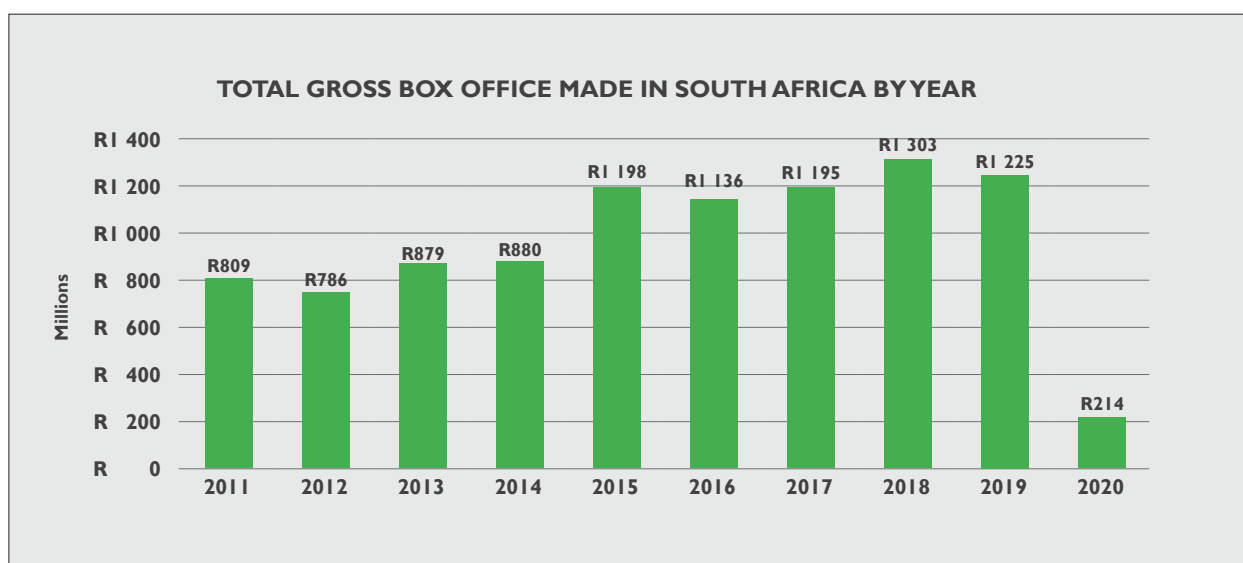
THE ANNUAL BOX OFFICE REPORT (JANUARY 2020 – DECEMBER 2020)

- South Africa’s total box office revenues for the year 2020 amounted to R214 million, a decline from R1,2 billion compared to 2019.
- In 2020, South Africa released ninety-six (96) films at box office, six (06) of which were locally produced films.
- These six (06) films earned a total of R7,6 million in box office revenues.
- The market share of locally produced films in 2020 was 3,5%.

Table 1: Monthly Gross Box Office, 2019 vs 2020

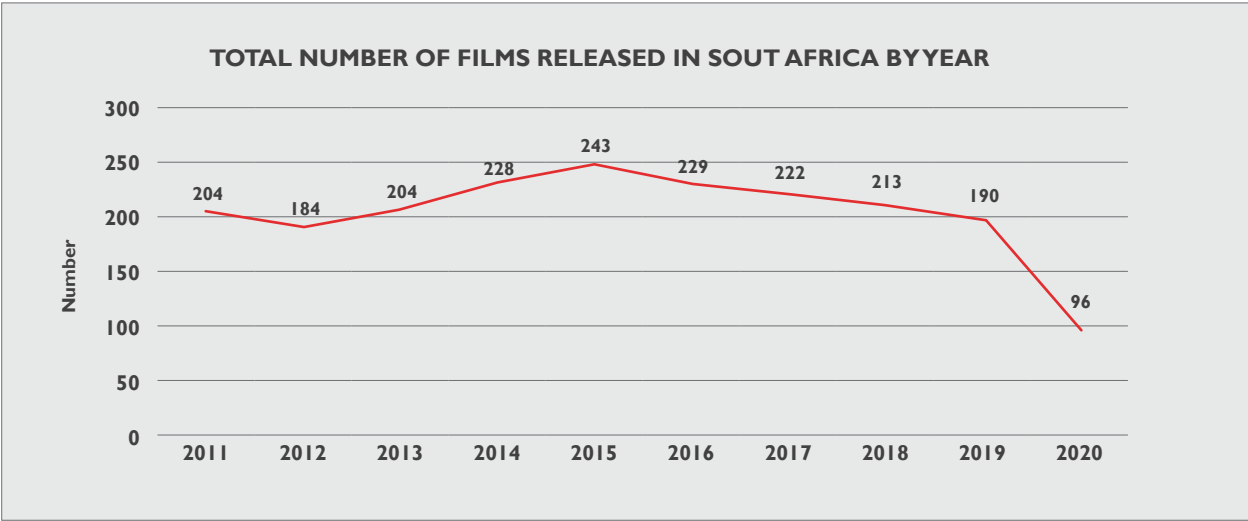
Monthly Gross Box Office, 2019 vs 2020				
Month	Number of films	GBO 2019	Number of films	GBO 2020
January	15	R32 248 628	16	R86 912 383
February	13	R78 614 103	16	R33 162 943
March	20	R110 712 198	9	R10 882 345
April	17	R167 203 068	0	R0
May	21	R113 218 545	0	R0
June	16	R93 187 243	0	R0
July	10	R165 261 360	0	R0
August	18	R78 253 705	6	R6 646 773
September	16	R76 063 897	9	R19 196 063
October	14	R69 189 039	19	R13 413 249
November	19	R62 431 172	12	R11 931 738
December	11	R178 951 990	9	R31 426 888
Total	190	R1 225 334 948	96	R213 572 382

Figure 1: Total box office gross by year



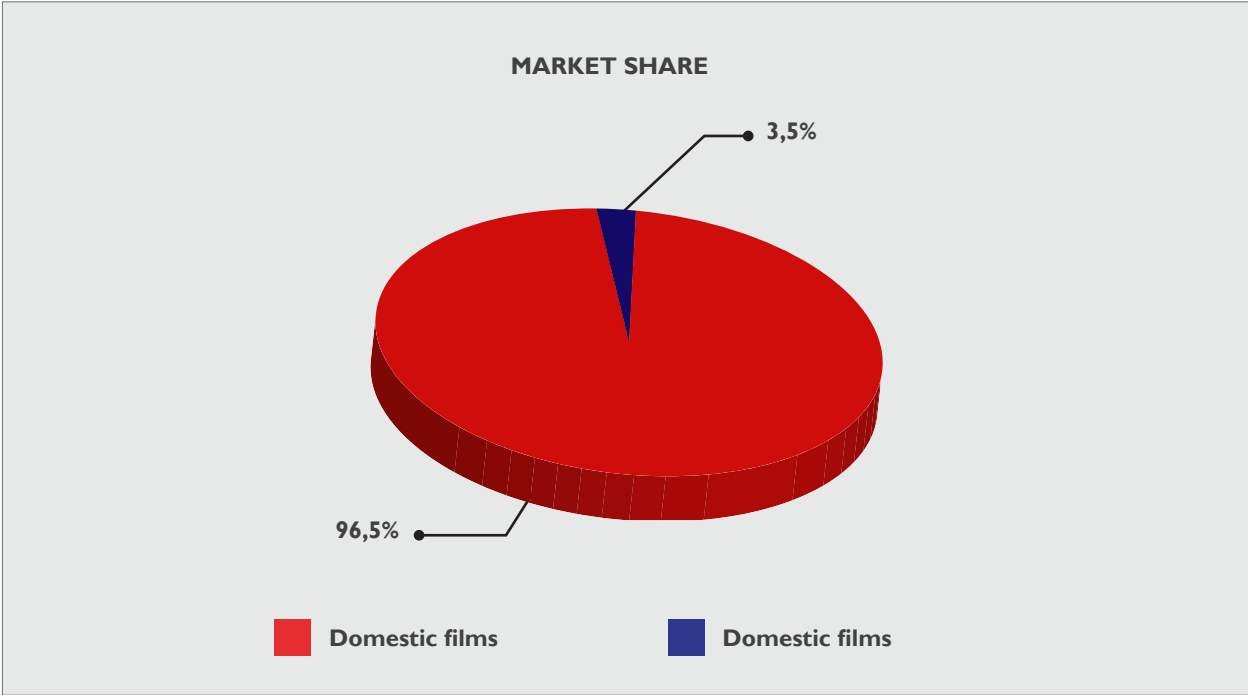
*Source: Filmfinity, NFVF database

Figure 2: Total number of films released in South Africa by year



*Source: Filmfinity, NFVF database

Figure 3: Market Share



*Source: Filmfinity, NFVF database

Table 2: South African produced films

No#	Performance of SA produced films, 2020					Language
	Movie Title	No# of Weeks	No# of Screens	GBO at Release	Cumulative GBO	
1	Vergeet My Nie	6	53	R1 216 986	R3 710 344	Afrikaans/English
2	Toorbos	9	34	R277 202	R1 485 509	Afrikaans
3	Poppie Nongena	4	42	R269 146	R1 171 936	Afrikaans/English
4	Bhai's Café	6	27	R279 053	R617 920	English
5	Knuckle City	4	45	R263 183	R558 936	IsiXhosa
6	Flatland	2	19	R18 934	R26 835	Afrikaans/English
				R2 324 504	R7 571 480	

*Source: Filmfinito, NFVF

Gross Box Office = Cumulative gross up to 01 March 2021

#Number of weeks on circuit, #Number of screens at release

QUARTERLY POLICY & MONITORING REPORTS

In addition to the reports submitted, two additional submissions were made to the Film and Publication Board and the Department of Communications and Digital Technologies as a means of influencing policy changes affecting the Audio-visual industry.

Film and Publication Amendment Act

Acknowledging that the old regulations failed to reflect the demands and technological advances coupled with the promulgation of the Amendment Act, this motivated the FPB to amend the Regulations to be appropriately aligned with the constitutional values, aimed at protecting children against disturbing and harmful content, but also to make adequate provision for technological advances, especially on the online platforms.

Draft White Paper on Audio and Audio-visual Content Services Policy Framework

The White Paper propositions that South Africa espouses a similar approach to that adopted by the European Commission, which included but was not limited to easing the regulation of broadcasting and broadcasting-like services (i.e., non-linear services provided over the Internet), and to level the competitive environment between traditional broadcasting services and non-linear services by introducing a basic set of rules for non-linear services. This technology neutral approach will therefore institute rules and regulations that apply in a technology/platform neutral way; simply put, the rules and regulations will equally apply to all services regardless of the platform used to provide the services. This will ensure regulatory parity and fair competition.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets.

4.3 Programme 3: Production and Development of Content

PROGRAMME DESCRIPTION

Purpose of programme

Production and development of content is at the core of the work the NFVF engages in – it is where the mandate of the organisation is most clearly fulfilled by providing the film industry with critical financial support and technical expertise to take a film project from an idea to a product that can be screened. While the quantity of films produced locally is a decisive factor in the growth and sustainability of the film industry, the quality of films is also important in order to ensure widespread distribution and a loyal market. Feature films, documentaries, short films and television concepts are all considered for development and production funding. Financial support also allows for diversity in the film industry so that filmmakers who would typically be unable to raise financing for their projects are not side-lined. The NFVF therefore is able to focus on creating a more equitable industry.

Strategic objectives related to production and development of content:

- Increase in volume of South African films produced
- Empower individuals from Previously Disadvantaged (PD) communities
- Support innovative distribution

PROGRAMME PERFORMANCE REPORT

Production and Development of Content							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
To provide funding for content development	Commercially viable South African content development and production opportunities are identified and funded by the NFVF	Fund the development & production of South African content	80 projects were funded in development	Fund 100 projects in development p.a.	120 Funded in development 17 Approved for funding in development	Over-achievement of targets.	High demand for support from industry and budget could support more projects.
			46 projects funded in production	Fund 45 projects in production p.a.	37 Funded in production 19 Approved for funding in production		
		NFVF COVID-19 intervention	N/A	Fund 8 Made for TV movies	10 Films funded under NFVF & SABC partnership.	Overachieved by 2 extra projects	More funds were available through the Partnership with SABC hence 2 extra projects were funded
		NFVF COVID-19 intervention	N/A	Fund 4 Micro Budget movies	4 Micro Budget movies funded under NFVF-SABC-STEPS partnership	Achieved	N/A
	Content development opportunities that enable social cohesion, nation building and transformation are identified and supported with funding.	Fund 1 st Year Documentary Slate	1 Documentary slate funded	Fund 1 st Year Documentary Slate	1st Year Documentary Slate funded	Achieved	N/A
		Annual Documentary Special Projects	Awarded 2 annual documentary special projects	Award 2 annual documentary special projects	Awarded 2 annual documentaries special COVID 19 projects	Achieved	N/A
	Signed Co-Productions	To certify National Films	Certified 100% of all applications received	Certify 100% of all applications received	Certified 100% of all applications received.	Achieved	N/A
			3 Co-production Activations	3 Co-production activations p.a.	NFVF activated at 4 co-production forums	Overachieved by activating in 1 extra forum.	The NFVF was invited to an additional forum.

SIGNIFICANT ACHIEVEMENTS

There was a significant increase in the number of projects funded in 2020/2021 as compared to the previous financial year 2019/2020. There was an increase of 57 films funded in the development phase and an increase of ten films funded in the production phase. The Department of Sports Arts and Culture, provided additional financial support to assist film practitioners during the pandemic. A lot of the funding was used for development as this is a filming activity that can be done remotely and safely.

COMPLETED FICTION FILMS

- #wedocare
- Pou (The Peacock)
- Mier
- Exo Sapien
- Pusha Pressa Phanda

COMPLETED NON-FICTION FILMS

- Colonel's Stray Dogs
- Tear Salted Sea
- Murder In Paris
- World of Trophies
- The Guard
- Hard Livings
- By all means necessary
- A thousand words to kill by
- African Jazz Fantazia

In response to the outbreak of the COVID-19 pandemic in the country, the film industry like many other industries in the country and around the world was severely affected. Many productions were halted or cancelled altogether so there was a sharp decline in the number of films fully produced compared to the previous financial year.

Female Filmmaker Project (Year 3):

The NFVF in partnership with the KwaZulu-Natal Film Commission funded ten short films which were developed and produced by ten young filmmakers from South Africa. Zinc Pictures are the facilitators of the NFVF project.

Short films produced under the theme, "Slaying the Dragon Anthology"

- Bompi
- Trapped
- The Haunting
- On Isibindi Street
- Ebumnyameni
- The Reckoning
- Overcome Beloved
- Thorns
- Valliant Annie
- Matla

HIGHLIGHTS FY 2020–2021

Non-fiction Achievements:

How to Steal a Country, feature length documentary directed by Rehad Desai with co-direction by Mark Kaplan wins Best Documentary at the 2021 SAFTAs. It continues to travel worldwide after having its world premiere at IDFA in 2019, recently screening at Africa in Motion (UK) and is available locally on Showmax.

The Colonel's Stray Dogs, a feature length documentary by Khalid Shamis premieres at Hot Docs Canadian International Documentary Festival, largest documentary festival in North America.

African Moot, a documentary in development by Shameela Seedat, is invited to pitch at Hot Docs.

Enver Samuel's documentary series about freedom fighter Dulcie September called Murder in Paris premieres on SABC to great public response.

A New Country, a feature length documentary by Sifiso Khanyile, is available on Showmax and screened as part of the African Film Festival New York, Official Selection.

Beyond the Light Barrier, a documentary in development by Uga Carlini, is invited to pitch at the Tarifa and Tangier African Film Festival.

Fiction Achievements:

Address Unknown directed by Nadine Cloete: short film

- won Best Short Film @ the SAFTAs - 2021
- won Audience Choice Award @ DIFF 2020
- official selection for Blackstar Film Festival 2020

Thavhazimbi directed by Tshego Monaisa: short film (Female Filmmaker Project)

- official selection @ Toronto Black Film Festival - 2021

NFVF films that formed part of the Pan African Film Festival (PAFF) 2021 official selection:

- Fruitful Emission - short film (Female Filmmaker Project)
- Pretty's Daughter – short film (Female Filmmaker Project)
- The Cuddler – short film (Female Filmmaker Project)
- uXolile – short film (Female Filmmaker Project)
- Address Unknown – short film
- Poppie Nongena – feature film
- Barakat - feature film

Two Hues, directed by Weaam Williams – short film:

- Best Short Film - Beyond The Curve Film Festival (France) - 2021
- Best Directed Short Film - North Europe Film Festival (London edition) – 2021
- Also nominated for Best Lead Actress in a short film
- Best Women Empowerment Film - Berlin Short Film Festival - 2021

Barakat, feature film directed by Amy Jeptha, is currently on the cinema circuit.

