

ANNUAL REPORT 2017/18

**National
Arts Council** **NACC**
an Agency of the Department of Arts & Culture



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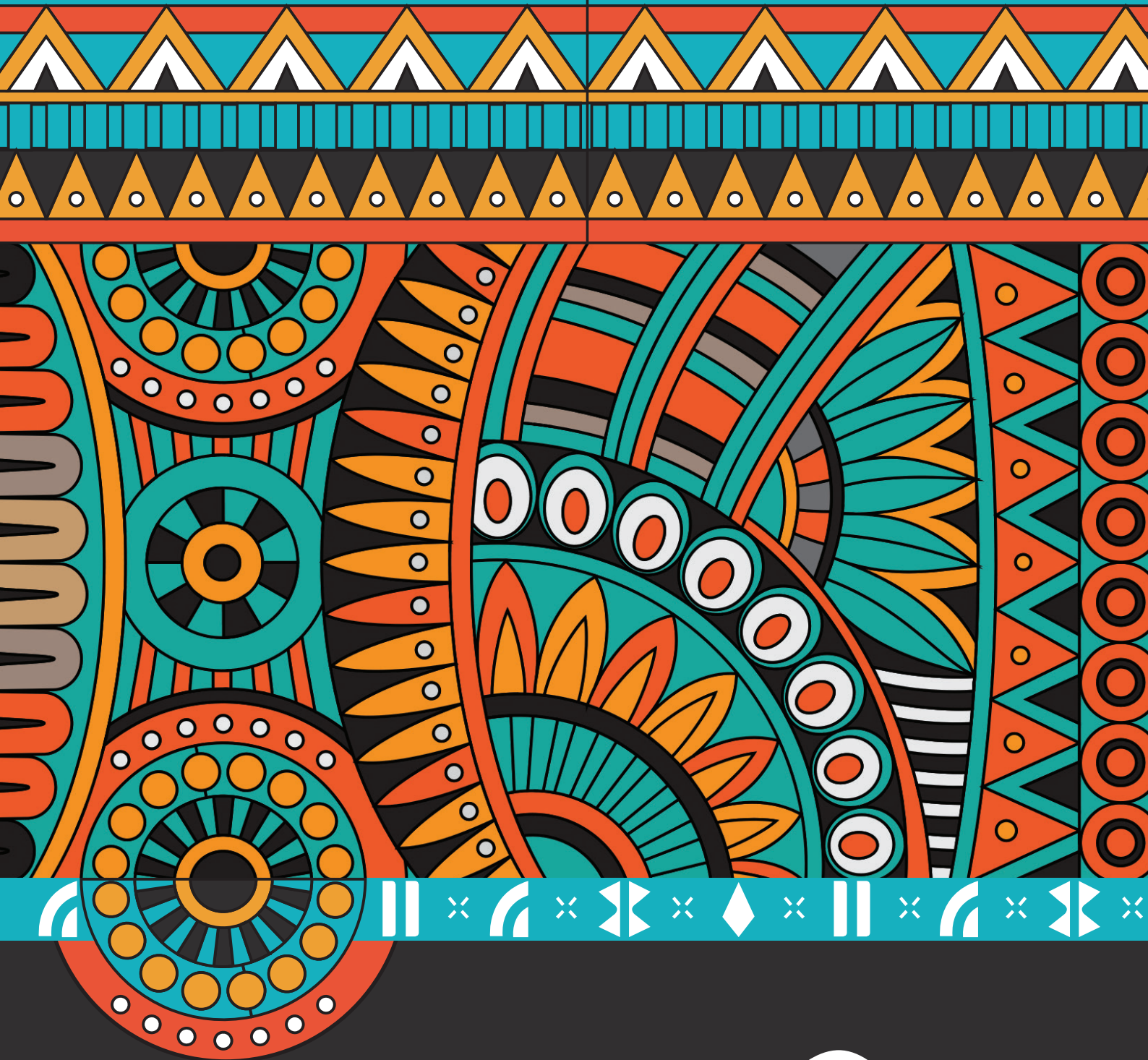
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PART A

General Information





PUBLIC ENTITY'S GENERAL INFORMATION

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National Arts Council of South Africa (NAC)

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1989/001413/08

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COMPANY SECRETARY:

Ms Mary-Anne Makgoka (Board Secretary)
April 2017 - August 2017
Fluidrock Governance (Pty) Ltd
October 2017 – March 2018

[02]

LIST OF ABBREVIATIONS/ ACRONYMS

AO

Accounting Officer

AA

Accounting Authority

ADO

Arts Development Officer

AFS

Annual Financial Statements

AGSA

Auditor-General of South Africa

APP

Annual Performance Plan

ARC

Audit and Risk Committee

B-BBEE

Broad-Based Black Economic Empowerment

CBO

Community-Based Organisation

CEO

Chief Executive Officer

CFO

Chief Financial Officer

COO

Chief Operating Officer

DAC

Department of Arts and Culture

EA

Executive Authority

ENE

Estimates of National Expenditure

EA

Executive Authority

GMS

Grant Management System

HR

Human Resources

IT

Information Technology

MEC

Member of Executive Council

MinMEC

Meeting of Minister and MECs

MTEF

Medium-Term Expenditure Framework

NAC

National Arts Council

NGO

Non-Governmental Organisation

NPO

Non-Profit Organisation

PACCs

Provincial Arts and Culture Councils

PFMA

Public Finance Management Act

SMME

Small, Medium and Micro Enterprises

SCM

Supply Chain Management

TAU

Technical Assistance Unit, a Division of the National Treasury

TIC

Technical Implementation Committee

TR

Treasury Regulations

[03]"

FOREWORD BY THE CHAIRPERSON



Mr Hartley Ngoato
Chairperson
National Arts Council

This Annual Report represents somewhat of a milestone for the Council of the National Arts Council (NAC), as it marks a full financial year that the current Council has been in place. As was well documented in the previous Annual Report, the Council was appointed at a time when the NAC faced many challenges in terms of governance, which had a destabilising effect on the council's operations and overall performance.

In turn, this had cross-cutting implications for the NAC in terms of how, as a national government entity, it went about fulfilling its legislative mandate. As a result, the Council's primary and most immediate task was to stabilise and strengthen the NAC's governance structures in order to steady the ship, so to speak, and correct the course and direction the council was heading in.

During my tenure as Council Chairperson over the period under review, I have witnessed first-hand the immense progress the NAC has made. Not only in terms of how its day-to-day operations and overall year-on-year performance has improved, but how the Council itself has come together to find a unique rhythm and solid basis on which to build and grow further. The purpose of any Council is not to execute strategy or act as a structure with an exclusive perspective on how the organisation should operate. Rather, Council's function as bodies for organisations to align themselves with their broader guiding and/or founding principles.