The film has been screened at the following international film festivals

- Toronto Black International Film Festival
- Idyllwild International Festival of Cinema
- Muslim Film Festival
- Film Africa
- Urbanworld Film Festival



KEY PROGRAMME OUTPUTS

APPROVED PROJECTS – CYCLE I – FY 2020/2021

Cycle I – 2020/2021			
Project Name	Applicants Name	Production Company	Amount Allocated
Development - Documentaries			
A Gift From The Dying	Anita Khanna	Uhuru Productions	R150 000.00
Meiko's Journey	Paul Zisiwe	EXT Lab Media	R150 000.00
With Love from Meton	Uga Carlini	Towerkop Creations	R150 000.00
Mfaz'omnyama: The King of Maskandi	Ntuthuko Qwabe	Indie Content Africa	R100 000.00
We Remain Flower Children	Andrico Goosen	Frikken Films	R150 000.00
#GOTCUT - The Film	Molosi Mabeba	NALA Pictures	R150 000.00
Between the Anvil & the Hammer: The Inside story of uMkhonto we Sizwe	Gordon Metz	Hipster Media	R150 000.00
Isilo se khaya	Litha Booii	Lorile Media	R150 000.00
Bogosi Ba rona - Lefatshe la borrarona Documentary	Olebogeng Phetoe	Temaentle Projects	R100 000.00
Horses for Xhosas	Vukile Pokwana	Koloni Consulting Enterprise	R150 000.00
Life of Kai.	Benjamin Singiswa	Cantadora Productions	R150 000.00
Nomawethu! a feature length documentary	Linda Mputa	Kaluni Media (Pty) Ltd	R150 000.00
A Passion for Justice	Peter Goldsmid	Southern Exposure CC	R150 000.00
Mbokodo	Nhlanhla Masondo	Mind Your Head	R120 000.00
Post-Production - Documentaries			
The African Dream	Thierry Cassuto	Both Worlds Pictures (Pty) Limited	R120 000.00
Mutant!	Sifiso Khanyile	Anaphora Pictures (PTY) Ltd	R120 000.00
Dance Me To The End Of Time	Melanie Chait	Big Fish School Of Digital Filmmaking	R120 000.00
The Rise	Weaam Williams	Tribal Alchemy Productions	R120 000.00
No Water To Drink, Let Alone Wash Our Hands	Molatelolo Mainetje	Bolobathaba Media Group	R120 000.00
In The Name Of The Art	Diliza Moabi	Wanaya Visuals	R120 000.00
Development – Short Film			
Lebitla La Mosadi Ke Bogadi	Kutlo J Mokhethi	Brownhot productions	R100 000.00
The Patriots	Batandwa Alperstein	The Visual Content Gang	R100 000.00
Project healers	Thina Zibi	Fusing Elements	R94 000.00
After varsity	Onthatile Nthathe	Blackhut Films (Pty) Ltd	R99 945.00
Born To Be Different	Wendy Ntinezo	Blackmerge TV	R100 000.00
Female pantsula dancers	Rosina Masetla	Tau Royal Entertainment	R80 000.00
Graves of Ikhwezi Mine (Amaliba ase Khwezi Mine)	Simphiwe Qwabe	Mdrash (Pty) Ltd	R100 000.00
No.	Khanyisile Mazibuko	N/A	R100 000.00
Guy: The Life and Times of Henry Africa	Jonathan Brady	Zubymart	R100 000.00
Joe Nzingo Gqabi Documentary	Aubrey Silinyana	Aliwal Sound Service	R100 000.00
My Sexuality A Sin	Nomzekelo Mohamed	N/A	R100 000.00
Removed	Loren Loubser	N/A	R100 000.00
SHEMBE - A new African	Neo Ntatseng	Neomedia (Pty) Ltd	R100 000.00
uHadi	Sivuyisiwe Giba	SivuBuhle Media	R100 000.00

Cycle I – 2020/2021			
Project Name	Applicants Name	Production Company	Amount Allocated
Development - Animation			
Kwezi	Nomfundo Matlala	Marche Media	R250 000.00
Om Nom Nom	Emma Lungiswa De Wet	N/A	R200 000.00
Chiko	Mogau Kekana	Studio Mogau (PTY) LTD	R100 000.00
Death Chess	Bongani Ndlovu	N/A	R100 000.00
Spling Go & Friends	Dorothea Nel	Abyss Productions CC	R100 000.00
Development – Short Film			
Between Spaces	Muneera Sallies	DNA Studios	R100 000.00
Love Through the camera Lens	Donna Sibande	Lady D Media	R100 000.00
Quarantine Diaries	Kagiso Latane	Canvus Productions	R100 000.00
Superhero	Nathaniel Sigamoney	Aim Pictures SA	R100 000.00
The House that never Sleeps	Sean Mongie	Metronome Pictures	R100 000.00
The Streets	Nontobeko Mdletshe	Picture That Films	R100 000.00
A silent Love	Thabiso Christopher	Larklight Productions (PTY)LTD	R100 000.00
Abducted	Zulfa Arendse	N/A	R100 000.00
Akukho Mazwi	Vukile Zuma	N/A	R100 000.00
Aspie	Siyabonga Madlala	N/A	R100 000.00
Beginnings	Rehane Abrahams	The Mothertongu Project	R100 000.00
Breaking Job	Masindi Netshakuma	N/A	R100 000.00
Conjecture	Johannes Mzwandile Spirit	Bunduzboi Pictures	R100 000.00
Cross Hairs	Nadine Kadey	N/A	R100 000.00
Hustlers Kaapitaal	Hangula Lukas	N/A	R100 000.00
In Arms	Moeketsi Mphunye	Calvinho	R100 000.00
In Pursuit	Khauhelo Maruping	Lemali Holdings 13 (PTY) LTD	R 97 880.00
Isono Sakhe	Lungi Gqokoma	N/A	R100 000.00
Madala	Minshka Laldaparsad	N/A	R100 000.00
Mvura	Tumelo Thamaga	Thamba Creatives (K2020184577)	R 40 200.00
Not Thicker than Water	Zukiswa Pakama	N/A	R 50 000.00
Poppy	Tarryn Wyngaard	Free Pixel (PTY) LTD	R 91 920.00
Shark Tank Sport	Eric Zulu	N/A	R100 000.00
Shazia	Mishqah Parthiephal	The Film Boutique	R100 000.00
Silenced	Kagiso Gladman Malefane	Umlilo Films	R100 000.00
The Comrade	Tshepiso Tjeeko	Tshwantshiso	R100 000.00
The Homeless	Keith Koogen Moodley	N/A	R100 000.00
The Hoodwinks	Sandile Sibiya	N/A	R100 000.00
The P.I.M.P-President in my Pocket	Mbasa Tsetana	N/A	R100 000.00
The Lost Soul	Unique Shabangu	Chaotic Films	R100 000.00
The Make-Up Artist	Ndumiso P. Gumede	Phoenix Tree Films	R100 000.00
The Rainbow's Child - A Post-apocalyptic Journey	Rexleigh Bunyard	Requiem for the living NPO	R100 000.00
Ukukhanya kwe Langa - When the Sun Shines	Siyasanga Gibson	Liquid Gold Productions	R 99 250.00
Umngcwabo	Kurhula Ngobeni	Era Media	R 90 000.00
Development – TV Format / TV Concepts			
Life's a drag	Kate D'Hotman	Bon Appetit Films	R200 000.00
Red Card	Neo Sibiya	Eccentric Circus Productions	R200 000.00
Working on it	Christian Grobbelaar	Sea Dog Creatives Co.	R199 000.00
Inspector Lilly and The Elves	Natasje van Niekerk	The Storyteller POD	R200 000.00
Jam Jam	Kefilwe Bopape	N/A	R200 000.00

Cycle 1 – 2020/2021			
Project Name	Applicants Name	Production Company	Amount Allocated
Model C Miniseries	Nolitha Mkulisi	Brown Flamingo Productions	R200 000.00
Plot 59	Nhlanhla Masondo	Mind Your Head	R120 000.00
Port Nolloth	Mia Cilliers	Reel Epics Productions	R200 000.00
So that's how it works	Michelle Botha	Bizzy Hands Puppet Company	R200 000.00
The Gone	Sean Steinberg	Multiply Me	R200 000.00
The Rise of Nabu	Mpho Mashita	N/A	R200 000.00
Production Animation			
Bhovas and Sam	Dumi Gumbi	DG Pictures	R1 052 640.00
Fine Girl	Moses Tshingwala	Sketchy Lines (PTY) LTD	R 250 000.00
Last Word	Diek Grobler	Fopspeen Moving Pictures / University of South Africa	R150 000.00
Spirit Doll	Robyn Roux	N/A	R250 000.00
Thirst	Leigh Ann de Wee	N/A	R250 000.00
Yellow Daisy Butterfly	Bianca O'Neill	N/A	R250 000.00
Post-Production Feature			
Pou (The Peacock)	David Cornwell	Peacock Films	R300 000.00
Valedictory	Layla Swart	Valedictory Film (RF) (PTY) LTD	R450 000.00

Cycle 2: 2020/2021			
Project Name	Applicants Name	Production Company	Amount Allocated
Development – Documentaries			
Mandela Man of Peace	Xoliswa Sithole	N/A	R180 000.00
SHIFTY - House on Fire	Joëlle Chesselet	Valley Studio cc	R150 000.00
The Furious	Liza Jane key	Key Films cc	R146 100.00
Accused	Boipelo Masilabele	Lerato Lihle (Pty) Ltd	R155 000.00
Classified As Missing	Lungile Mapukata	Playful Native Studios	R150 000.00
Pop Goes Freedom	Vusi Zion	Kaimal Pictures	R180 000.00
Stripped	Lee McCabe	Kaizen I Pictures	R180 000.00
Thabantšo	Dithapelo Segodi	YaDithapelo PTY LTD	R180 000.00
The Home Stretch	Nqaba Ngoyi	Fort Films	R180 000.00
The Unchosen World	Danile Mohlamme	Masbonisanenisonke Trading and Projects 27C	R180 000.00
Production – Documentaries			
A Gift from the Dying	Anita Khanna	Uhuru Productions	R700 000.00
African Moot	Shameela Seedat	Undercurrent Film and Television	R500 000.00
Banned: Joe Bullet	Naledi Nonofu Bogacwi	Trial by Media Films	R500 000.00
Black Women and Sex	Godisamang Khunou	Mogale Pictures	R500 000.00
Death at the Airport	Markus Davies	Hipster Media (Pty) Ltd	R500 000.00
Downtown Studios	Nhlanhla Ndaba	Doti Productions	R500 000.00
Ilifa Lomboko	Ntsikelelo Mavata	Kwanontsomi Enterprise	R500 000.00
Ingula: Moving a Mountain	Anne Linda Du Toit	Sommatel T/A Du Films	R500 000.00
Makoti	Pragna Parsotam-Kok	Red Nature Films	R500 000.00
Mhudi: The Making of the Renaissance Man (Working Title)	Tshego Molete	Yeziru Projects	R500 000.00
Nemesis of a Rapist	Sandile Sethi	Treehouse films	R500 000.00
Notes From The Underground: A Cape Town Hip-Hop Story	Kurt Orderson	Azania Rizing Productions	R500 000.00
The Story of Afrikaburn (Working Title)	Janette de Villiers	Groundglass Media (Pty) Ltd	R500 000.00

Cycle 2: 2020/2021			
Project Name	Applicants Name	Production Company	Amount Allocated
Short Film Development - Documentaries			
Re-writing history: The South African Indonesian Connection	Warda Mallick	Shoot97 Productions	R 100 000.00
Transition to Acceptance	Peter Joshua Hall	Kalahari Film & Media	R99 365.00
After S'gela with the graduates	Onkemetse Mosek	African Monarch Productions	R 100 000.00
Chrome or nothing	Makgalema Thobela	Rural Films Production	R 100 000.00
Heritage In Music	Innocent Zungu	N/A	R 100 000.00
iGwijo and Frontier Country	Anele Matoti	Ohana Media	R 100 000.00
Ikosi Yekhethu	Given Sethole	Ivens Alive (Pty) Ltd	R78 960.00.
In the Name of Love: The Skwatta Kampain	Peter Lynch	Marketing and Entertainment Communications Agency	R 100 000.00
Mirrors	Muofhe Raphunga	N/A	R91 650.00
Queen Modjadji	Godisamang Khunou	Mogale Pictures	R 100 000.00
Sathwalwa	Khuselwa Sipayile	Zanokuhle Productions	R 100 000.00
Soweto Documentary	Linda Ginya	Phusha Phanda Trading (Pty) Ltd	R 100 000.00
The Girl Who Went to Norway and Came Back	Morgan Morris	1808 Films (registered as Pitstop Auto Parts	R 100 000.00
The Usurper	Siphumeze Tase	Artmostfeared Productions	R 100 000.00
Who Will Save Us	Rinnet Lebohang Segobela	N/A	R 100 000.00
Short Film Production - Documentaries			
The Last Blue Ride: The murder of a young student by 'reformed' prison gangsters	Anthony Molyneaux	Anthony Molyneaux (Pty) Ltd	R 150 000.00
Wounds of the Past	Josephine Ramohlale	I-info media	R 100 000.00
Production – Animation			
Troll Girl	Kay Carmichael	Giantslayer Studios (PTY) LTD	R 550 000.00
Production – Feature Length			
Hotel Nowhere	Roberta Durrant	Penguin Films	R 300 000.00
Mandela's Guerrillas	Catharina Weinek	The Ergo Company	R 800 000.00
The Bursary	Brett Michael Innes	The Bursary SA (Pty) Ltd	R 800 000.00
The Honeymoon	Bianca Isaac	Chick Flick Movie RF (Pty) Ltd	R 800 000.00
The Umbrella Men	Linda Eedes Bogle	We3Films	R 800 000.00
Angeliens	Uga Carlini	Towerkop Productions	R 800 000.00
Inhlawulo (Damages)	Mpho Ramathuthu	Tshanduko Media (Pty) Ltd	R 800 000.00
Lucky Fish	Meren Reddy	RHP International (Pty) Ltd	R 300 000.00
Pieces of Salma	Khosie Dalie	Miss K Productions	R 800 000.00
The Beast	Norman Maake	African Entertainers Consultancy	R 300 000.00
Valley of a Thousand Hills	Bonie Sithebe	Durban Motion Pictures	R 800 000.00
Production – Short Film			
It has to do with Emilia	Bridget Pickering	Bump Films	R 250 000.00
Omowale	Kagiso Latane	Canvus Productions	R 230 000.00
The Garden of Rein	Tracey-Lee Dearham Rainers	Stiletto Entertainment	R 250 000.00
Burning Blue	Thabiso Xolo	Lexy Productions	R 197 000.00
Cognito	Nhlakanipho Mashinini	Skr Skr LTD	R 200 000.00
Coming for you	Romanuse Lindelani Langa	Langa Post-Productions	R 200 000.00
Grand\$	Sandile Sibiya	SBL Films	R 200 000.00
His James	Johannes Mzwandile Spirit	Bunduzboi Pictures (PTY) LTD	R 200 000.00
Love in the Hell	David Boyes	Painted Story Productions	R 200 000.00

Cycle 2: 2020/2021			
Project Name	Applicants Name	Production Company	Amount Allocated
Maestro's Hand	Khanyo Mjamba	Gaba Media (PTY) LTD	R 200 000.00
Maleeto	Pretty Mangena	iQhawe Media	R 150 000.00
MIER (The Ant)	Oliver Swartz	Nitfia Pictures	R 200 000.00
Umendo	Nobulali Kama	Coffee Stain Productions	R 200 000.00
Production – Web Series			
Four Walls	Kgosana Monchusi	Weldun Media	R 200 000.00
This is How	Sello Magaga	Top Afrika (PTY) LTD	R 200 000.00

SPECIAL PROJECTS			
Project Name	Applicants Name	Production Company	Amount Allocated
COVID-19 Documentaries			
My Patient My Enemy	Zola Maseko	Black Roots Pictures	R446 627.00
Botshelo: Born in a Pandemic	Kagiso Latane	Canvus Group	R331 100.00
COVID-19 & The Rise of Kokorumba	Nhlanhla Mthethwa	Full Circle Productions	R300 000.00
A Joburg Shopper And a Hungry Country	Themba Vilakazi	Mvura Ya Afrika Productions	R200 000.00
Bogale!	Ulrich Bopape	Afrika Kuinuka. PTY	R350 428.40
Dustlands - Kalahari in the Age of COVID	Edwin Angless	Mushroom Films	R325 600.00
CMF/NFVF Co-Development Incentive			
Blood Horn	Helena Spring	Helena Spring Films (Pty) Ltd	R396 739.00
The transmogrification of St. Bunnycrisp	Brigid Olen	Do Productions (Pty) Ltd	R400 000.00
Rio Ten	Kim Williams	Spier Productions (Pty) Ltd	R400 000.00

Recoupment Schedule	
Total recoupable grants are as follows:	
Grants allocated in 2003	R12 690 774
Grants allocated in 2004	R8 630 000
Grants allocated in 2005	R4 990 000
Grants allocated in 2006	R4 300 000
Grants allocated in 2007	R3 550 000
Grants allocated in 2008	R1 934 000
Grants allocated in 2009	R3 309 000
Grants allocated in 2010	R3 700 000
Grants allocated in 2011	R6 984 845
Grants allocated in 2012	R17 758 735
Grants allocated in 2013	R14 854 735
Grants allocated in 2014	R12 923 500
Grants allocated in 2015	R18 089 369
Grants allocated in 2016	R25 525 452
Grants allocated in 2017	R28 717 374
Grants allocated in 2018	R1 261 766
Grants allocated in 2019	R40 147.49
Grants allocated in 2020	R24 942.01
Grants allocated in 2021	R1 017 815.60
Total Recoupable Grants	R170 302 455.10

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There remains a disparity in provincial representation which the NFVF has attempted to address through online workshops, unfortunately due to the COVID-19 pandemic there has been limited travel to the underserved provinces because of travel restrictions implemented nationally.