In this sense, the NAC Council exists as a body that provides holistic oversight to the Council in terms of governance, and a depth in understanding and perspective based on the diversity of its members. As such, the Council serves as an integral link between South Africa's system of proportional representation through the various institutions that are in place to ensure democratic processes, and the manner in which public funds are disbursed. In essence, the Council is responsible for harmonising the NAC's guiding legislation, as encapsulated in the Constitution, with its policy that is ultimately derived from democratic processes.

It is not my intention to provide a lesson on how a democratic government and its various entities work, rather, it is my intention to provide context as to how the current Council of the NAC reached the point where it is now able to function as a unified, dynamic body. The first and perhaps most important lesson we learnt was reaching a common understanding of the NAC's legislative mandate and guiding policies.

This was not simply a matter of familiarising ourselves with pieces of legislation such as the NAC Act (1997) or studying the latest position papers of the Department of Arts and Culture. Of course, these things were necessary, but of greater importance was for the Council to come together towards forming a common, working interpretation of these and other pieces of legislation and policy in order to reach an informed consensus on the best possible ways to stabilise the ship and map out a sustainable course for the NAC.

CALM COUNCIL, EFFECTIVE NAC

Reaching this common understanding enabled the Council to think about acting within itself rather than react to any influences or stimuli as and when they arise. During the period under review, the Council was faced with many external challenges, either from stakeholders themselves or from other quarters of society such as the media. What

we realised over this period, and in keeping with our shared understanding of the NAC's guiding legislation and policies, is that in order to maintain stability, we need to dance to our own rhythm rather than that of those external forces.

Ultimately, regardless of the veracity of their claims or allegations, the Council's responsibility to fulfil its mandate far outweighs, and is broader than, simply reacting to singular, and often very insipid and misguided, allegations against the Council and the NAC as a whole. Based on the Council finding a sense of calm within itself and among its members, we are able to follow protocol and legal due process when dealing with such external influences. This, in turn, opened up space for the NAC Executive and staff to work effectively and efficiently, knowing that the Council is stable and handling whatever matters arise with the utmost

care and within the parameters of our mandate.

It is important for a Council, especially one such as ours, which is appointed by and ultimately accountable to the public, to have the mettle to stand our ground in the face of challenges and negativities that, once looked at rationally and with a firm resolve, can be isolated and dealt with accordingly and in the most appropriate manner. The knock-on effect of this is a regained public trust in the NAC as a whole, as well as a shift in public

perception, not only of the NAC but of government entities in general. To us, this is of great importance especially if we take country imperatives, as set out in the National Development Plan (NDP), into consideration, whereby, the path to sustainable socio-economic development is paved by an efficient, responsive, accountable and stable system of governance in all spheres.

In this regard, the Council of the NAC, in its constant drive towards regaining and enhancing the public trust in the institution itself as well as in the processes we adopt, must align itself with government imperatives that speak to broad-based socio-economic development and transformation. With the NDP as the guiding document,

“ It is important for a Council, especially one such as ours, which is appointed by and ultimately accountable to the public, to have the mettle to stand our ground in the face of challenges and negativities that can be isolated and dealt with accordingly and in the most appropriate manner. ”

the imperatives specific to the Arts, Culture and Heritage (ACH) sector, are filtered through the priorities of the Minister of Arts and Culture. From a governance perspective, this requires a focus and harmonisation of efforts, from the national level all the way down to the provincial, municipal and community levels.

The implication here is that part of the Council's focus and function entails mainstreaming the ACH sector in order for it to be thought of as a valuable and necessary component in socio-economic development. In this sense, in its continuing efforts to stabilise the NAC, the Council must place the council on a progressive path that is illuminated

by a clear strategic intent, meaningful and sustainable objectives, and a clear purpose.

OBJECTIVES

The NAC's 2017/18 Annual Performance Plan (APP) outlined the council's objectives, targets and measures for the period under review. As a means to set out performance targets and measures on how to achieve them, and in order to gauge the NAC's progress in a quantifiable manner, the APP was designed to make a substantive contribution towards the following important goals:



fulfilling the mandate of the NAC;



contributing to transformation in the arts and to social cohesion in our country;



implementing an effective funding model that supports the NAC, allowing it to deliver on its mandate;



advocating the benefits of the arts to create partnerships and unlock new resources; and



creating programmes in support of focused areas of work including women, youth and people with disabilities.

A NEW DAWN

Although the formulation and implementation of strategy is not the role of the Council, it is required to meaningfully engage in the process. This in order to steer strategic intent in the most appropriate direction, taking into consideration all imperatives – whether broad, sector-specific or internal – from a holistic perspective and from the collective understanding of what is necessary to achieve, within what timeframes and in line with whatever objectives and goals are set out.

During the period under review, the NAC's strategic intent and focus went through what I like to think of as a change in tides, that is, a new strategy was formulated and adopted that not only defines the NAC in terms of the clearest purpose it has had since its inception, but represents sound strategic thinking in the lead-up to such clarity. Strategy is not developed in a vacuum where the past and present are not taken into account. Rather, in many respects, sound strategy such as the NAC's

new enhanced five-year strategy, is the culmination of various ways of strategic thinking in the past. It carefully considers how these ways of thinking affect the present in order to devise a means of extracting the best possible strategic focus for the future.

Aptly referred to as “a new dawn”, the new enhanced five-year strategy was finalised and adopted during the period under review and will be fully implemented in the next financial year. The CEO will elaborate further on the new strategy later in this report, but from a Council perspective, what the new strategy means for the NAC is greater synchronicity between its mandate, policies and operations.

As has been communicated with the public over the past few years by means of reports such as these and many other forms of public engagements, at the core of the NAC's strategic intent lies the fulfilment of its mandate in

its entirety. It is no longer relevant for the NAC to be seen and to act as a one-dimensional, grant-making agency. With the adoption of the new enhanced five-year strategy, the NAC seeks to endeavour, with greater focus and will, to fulfil the necessary supportive functions it is mandated to perform, which at times includes non-financial support.

The main reason behind the strategy being referred to as a “new dawn” lies in its practicability, almost in the most absolute of terms. For years, the NAC’s operations have been plagued by inefficiencies stemming from its sluggishness in adapting to technological changes, especially in terms of implementing automated processes. As part of the new enhanced five-year strategy’s focus on prioritising the NAC’s relevance as an entity firmly rooted in the 21st century and future-proofed appropriately to adapt to further technological changes, during the period under review, the NAC instituted a long-overdue online application process, while also digitising its internal processes to enhance the overall quality of its operations.

For the Council, this means a reduction in the backlog of matters to attend to and freeing up space for us to address other matters such as strengthening the organisation by means of more intuitive governance. The NAC’s adoption of an automated process during the period under review is, in itself, testament to a stronger and much more stable organisation. I am proud to be associated with and serve on the Council of an organisation that has taken a leap into a future whose possibilities of greater efficiencies are endless.

In essence, what the NAC’s digitisation and automated processes imply for the Council is a firm basis on which to enhance our understanding with political structures in order to align their interests with those of the NAC. In real terms, what we’ve seen during the period under review since the adoption of the new enhanced five-year strategy is a refreshed NAC that is engaging more broadly and meaningfully, and with greater purpose. This is not due to anything other than a sense of clarity that has come with the “new dawn”.

What we’ve experienced during the period under review, and certainly what we’re likely to experience going forward, is the NAC’s Arts Development Officers, provincial representative and members of its executive actually going

out and either fostering or strengthening partnerships, linkages and collaborations in all corners of South Africa and not just in areas that were once considered the main centres. After all, the NDP and its concomitant and related policies call for broad-based socio-economic development and not just a focus on areas where developmental efforts have already been established.

Clear examples of this lie in the NAC’s efforts during the period under review to reach out to far-flung, under-served provinces by various means, including through workshops and roadshows, as well as focusing on the development of the arts among persons with disabilities. Of course, with these engagements come renewed interests not only in the arts in general, but in how the work of the NAC is placed under the spotlight as a force in itself and not simply grouped with other activities that are only loosely related to it, such as sport and recreation, for example.

CHALLENGES

As promising as the implications of adopting a far-reaching strategy such as the “new dawn” are, the Council still has many challenges, some of which were pre-existing while others arose during the period under review. As has been reported in the media as well as communicated by the NAC itself, allegations of impropriety against members of the Council and Executives continue to affect the NAC. In its collective understanding and implementation of the NAC’s guiding legislation, the Council decided not to allow these external influences to negatively impact and destabilise the organisation.

As such, in order to maintain stability, the Council decided to deal with these disciplinary issues in phases.

Phase one of the disciplinary process was completed during the period under review. This entailed enforcing compliance with governance regulations and identifying exactly what the allegations were and whom they were directed at.

Phase two of the disciplinary process, which will commence during the next financial year, will entail resolving these disciplinary issues by means of the due processes the NAC has in place. The Council has full confidence in the NAC’s governance and disciplinary

processes and we are certain that by the time these due processes are followed, the public will be informed and assured that the NAC, as a democratic institution, possesses the democratic will to resolve disciplinary matters efficiently and fairly.

Another challenge faced by the Council is the frequency of our meetings. Currently, the Council meets only once every quarter (i.e. once every three months). This gives us hardly enough time to deal with the numerous matters that arise for our attention per quarter, as well as deal with the backlog of matters that might not have been addressed during previous Council meetings. We find that this challenge poses a problem in our drive to maintain the NAC's relevance.

However, the desire to hold more Council meetings is somewhat overshadowed by the challenge of Council members already receiving remuneration that is below the average of their daily rates. This takes the matter of more frequent meetings to another level, where the adequacy of remuneration for Council members of public entities comes into question.

MOVING FORWARD WITH STABILITY

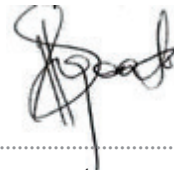
As a Council, we do not view these and other challenges as insurmountable and without resolve. We believe that, in time, they will be overcome provided we act as a united body with a clear purpose. The NAC Council is not made up of likeminded people who are inclined towards navel-gazing and apathy. Rather, we find strength and unity in our diversity, and solidity in the robustness of our varying opinions and world-views. The fact that the Council has remained intact through turbulent patches during the period under review bears testament to our belief in the NAC's capabilities and potential to effect real change in a country desperate to find expression through the arts.

We are also of the view that in order to embark on any journey and reach a destination safely, having a stable vehicle is of critically important. The NAC Council is such a vehicle that, in its current form, has the potential to take the organisation to new and uncharted destinations that will not only enrich the organisation as a whole, but in the process make positive contributions to South Africa's broader development. Our job is also to ensure that the

Executive and staff of the NAC believe in this dream, as their buy-in is essential to its realisation.

From what we have learnt during the period under review, which was indeed also a period in which we discovered our strength and resilience, is that maintaining stability is the Council's priority going forward. However mundane it may seem, we believe that stability is the key to our prosperity. As such, over the period ahead and beyond, the Council aims to move from strength to strength in maintaining its current dynamic while striving to adapt it to suit the times and challenges that arise from them.

In our quest to constantly attune ourselves to the demands of a country and world with their own idiosyncrasies and layered complexities, and firmly establish ourselves within them as a viable contributor, we must accept full responsibility of our place and our duties. We must not neglect our duties or shift our gaze from our responsibilities. In this regard, the Council is constantly with the NAC to potentiate and enable it to fulfil its roles and responsibilities with pride, dedication and a sense of comfort in knowing that what we're doing is for the benefit of all around us.



Mr Hartley Ngoato
Chairperson
National Arts Council

[04] “CHIEF EXECUTIVE OFFICER’S OVERVIEW



Ms Rosemary Mangope
Chief Executive Officer
National Arts Council

Over the past few years, the NAC has been witnessing glimmers of light on the horizon, waiting in anticipation and preparing for the moment when rays of sunshine burst through the skies and illuminate areas of our operations that were previously only perceived in darkness. The coming of this moment held the promise of a day where our purpose became clearer and our resolve to fulfil our mandate was strengthened. I am now proud to announce that this new dawn has finally arrived in the form of our new, enhanced five-year strategy, which, through its implementation, aims to respond directly to the NAC’s mandate, especially in terms of developing and promoting the arts to encourage artistic and cultural excellence.

As an entity whose primary focus is grant funding in the Arts, Culture and Heritage (ACH) sector, arts development and promotion, the supporting role of the NAC in the sector in general, has largely been neglected, albeit central to the NAC’s governing legislation and mandate. It is for this reason that the new, enhanced five-year strategy, which was developed during the period under review, sets out a course for the NAC that emphasises funding for impact. Thus to take into account the far-reaching potential of grant funding through developing partnerships and collaborations not

only in a sector-specific manner, but in a way that makes meaningful contributions to country imperatives, as set out in the National Development Plan (NDP).