There is also a need to support more female filmmakers, the NFVF has a dedicated programme for this very reason: the Female Filmmaker project. During the evaluation phase women are given an extra point in order to address the gender imbalance within the industry – however more needs to be done in this regard.

CHANGES TO PLANNED TARGETS

Targets were amended after the lockdown period –the Department of Sports Arts and Culture, provided additional financial support to assist film practitioners during the pandemic.

SOUTH AFRICAN FILMS CERTIFIED

Certifications

1. Treaties

There were two treaty developments in 2020/2021.

Canada – amendments to the existing agreement to be in line with current developments. The current treaty was signed in 1997.

France – amendment to make provision for television. Current agreement provides for feature lengths films for cinema only.

2. Co-productions

During the 2020/2021 financial year, 11 projects were certified for co-production, five for advance rulings and 6 for final ruling.

Project Name	Treaty	Ruling
Bring Back Girl	SA/UK	Advance
Low Rider	SA/UK	Advance
Orah	SA/Canada	Advance
Street Food	SA/UK	Advance
The Outside Room	SA/UK	Advance
Professionals	SA/Ireland	Final
Rogue	SA/UK	Final
Safari Romance	SA/Canada	Final
The Tree	SA/Netherlands	Final
Vagrant Queen	SA/Canada	Final
Dandelion	SA/Germany	Final

Six (6) applications were issued with certificate of nationality:

Project Name	Production Company	Producer(s)	Director(s)
Office Invasion	Dead Places Productions	Phillip Wolmarans	Fred Wolmarans
Fried Barry	Department of Special Projects (Pty) Ltd	James Williamson	Ryan Kruger
Blouwyn	Blouwyn (Pty) Ltd	Oscar Segane	Johnny Taute
A Gift From Dying	AMP Uhuru (Pty) Ltd	Anita Khanna	Rehad Desai, Tricia Hlongwa
2 Thirds Of A Man	2 Thirds Productions (Pty) Ltd	Earl Kopeledi	Earl Kopeledi
Triggered	Polanomode (Pty) Ltd	Ariye Mahdeb, Chwayita Dzulane	Alastair Orr

4.4 Programme 4: Marketing and Distribution

PROGRAMME DESCRIPTION

Purpose of programme

The Marketing and Communications role within the NFVF is to promote the National Film and Video Foundation as well as the South African film industry both locally and international. The role has continued to grow in importance and continues to focus on the broad Marketing and Communications strategy of the NFVF. The “#Love SA Film” campaign was launched in 2019 year. This campaign aims to create an appreciation for local films and taking the South African Film industry to new heights. This means everything we do to promote and develop the South African Film industry is done through the love and appreciation of our industry.

Developing and promoting the productions of South African film for distribution around the continent and global audience.

The NFVF provides support that enables the promotion of the South African film industry by providing grants in the following categories:

- Marketing and Distribution Grant
 - Provide financial support to South African independent filmmakers or local distributors to market and distribute their films through various platforms.
- National Film Festival Grant
 - Provides financial support to individuals or organisations to host local film festivals which contribute towards the audience development. NFVF continues to provide this critical financial support to local long standing festivals.

3. Markets and Film Festivals attendance
 - Provide financial travelling support to South African filmmakers to attend global festivals and markets. This assist filmmakers in promoting their films, seeking distributors, financiers, broadcasters and also to develop their filmmaking skills by attending film workshops.
4. NFVF Activations at Local and International Markets and Festivals (which aim to increase audience access to SA film)
 - Creating awareness of NFVF programmes and South Africa film opportunities.
 - Promote the South African film industry locally and internationally.

Strategic objectives related to marketing and distribution:

- Increase awareness of the South African film industry
- Recognition of South Africa as a film making destination
- Develop and maintain relations with distribution stakeholders
- Increase awareness of funding opportunities in the NFVF
- Elicit more funding applications from underserved areas
- Increase distribution access points for filmmakers
- Promote South African filmmakers (technical expertise and film products)

PROGRAMME PERFORMANCE REPORT

Marketing and Distribution							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
To provide support to the industry in the areas of marketing and Policy to better understand, enable and promote the SA Film Industry	Strategic support for festivals that meet set criteria	To develop audiences for SA Films and Content	22 Festival Grants awarded to National Festivals	9 Festival Grants to be awarded to National Festivals	16 Festival Grants were awarded to National Festivals	Overachieved by awarding 7 extra festival grants	Demand for festival grant as some applicants hosted festivals online
	SA Filmmakers supported to showcase their work at markets and festivals	Position SA Filmmakers at film markets and festivals	105 Filmmakers were funded to attend Markets and Film Festivals	Fund 50 Filmmakers to attend Markets and Film Festivals	Funded 50 Filmmakers to attend Markets and Film Festivals	Achieved	N/A
	Distribution of South African Content	To assist SA filmmakers to sell and distribute local films	13 Marketing and Distribution grants awarded	Award 14 Marketing and Distribution Grant	Awarded 15 Marketing and Distribution Grants	Overachieved by awarding 1 extra marketing and distribution grant	Demand for marketing and distribution grants
	Showcase SA content to strategic markets.	Local Brand Positioning to promote the NFVF and SA Film Industry	16 brand activations were implemented	16 Brand Activation per annum	23 Brand Activations were implemented	Overachieved by 7 extra brand activations	NFVF participated in more events and that allowed NFVF to do brand activations in all the events and activities
	Strategically identified National Festivals aligned to NFVF mandate	Local activations and promotional events to showcase SA film & content	Activated at 14 National Film Festivals	Activate at 6 National Festivals	Activated at 8 National Festivals	Overachieved by activating at 2 extra national festivals	NFVF participated in more national festivals and activated
		To position the NFVF and the SA Film Industry through international activations.	Attended 6 International Festivals	Activate at 4 International Festivals.	Activated at 4 virtual International Festivals.	Achieved	N/A

Marketing and Distribution							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
To ensure recognition of stakeholders in the SA Film and Video Industry.	The SAFTAs are efficiently and effectively planned and executed annually	Successful SAFTA's awards planned, coordinated & hosted	Successfully, planned, coordinated and Hosted the Virtual Awards (SAFTAs 14) online	Plan, coordinate and host the SA Film and TV Awards (SAFTAs)	SAFTAs were planned and coordinated but will only be hosted in May 2021 which is outside the 2020/21 Financial Year	Not Achieved	Due to COVID-19 Lock Down Regulations SAFTAs planning started late
		Engage in industry awareness initiatives	N/A	Implement 4 industry support initiatives	Implemented 6 industry support initiatives	Overachieved by implementing 2 extra initiatives	NFVF embarked on partnerships with various organisation to deal with industry specific matters in the film industry through workshops and round tables
Partnerships established to provide technical, funding and other support to NFVF programmes		Partners are identified and agreements signed	N/A	Identify 2 partners and sign agreements	Identified 8 partners and signed agreements	Overachieved by 6 partner identified and signed agreements	NFVF sees partnerships as key to achieving its mandate – and always on the look out for potential partners
		Host public screening to promote SA content	N/A	Host 2 Public Screenings to promote SA content	Hosted 29 Public Screenings to promote SA content	Overachieved hosting 27 extra public screenings	Demand for entertainment during lockdown and the availability of extra funds allowed the NFVF to host more screenings as part of audience development programme
Partnerships established to provide technical, funding and other support to NFVF programmes		Stakeholder Relations Management (Internal & External)	16 Stakeholder Engagement held	Engage 16 Stakeholder per annum (including Provincial Depts)	24 Stakeholder Engagements were held (incl Provincial Depts)	Overachieved by 8 Stakeholder engagements	Demand for engagement with the industry grew due to uncertainty and anxiety within the film industry due to Covid 19 regulations

Marketing and Distribution							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
Partnerships established to provide technical, funding and other support to NFVF programmes		Secure funds for the NFVF Fund local, continental and globally partners to endow NFVF Film Fund	N/A	Register Film Fund and develop framework of management	Film Fund to be registered in 2021/ 2022 due to challenges experienced during lockdown.	Not Achieved	The NFVF has appointed experts to assist with the Fund registration and financial model
		NFVF COVID-19 Intervention	N/A	Disburse special film Industry relief of R5m to 400 filmmakers	Disbursed special film industry relief to 272 filmmakers	Not Achieved	Management decided not to issue out another call to avoid double dipping from applicants since applicants had access to another funding through the Presidential Employment Stimulus Programme (PESP), funds were redirected to other programmes who needed additional funding

SIGNIFICANT ACHIEVEMENTS AND KEY PROGRAMME OUTPUTS

Festival Grants Awarded to National Film Festivals:

The focus of the festival grant programme was to ensure film activity and audience development in all nine provinces of the country. During this financial year, festival grants were awarded to festivals in predominantly underserved provinces such as: Mpumalanga, North West, Limpopo and Free State. The Western Cape and Gauteng were also represented in the approvals. The Northern Cape and Eastern Cape were reached through local film activations.

The NFVF will continue to ensure that funding of festival is spread across the country, while targeting different audiences such as learners, students and women.

ACTIVATIONS AT LOCAL FESTIVALS:

The Northern Cape Film Week

The Northern Cape Film Week (NCFW) is a Kimberley based film industry development initiative aimed at creating partnerships necessary for the development of a sustainable

audio-visual sector in the Northern Cape. The NCFW is a unique film and television initiative with a developmental approach.

At its core, the NCFW is about great South African films that are rarely seen in the Northern Cape. One of the key goals of the NCFW is to further enhance the audience experience by opening the NCFW to diverse communities and the surrounding areas

The NFVF in partnership with the NCFW was committed to developing this necessary audio-visual sector initiative aimed at enriching, educating and entertaining Northern Cape audiences on film and content generation.

The NFVF imparted knowledge on the funding opportunities provided by the organisation and how attendees can acquire funding. The objective of the below mentioned programme was to equip the emerging filmmakers with the relevant knowledge and skills to perform at their utmost best. These were critical workshops that would assist in addresses the issue of sustainability. The programs created a platform to further promote and support local talents by offering them an opportunity to showcase their crafts and sharing their expertise.

The Durban FilmMart

Due to COVID-19 and national lockdown restrictions the 2020 Durban FilmMart (DFM) event was hosted online.

The theme was 'A Brave New Cinema', the market gathered leading and emerging African film professionals to remind each other that making cinema has always been and continues to be a collective act of courage.

DFM 2020 spotlighted the work of African producers who worked to contribute cinema images that humanise, celebrate and canonise the struggles and the beauty. The programme looked at how the future of cinema can navigate new landscape including the digital world. The market welcomed more people from across the continent with a programme that was delivered in two additional African languages (French and Portuguese) in an effort to connect African film professional across the post-colonial divides and create new synergies.

DFM 2020 – 'A Brave New Cinema' is a celebration of collective African resilience, collective victories and finally a clarion call for the stories of the future.

DFM and the NFVF further collaborated in inviting international film practitioner Roger Ross Williams - to host a session.

GLOBAL POSITIONING

The international festivals and markets at which the NFVF led a South African delegation were:

IFP

IFP Week is the oldest and largest forum in the US for the discovery of new projects in development and new voices on the independent film scene and will take place as usual following the Toronto Film Festival. IFP Week is made up of the Screen Forward Conference, a week-long series of panel discussions open to attendees as well as the public, and the Project Forum.

The NFVF once again participated at IFP which was hosted virtually due to COVID-19

Below were the supported projects that participated

- The Honeymoon: Bianca Isaac

The Honeymoon written and directed by Bianca Isaac, produced by Gregory Mthanji and Bianca Isaac. When one of them is dumped the night before her wedding; three best friends turn a would-be-honeymoon into a wild time in paradise.

- The Park: Amy Jephta

The Park created and written by Amy Jephta, produced by Ephraim Gordon and Charl van der Merwe. In South Africa's Cape Flats, a female hip-hop crew navigate friendship, love and hostile environments to rise to the top of the underground rap scene.

- The Spirit Guest: Mmabatho Kau

The Spirit Guest written and directed by Fanyana Hlabangane, produced by Mmabatho Kau, Cait Pansegrouw and Elias Ribeiro. Brothers Tito and Kgabane, two men who merely tolerate each other, lead mundane lives on the fringes of Johannesburg. During a mercilessly dry winter, their turbulent childhood pain simmers when their dead mother arrives in the flesh, sending the brothers' relationship into a tailspin.

- Still: Zikethiwe Ngcobo

Still directed by Kethiwe Ngcobo and produced by Kethiwe Ngcobo and Yolanda Ndhlovu. After three generations struggled through an overwhelming sense of un-belonging, can a 19-year-old Born Free teenager finally find peace in 21st-century post-apartheid, post-COVID-19 South Africa?

BERLINALE

The Berlinale Co-Production Market brings together around 600 international high-profile film producers and financiers, focusing on international co-productions. It is the Berlinale-event with the highest concentration of a target group active in the business of international co-production gathered at the same location at the same time. The Berlinale Co-Production Market therefore offers a good setting for promotion activities for this thoroughly selected international industry target group.

The NFVF participated at the Berlinale Co-Production Programme. The Visitors Programme included producers who are starting their international network, from all over the world. Five producers without international co-production experience, were selected and took part in the program. The Berlinale Co-Production Market meet and match took place virtually from 28 February to 5 March, 2021

GENDER-BASED VIOLENCE AND GENDER EQUALITY WITHIN THE FILM INDUSTRY

GBV Talks

Every year, South Africa brings awareness to GBV related issues through the 16 days of activism campaign. This is a WORLDWIDE campaign aimed at fighting violence against women and children. The campaign raises awareness on the impact of violence and abuse while trying to rid society of abuse permanently.

As the fight against GBV headlines all platforms around the world, the NFVF team was posed with a challenge on how they can make a difference in tackling this human injustice and recognise that gender-based violence in South Africa is an ongoing and visible epidemic.

The NFVF hosted events to bring awareness about GBV while trying to find solutions for this epidemic driven through the film industry.

THE SWIFT WORKSHOP

SWIFT officially introduced the safety officers and their roles. Through a hybrid event on 03 December 2020, they shared and educated participants on the code of conduct while sharing the core mandate of the officers which are to assist victims in laying charges against perpetrators. The aim was to create awareness of the officers and action steps that victims can take in the prosecution of the perpetrator.

The discussion was around how to contribute to new narratives and create safe spaces where victims can speak up about the injustices faced on and off set, stories, and characters that speak to GBV, how they are told, and if they are solution-driven if the industry in sharing those stories with audiences and if not why and most importantly can storytelling be used to fight against GBV.

Other elements of conversation were around whether storytelling has and can transforming sexist attitudes, beliefs, and behaviours that often lead to sexual harassment or GBV in our communities.

LGBTQI community in storytelling and the roles they play. The roundtable also highlighted what help is available out there, sharing stories of overcoming adversity in a male-dominated industry, the challenges that vulnerable individuals and groups continue to face.

ONLINE WEBINARS

As a result of the COVID-19 restrictions, our efforts to improve the experience of film makers in the local industry were channelled through first-time online webinars which were targeted at addressing funding and industry challenges. Some of these were:

- **The Marketing and Distribution Webinar:** This inaugural webinar was executed in order to improve the quality of applications received.
- **The Women in Dialogue Webinar:** This successful webinar for women in film, gave birth to the campaign we embarked on under the slogan of “BEYOND PRODUCTION” also used in the training initiatives.

PESP COMMUNICATION

Since NFVF was tasked with assisting the Department of Sport, Arts and Culture (DSAC) with the relief fund we also assisted with the payments for fund recipients. The **PESP Communication** plan enabled the team to share the call, drive applications, monitor progress, share additional knowledge using webinars, and communicate the roadshow for educating applicants on the application process.

PARTNERSHIPS

NETFLIX

The partnership with the global production, development and distribution giant Netflix was a first for the NFVF. The media announcement was well received by the public as was the call by the industry

This partnership reflected much-needed injection into the industry with over 280 applications received for the funding of 6 micro-budget feature films at 100% of the production budgets.

TIKTOK

The partnership with social media giant Tik Tok set another milestone for the NFVF. Given the rise in popularity for the platform globally with over 1,5 billion app downloads and the strong performance of South African Tik Tokkers in global rankings, this partnership sought to empower local Tik Tokkers with the resources to equip them with the tools to monetise their platforms and become entrepreneurially minded short-form videographers.

SABC

We signed partnerships with public broadcaster the SABC in the form of Slates during December 2020 and January 2021. These Slates enabled the funding of ten female film makers, deliberately empowering this underserved group, not only through funding but also by ensuring maximum visibility of their films with SABC platforms as the distribution avenue.

These partnerships showcases the NFVF's intention of ensuring that its funding activities match the dynamics of the industry and that it assists in the alleviation of low job creation currently faced by the sector.

Audience Development: Drive-Ins

In order to build support the audience development programme, the COVID-19 restrictions were leveraged by converting outdoor screenings into COVID-19 safe drive-ins.

During the third and fourth quarter, 29 screenings were achieved. These drive-ins occurred in outlying areas such as the Western Cape's Philippi Village where the drive-in became Southern Africa's first solar-powered cinema screening, Eastern Cape's Mthatha, where there was no history of cinema activity Gauteng's Soweto and The West Rand whose drive-ins captured the demand of the captive audiences yearning to attend a unique cinema screening of this nature.

The economic activity of each drive-in resulted in a maximum attendance of 250 patrons, between 20 - 45 jobs created from security, food & beverage and logistical support services and partnerships with institutions such as local municipality Arts and Culture departments, film forums and McDonald's for food & beverage sponsorship. This project enabled a new breed of NFVF funded beneficiaries to emerge.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of underperformance.

4.5 Programme 5: Administration and Human Resources

PROGRAMME DESCRIPTION

Purpose of programme

- The Administration and Human Resources departments provide strategic oversight of the performance and overall service delivery of the NFVF. The overall objective is to improve efficiency and effectiveness in the management of the NFVF. The administration department is responsible for ensuring good corporate governance and effective internal controls. The human resources department ensures that the NFVF is adequately staffed to deliver on its mandate and service delivery objectives.

Strategic objectives related to administration and human resources

- Maintenance of efficient and effective systems of financial, legislative and administrative controls
- Sound leadership, governance and management

PROGRAMME PERFORMANCE REPORT

Administration and Human Resources							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
To ensure coherence and accountability towards achieving organizational mandate.	Complete and accurate management reports	Submit Quarterly reports to Council, DSAC and National Treasury	4 Quarterly Reports submitted to DAC, National Treasury and Council	Quarterly reporting to Council, DSAC, and Treasury	4 Quarterly reporting were submitted to Council, DSAC, and National Treasury	Achieved	N/A
	Complete fairly presentable financial statements	Obtain an unqualified Audit report.	12 Monthly and 4 Management accounts submitted, and Annual Financial Statement were prepared	Prepare 12 monthly and 4 Quarterly Management Accounts – Prepare Annual Financial Statement	12 Monthly and 4 Quarterly Management accounts submitted, and Annual Financial Statement were prepared	Achieved	N/A
	Complete accurate Supply Chain management reports on compliance	Compliance to supply chain management processes.	N/A	Submission of quarterly report on Supply Chain Management confirming compliance to regulations and SCM policy. With a 100% compliance	4 Quarterly report on Supply Chain Management confirming compliance to regulations and SCM policy was submitted	Achieved	N/A

Administration and Human Resources

Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
To ensure coherence and accountability towards achieving organizational mandate. (continued)	Effective management of SLA's and infringement reports. IT Report on stability of the ICT infrastructure, supported by ICT Policies	Effective ICT security measures and policies supported by up-to date infrastructure End-user feedback mechanism	N/A	Quarterly ICT Reports, including SLA infringement and incident reports with a target of 100% SLA compliance.	4 Quarterly ICT Reports, including SLA infringement and incident reports with a target were submitted	Achieved	N/A
	Updated Risk Register based on continual identification and assessment of risks	Effectively Managed Risk register	Risk assessment workshop was conducted	Conduct an annual risk assessment workshop and quarterly risk management reports	Annual risk assessment workshop was conducted in November 2020 and quarterly risk management reports were presented to Audit Committee	Achieved	N/A
	Internal Audit Progress Report	Implementation of three year rolling internal audit plan based on the outcome of the risk assessment	4 Internal Audits completed	4 internal audits conducted per annum	7 internal audits were conducted	Overachieved by conducting 5 more internal audits	There was a need to strengthen controls
		Develop Audit Actions plan to address the root cause of the audit findings	N/A	Develop Audit Action plan to address the root cause of the audit findings	Audit Action plan to address the root cause of the audit findings was developed	Achieved	N/A
	Effectively Managed Performance management system focused on KPAs	To measure & align employee performance to service delivery	PMS fully implemented	Implement PMS (Bi- annual reviews)	All Performance contracts signed, and bi-annual reviews conducted.	Achieved	N/A
		Capacitate employees with skills & knowledge to assist with service delivery	14 staff trained.	Train 10 staff per annum	18 Staff members trained	Overachieved by training 8 additional staff members.	8 additional staff trained for a Finance for non-financial managers' course.



Administration and Human Resources							
Outcome	Output	Output Indicator	Actual Achievement 2019/2020	Planned Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Comment on deviations
To ensure coherence and accountability towards achieving organizational mandate. (continued)	Employee Engagement Effectively managed Employee Wellness Programmes	Employee Engagements		To conduct 2 employee wellness engagements	2 Employee wellness engagements conducted: 1) Financial Wellness; 2) Mental Health Awareness	Achieved	N/A
				2 employee engagements	2 Employee engagements conducted: 1) Sexual Harassment workshop; 2) Emotional Impact workshop	Achieved	N/A
		Panel discussion conducted - gender equality and diversity	N/A	To conduct 2 panel discussion for filmmakers on gender equality and diversity	2 Panel discussion were conducted	Achieved	N/A
		Host educational workshops for filmmakers in all tiers on issues of gender-based violence	N/A	To host 2 educational workshops for filmmakers in all tiers on issues of gender - based violence	2 educational workshops were hosted	Achieved	N/A

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

- There were no areas of underperformance.

CHANGES TO PLANNED TARGETS

- There were no changes to planned targets.

REPORTING ON THE INSTITUTIONAL RESPONSE ON THE COVID-19 PANDEMIC

The impact of COVID-19 and subsequent National State of disaster declared by the President of the Republic, including the nation-wide lockdown necessitated the realignment of government planning to respond to the COVID-19 pandemic and provide continued service delivery for the 2020/21 financial year.

NFVF developed a recovery plan which focused on reviewing the Annual Performance Plan (APP) targets while outlining

projects that could be salvaged or reduced considering the inactivity imposed by the lockdown. NFVF reviewed and revised all targets from Quarter 1 and Quarter 2 cancelling all performance targets that were not compatible to levels 5 & 4 of the government's lockdown regulations.

After the above process was completed, NFVF implemented the following immediate intervention in response to the COVID-19 pandemic:

- Immediate relief support, which commenced with the early release of calls for applications for development and production support including Micro/Made for TV Strategy.
- Implementation of Emergency Relief Fund for the filmmakers impacted by the pandemic.
- Employment of Safety Officers and additional temporary staff.
- Implementation of the Drive-in-Strategy for audience development

Programme	Intervention	Geographic location	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention	Budget spent per intervention	Contribution to the Outputs in the APP	Immediate outcomes
	NFVF COVID-19 Relief Fund	National	279 filmmakers benefitted	Beneficiaries were across all the 9 provinces of the republic, representing all genders	R5m	R2 790 000		Relief enabled filmmakers to have basic essential during lockdown
	Drive-in-Strategy for audience development	National	20 Film screening exhibitors with employment creation	Beneficiaries were across all the 9 provinces of the republic, representing both genders and most demographics (whites, africans and coloureds) including rural areas.	R3m	R3m	Audience development was achieved as each screening resulted into at least 50 people watching NFVF funded films.	The NFVF funded films were screened throughout the country, observing all lockdown protocols. The exhibitors created short term employment to at least 5 people per event.
	Employment of Safety Officers and additional temporary staff	Gauteng	16 Youth employed	Beneficiaries were across all the 9 provinces of the republic,	R2 016 000	R2 016 000	Job creation was achieved which was a target in the revised APP	Employment created for the youth
	Micro/Made-for-TV Movies		6 Filmmakers		1.5 million	1.5 million		More content was created during lockdown and more jobs were created in the sector
	Development Funding	National	137	New entrants, Emerging and Established Filmmakers	From R100k – R400k project & tier dependant	R21 mil (R10mil COVID-relief)		More job opportunities
	Production Funding	National	56	New entrants, Emerging and Established Filmmakers	From R150k – R1,8mil project & tier dependent	R28mil (R8mil COVID-relief)		More job opportunities & keeping companies relatively sustainable



RESPONSE ON THE COVID-19 PANDEMIC

There were funds that were reallocated from the retained surplus to assist towards projects for the industry affected by Covid19 which were to finance expenses over and above the original budget. But there were also projects that were classified as commitment as the some contracts were not signed. There was a request for advance funding for SASFED in which NFVF agreed to fund and amount of R100 000 was availed. There was an increase in the panel fees due to need of their service for the projects evaluated during the covid19 outbreak. There was a lot of effort made to implement the drive-in strategy at difference provinces during the period of the lockdown.

INTERNAL RESPONSE ON THE COVID-19 PANDEMIC

The HR department alongside the research team conducted a return-to-work survey for staff, to get staff perspective and to have insights into which areas staff had the most concerns over. With an acceptable completion rate of 95%, staff expressed

varied views on returning to the office; with the overwhelming concern being about contracting COVID-19 either in the workplace or during a commute; for those who rely on public transport.

To alleviate staff fears on returning to work while the threat of COVID-19 still looms, Management has put the following measures in place:

- Appointed two **Health and Safety Officers** to manage the COVID-19 protocols and ensure that staff coming into the office for the first time are inducted on what is expected of them to ensure their safety and the safety of those around them.
- Appointed two **General Office Assistants** to ensure that the office is clean and always sanitised.
- Appointment of twelve **Administrators** to assist teams with workload challenges as a result of special projects, whilst targeting the high rate of youth unemployment.
- Activated the company **Wellness Programme** to assist employees to deal with their emotional experiences as a result of Covid-19 work related changes; from heightened anxiety; experiencing loss; to feeling insecure.

LINKING PERFORMANCE WITH BUDGETS

Programme	2019/2020 Budget R'000	2020/2021 Actual Expenditure R'000	(Over) Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over) Under Expenditure R'000
Administration	42,092,000	43,650,279	(1,558,279)	39,312,000	48,816,522	(9,504,522)
Development & Production of Content	49,770,000	42,722,319	7,047,681	58,608,000	41,892,612	16,715,388
Skills Development and Training	13,000,000	17,931,885	(4,931,885)	11,750,000	9,121,114	2,628,886
Research & Policy Development	2,896,000	61,622	2,834,378	2,900,000	1,403,358	1,496,642
Marketing and Distribution	32,550,000	25,159,976	7,390,024	24,600,000	14,591,834	10,008,166
NFVF Initiatives - Covid Relief Fund				0	5,803,884	5,803,884

C GOVERNANCE





1. INTRODUCTION

The Corporate Governance Principles and Practice of the NFVF are based on relevant legislation (incorporating the National Film and Video Foundation Act, as amended by the Cultural Laws Amendment Act, 36 of 2001, the PFMA, 1 of 1999), and take into account the Protocol on Corporate Governance in the Public Sector, Notice 637 of 2002, as well as the King Report on Corporate Governance in South Africa, 2002 (“King Report”).

The NFVF recognises the significance of good governance in the public sector, which is crucial for effective public service delivery and improved social outcomes. The NFVF is committed to ensuring good governance throughout the organisation by observing the principles of the King Report, where possible, within the parameters of public sector legislation. All employees and Council Members of the NFVF are expected to conduct the affairs of the NFVF in accordance with the law, and the spirit of the corporate governance principles and practices, which requires a separation of organisational and private interests and the adoption of ethical standards of business.

The Council and Management of the NFVF ensures that its processes and practices are reviewed on an ongoing basis in order to ensure adherence to good corporate governance practices, which are continually benchmarked against international best practice.

The Council and Management believe that the organisation has substantially applied and complied with the principles incorporated in the Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance for South Africa 2002, as well as the Protocol on Corporate Governance in the Public Sector 2002.

2. EXECUTIVE AUTHORITY

The Executive Authority of the NFVF is the Minister of Sport, Arts and Culture. For the year under review, the NFVF submitted the following reports on the dates specified:

- Annual Performance Plan and Strategic Plan for 2020/21
- 1st Quarterly Report – 31st August 2020
- 2nd Quarterly Report – 31st October 2020
- 3rd Quarterly Report – 31st January 2021
- 4th Quarterly Report – 31st April 2021

3. THE ACCOUNTING AUTHORITY

Introduction

In terms of section 6 of the NFVF Act, the NFVF functions under the guidance of a Council, appointed by the Minister of Arts and Culture. The Council bears primary responsibility for discharging the statutory mandate of the NFVF as set out in the NFVF Act. The Chief Executive Officer, management and staff exist to support the Council in executing its responsibilities.

The purpose of the Council is to direct the affairs of the NFVF in fulfilling its statutory obligations set out in the NFVF Act and to give strategic direction to the NFVF.

The role of the Council is to:

- carry out its statutory mandate under the NFVF Act;
- define and ensure compliance with the values and objectives of the NFVF;
- establish policies and plans to achieve those objectives; and
- approve each year’s strategic and annual performance plan, budget and annual financial statements prior to publication.

In accordance with section 8(1) of the NFVF Act, Council meetings were held on:

- 30 June 2020
- 27 July 2020
- 21 August 2020
- 17 September 2020
- 30 September 2020
- 30 November 2020
- 19 & 20 January 2021 (induction)
- 27 January 2021 (Annual Performance Plan Approval)
- 17, 26 and February 2021 (PESP Approval)
- 02 March 2021 (PESP Approval)
- 31 March 2021 (Ordinary Council Meeting)

Council Meetings

Name	Designation	Date appointed	Date resigned	Other Committees (e.g. Audit committee)	No. of Meetings attended
Mr Phillip Molefe	Chairperson	01 May 2017	30 November 2020	EXCO	8
Ms Zimkhitha Zatu	Deputy Chairperson	01 May 2017	30 November 2020	EXCO	8
Adv Dimakatso Qocha	Council Member	01 May 2017	30 November 2020	HR & Ethics Committee and EXCO	8
Ms. Zanele Mthembu	Council Member	01 May 2017	30 November 2020		6
Mr Mfundo Ntsibande	Council Member	01 May 2017	30 November 2020		5
Dr Siphelo Ngcwangu	Council Member	01 May 2017	30 September 2020		5
Mr Jeremiah Mofokeng	Council Member	01 May 2017	30 November 2020	EXCO	8
Mr. Kgotso Motsoane	Council Member	01 July 2018	30 November 2020	HR & Ethics and Audit Committee	14
Mr. Richard Nosworthy	Council Member	30 April 2019	30 November 2020	Audit Committee	11
Mr Shadrack Bokaba	Council Member	30 April 2019	30 November 2020	HR & Ethics Committee	9
Prof. Sheila Mmusi	Council Member	30 April 2019	30 November 2020		6
Ms Tholoana Ncheke	Chairperson	01 December 2020		EXCO	8
Dr Jeremiah Mofokeng	Deputy Chairperson	01 December 2020		EXCO	8
Mr Maijang Mpherwane	Council Member	01 December 2020		EXCO	7
Adv Senzo Ncube	Council Member	01 December 2020		Audit and Risk Committee	7
Mr Sanele Zondi	Council Member	01 December 2020		Audit and Risk Committee	7
Mr Louis Itumeleng Seeco	Council Member	01 December 2020		HR & Ethics Committee	8
Ms Julie Hall	Council Member	01 December 2020		EXCO	8
Mr Sibongiseni Mkhungo	Council Member	01 December 2020		HR & Ethics Committee	8
Ms Marjorie Letoaba	Council Member	01 December 2020		EXCO and HR & Ethics Committee	7
Mr Tumisho Masha	Council Member	01 December 2020	28 February 2021		3
Ms Nomfundo Matlala	Council Member	01 December 2020		HR & Ethics Committee	7

Remuneration of Council Members

Previous Council	Resignation Date	Remuneration
Phillip Molefe	31 December 2020	104 897,00
Zimkhitha Zatu	31 December 2020	98 782,00
Zanele Mthembu	31 December 2020	67 936,00
Dimakatso Qocha	31 December 2020	94 488,00
Siphelo Ngcwangu	31 December 2020	51 975,00
Jerry Mofokeng	31 December 2020	113 377,00
Sheila Mmusi	31 December 2020	48 697,00
Richard Nosworthy	31 December 2020	58 036,50
Kgotso Mostsoane	31 December 2020	92 917,00
Shadrack bokaba	31 December 2020	89 058,85
Current Council	Appointment Date	Remuneration
Tholoana Ncheke	01 December 2020	82 975,00
Jerry Mofokeng	01 December 2020	51 375,00
Senzo (Shadrack) Ncube	01 December 2020	55 263,00
Louis Seeco	01 December 2020	55 263,00
Julie Hall	01 December 2020	55 263,00
Everseen Mkhungo	01 December 2020	55 263,00
Tumisho Masha	01 December 2020	21 585,00

Previous Audit & Risk Committee	Resignation Date	Remuneration
Phuthatang Motsielwa	01 December 2020	49 570,00
Mochele Noge	01 December 2020	40 535,00
Zanele Nkosi	01 December 2020	40 535,00
Richard Nosworthy	01 December 2020	40 535,00
Current Audit & Risk Committee	Appointment Date	Remuneration
Zanele Nokosi	22 April 2021	-
Julia Sefako	22 April 2021	-
Ulandi Exner	22 April 2021	-
Senzo (Shadrack) Ncube	22 April 2021	-
Sanele Zondi	22 April 2021	-
Molobeng Serame	22 April 2021	-
Nare Thupana	22 April 2021	-
Matefo Majodina	22 April 2021	-

4. RISK MANAGEMENT

Nature of risk management

Risk Management encompasses the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the NFVF. The realisation of the organisation's business strategy depends on its ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk through the NFVF's risk management system enables the organisation to anticipate and respond to changes in its business environment, and to take informed decisions in conditions of uncertainty.