It's simply of no use to view ourselves as operating in isolation and in a sector that is immune to the demands of interconnected local and global economies. As such, during the period under review, the NAC has made substantial progress to future-proof its methods. The introduction of an International Organisation for Standardisation (ISO)-led process flow ensures institutional memory is maintained, while documenting all processes. This, coupled with continuous benchmarks of similar institutions, prepares us to adapt to the inevitable changes that go with a young democracy such as South Africa's, as well as to respond to the challenges of an ever-changing, globalised landscape. Our enhanced five-year strategy is a product of this line of thinking and a means to remain relevant, robust and adaptable.

FUNDING FOR IMPACT

A key shift in the NAC's strategic focus in recent years has been to find ways to traverse the arbitrary boundaries that exist between financial and non-financial support, and those that exist between the various disciplines.

As we have come to realise, providing funding alone does not necessarily mean that artists and arts organisations are being supported. Similarly, we have also realised that differentiating the arts by means of single, standalone disciplines do not adequately represent how artistic practice and cultural work is created, produced or consumed. Over and above these insights, we have come to a point where we must recognise that adopting a transversal approach to our entire operation is of the utmost importance.

This transversal approach, of course, entails institutionalising a culture of collaboration from within the NAC in order for it to permeate to our various stakeholders. During the period under review, as part

of developing the NAC's enhanced five-year strategic plan, we overhauled our programme structure to reflect a more relevant method of focusing our operations. Previously, our programmes were defined mainly in terms of artistic disciplines (craft, dance, literature, multidiscipline, music, theatre and visual art), however, during the period under review, in recognition of the shortcomings of this approach, programmes in our new structure include: social cohesion; nation-building, arts platforms; showcases; exhibitions; festivals; innovation, design and creation; strategic initiatives; and capacity building. What is immediately noticeable in this new programme structure is that they encompass not only the various artistic disciplines in an interdisciplinary and transversal way. This allows for greater access to arts and culture, while promoting and building competencies

in the arts and culture sector, through ensuring regional equity in the disbursement of funds. This approach speaks to the NDP's vision 2030 of creating a sustainable future for all South Africans.

Although performance information linked to the NAC's new programmes will only be available in the next financial year, in implementing the new programmes during the period under review, I am proud to have been a part of what I view as a milestone in the NAC's growth trajectory.

This especially when considering the NAC's strategic shift from being a solely grant making agency to one that supports the ACH landscape in many other ways. Of course, the achievement of this milestone manifests itself operationally, whereby the NAC has successfully rolled out its digitisation process during the period under review. In an effort to improve efficiency and lower incidents of human error, most of our process, including the applications process, have moved from tedious, paper-based processes to a more effective online system. Paper-based processes will continue for those potential beneficiaries who are unable to access digital technologies.

“ During the period under review, the NAC has made substantial progress to future-proof its methods. ”

The system automates a number of processes such as communicating with applicants, escalating items to staff workspaces, making payments to beneficiaries, and managing appeals. In effect, the new automated system frees up valuable human resources, which, in turn, will be used to enable and foster greater linkages and collaborations within the sector and between stakeholders. The implication here being that as the NAC moves towards greater efficiencies in its systems and processes, it will invariably move towards impactful funding, which has direct bearing on the supportive role it is mandated to perform.

In addition, during the period under review, the NAC tested the implementation of ISO 9001, a quality assurance system that is designed to assist us in ensuring that we meet the needs of all stakeholders while meeting all statutory and regulatory requirements in relation to our mandate. In essence, the implementation of ISO 9001 provides a manual on how our operations should be carried out and, as such, provides a firm basis for the development of quantifiable institutional memory. As an effective quality control mechanism, ISO 9001 also provides stakeholders with assurance as to our competencies, and endows the NAC and its stakeholders with greater credibility when engaging with other artists, institutions, organisations and businesses both locally, internationally and in the continent.

In this sense, the NAC strives to maximise the impact of its funding and broader supportive functions. In the period under review, we have witnessed first-hand how adaptability and remaining relevant can go a long way in interpreting our mandate in the broadest of terms, and for achieving the most sustainable of performance outcomes.

PERFORMANCE

As a national public entity, the NAC gains its impetus from the Department of Arts and Culture (DAC) and, as such, its operations are guided by the department's national imperatives, which are filtered through the relevant provincial channels to perform the developmental functions required by the national government. The DAC's imperatives are encapsulated in its 10 key priorities, as set out by the Minister of Arts and Culture. In keeping with the NAC's ongoing theme of collaborative strategy execution, during the period under review, the council continued its efforts to mobilise and integrate its financial and non-financial supportive functions to artists, cultural workers and arts organisations through provincial arts

departments, especially in poor and traditionally underserved provinces.

During this period, greater emphasis was placed on supporting organisations whose primary focus is the development of people with disabilities. In addition, and in line with the NDP's call for a coordinated, interdepartmental and interdisciplinary approach to sustainable socio-economic development, social cohesion and nation-building, the NAC looked towards strengthening transversal projects for meaningful engagement and

impact. Although the performance measures for these projects are quantified in this Annual Report, we will only be able to gauge their impact and lasting quality over time. This, in my view, is the real benefit of meaningful collaboration, integration and paying careful attention to forging linkages and fostering cooperation between departments, organisations and other entities whose purpose and roles were previously considered separate or mutually exclusive.

As the NAC's new programme structure reflects, each element is not a component operating for and in itself but rather a part of a greater whole, that is, a system of national governance that places development at

“In line with the NDP’s call for a coordinated, interdepartmental and interdisciplinary approach to sustainable socioeconomic development, social cohesion and nation-building, the NAC looked towards strengthening transversal projects for meaningful engagement and impact ”



the forefront of its endeavours. Collaborative strategy execution, coupled with the concept of funding for impact, are therefore not merely buzz phrases that attempt to capture the linguistic fashion of the prevailing administration. Instead, they are terms that have been developed over time and informed by careful consideration of national long-term goals and the strategies that guide us towards achieving them. Of course, quantified performance information also serves as a guide in the immediate term to indicate how we are implementing strategies, as well as offer insight as to how we may correct our course in relation to strategic intent.

In this regard, I am proud to announce that, during the period under review, the NAC achieved 80% of its performance targets, with the remaining 20% partially achieved. What this means is that even though 20% of our targets cannot be classified as quantifiably achieved, they have, in varying degrees, been achieved qualitatively. Quantified performance achievements show that the NAC has been working to support not only beneficiaries or direct recipients of support, but the entire ACH ecosystem through capacity-building, partnerships and DAC imperatives related to the Mzansi Golden Economy (MGE) strategy, which is geared towards realising the potential of the ACH sector as a key economic player. The NAC's various flagship projects are included in the MGE strategy, and the effectiveness of these projects, in turn, form part of the council's annual performance targets.