Risk management strategies to identify risks and manage the risks

A Risk Assessment Workshop was conducted with Audit Committee members and the Executive Management team in November 2020 to review and update the NFVF Risk Register.

Progress made in addressing risks identified

Based on the control improvement plan identified at the risk assessment workshop, the NFVF has undertaken the following:

- Signed a shareholders compact with DSAC
- Continued to lead industry-wide initiatives to improve funding for the industry
- Reviewed its Finance, HR, IT and business related policies and procedures
- Updated the funding policy, amongst others
- Reviewed and approved the Council and Audit Committee Charters
- Council evaluation of all committees
- Review of NFVF reputation and image and undertake steps to re-instate a good reputation

5. INTERNAL CONTROL

The NFVF is a section 3A Public Entity that is guided by both the principles set out in the NFVF Act as well as the PFMA. As such, its objectives are to ensure a fully functioning and efficient NFVF office that fulfils its statutory obligations in terms of the NFVF Act and the PFMA and fully meets the service delivery needs of its stakeholders. This means that firstly, the NFVF needs to have adequate resources to fulfil its mandate and secondly to implement and maintain efficient and effective corporate governance and internal control systems.

During the year under review the NFVF has:

- Ensured financial compliance with the NFVF Act and the PFMA as well as financial and legal compliance with other statutory bodies (e.g. SARS)

- Ensured an efficient NFVF that successfully meets the needs of its various stakeholders
- Maintained an administration system that ensures the productivity and quality of the NFVF office
- Overall, maintained an effective and efficient supply chain management system
- Identified and managed risks by holding an annual risk workshop which culminated in an annual internal audit plan and a risk register
- Ensured good corporate governance by having regular committee meetings including the Audit Committee, Human Resources Committee and Exco etc. as well as having a fully functioning and efficient internal audit function
- Ensured that the HR Policies and Procedures are in line with the legislature and best practice

6. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the NFVF's operations. It assists the NFVF in accomplishing its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and the governance process.

Consistent with the above, the primary objectives of the Internal Audit Function are:

- To evaluate the effectiveness of the NFVF's risk management process, and suggest improvements related thereto;
- To evaluate the design adequacy and effectiveness of the NFVF's internal control system as a contribution to the economic, effective, and efficient use of resources, and suggest improvements related thereto; and
- To evaluate NFVF's process of governance, and suggest improvements related thereto.

Thus, the activities that the Internal Audit Function performs in executing its responsibilities include:

- Reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals, and whether operations or programmes are being carried out as planned;
- Assisting management in identifying business risks and assessing the adequacy of their risk management processes;
- Appraising the economy, effectiveness and efficiency with which resources are employed;
- Evaluating the effectiveness of controls over the reliability and integrity of information for management purposes; and
- Ascertaining the level of the NFVF's compliance with relevant policies, plans, procedures, laws, and regulations.

The NFVF's internal audit function was performed by Bonakude Assurance Inc.

Summary of audit work done

During the 2020/21 financial year, a risk assessment was conducted. Based on the outcomes of the assessment and in terms of the three-year rolling internal audit plan, the following audits were conducted:

- Audit of pre-determined objectives;
- Expenditure management Review (Fruitless and Wasteful Expenditure);
- Project fund controls Review;
- Training and development Review;
- Human Resources Management;
- Contract Management;
- Asset Management; and
- AG follow up.

Key activities and objectives of the audit committee

The primary purpose of the NFVF's Audit and Risk Committee is to assist the Council in fulfilling its oversight responsibility, which relate to reviewing its financial activities in terms of the NFVF Act and the PFMA. The review of these financial activities focuses on the following:

- Safeguarding of assets,
- Effective systems of internal control, financial management and preparation of annual financial statements;
- NFVF's auditing, accounting, and financial reporting processes generally; and
- The integrity of financial and performance reporting and other information provided by the NFVF to the executive authority any government body, or the public.

Attendance of Audit Committee meetings by Audit Committee members:

Name	Internal or External	If internal, position in the public entity	Date appointed	Contract end date	Number of meetings attended
Phuthanang Motsielwa	External	Audit & Risk Committee chairperson	1 July 2017	30 November 2020	5
Mochele Noge	External	Audit & Risk Committee Member	29 July 2019	30 November 2020	5
Zanele Nkosi	External	Audit & Risk Committee Member	14 Dec 2018	30 November 2020	5
Richard Norsworthy	External	Council Member	30 April 2019	30 November 2020	5
Kgotso Motsoane	External	Council member	30 Sept 2018	30 November 2020	5

The term of the Committee ended on 30 November 2020 and the succeeding Committee was appointed after the 2020/21 FY (22 April 2021).

Invitees to the Audit and Risk Committee

Name	Internal/ External	Position	Date appointed	Contract end date	Number of meetings
Makhosazana Khanyile	Internal	CEO			4
Zanoxolo Koyana	Internal	CFO			5
Tendai Rafemoyo	External	Former Internal Auditor (SNG)	1 June 2017	31 May 2020	3
Zipho Mdluli	Eternal	Current Internal Auditor (Bonakude Consulting)	23 September 2020		2

7. FRAUD AND CORRUPTION

The NFVF has a fraud prevention plan in place. All new staff members are inducted on the plan and the organisation holds regular workshops with all staff to familiarise them with the plan. The NFVF is also a participant in the DAC's fraud and corruption campaign.

8. MINIMISING CONFLICT OF INTEREST

The NFVF has developed a conflict-of-interest policy that the Council has approved. All Council, committee and panel members are required to sign a declaration of conflict-of-interest form at every meeting. In addition, staff members must sign a declaration of conflict-of-interest form on an annual basis.

There were no instances that were noted by the Committee relating to conflict of interest during the period under review.

9. CODE OF CONDUCT

The purpose of the Code of Conduct is to provide clear guidelines on how employees should conduct themselves during their employment at the NFVF. The Code sets out the organisation's acceptable business conduct and practices.

The Code of Conduct is reviewed together with the organisational policies and procedure on an annual basis. Staff members are made aware of the Code of Conduct and any revisions during the annual workshop and induction for new employees. In the event of a breach of the Code of Conduct, the organisation follows normal HR processes as outlined in its HR policies.

10. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NFVF complies with the Occupational Health and Safety (OHS) Act and contributes to the workman's compensation. All staff is made aware of the health and safety requirements, which include, but are not limited to the following:

- Adequate signage.
- An easily accessible fire extinguisher; and
- A well-rehearsed evacuation strategy.

11. COMPANY SECRETARY

The Company Secretary plays two pivotal roles in Managing the affairs of the NFVF Council, Council Sub-Committees (including Panels) by providing guidance and support to the NFVF Council and Sub Committees. The Company Secretary also provide secretariat services and administrative support to the Council and Sub Committees (including panels). Further the Company Secretary is a liaison official between management and the Council and between the Council and the Shareholder, thus giving effect to the governance protocol.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. It also reports that it has adopted appropriate formal terms of reference as its Committee Charter for the year under review and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Audit Committee Members and Attendance

The Committee, which consists of the members listed hereunder, has met the required four times per annum as per its approved charter. During the year under review, the Committee met on the following dates:

- 09 June 2020
- 16 July 2020
- 28 August 2020
- 29 September 2020
- 10 November 2020

Although the Committee met as required, it could only consider the first and second quarter before the end of the

members' contracts came to an end. The new Committee, which was established subsequent to year end, considered the third and fourth quarter, ex post facto.

Members

Phuthanang Motsielwa – External member (Chairperson)
Zanele Nkosi – External Member
Mochele Noge – External Member
Kgotso Motsoane- Council Member
Richard Nosworthy – Council member

The Effectiveness of Internal Control

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and liabilities and working capital are efficiently managed. In line with the PFMA and the King IV Report on Corporate Governance requirements, internal audit provides the Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the internal auditors and the Auditor General's Audit Report on the Annual Financial Statements, it was noted that there are material weaknesses in the internal controls. Although action plans were designed to address some of these as identified in the prior year, the implementation thereof was not discharged adequately or consistently.

The following were identified to be areas of concern during the year under review:

- Contract management systems;
- Risk management

Management should ensure that action plans are in place and implemented throughout the year. Above that, the effectiveness of controls need be reviewed and strengthened to improve contract management systems. Risk governance and processes also need to be enhanced.

Internal Audit

For the year under review, the Committee has:

- Reviewed and approved the internal audit charter;
- Reviewed quarterly internal audit reports relating to the effectiveness of the entity's internal control environment, systems, and processes;
- Considered the quality and appropriateness of management's action plans in response to identified shortcomings; and
- Considered the effectiveness of the internal audit unit by monitoring progress and quality of work on a quarterly basis.

Risk Management

The role of the committee is to provide oversight on the systems and processes of risk management within the entity.

For the year under review, the committee has:

- Reviewed and considered the annual strategic risk register

The Committee has discussed and recommended to management the proper systems and processes that should be in place to enable adequate and proper risk management

In-Year Management and Monthly/Quarterly Report

The Committee received and consistently reviewed both financial and non-financial information and ensured that monthly and quarterly reporting processes were in accordance with the PFMA and all relevant legislation.

Performance Information

As part of their responsibilities, the Committee reviews performance information. During the year under review, the Committee has performed the following functions in terms of the performance information of the NFVF:

- Reviewed and commented on compliance with statutory requirements and performance management, best practices, and standards;
- Reviewed the reported non-compliance with legislation;
- Reviewed the quarterly performance information reports; and
- Reviewed and commented on the entity's performance management system and recommendations for its improvement.

Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements of the NFVF to be included in the Annual Report, with the Auditor-General and the Accounting Officer.
- Reviewed the Auditor-General's management letter and management's responses thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed NFVF's compliance with legal and regulatory provisions
- Reviewed performance information to be included in the annual report
- Reviewed any significant adjustments resulting from the audit.

The Committee is satisfied that these statements comply, in all material respects, with the requirements of the PFMA, 1999, as amended, and the South African Statements of Generally Recognised Accounting Practice (GRAP).

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year, and have identified that some of the matters as raised has not been addressed accordingly.

Taking this into consideration, the Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Chairperson of the Audit Committee
National Film and Video Foundation
31 July 2021

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	This is not applicable to NFVF
Developing and implementing a preferential procurement policy?	No	NFVF is in the process of developing the preferential procurement policy
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable to NFVF
Developing criteria for entering partnerships with the private sector?	No	The criteria will be developed in this current financial year

D Human Resource Management





NFVF STAFF





I. INTRODUCTION

Overview

THE HR PRIORITIES FOR 2020/2021 AND THEIR IMPACT

The HR department is key in ensuring that the NFVF is able to effectively deliver on its mandate and strategic objectives. The primary objective of the HR department is to ensure that the NFVF has the right people, in the right roles. The main focus of the HR department has been on key strategic interventions aimed at enhancing organisational effectiveness. Key priorities entailed the following:

- Recruitment and Placement
- Job Profiling and Alignment
- Performance Management
- Training and Development
- Employee Engagement

Recruitment and Placement:

One of the most important objectives of the HR department is to align the organisational structure to the organisation's strategic objectives. This ensures that the NFVF has the right people, with the right skills, in the right roles. All approved positions were filled within the period under review, with an exception of one (1) position – IT Specialist, as its existence depended on the completion of the organisational IT infrastructure. A key position was introduced (Executive Producer: SAFTAs) and the position not only delivered one of the key mandates of the organisation, but was positioned in such a manner to ensure continued celebration of the industry during the uncertainty of Covid-19. The NFVF continues to ensure a fair and transparent recruitment process, aligned to our recruitment strategy. The vacancies filled and created have been key in meeting our annual targets and achieving our overall mandate.

Job Profiling and Alignment:

Following the successful review of the Industry Development department, the same approach is undertaken with support department. A detailed review of the current workflows, capabilities, competencies and outputs of the support department was conducted. The departure point for optimising the outputs was to look at aligning the support department's objectives to all NFVF strategic goals. The process is completed and the organisation is in the process of implementing recommendations that will enable the organisation to function at an optimal level.

Performance Management:

The NFVF's performance management is based on a 360° methodology. Our performance management system allows for a comprehensive performance assessment of staff. Performance assessments are conducted bi-annually (mid and year end).

These assessments have been key in identifying employee skill gaps for urgent address. The performance management system offers staff an opportunity to measure their individual contribution, in the overall organisational performance.

Training and Development:

Training priorities are identified when performance reviews are conducted. Each line manager and employee have a duty to address any skill gaps identified. Those gaps automatically form part of each employee's Personal Development Plans (PDP's), and are addressed within agreeable timeframes. It is of utmost importance that skill gaps are addressed, as they contribute in improving efficiency and high performance. In an effort to ensure that staff are fully capacitated, the HR department has created platforms for staff to undergo various training programmes that will stimulate their skills to better service their stakeholders. The organisation has created a conducive platform for dealing with under performers through engagements that are solutions based, with reasonable turnaround times to ensure improvements in performance.

The following interventions have been achieved:

- Finance for Non-Financial Managers
- New Managers Programme
- Various skills programmes
- Academic support through staff bursaries

The training initiatives undertaken form part of a Works Skills Plan (WSP) and Annual Training Report (ATR) submitted to the SETA annually.

The continuous re-assessment of skills ensures that employees are placed in the best position to respond to industry requirements, and are reflective of a changing industry. The above initiatives are aligned to the organisation's talent management strategy.

Employee Engagement:

Employee engagement sessions are key in defining the nature of relationship between various departments, how they inter-depend on each other, and how that relationship translates in achieving overall business objectives. In this current year, we have been tested beyond measure through the Covid 19 pandemic, and the HR department was instrumental enough to introduce measures that will ensure the mental and physical well-being of staff. Several staff engagement sessions which took place include the following:

- Mental Health Awareness Workshop
- Emotional Impact Workshop
- Financial Wellness Workshop
- Employee participation in the redesigning and aligning of job specs
- Conflict Management and Grievance Procedure workshop
- Sexual Harassment workshop
- Various employee wellness initiatives through ICAS

Plans for the year ahead:

The HR department will continue to drive key strategic interventions aimed at enhancing organisational effectiveness. Some key priorities for the year ahead include the following:

- A culture Intervention Initiative which will building and sustaining an organisational culture that facilitates and accelerates change
- Flexible HR information system that supports remote working arrangements
- An HR strategy which is inclusive and flexible enough to accommodate the new normal as a result of the Covid 19 pandemic

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by programme

Programme	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Training & Skill Development	1,121,489.74	4.28%	2	560,744.87
Policy, Compliance & Research	4,055,018.23	15.48%	5	811,003.65
Production & Development	5,394,990.23	20.60%	10	539,499.02
Marketing & Distribution	3,450,717.69	13.18%	6	57,502.94
CEO Office, Finance & HR & Admin	12,168,877.44	46.46%	16	760,554.84
Total	26,191,093.33	100%	39	2,729,305.32

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management	1,931,070.32	7.11%	1	1,931,070.32
Senior Management	3,400,408.63	12.53%	2	1,700,204.32
Middle Management	11,856,057.42	43.69%	15	790,403.83
Professional qualified	9,569,091.28	35.27%	19	503,636.38
Semi-skilled	230,882.44	0.85%	1	230,882.44
Unskilled	146,880.99	0.54%	1	146,880.99
TOTAL	27 134 391.08	100%	39	5 303 078.28

Performance Rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	425,000.00	425,000.00	26.94%
Senior Management	0	0	0%
Middle Management	314,417.70	31,441.77	19.93%
Professional qualified	828,719.60	51,794.98	52.52%
Semi-skilled	0	0	0%
Unskilled	9,692.52	9,692.52	0.61%
TOTAL	1 577, 829.82	517, 929.27	100%

Training Costs

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
472 181.76	591 020.00	80%	18	26 232.32

Employment and vacancies by programme

Programme	No. of Employees as at 31 March 2020	2020/2021 Approved Posts	No. of Employees as at 31 March 2021	Vacancies as at 31 March 2021	% of vacancies
Training & Skills Development	2	2	2	0	0.00%
Legal, Policy & Research	5	5	5	0	0.00%
Production & Development	9	10	9	1	2.70%
Marketing & Distribution	6	6	5	1	2.70%
HR, Finance & CEO	11	14	13	1	2.70%
TOTAL	33	37	34	3	2.70%

Employment and vacancies by salary band

Programme	No. of Employees as at 31 March 2020	2020/2021 Approved Posts	No. of Employees as at 31 March 2021	Vacancies as at 31 March 2021	% of vacancies
Top Management	1	1	1	0	0.00%
Senior Management	3	4	3	1	2.60%
Middle Management	13	15	15	0	0.00%
Professional qualified	16	16	15	1	2.60%
Semi-skilled	1	1	1	0	0.00%
Unskilled	1	1	1	0	0.00%
TOTAL	35	38	36	2	5.20%

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top Management	1	0	0	1
Senior Management	3	0	0	3
Middle Management	13	3	1	15
Professional qualified	16	0	1	15
Semi-skilled	1	0	0	1
Unskilled	1	0	0	1
Total	35	3	2	36

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	2	5.5%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	1	2.7%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written warning	2
Dismissal	0

Employment Equity Status

Levels	MALE			
	African Current	Coloured Current	Indian Current	White Current
Top Management	0	0	0	0
Senior Management	1	0	0	0
Middle Management	6	0	0	0
Professional qualified	4	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	11	0	0	0

Levels	FEMALE			
	African Current	Coloured Current	Indian Current	White Current
Top Management	1	0	0	0
Senior Management	2	0	0	0
Middle Management	9	0	0	1
Professional qualified	12	0	0	0
Semi-skilled	1	0	0	0
Unskilled	1	0	0	0
TOTAL	26	0	0	2



E

Financial Information



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STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2021

The Accounting Authority is responsible for the preparation of the public entity's annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the public entity for the financial year ended 31 March 2021.