Worth highlighting in the period under review is Africa meets Africa, an innovative, transversal strategic initiative that incorporates traditional southern African design and craft with practical methods of contemporary teaching and learning. Through its exploration of southern African cultural heritage, the project aims to guide educators and learners in South African schools towards finding solutions to contemporary learning problems through the knowledge and skills contained in familiar forms

of cultural expression around them. This integrated approach to learning serves all South Africa's educators, as current curriculum statements call for a process of holistic learning, and specifically for an engagement with the cultural context of learning areas such as the arts, mathematics, languages and history. Africa meets Africa investigates and debates what is meant by the term indigenous knowledge systems.

Projects that are involved in empowering persons with disabilities include Moving into Dance Mophatong in Johannesburg and the Flatfoot Dance Company, based in Durban. Moving into Dance Mophatong is a dance company that offers training in choreographing dance performances for persons with disabilities. The Flatfoot Dance Company began its first disability dance project in

2008 in conjunction with the Durban Open Air School. The project, which also has Pro Helvetia, the Swiss Arts Council, as a partner, is a key example of collaboration with foreign embassies and highlights the NAC's strategic focus on fostering broad relationships to fulfil its supportive role, as mandated.

Also worth noting in the fields of entrepreneurship and economic empowerment is KwaZulu-Natal-based Umcebo Design, which produces handmade items that are inspired by our natural

surroundings. Umcebo's bespoke objects are made using galvanised wire, glass beads, acrylic crystals - recycled or reclaimed - and other materials to create unique, bespoke items which are marketed overseas.

Another achievement during the period under review, which affirms the NAC's commitment to global engagement was South Africa hosting the 19th ASSITEJ World Congress and International Theatre Festival for Children and Young People. The multi-layered event, which took place in Cape Town in May 2017, was the first of its kind to be held on the African continent and comprised a festival, a conference and a world congress, all dedicated to theatre for young audiences.

“ I am proud to announce that, during the period under review, the NAC achieved 80% of its performance targets ”

These projects and many others like them highlight the NAC's involvement in and commitment to achieving the minister's 10 key priorities, as well as enabling artists, arts organisations and stakeholders in the ACH sector to participate meaningfully in the MGE. The primary objective of such activities, in terms of performance measurement and the achievement of performance targets, is mainstreaming and transforming the sector towards realising its full potential for broad-based socioeconomic development. Of course, the NAC's performance is directly linked to its financial stability and the manner in which we are able to maximise our budget allocation from government, as well as effectively manage any constraints, historical or otherwise, that emerge from challenges such as underspending and the accumulation of surplus funds.

Financial management is, in itself, a measure of performance and will be discussed in greater detail in the Chief Financial Officer's report. However, it is necessary to provide a brief overview here to locate the NAC operationally within the context of financial management, as well as to offer perspective on how the NAC's broader strategy, day-to-day processes and challenges align with or affect its budget allocation and, in turn, how the budget is represented by means of our funding model.

FINANCIAL OVERVIEW

The NAC received a budget allocation of R106,868,673 for the period under review, representing a 4.7% (R4,812,346) increase from the previous financial year's budget of R102,054,327. In 2017/18, the NAC allocated

42% (R 44,948,000) of its total budget allocation directly to arts organisations and 30% (R32,319,751) to individual grant applicants from all nine provinces, which included both individuals and institutions. As per approval from the Minister of Arts and Culture for a "70-30" allocation split, 72% (R77,267,751) of the allocated budget was disbursed to arts organisations and individuals, and 28% (R34,057,047) was allocated to operating costs, of which the bulk was used for staff costs.

We are acutely aware of the trying economic conditions in which we operate. As such, from a financial management perspective, the NAC's main priority is to maximise its resources through implementing greater efficiencies in its processes and operations. This entails making any savings where possible and identifying areas where cost-cutting measures may be taken. We recognise that fulfilling our mandate includes effectively managing our operational costs and overall spending, especially in terms of taking proactive steps to disburse funds appropriately and therefore avoiding the accumulation of surpluses.

In this regard, during the period under review, the NAC began the process of rethinking its funding model. Currently, the NAC has a "50-30-20" model in place. This "triangular" funding model, which was adopted in 2016/17, broadly earmarks 50% of the NAC's disbursements for emerging artists, 30% for intermediate arts organisations and 20% for established artists. Established artists who receive 20% of the NAC's disbursements are required to give back to emerging artists by means of mentorship and training programmes.

NAC FUNDING MODEL



.....

This funding model has provided the space for the NAC to adopt nuanced forms of implementation, such as offering value-added services to stakeholders that might take the form of non-financial support. However, we have found that by inverting the triangle and focusing more on institutional support funding and collaborations as opposed to individual support only, it might provide more scope for established artists and arts organisations to support a greater number of artists in their own capacity. It will also free up capacity within the NAC to support a greater number of projects.

Establishing strategic partnerships within the ACH sector becomes increasingly important as we rethink our funding model, as the strength of these partnerships will have a direct bearing on the impact of our funding. Therefore, our guiding principle in identifying new strategic partnerships and strengthening existing ones should be the imperatives and priorities set out by the NDP, the DAC and our mandate.

CHALLENGES

It would be unwise to ignore reports that have surfaced in the media during the period under review regarding the alleged unfair awarding of funding to Lalela, an organisation that provides educational arts for at-risk youth. The NAC is currently treating these allegations with the seriousness they deserve, as per the disciplinary and accountability measures it has in place to deal with such allegations. Whatever the outcome of investigations may be, it is important for the NAC, as an entity that is ultimately accountable to the public, to assure the public that due processes are being followed and once findings of any investigations are made, they will be publicly disclosed in full. From this incident, the public should take comfort in the fact that our whistle-blowing mechanism is in place and is effective.

Another challenge during the period under review was the dissolution of the previous Council, resulting in leadership instabilities that effected the NAC's operations. A new Council has since been appointed and is working closely with the NAC Executive to regain stability and ensure that whatever negative effects of the previous Council's dissolution are mitigated and dealt with effectively and within the parameters of our guiding legislation and relevant governance regulations.

Although the accumulation of surplus funding still remains a challenge, during the period under review, by means of tighter financial management controls and greater operational efficiencies, we have managed to whittle down surplus funds from R13,365,176 to R8,925,922.

LOOKING AHEAD

In spite of the new and recurring challenges faced by the NAC in certain areas of its operations, we are confident that, as a whole, the Council is going from strength to strength. Our new, enhanced five-year strategic plan bears testament to this, representing a point at which we are able to articulate our purpose and our needs with greater clarity and determination. In short, what the future holds in store for the NAC is funding for impact through a more refined

“ In short, what the future holds in store for the NAC is funding for impact through a more refined programmatic approach; greater collaboration with local, provincial and global partners; more appropriate disbursement of funding; meaningful monitoring and evaluation through mechanisms such as ISO 9001; promoting country imperatives such as transformation, social cohesion and nation-building; and sound governance and financial management. ”

programmatic approach; greater collaboration with local, provincial and global partners; more appropriate disbursement of funding; meaningful monitoring and evaluation through mechanisms such as ISO 9001; promoting country imperatives such as transformation, social cohesion and nation-building; and sound governance and financial management.

Having a plan such as this laid out for the immediate future is useful when carrying out our day-to-day duties as it provides a solid foundation on which our decisions

are based. In this sense, we are assured, as the public should be, that we are not following a course blindly or without proper guidance. Our plan for the future is derived from wisdom and insight we have gained from the past and supported by a reinvigorated Council, and the dynamism and adaptability we are forced to assume in the present.

Although at times certain challenges seem vast, insurmountable and endemic, and negative patterns seem constant and unchanging, there should be hope in knowing that change, especially for the better, is inevitable. Perhaps at this exciting point in the NAC's development it would be apt to quote an old African proverb that goes: "However long the night, the dawn will break."



Ms Rosemary Mangope
Chief Executive Officer
National Arts Council



[05]



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 is 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 GRAP standards applicable to the public entity.

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 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 2018.

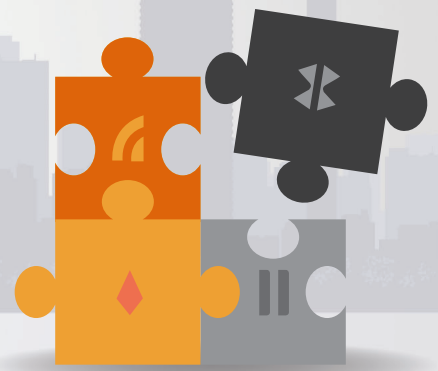
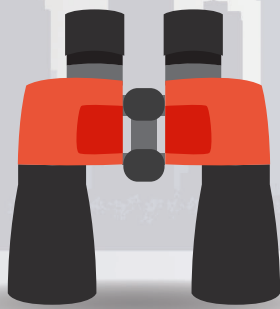
Yours faithfully,

Chief Executive Officer
Ms Rosemary Mangope
August 2018

Chairperson of the Council
Mr Hartley Ngoato
August 2018

[06]

STRATEGIC OVERVIEW



VISION

The vision of the National Arts Council (NAC) is to promote, through the arts, the free expression of South Africa's cultures.

MISSION

The mission of the NAC is to promote excellence in the arts.

VALUES

The stated values of the NAC are:

- Accountability
- Results-orientated
- Professionalism and Integrity
- Making a Difference
- Employee Fulfilment
- Excellence and Synergy
- Transparency and Openness



[07]



LEGISLATIVE AND OTHER MANDATES

The NAC derives its mandate from the National Arts Council Act (No. 56 of 1997, as amended). The Act mandates the NAC to:

- Provide and encourage the provision of opportunities for persons to practice the arts;
- Promote the appreciation, understanding and enjoyment of the arts;
- Promote the general application of the arts in the community;
- Foster the expression of a national identity and consciousness by means of the arts;
- Uphold and promote the right of any person to freedom in the practice of the arts;
- Give the historically disadvantaged such additional help and resources as required to give them greater access to the arts;
- Address historical imbalances in the provision of infrastructure for the promotion of the arts;
- Promote and facilitate national and international liaison between individuals and institutions in respect of the arts; and
- Develop and promote the arts and encourage excellence in regard to these.



The NAC is wholly funded by an annual budget allocation from the Department of Arts and Culture (DAC). In terms of the Act, 75% must be distributed through grants in support of the arts and the remaining 25% is used for administration.

Over and above the specific stipulations of the NAC Act and related regulations, the NAC as a Schedule 3 Public Entity of the PFMA must comply with:

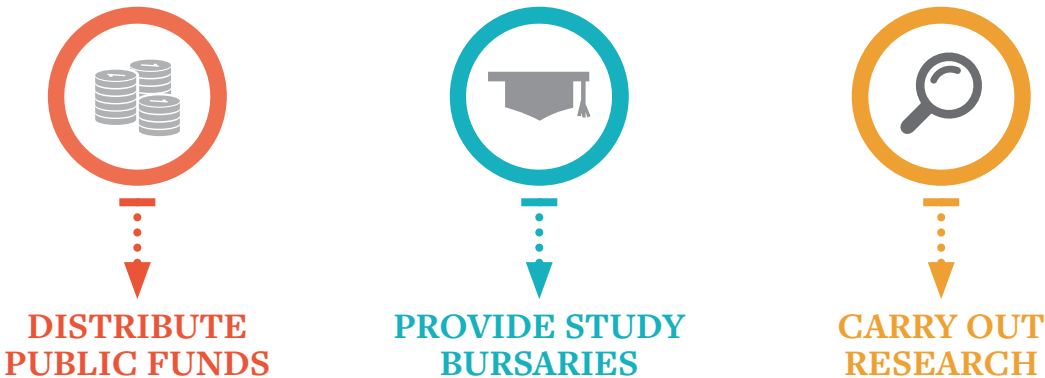
- The Promotion of Access to Information Act (No. 2 of 2000);
- Promotion of Equality and Prevention of Unfair Discrimination Act (No. 4 of 2000);
- The Public Audit Act (No. 25 of 1994);
- Labour Legislation including the Basic Conditions of Employment Act (No. 75 of 1997), Labour Relations Act (No. 66 of 1995) and the Employment Equity Act (No. 55 of 1998);
- The Occupational Health and Safety Act (No. 85 of 1993);
- The Income Tax Act (No. 58 of 1962 as amended) and all subsequent Taxation Laws Amendment Acts;
- The Revenue Laws Amendment Act (1996);
- The Skills Development Act (No. 97 of 1998);
- The Preferential Procurement Policy Framework Act (No. 5 of 2000);
- The Remuneration of Public Office Bearers Act (No. 20 of 1998, as amended);

- The Unemployment Insurance Act (No. 63 of 2001);
- The Division of Revenue Act (No. 5 of 2012);
- The Broad-Based Black Economic Empowerment Act (No. 53 of 2003); and
- The National Credit Act (No. 34 of 2005).