Ms. Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation
31 July 2021

The external auditors are engaged to express an independent opinion on the Annual Financial Statements of the Public Entity.

The NFVF annual financial statements for the year ended 31 March 2021 have been audited by the external auditors and their report is presented on page 83.

The Annual Financial Statements of the Public Entity set out on page 88 to page 117 have been approved by the Accounting Authority.



Ms. Tholoana Ncheke
Chairperson
National Film and Video Foundation
31 July 2021

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Members	Ms Tholoana Ncheke (Chairperson) Dr Jeremiah Mofokeng (Deputy Chairperson) Ms Nomfundo Matlala Ms Lala Tuku Mr Louis Seeco Ms Julie Hall Mr Sibongiseni Mkhungo Ms Marjorie Letoaba Adv Senzo Ncube Mr M Mperhwane
Business address Postal address	87 Central Road Houghton 2198 Private Bag X04 Northlands 2116
Bankers	First National Bank
Auditors	Auditor-General of South Africa
Secretary	Prudence Swarts
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Public Finance Management Act 1 of 1999.

ABBREVIATIONS

GRAP	Generally Recognised Accounting Practice
DSAC	Department of Sports, Arts and Culture
ECDC	Eastern Cape Development Corporation
ECPACC	Eastern Cape Provincial Arts & Culture Council
MEC	Member of the Executive Council
KZN	KwaZulu-Natal
MANCO	Management Committee
MICT-SETA	Media, Information and Communication Technologies Sector Education and Training Authority

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical

behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Sports, Arts and Culture for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the Department of Sports, Arts and Culture has neither the intention nor the need to liquidate or curtail materially the scale of the entity. The outbreak of the Covid19 pandemic at the last quarter of the previous financial had serious negative impact to the whole country's economy and the gig economy suffered the most as a result of national lockdown.

Although the board of members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 83.

The annual financial statements set out on page 88 to 117, which have been prepared on the going concern basis, were approved by the Council members on 31 May 2021 and were signed on its behalf by:



Ms. Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation
31 July 2021



Ms. Tholoana Ncheke
Chairperson
National Film and Video Foundation
31 July 2021

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON NATIONAL FILM AND VIDEO FOUNDATION

Report on the audit of the financial statements

QUALIFIED OPINION

1. I have audited the financial statements of the National Film and Video Foundation set out on pages 88 to 117, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, **except for the effects** of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the National Film and Video Foundation as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

BASIS FOR QUALIFIED OPINION

Provision for grants issued by NFVF

3. The foundation did not review the recognition of the provision for grants issued by NFVF at the reporting date in accordance with GRAP 19, *Provisions, Contingent Liabilities and Contingent Assets*. Where it was no longer probable that an outflow of resources would be required to settle the grant issued, the provision should be reversed. Consequently, the provision for grants issued was overstated by R14,324,765. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.
4. The foundation did not recognize commitments for beneficiary grants and provisions for grants issued in accordance with GRAP 19, *Provisions, Contingent Liabilities and Contingent Assets*. Grants approved by council but not yet contracted for have incorrectly been recognized as provisions for grants issued. Consequently, provision for grants issued was overstated by R10,778,540. Additionally, there was an impact on the surplus for the period, the accumulated surplus, grant expenses and the disclosed commitments.
5. The foundation did not disclose the provision for grants issued by NFVF in accordance with GRAP 1, *Presentation of Financial Statements*. The split of the provision into current and non-current liabilities is misstated. Consequently, the classification of provisions which relate to non-current provisions is understated

by R35,899,775 (2020: overstated by R4,262,500). Furthermore, the classification of provisions which relate to current provisions is overstated by R35,899,775 (2020: understated by R3,045,961).

CONTEXT FOR THE OPINION

6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
7. I am independent of the foundation in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

EMPHASIS OF MATTERS

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

10. As disclosed in note 31 to the financial statements, the corresponding figures for 2020 were restated as a result of an error in the financial statements of the foundation at, and for the year ended, 31 March 2021.

Covid-19 implications

11. We draw attention to note 33 in the financial statements, which deals with going concern and specifically the possible effects of the future implications of Covid-19 on foundation's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

12. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act 1 of 1999 (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

13. In preparing the financial statements, the accounting authority is responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

INTRODUCTION AND SCOPE

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the foundation's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the foundation enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the foundation's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 3 – production and development of content	30 – 31

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – production and development of content

OTHER MATTER

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on pages 88 to 117 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the conclusion expressed on the usefulness and reliability of the reported performance information in paragraph 21 of this report.

Report on the audit of compliance with legislation

INTRODUCTION AND SCOPE

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the foundation's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance and annual report

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and/or the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified opinion.

Other information

26. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the council's report, the audit committee's report and the human resource management information. The other information does not include the financial statements, the auditor's report thereon and those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the reported performance information and compliance with legislation included in this audit report.
32. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The entity did not have adequately implemented monitoring and reviewing controls to ensure that financial and performance reports submitted for auditing were accurate and complete.
33. Senior management lacked the necessary implementation of controls over financial and performance reporting and compliance with key legislation. As a result, there were inadequate year-end reconciliations, a lack of review of reports and a lack of monitoring over proper control implementation. Furthermore, there was a lack of a proper record management system that could support the information reported in the financial statements and the annual performance report. As a result, material errors were identified during the audit process.
34. Senior management did not ensure that adequate reviews are performed on the submitted financial statements to ensure that they are accurate and complete and compliant with the GRAP, which resulted in material amendments to the annual financial statements.

Auditor General

Johannesburg
31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programme and on the foundation's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the [board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also

conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Film and Video Foundation to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a foundation to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

ACCOUNTING AUTHORITY REPORT

The accounting authority submit their report for the year ended 31 March 2021.

The annual financial statements set out on pages 88 to 117, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2021 and were signed on its behalf by:



Ms. Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation
31 July 2021



Ms. Tholoana Ncheke
Chairperson
National Film and Video Foundation
31 July 2021

STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

Figures in Rand	Note(s)	2021	2020 Restated
Assets			
Current Assets			
Cash and cash equivalents	8	273 753 377	145 450 428
Receivables from exchange transactions	6	7 131	2 651 259
Receivables from non-exchange transactions	7	5 255 444	4 656 132
Prepayments	4	200 204	425 506
Rental Deposit	5	339 974	-
		279 556 130	153 183 325
Non-Current Assets			
Property, plant and equipment	2	11 550 995	12 823 105
Intangible assets	3	1 503 233	795 601
Rental deposit	5	-	339 974
		13 054 228	13 958 680
Total Assets		292 610 358	167 142 005
Liabilities			
Current Liabilities			
Trade and other payables	12	6 708 913	2 018 264
Operating lease liability	14	351 725	-
Provisions	9	79 538 974	88 363 826
Income received in advance	10	14 020 460	14 546 703
Presidential Employment Stimulus Programme	11	93 140 309	-
		193 760 381	104 928 793
Non-Current Liabilities			
Operating lease liability	14	-	791 174
Provisions	9	43 639 199	27 435 417
		43 639 199	28 226 591
Total Liabilities		237 399 580	133 155 384
Net Assets		55 210 778	33 986 621
Accumulated surplus		55 210 778	33 986 621
Total Net Assets		55 210 778	33 986 621

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2021	2020 Restated
Revenue			
Revenue from exchange transactions			
Rendering of services	15	-	3 934 760
Other income	16	1 572 373	1 108 009
Investment income	17	4 074 084	6 092 582
Total revenue from exchange transactions		5 646 457	11 135 351
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	19	184 066 715	162 568 353
Total revenue	13	189 713 172	173 703 704
Expenditure			
Employee related costs	20	(29 013 597)	(24 082 093)
Council remuneration	30	(1 368 326)	(1 102 920)
Depreciation and amortisation	21	(3 228 700)	(2 933 453)
Lease rentals on operating lease	14	(4 257 456)	(4 287 330)
Debt impairment	22	(1 951 132)	(1 623 860)
Auditors remuneration	24	(780 006)	(871 077)
Grant expenses	18	(119 672 493)	(98 878 515)
General expenses	23	(8 217 305)	(9 487 104)
Total expenditure		(168 489 015)	(143 266 352)
Surplus for the year		21 224 157	30 437 352

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Balance at 1 April 2019	3 549 269	3 549 269
Changes in net assets		
Surplus for the year as previously reported	30 437 352	30 437 352
Total changes	30 437 352	30 437 352
Opening balance as previously reported	47 726 892	47 726 892
Prior year adjustments (Refer to note 31)	(13 740 271)	(13 740 271)
Restated balance at 1 April 2020	33 986 621	33 986 621
Changes in net assets		
Surplus for the year	21 224 157	21 224 157
Total changes	21 224 157	21 224 157
Balance at 31 March 2021	55 210 778	55 210 778

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2021	2020 Restated
Cash flows from operating activities			
Receipts			
Other receipts (Amounts received in advance)		171 111 388	20 756 799
Government grants and subsidies		137 207 024	162 543 792
Interest income		4 074 084	6 092 582
Exchange		-	3 934 760
Other Income		1 572 373	1 132 570
		313 964 869	194 460 503
Payments			
Employee costs		(29 013 597)	(23 858 373)
Suppliers and beneficiaries		(153 984 103)	(109 423 880)
		(182 997 700)	(133 282 253)
Net cash flows from operating activities	25	130 967 169	61 178 250
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 165 246)	(9 383 977)
Purchase of other intangible assets	3	(1 498 974)	(454 606)
Net cash flows from investing activities		(2 664 220)	(9 838 583)
Net increase in cash and cash equivalents		128 302 949	51 339 667
Cash and cash equivalents at the beginning of the year		145 450 428	94 110 761
Cash and cash equivalents at the end of the year	8	273 753 377	145 450 428

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions	-	-	-	1 572 373	1 572 373	37.1
Other income						
Investment income	5 500 000	-	5 500 000	4 074 084	(1 425 916)	37.2
Total revenue from exchange transactions	5 500 000	-	5 500 000	5 646 457	146 457	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	138 940 000	(1 770 000)	137 170 000	184 066 715	46 896 715	37.3
	-	-	-	-	-	
Total revenue from non-exchange transactions	138 940 000	(1 770 000)	137 170 000	184 066 715	46 896 715	
Expenditure						
Employee related costs	(29 551 000)	1 770 000	(27 781 000)	(29 013 597)	(1 232 597)	37.4
Remuneration of councillors	(1 200 000)	-	(1 200 000)	(1 368 326)	(168 326)	37.5
Depreciation and amortisation	(1 450 000)	-	(1 450 000)	(3 228 700)	(1 778 700)	37.6
Lease rentals on operating lease	(4 513 000)	-	(4 513 000)	(4 257 456)	255 544	37.7
Debt Impairment	-	-	-	(1 951 132)	(1 951 132)	
Auditors remuneration	(1 250 000)	-	(1 250 000)	(780 006)	469 994	37.8
Grant expenses	(97 458 000)	-	(97 458 000)	(119 672 493)	(22 214 493)	37.9
General expenses	(9 018 000)	-	(9 018 000)	(8 217 305)	800 695	37.10
Total expenditure	(144 440 000)	1 770 000	(142 670 000)	(168 489 015)	(25 819 015)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	21 224 157	21 224 157	

ACCOUNTING POLICIES

I. BASIS OF PREPARATION

The annual financial statements of the NFVF have been prepared in accordance with the effective South African Standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board.

I.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

I.2 Summary of significant accounting

The following are the principal accounting policies of the NFVF which are prepared on an accrual basis and in all material respects, consistent with those applied in the previous year. The annual financial statements of the NFVF have been prepared on the historical cost and going concern basis.

I.3 Significant judgements and sources of estimation uncertainty

In the application of the NFVF accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions do however affect the reported amounts of assets and liabilities at the Statement of Financial Position date, as well as the reported income and expenditure recorded in the Statement of Financial Performance. Although these estimates are Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the key assumptions and judgements concerning the future, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities within the next financial year:

Estimates

Trade Receivables

The entity assesses its trade receivables for impairment at

the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 11 to the annual financial statements

Useful life and residual value of property and equipment

As described in the accounting policy of property and equipment, the NFVF reviews the estimated useful lives of property and equipment at the end of each annual reporting period. During the review, management determines whether the useful lives of certain equipment should be lengthened, due to the condition and the continuous use of certain of the assets. The financial effect of this assessment, assuming the assets are held until the end of their revised estimated useful lives, is to reduce the depreciation expense in the current financial year. The annual depreciation charge will be adjusted for any changes in these estimates (refer to notes 2 & 3). These estimates are based on managements experience, knowledge and current expectations.

Judgements Leases

Management has applied its judgment to classify all lease agreements that the NFVF is party to as operating leases if the lease does not transfer substantially all risks and rewards of ownership to the foundation, or the other recognition criteria is met in terms of GRAP 13 to classify leases as operating leases.

I.4 Revenue from non-exchange transactions

Revenue comprises of gross inflows of economic benefits or service potential received and receivable by the NFVF which represents an increase in net assets, other than increases relating to contributions from owners.

In a non-exchange transaction, the NFVF either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

ACCOUNTING POLICIES (continued)

1.4 Revenue from non-exchange transactions (continued)

Government grants

Government Grants received by the NFVF relates to financial support that the Foundation receives as a Public Entity in order to carry out its mandate. All Government Grants are recognised in the Statement of Financial Performance for the year to which they relate.

1.5 Revenue from exchange transactions

An exchange transaction is one in which the NFVF receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Exchange revenue is recognised when it is probable that future economic benefits will flow to the NFVF and when the amount can be measured reliably. Revenue is measured at the fair value of the consideration received. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Interest revenue

Interest is recognised, in surplus or loss, using the effective interest rate method.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Property, plant and equipment are depreciated on the straight-line basis at rates which are estimated to write off each asset over its useful life, as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight-line	10 years; 6 years
Office equipment	Straight-line	6 years
Leasehold improvements	Straight-line	10 years

The useful lives of the assets is reviewed at the end of each financial year and adjusted if appropriate. Any change resulting from the review is treated as a change in accounting estimate. Depreciation commences when the asset is available for use. The gain or loss arising from the derecognition of an item of property and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Repairs and maintenance are charged to the Statement of Financial Performance when the expenditure is incurred.

1.7 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identified as an intangible asset when it is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Intangible assets are amortised over its estimated useful life, using the straight line method and is calculated to reduce the original costs to the expected residual values over the estimated useful lives.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	10 years
Website and licenses	Straight-line	5 years; 2 years; 1 year

Useful lives are assessed annually.

ACCOUNTING POLICIES (continued)

1.8 Leasehold Improvements

A leasehold improvement is a customisation of leased property. A lessee may want to invest in leasehold improvements in order to adjust the characteristics of office or production space to its specific needs. A leasehold improvement is considered an asset of the lessee if the lessee paid for it. If so, the lessee records the investment as a fixed asset.

Upon termination of a lease, all leasehold improvements become the property of the landlord. The leasehold improvements should be amortised over the shorter of:

- term of the lease, or
- useful life of leasehold improvements

Non-current assets

There were no major changes in the nature of the non-current assets of the NFVF, nor to its policy regarding its use during the year under review.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the NFVF becomes a party to the contractual provisions of the instrument. Financial instruments recognised on the Statement of Financial Position and in the notes thereto are as follows:

Classification

Class	Category
Trade and other receivables	Financial asset measured at fair value
Cash and cash equivalents	Financial asset measured at fair value
Trade and other payables	Financial asset measured at amortised cost

Trade receivables

Trade and other receivables are stated at the nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximate fair value due to the short period to maturity of these instruments. Trade and other receivables from exchange transactions are disclosed separately from trade and other receivables from non-exchange transactions. Trade and other receivables in exchange for which the entity gives approximately equal value to another entity are recognised as trade and other receivables from exchange transactions. Trade and receivables received without directly giving approximately equal value in exchange are recognised as trade and other receivables from non-exchange transactions.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits held at banks. Cash and cash equivalents are initially and subsequently measured at fair value.