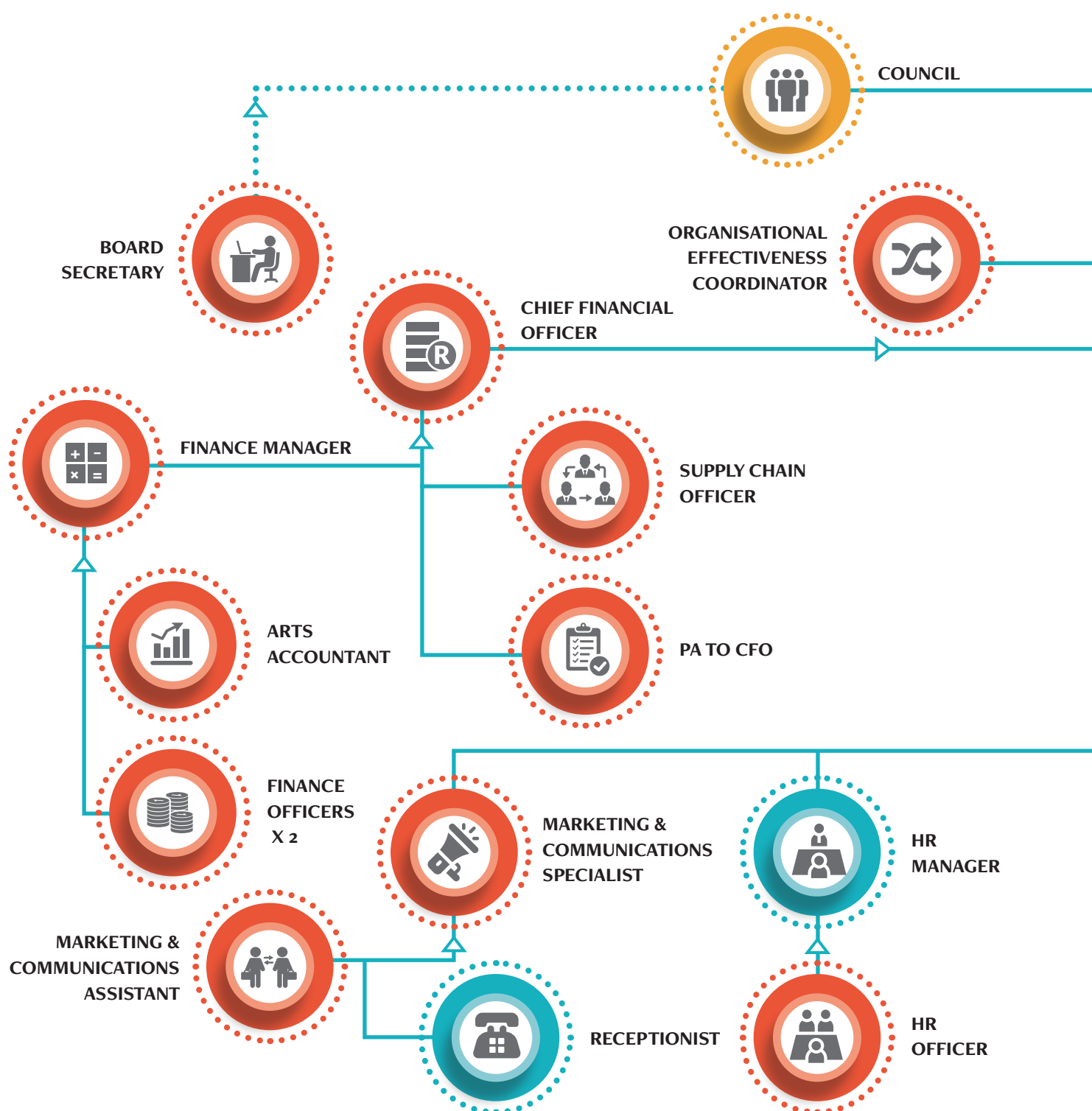
The White Paper on Arts, Culture and Heritage, promulgated in 1996, continues to make sweeping changes to the arts and culture landscape. A critical aspect of this transformation was the creation of new funding mechanisms that would make funds accessible to artists across all disciplines and in so doing, redress the bias towards particular art forms that were previously not supported under Apartheid. The White Paper outlines the role of the NAC as follows:

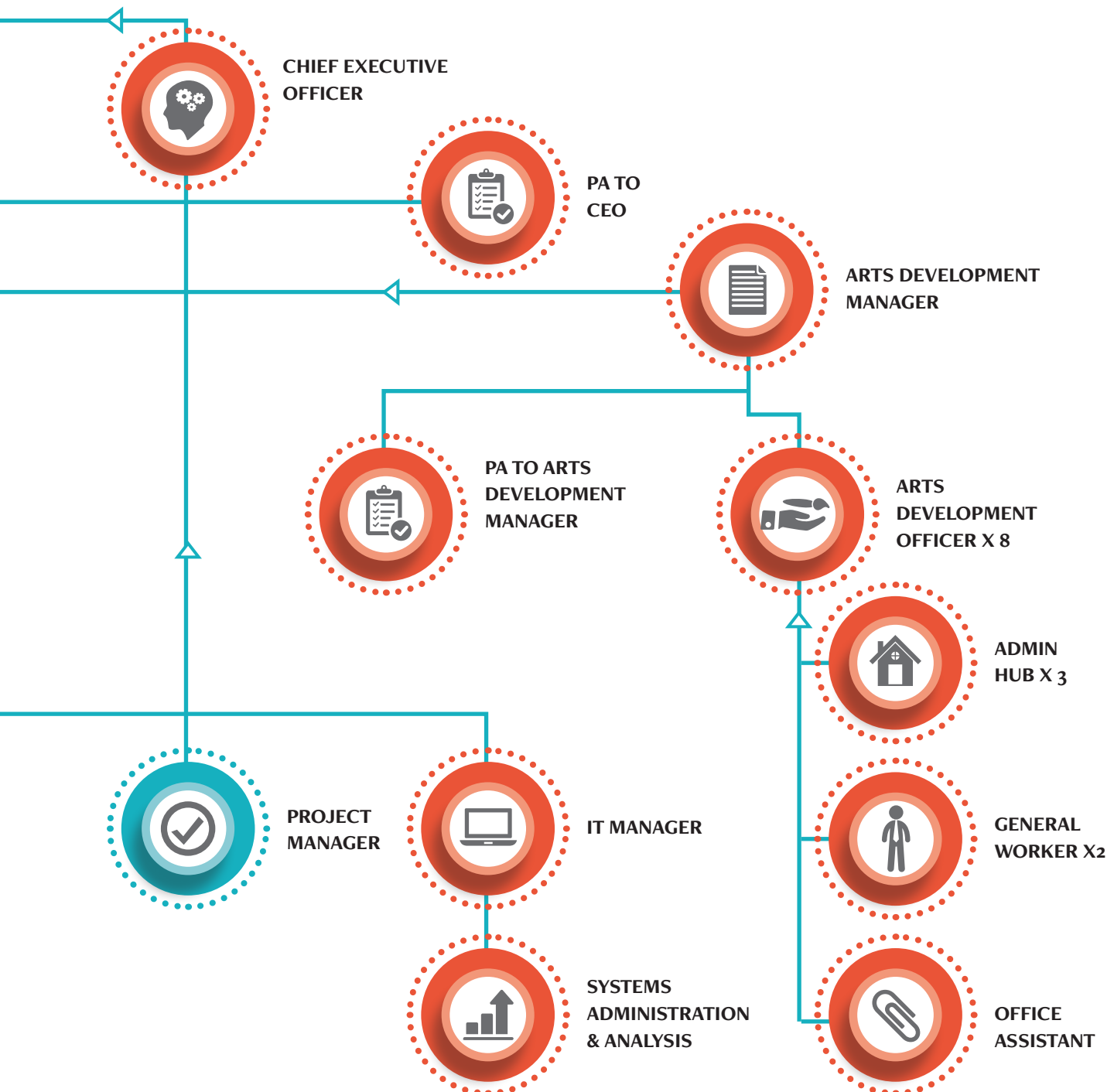
- Distribute public funds to artists, cultural institutions, NGOs and CBOs to promote the creation, teaching and dissemination of literature, oral history and storytelling, music, dance, theatre, musical theatre, opera, photography, design, visual art and craft which fully reflect the country's diversity;
- Provide study bursaries in the fields of arts and culture to practitioners, administrators and educators; and
- Carry out research, especially regarding policies linked to its mandate, and also execute investigations and research at the request of the Minister.