Trade payables

Trade and other payables are measured at fair value at initial recognition, and are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial instruments

The NFVF assesses on each Statement of Financial Position date whether a financial asset of the Foundation is impaired. Impairments are made when there is objective evidence that cash flows from specific financial assets would not materialise. Cash flow values estimated not to materialise are impaired. The amount of the impairment is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The amount of the impairment is recognised in the Statement of Financial Performance.

Derecognition of financial instruments Financial assets

Financial assets (or part thereof) are derecognised when the Foundation realises the rights to benefits specified in the contract, the right expires, or the NFVF surrenders or otherwise loses control of the contractual rights that comprise the financial asset.

Financial liabilities

Financial liabilities (or part thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Off-setting of financial instruments

Financial assets and financial liabilities are offset, if a legally enforceable right exists to set off financial assets against financial liabilities and the financial instrument relate to the same foundation.

1.10 Tax

No provision has been made for income tax as the NFVF is exempted in terms of section 10 of the Income Tax Act (Act No. 58 of 1962).

ACCOUNTING POLICIES (continued)

1.11 Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts is recognised as an expense and the contractual payment recognised as an operating lease asset or liability.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Impairment of assets

An impairment loss is an amount by which the carrying amount of an asset (i.e. the amount recognised on the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment loss) exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less its cost to sell, and its value in use. Value in use is the present value of the future cashflows expected to be derived from an asset.

At each reporting date the carrying value of property, equipment and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Value in use is estimated taking into account future cashflows, forecast market conditions and the expected lives of the assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Impairment losses are recognised in the Statement of Financial Performance. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining useful life.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years.

A reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

The NFVF operates a defined retirement contribution plan for its employees and is not liable for any actuarial losses sustained by the fund. Accordingly, no provision has been made for any such losses and contributions paid are expensed. The organisation recognises a liability for annual bonuses (13th cheque). A liability for 13th cheque is accrued on a proportionate basis as services are rendered.

1.14 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 to the Annual Financial Statements. The amount of a provision is the present value of the amount expected to be required to settle the obligation. Contingent assets and contingent liabilities are not recognised as provisions as they do not comply with the recognition criteria.

Provisions are not recognised for future operating surplus (deficit).

ACCOUNTING POLICIES (continued)

1.14 Provisions and contingencies (continued)

Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.15 Comparative figures

Where necessary, comparative figures are adjusted when material errors that have been identified in the current year. The changes are done and disclosed in accordance with GRAP.

1.16 Irregular and fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including the PFMA. Fruitless and wasteful expenditure means expenditure made in vain and could have been avoided had reasonable care been exercised. All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

National Treasury instruction note no. 2 of 2019/2020 which was issued in terms of sections 76(2)(e) to 76(4)(a) of the PFMA requires the following (effective from 17 May 2020):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial

year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register.

1.17 Budget information

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury and is in line with the basis of accounting as per the GRAP Framework. The budget was approved by the Council and submitted to the executive authority in terms of section 53(1) of the PFMA, and covers the period from 1 April 2020 to 31 March 2021. The budget and accounting basis are the same; both are on the accrual basis. The budget information is prepared using a classification on the nature of expenses in the Statement of Financial Performance.

1.18 Related parties

The NFVF is a Schedule 3(A) Public Entity that is ultimately owned and controlled by the South African government. All related party transactions that are entered into by the NFVF with any organization owned by SA government are disclosed in the Annual Financial Statements.

1.19 Foreign exchange transactions

The NFVF does certain transactions in foreign currencies and prepares its financial statements on the accrual basis, and translates its AFS into a presentation currency. All transactions are effected on the closing rate i.e. the spot rate on the date of receipt of invoice. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of transaction.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fittings	6 815 104	(4 114 715)	2 700 389	6 815 104	(3 260 010)	3 555 094
Office equipment	478 550	(312 669)	165 881	444 743	(246 990)	197 753
Computer Hardware	5 862 612	(4 293 223)	1 569 389	5 257 416	(3 563 863)	1 693 553
Leasehold improvements	7 964 937	(849 601)	7 115 336	7 438 694	(61 989)	7 376 705
Total	21 121 203	(9 570 208)	11 550 995	19 955 957	(7 132 852)	12 823 105

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	3 555 094	-	(854 705)	2 700 389
Office equipment	197 753	33 807	(65 679)	165 881
Computer Hardware	1 693 553	605 196	(729 360)	1 569 389
Leasehold improvements	7 376 705	526 243	(787 612)	7 115 336
	12 823 105	1 165 246	(2 437 356)	11 550 995

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	4 011 506	306 982	(763 394)	3 555 094
Office equipment	241 572	24 237	(68 056)	197 753
Computer Hardware	1 073 843	1 614 064	(994 354)	1 693 553
Leasehold improvements	-	7 438 694	(61 989)	7 376 705
	5 326 921	9 383 977	(1 887 793)	12 823 105

The total additions for the period amounted to R1,165,246 (2020: R9,383,977)

Pledged as security

No items of property, plant and equipment have been pledged as security.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Depreciation rates Item	Depreciation method	Average useful life
Furniture and fittings	Straight-line	10 years; 6 years
Office equipment	Straight-line	6 years
Computer hardware	Straight-line	7 years; 3 years
Computer software	Straight-line	10 years
Leasehold improvements	Straight-line	10 years
Website and licenses	Straight-line	5 years; 2 years; 1 year
Assets subject to finance lease (Net carrying amount)		
Leasehold improvements	7 115 336	7 376 705

3. INTANGIBLE ASSETS

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	5 893 441	(5 260 903)	632 538	5 164 859	(4 605 201)	559 658
Intangible assets I	1 809 867	(939 172)	870 695	1 039 476	(803 533)	235 943
Total	7 703 308	(6 200 075)	1 503 233	6 204 335	(5 408 734)	795 601

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	559 658	728 582	(655 702)	632 538
Specialised software	235 943	770 392	(135 640)	870 695
	795 601	1 498 974	(791 342)	1 503 233

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	1 040 331	454 606	(935 279)	559 658
Specialised software	346 325	-	(110 382)	235 943
	1 386 656	454 606	(1 045 661)	795 601

Other information

Other information The total additions for the year amounted to R1,498,974 (2020: R454,606). Management has reviewed the useful life of computer software and believe that the straight-line method of 2 - 5 years is still deemed to be a true reflection of the write-off period. The estimation of the useful life of computer software is based on historical performance as well as expectations about future use. The amortisation rate represents managements current best estimate of the useful life of the assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
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4. PREPAYMENTS

Prepayments	200 204	425 506
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Prepayments relate to 50% deposit which was paid for SAFTA trophies which are to be delivered in April. (2020: prepayment relate to rent expense which was paid in March for the month of April.)

5. RENTAL DEPOSIT

Rental Deposit		
Opening balance as at 1 April	339 974	339 974
Additional deposit	-	-
Closing balance as at 31 March	339 974	339 974

The NFVF leases its building from ALW Estates until 31 December 2021. The total deposit held by ALW Estates will be refunded to the NFVF on termination of the lease.

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Golden Nugget	1 495 000	2 645 000
South African Broadcasting Corporation	1 623 860	1 623 860
Recoverable amount from staff member	-	6 259
Accrued expense - Medical Aid	7 131	-
Less: Provision for bad debt	(3 118 860)	(1 623 860)
	7 131	2 651 259

None of the above trade receivables has been pledged as security or collateral for liabilities or contingent liabilities nor have any terms of any receivables been renegotiated. The carrying amount approximates fair value because of the short period to maturity.

Trade and other receivables ageing

Current	7 131	2 645 000
30 - 60 days	-	1 623 860
60-90 days	-	6 259
Greater than 90 days	3 118 860	248 541
Less: Provision for bad debts	(3 118 860)	(1 623 860)
Total	7 131	2 561 259

Trade and other receivables impaired

The amount of the provision was R3,118,860 as of 31 March 2021. The balances is made up of the following debtors:

Golden Nugget	(1 495 000)	-
SABC	(1 623 860)	(1 623 860)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Covid Relief Fund on behalf of Department of Sports, Arts & Culture	5 255 444	-
MICT - SETA	-	4 200 000
Department of Arts & Culture - BRICS Film Festival	456 132	456 132
Less: Provision for bad debts - DSAC	(456 132)	-
	5 255 444	4 656 132

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Petty cash	352	5 000
First National Bank	169 920 756	45 505 159
Corporation for Public Deposits	103 832 269	99 940 269
	273 753 377	145 450 428

Cash and cash equivalents earn interest at floating rates based on the daily bank deposits.

9. PROVISIONS

Reconciliation of provisions - 2021

	Opening Balance	New Grants	Utilised during the year	Payments & Reversals made during the year	Originated during the year	Total
Provision for leave pay	1 589 906	-	(1 589 906)	-	2 117 939	2 117 939
Provision for Grants issued by NFVF	1 111 708 088	69 021 808	-	(61 490 316)	-	1 192 339 580
Provision for performance bonus	1 284 710	-	(1 284 710)	-	1 820 654	1 820 654
	1 14 582 704	69 021 808	(2 874 616)	(61 490 316)	3 938 593	123 178 173

Reconciliation of provisions - 2020

	Opening Balance	New Grants	Utilised during the year	Payments & Reversals made during the year	Originated during the year	Total
Provision for Grants issued by NFVF	101 864 082	89 306 210	-	(79 462 204)	-	1 111 708 088
Provision for leave pay	1 114 009	-	(1 114 009)	-	1 589 906	1 589 906
Provision for performance bonus	1 750 814	-	(1 750 814)	-	1 284 710	1 284 710
	104 728 905	89 306 210	(2 864 823)	(79 462 204)	2 874 616	114 582 704

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
9. PROVISIONS (CONTINUED)		
Non-current liabilities	43 639 199	27 435 417
Current liabilities	79 538 974	88 363 826
Total Provisions	123 178 173	115 799 243

Provision for leave pay

A provision for leave is recognised for leave due to employees at period end and calculated using the Basic Conditions of Employment Act rates. The provision is expected to be realised within the following financial year when the employees utilise the leave, resign or retire.

Provision for Grants issued by NFVF

The Foundation issues Grants in the following categories: Training and bursaries; research and script development; production and distribution and marketing. The Grants have been approved by Council, but the timing of payments are dependant on projects / contract milestones being achieved by grant beneficiaries. Management determined calculations of current and non-current portions estimates based on historical trend.

Provision for 13th cheque and performance bonus

A provision for 13th cheque and performance bonus is recognised for any money due to employees at their birthdays and when performance bonus is due and payable. The 13th cheque provision will be expected and realised in December each year and the performance bonus within the following financial year after the audit outcomes.

10. INCOME RECEIVED IN ADVANCE FROM NON-EXCHANGE TRANSACTIONS

Department of Sports, Arts and Culture

Opening balance as at 1 April	14 546 703	1 010 836
Utilised during the year	(526 243)	(7 438 694)
Received during the year	-	20 974 561
	14 020 460	14 546 703

Income received in advance relates to the funds received from DSAC to identify potential sites, develop a business case for the establishment of Film Hubs and for the refurbishment and development of the Film Hub identified in Eastern Cape. The purpose of the film hub is to provide local filmmakers editors and digital entrepreneurs by giving them access to a shared workspace with high-speed internet and resources, to help accelerate their passions and chosen fields. The Eastern Cape Film Hub in Buffalo City Municipality in the Eastern Cape Province was launched on 5 March 2020. The launch was a collaboration between NFVF, the ECDC, ECPACC, and Cortex Hub.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand

2021

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Restated

11. PRESIDENTIAL EMPLOYMENT STIMULUS PROGRAMME

The Presidency has made a special employment stimulus programme available to the sector to disburse via the National Arts Council and the National Film and Video Foundation. The Presidential Employment Stimulus Programme (PESP) is geared towards employment creation and retention initiatives for artists, creatives, heritage sector workers and cultural workers.

The Presidential Employment Stimulus Programme aims to assist practitioners and their projects as well as companies that incurred losses (actual and planned/existing, new and those that were at concept stage) during the COVID-19 lockdown period.

National Treasury has entrusted a total of R140 million to the NFVF and which will be administered, according to guidelines set, as follows:

Objective 1: Creation of new employment opportunities; R1 19 997 810 (stream 1-3);

Objective 2: Retention of employment opportunities; R13 002 190 (stream 4)

Administration costs R7 000 000

Split	Allocation	Paid to date	Balance available	Jobs proposed	Jobs projected
Stream 1	84 534 772	-	84 534 772	6 375	-
Stream 2	22 513 038	(21 263 038)	1 250 000	1 200	1 187
Stream 3	12 950 000	(12 950 000)	-	705	705
Stream 4	13 002 190	(9 020 064)	3 982 125	675	480
Administration	7 000 000	(3 626 587)	3 373 412	-	-
TOTAL	140 000 000	(46 859 689)	93 140 309	8 955	2 372

12. TRADE AND OTHER PAYABLES

Trade payables	2 129 225	898 251
Accruals	3 419 571	-
Accrued expense - Liberty life	297 600	-
Accrued expense - Discovery	-	170 405
Accrued expense - 13th cheque	430 157	402 784
Accrued expense - Trade Union	1 600	-
Accrued expense - sundry creditors	430 760	546 824
	6 708 913	2 018 264

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
13. REVENUE		
Rendering of services	-	3 934 760
Other income - (rollup)	1 572 373	1 108 009
Interest received - investment	4 074 084	6 092 582
Government grants & subsidies	184 066 715	162 568 353
	189 713 172	173 703 704

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	-	3 934 760
Other income - (rollup)	1 572 373	1 108 009
	1 572 373	5 042 769

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue		
Transfer revenue		
Government grants & subsidies	184 066 715	162 568 353

14. OPERATING LEASE LIABILITY

The NFVF leases its equipment (photocopiers etc.) on a month to month basis and therefore there is no operating lease liability. Buildings are leased over a period of 5 years at monthly payments of R338,030

Heading

Current liabilities - Operating lease Liability	351 725	-
Non-Current liabilities - Operating lease Liability	-	791 174
	351 725	791 174

Operating lease commitment

2021	Up to 1 year	2- 5 years
Buildings	3 594 466	-
2020	Up to 1 year	2 - 5 years
Buildings	4 495 831	3 594 466

The NFVF renewed its lease with ALW Estates for a further 5 year period (1 January 2017 to 31 December 2021). The basis on which rent is charged by the lessor is per specified amounts and increases in the contract. The lease expenditure is straight-lined and charged to the Statement of Financial Performance. The lease expense incurred for the year ended 31 March 2021 is R4,257,456 (2020: R4,287,330).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
15. RENDERING OF SERVICES		
South African Broadcasting Corporation	-	1 636 338
GE Media	-	1 501 900
KZN Film Commission	-	100 000
Ster Kinekor	-	140 000
IFAS	-	22 550
Independent Development Corporation	-	533 972
	-	3 934 760

Revenue received from exchange transactions relate mainly to sponsorships and partnership agreements with stakeholders for projects and NFVF events. The NFVF entered into partnership agreements with private sector companies.

16. OTHER INCOME

Other income	1 572 373	956 409
Bad debts recovered	-	151 600
	1 572 373	1 108 009

Other income relates to recoupment from films and a reimbursements from cancelled projects (2020: Bad debts recovered is for amount recovered from KZN Film Commission)

17. INVESTMENT REVENUE

Interest revenue		
Interest income - bank deposits	4 074 084	6 092 582

18. GRANT EXPENSES

Other subsidies		
Training and bursaries	9 121 114	15 561 626
Development and production of content	41 892 612	57 657 642
Research projects	1 403 358	61 622
Local and global positioning	14 591 834	25 597 625
NFVF Initiatives - Covid Relief Fund	5 803 884	-
Presidential Employment Stimulus Programme	46 859 691	-
	119 672 493	98 878 515

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
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19. GOVERNMENT GRANTS AND SUBSIDIES

Operating grants

Department of Sports, Arts and Culture - annual allocation	137 170 000	140 432 459
Department of Sports, Arts and Culture - Film Hub	-	7 438 694
MICT-SETA - Scarce skills grant	37 024	14 697 200
PESP Spent	46 859 691	-
	184 066 715	162 568 353

20. EMPLOYEE RELATED COSTS

Basic	20 971 106	18 266 947
13th cheque and performance bonus	3 297 827	1 902 113
Medical Aid	1 287 845	1 082 416
Unemployment Insurance Fund	86 424	62 281
Skills Development Levy	213 675	194 464
Provident Fund	2 007 983	1 595 830
Leave pay charge	911 897	757 317
Cell-phone Allowance	236 840	220 725
	29 013 597	24 082 093

21. DEPRECIATION AND AMORTISATION

Property, plant and equipment	2 437 356	1 887 793
Intangible assets	791 344	1 045 660
	3 228 700	2 933 453

22. DEBT IMPAIRMENT

Contributions to debt impairment provision	1 951 132	1 623 860
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
23. GENERAL EXPENSES		
Accounting and internal audit fees	497 459	1 073 694
Advertising	225 095	313 790
Administration	79 970	73 826
Cleaning	220 811	-
Computer expenses	890 228	1 017 856
Consulting and professional fees	3 500 462	2 621 664
Flowers	15 960	19 020
Hire	16 494	16 765
Insurance	213 825	346 698
IT expenses	220 800	-
Postage and courier	23 068	70 018
Printing and stationery	218 239	580 328
Repairs and maintenance	205 767	122 872
Security (Guarding of municipal property)	244 185	-
Staff welfare	241 173	-
Subscriptions and membership fees	105 393	147 870
Telephone and fax	117 759	129 318
Training	500 223	796 385
Travel - local	18 749	635 676
Assets expensed	3 910	-
Property payments	486 794	1 008 779
Sundry expense	83 128	98 225
Venue expenses	87 813	414 320
	8 217 305	9 487 104
24. AUDITORS' REMUNERATION		
Audit fees	780 006	871 077

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
25. CASH GENERATED FROM OPERATIONS		
Surplus	21 224 157	30 437 352
Adjustments for:		
Depreciation and amortisation	3 228 700	2 933 453
(Decrease) / increase in operating lease	(439 449)	(68 255)
Increase in employee related provisions	1 063 977	(5 925 986)
Movements in provisions	8 076 137	16 720 309
Changes in working capital:		
Receivables from exchange transactions	1 149 128	(721 467)
Other receivables from non-exchange transactions	(865 484)	9 566 259
Prepayments	225 302	(44 593)
Trade and other payables	4 690 635	(5 254 689)
Income received in advance	(526 243)	13 535 867
Presidential Employment Stimulus Programme	93 140 309	-
	130 967 169	61 178 250

26. FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments

2021

Financial assets

	Carrying amount	Fair value
Trade and other receivables from exchange transactions	1 495 000	1 495 000
Other receivables from non-exchange transactions	5 521 616	5 521 616
Cash and cash equivalents	273 753 377	273 753 377
	280 769 993	280 769 993

Financial liabilities

	Carrying amount	Fair value
Trade and other payables from exchange transactions	6 312 163	6 312 163
Non current provisions	84 445 243	84 445 243
Current provision	34 492 358	34 492 358
Income received in advanced	14 020 460	14 020 460
	139 270 224	139 270 224

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
27. COMMITMENTS		
Beneficiary Grants		
Unrecognised contractual commitments to contribute funding or resources as a result of:		
Council Approved Grants not yet contracted for	17 160 138	2 900 000
This relates to approved projects by the council but contracts are still in circulation		
	17 160 138	2 900 000
Authorised operational expenditure		
Already contracted for but not provided for		
• Internal Audit Services	1 133 999	222 694
• Management of internal and external communications on behalf of NFVF	3 333 060	86 957
• Service provider to provide employee health and wellness service to the NFVF	296 439	340 487
• Media monitoring	179 483	276 128
• Gemini Moon (Pty) Ltd t/a XL Nexus Travel	16 035 227	-
Pastel Solution Software	51 405	-
IT - Email Back up	25 269	-
Back up and Disaster recovery	226 725	-
Water Dispensers	78 367	-
Short Term Insurance	165 060	-
Economic Impact Study	349 805	-
Project Management for PESP	1 920 699	-
ICT services	334 075	-
Multi-Purpose Printers and Digital Duplicators	343 460	-
Grant Management System	87 365	-
	24 560 438	926 266
NFVF has a contract with travel management services company. The service provider charges 2.5% management fees based on usage.		
Total commitments		
Total commitments		
Authorised operational expenditure	24 560 438	926 266

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
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28. CONTINGENCIES

1. CCMA Case

There is CCMA case between NFVF and its former executive for unfair dismissal, and NFVF is still awaiting arbitration date and there is a potential liability which will be determined by the Commissioner. The estimated amount to be paid is not yet known by NFVF until the CCMA processes are finalised.

2. High Court Johannesburg South

There is a litigation case at the Johannesburg High Court against NFVF by a service provider whose contract was cancelled due to contractual disputes after the service provider failed to honour terms of the agreement. The plaintiff is claiming damages of R31m against NFVF for loss of revenue and the NFVF is challenging this claim and has made its own counter claim in terms of the contractual obligations.

2. Accounting Surplus

A cash surplus amounting to R85 255 571 for the 2020/21 financial year, must be declared to the National Treasury in terms of section 53(3) of the PFMA and if the approval to retain is not granted then the funds be surrendered to National Treasury. The cash surplus was calculated using a formula prescribed by National Treasury through the National Treasury Instruction No.12 of 2020/ 2021 as follows:

Cash and cash equivalents plus receivables less current liabilities.

29. RELATED PARTIES

Relationships

Department of Sport, Arts and Culture Executive Authority

Related party balances

Amount due by related parties

DSAC

456 132

456 132

Income received in advance

DSAC

14 020 460

14 546 703

DSAC - PESP

93 140 309

-

Amount received from related parties

DSAC

137 207 024

140 308 000

Refer to Note 22 Employee related costs for executive management remuneration.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand

2021

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Restated

30. COUNCIL REMUNERATION

2021

	Date of Appointment	Date of Resignation	Council Remuneration	Audit Committee Remuneration	Total
Ms Tholoana Ncheke (Chairperson)	'01/12/2020		82 975		82 975
Dr Jeremiah Mofokeng	'01/12/2020		51 375		51 375
Adv Senzo Ncube	'01/12/2020		55 263		55 263
Mr Sanele Zondi	'01/12/2020		55 263		55 263
Mr Louis Seeco	'01/12/2020		55 263		55 263
Mr Everseen Mkhungo	'01/12/2020		55 263		55 263
Mr Tumisho Masha	'01/12/2020		21 585		21 585
Mr Phillip Molefe		'30/12/2020	104 897		104 897
Ms Zimkhitha Zatu		'30/12/2020	98 782		98 782
Ms Zanele Mthembu		'30/12/2020	67 936		67 936
Adv Dimakatso Qocha		'30/12/2020	94 488		94 488
Dr Siphelo Ngcwangu		'30/12/2020	51 975		51 975
Prof Sheila Mmusi		'30/12/2020	48 697		48 697
Dr Jeremiah Mofokeng		'30/12/2020	113 377		113 377
Mr Richard Nosworthy		'30/12/2020	58 036		58 036
Mr Kgotso Mostsoane		'30/12/2020	52 382		52 382
Mr Shadrack Bokaba		'30/12/2020	89 058		89 058
AUDIT COMMITTEE MEMBERS					
Ms Phuthanang Motsielwa (Chairperson)		'30/12/2020		49 570	49 570
Mr Mochele Noge		'30/12/2020		40 535	40 535
Ms Zanele Nkosi		'30/12/2020		40 535	40 535
Mr Richard Nosworthy		'30/12/2020		40 535	40 535
Mr Kgotso Mostsoane		'30/12/2020		40 535	40 535
			1 156 615	211 710	1 368 325

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand			2021	2020 Restated	
30. COUNCIL REMUNERATION (CONTINUED)					
2020					
	Date of Appointment	Date of Resignation	Council Remuneration	Audit Committee Remuneration	Total
Mr Phillip Molefe (Chairperson)			147 941		147 941
Ms Zimkhitha Zatu (Deputy Chairperson)			106 199		106 199
Dr Siphelo Ngcwangu			79 373		79 373
Dr Jeremiah Mofokeng			94 961		94 961
Adv Dimakatso Qocha			138 428		138 428
Mr Shadrack Bokaba			75 873		75 873
Ms Zanele Mthembu			51 975		51 975
Mr Kgotso Motsoane			137 544		137 544
Prof Sheila Mmusi	'30 April 2019		43 791		43 791
Mr Richard Nosworthy	'30 April 2019		63 030		63 030
AUDIT COMMITTEE MEMBERS				54 396	54 396
Ms Phuthanang Motsielwa (Chairperson)					
Ms Lesego Sennelo (Resigned)		'29 July 2019		17 284	17 284
Mr Mochele Noge				40 535	40 535
Ms Zanele Nkosi				29 480	29 480
Mr Richard Nosworthy				22 110	22 110
			939 115	163 805	1 102 920

31. PRIOR PERIOD ERRORS

Trade & other payables

While preparing financial statements of the organisation for the period ended 31 March 2021, it was noticed that there were expenses that were omitted in last year's accounts in respect of various operating expenses. This resulted in the understatement of creditors and expenses in the year ending 31 March 2020. The error was corrected retrospectively.

Property, plant & equipment

In the prior year, the depreciation on certain items of property, plant and equipment was not accurately recognised. This resulted in depreciation expense being understated and property, plant and equipment being understated. The error was corrected retrospectively.

Provisions

In the prior financial years, certain provisions were recognised instead of recognising a commitment as some of the contracts were not yet signed. This resulted in provisions and grant expenses being overstated in the 2020. The error was corrected retrospectively against the opening accumulated surplus and the provisions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
31. PRIOR PERIOD ERRORS (CONTINUED)		
The correction of the error(s) results in adjustments as follows:		
Statement of financial position		
Increase in provisions	-	12 555 964
Increase in trade & other payables	-	484 910
Decrease in PPE	-	(699 400)
Opening Accumulated Surplus	-	(13 740 271)
Statement of financial performance		
Increase in other expenses	-	38 161
Increase in grant expenses	-	13 002 713
Increase in depreciation	-	699 400

32. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT

The Council is responsible for strategic risk-management within the NFVF and tasks the Audit and Risk Committee with ensuring effective risk management. The purpose of the NFVF risk-management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk-management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed. The NFVF risk policy sets out the minimum standards of risk management to be adopted and adhered to by all units within the NFVF. The risk-management strategy, which has been reviewed and updated in November 2020, contains processes for identifying both the impact and likelihood of such risk. Risks that have been identified as having a potentially severe impact on the NFVF are regarded as unacceptable and, where possible, will be avoided.

Management's responsibilities

Management is responsible for the identification, assessment and control of all key risks facing the NFVF, functions and to report on any material changes to the risk profile and any losses incurred as a result thereof. The MANCO is required to monitor the status of risk within the NFVF and to report on any material changes to the risk profile and any losses incurred as a result thereof. Management is expected to put in place appropriate controls for these risks and provide assurance that such controls perform as intended.

Financial risk profile

Risk management relating to each of these risks is discussed under the headings below. The financial risk the NFVF primarily faces are market risk (interest rate risk), investment risk and credit risk. Management reviews and agrees on controls for managing these risks.

Market risk management

The NFVF activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the NFVF exposure to market risk or the manner in which it manages and measures the risk.

Interest rate risk management

Interest rate risk arises primarily from NFVF investment strategy to ensure capital preservation in line with NFVF investment policy. As a result of this exposure to interest rate risk, NFVF manages the investments according to their investment mandate. The nature of NFVF exposure to interest rate risk and its objectives, policies and procedures for managing interest rate risk have not changed significantly from the prior period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
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32. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT (CONTINUED)

The NFVF's exposure to the risk of changes in market interest rates relates primarily to the foundation's cash and cash equivalents with floating interest rates. Cash and cash equivalents attract interest at rates that vary with prime. The NFVF manages its interest rate risk so that fluctuations in variable rates do not have a material impact on the surplus / (deficit) of the foundation. The NFVF is not exposed to significant interest rate risk as the foundation does not have any external funding, other than cash and cash equivalents with the bank.

The following sets out the carrying amount, of the NFVF's cash and cash equivalents that are exposed to interest rate risk

Within 1 year	273 753 377	145 450 428
1 to 5 years	-	-
	273 753 377	145 450 428

Sensitivity analysis

In terms of Treasury Regulation 31.3.3, the NFVF must invest all of its surplus funds with the Corporation for Public Deposits. It is estimated that by increasing the amounts invested will result in more interest being earned in investment income in the Statement Financial Performance. As capital is applied in pursuit of NFVF mandate, the amount available will gradually diminish which will reduce the sensitivity to interest rates as the main fund diminishes over time.

The following table demonstrates the sensitivity estimates to a reasonably possible change in interest rates to cash and cash equivalents, with all other variables held constant, to the Foundation's closing balance

Increase in interest rate of 1%	2 737 533	1 454 504
Decrease in interest rate of 1%	(2 737 533)	(1 454 504)
	-	-

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the NFVF. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. The NFVF only transacts with various Institutions who have no independent rating. Other receivables consist mainly of recovery of funds. The NFVF does not have any significant credit risk exposure to any single counterparty having similar characteristics. The credit risk on liquid funds is limited because the counterparty is the Corporation for Public Deposits. Government Departments have no independent rating, however based on historical experience and other factors none of the amounts due to the NFVF are impaired.

Receivables

All trade receivables are exposed to a low credit risk and no amounts are overdue.

Cash and cash equivalents

Cash and deposits are held with registered banking institution and are regarded as having insignificant credit risk. The Foundation has invested any surplus cash with the Corporation for Public Deposits. Foreign exchange rates are monitored and payments made on favourable rates.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
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32. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure to credit risk

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020 Restated
Cash & cash equivalents	273 753 377	145 450 428
Receivables from exchange transactions	1 495 000	2 651 259
Receivables from non-exchange transactions	5 521 616	4 656 132

The nature of NFVF exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

Cash and cash equivalents held with reputable financial institutions are used for investing and cash handling purposes. None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities nor have any amounts been renegotiated or have been defaulted on.

33. GOING CONCERN

The Council and Management of the Foundation are of the opinion that the organisation will continue as a going concern in the foreseeable future as it will still receive grant funding support from the shareholder. The outbreak of Covid19 pandemic which resulted in the national lockdown affected many industries and it negatively impacted the financial resource of the country and as a consequence the NFVF budget was reduced in that period.

34. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance as previously reported	5 026 841	-
Opening balance as restated	5 026 841	-
Add: Expenditure identified - current	-	958 164
Add: Expenditure identified - prior period	-	4 068 677
Closing balance	5 026 841	5 026 841

Expenditure identified in the current year include those listed below:

Description	2021	2020 Restated
Disciplinary steps taken/criminal proceedings		
Services not utilised - Internet services	-	23 268
Maintenance for platform not in use - The design employment of digital film Distribution Platform for South African Content	-	934 896
	-	958 164

Fruitless and wasteful expenditure was incurred on month-to-month contracts for payments made with no services rendered. The matter of old Fruitless Expenditure was discussed with DSAC during the last quarter of 2020/ 2021 and a further engagement with National Treasury will be on first week of June 2021 in order to get guidance.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2021	2020 Restated
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34. FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Fruitless and wasteful expenditure was on the development of the distribution platform and there was maintenance cost incurred. The platform was not fit for purpose for the NFVF and there was no benefit derived.

Fruitless and wasteful expenditure: expenditure relating to previous years discovered in current year

Maintenance for platform not in use - The design Investigated and employee who caused it not at NFVF employment of digital film Distribution Platform for South African Content	-	4 068 677
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35. IRREGULAR EXPENDITURE

Opening balance as previously reported	14 830 577	9 591 296
Opening balance as restated	14 830 577	9 591 296
Add: Irregular Expenditure - current	604 848	2 366 356
Add: Irregular Expenditure - prior period	-	2 872 925
Closing balance	15 435 425	14 830 577

Incidents/cases identified in the current year include those listed below:

	Steps taken		
Expired contracts	Procurement process in place to mitigate further irregular expenditure	591 826	733 317
Expenditure exceeded contract value	Procurement process in place to mitigate further irregular expenditure	-	1 465 545
SCM process not followed	Procurement process in place to mitigate further irregular expenditure	13 022	167 494
		604 848	2 366 356

Management is investigating the current year irregular expenditure incurred, but the old expired contract were caused by ex-employees not on the NFVF employment anymore. The matter of old Irregular Expenditure was discussed with DSAC during the last quarter of 2020/2021 and a further engagement with National Treasury will be on first week of June 2021 in order to get guidance

Irregular expenditure relating to previous years discovered in current year:

	Steps taken		
Expired contracts	Procurement process in place to mitigate further irregular expenditure	-	207 136
Expenditure exceeded contract value	Procurement process in place to mitigate further irregular expenditure	-	2 665 789
		-	2 872 925

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

Figures in Rand	2021	2020 Restated
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36. SEGMENT INFORMATION

Management has considered the GRAP statement on segment reporting requirements and NFVF has not identified any separately reportable segments in its operations.

37. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Items with a variance above 10% have been explained.

- 37.1 Funds generated from different source including recoveries and recoupment, received more than anticipated.
- 37.2 The interest earned depended on the balance at the bank and the interest rates. This year the interest rates fluctuations were unfavourable and less interest was earned than was anticipated.
- 37.3 Government grants and subsidies is over budget due to grant received from MICT Seta for scarce skills
- 37.4 Employee costs is over budget due to a reduction in grant allocation which was received in November 2020 when additionally employee costs had already been incurred.
- 37.5 It was the last term for the old board and the new board joined during the year as a result more meetings were held than was planned.
- 37.6 There were new assets that were procured during the year that had impact on the planned depreciation.
- 37.7 Expenses on machine rentals were less than budget due to contract cancelled during the year and a cheaper supplier was procured.
- 37.8 Auditors remuneration was less than budgeted due to less scope than was anticipated.
- 37.9 A lot of targets were not met for grant expenses due to COVID-19
- 37.10 Due to COVID-19 and Lockdown, the staff was working offsite as a result less operational costs were incurred



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