THE WHITE PAPER OUTLINES THE ROLE OF THE NAC AS FOLLOWS:



[08] ORGANISATIONAL STRUCTURE







PART B

Performance Information

[01]



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, with material findings being reported under

the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to pages 100-102 for the full Auditor's Report, published as Part E: Financial Information.

[02]



SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The NAC has historically been positioned solely as a funding entity due to the organisation's heavy focus on funding. The engine of the organisation was well designed for processing grants, but this positioning has left certain elements of its mandate overlooked. For the NAC to achieve its full mandate, a need has been identified for the organisation to expand its offering to benefit and enable the sector as a whole. This realisation led to an organisational review that investigated mechanisms to extend its services beyond disbursing of grants.

Redressing past imbalances is pivotal to the work of the NAC. In doing this, the organisation need to ensure that funding is allocated equitably across different provinces and groups of people. Historically, the geographical footprint of the NAC's funding allocations has been prominent in urban areas particularly Gauteng, Western Cape and KwaZulu-Natal. However, during the period under review the organisation has focused on applications that might originate in metropolitan provinces but benefit

disadvantaged provinces, marginalised groups, rural areas and peri-urban areas.

To improve the geographical spread of funding, the NAC has considered increasing funding allocations to previously marginalised communities including women, youth and people living with disabilities. Funding to these groups aims to create opportunities for the targeted communities to participate in the arts, increase awareness of the arts as well as access to markets, provide opportunities for the creation of new work and content and increase capacity in the arts.

The enhanced NAC strategy also emphasised focus on grant funding in the areas of arts promotion, capacity building and the creation of new works. To achieve this, the NAC needed to forge strategic partnerships with structures in the various provinces. History has proven that open calls for funding applications, coupled with limited funding, does not generally assist the NAC in reaching its intended goals as beneficiaries often do not meet or adhere to the compliance requirements.

During the period under review, the NAC supported flagship projects that met strategic imperatives of the NAC. These included organisations that have capacity for growth and a proven track record. The organisations were also able to mentor emerging artists, create new works with youth and extend audiences in the sector. The selected organisations showcased capacity to utilise funding with integrity, the ability to comply with principles and practices of sound governance.

Key successes for the period under review include the disbursement of bursary funding, both locally and internationally, as well as project funding. Greater procedural efficiency allowed the core business to focus more on grass-roots development as well as the identification of relevant structures to provide targeted support to beneficiaries.

Centres of excellence were also supported during the period under review based on a strict criterion which included vigorous risk assessment and evaluation of artistic merit and equity of the organisation.

Applications that complied with funding requirements were paid timeously although the absence of a governance structure resulted in a backlog. There is still a need for conscientising beneficiaries particularly those in marginalised areas, about compliance requirements and other sources of funding as this will reduce the NAC's surplus. An automated and streamlined Grant Management System (GMS) will minimise issues of quality assurance and bottlenecks for the ADOs and free them to develop the arts in line with the NAC's focus on arts development.

The NAC remains committed to working with our counterparts at provincial and local Government to ensure that funding allocations contributes to the development of underfunded provinces, women, youth and people living with disabilities. The support for marginalised communities and groups hinges on and promotes participative and active citizenry principles to achieve an inclusive and cohesive society.

A “pay it forward” approach has been established with beneficiaries and will see the organisation working with artists and arts organisations towards development and giving support where it is required.

In advocating for the arts, interaction and collaboration with provincial stakeholders were initiated in the past year. This was done through frequent interaction, information sharing and initiation of partnership projects.

The most significant transition however remains the challenge of executing the full mandate of the NAC. It is essential that the NAC not only builds on a strong, established capability as an efficient funding administrator but also transitions to its full mandate of championing, developing, enabling and promoting the arts. The NAC

remains committed to fulfilling its full mandate and in an effort to remain relevant in an ever-changing sector, leveraging available funding, building capacity for the sector and funding for impact, the NAC has enhanced its strategy and will introduce the the new strategy and funding programmes in the 2018/19 financial year.

2.2. Organisational Environment

The NAC recognises the need to stay relevant in the sector, raising the confidence levels of

our stakeholders and ensuring delivery on its full mandate. To this end, in addition to having the right people and playing them to their strengths, the organisation is focused on bolstering key organisational and governance processes to ensure organisational efficiency and effectiveness. The entity is continuously improving its systems and moving away from paper-based processes. The improvement in our systems and processes has increased our efficiency as well as our overall responsiveness to our stakeholders and has reduced the administrative burden on the entity and will increase the entity's ability to deliver real value to the arts, culture and heritage community.

“ The NAC remains committed to working with our counterparts at provincial and local Government to ensure that funding allocations contributes to the development of underfunded provinces, women, youth and people living with disabilities. ”

The NAC recognises that underfunding of the entity still remains a challenge and equally recognises that the economic climate which it operates in further burdens the entity. According to the NAC Act, 75% of the allocated budget has to be distributed in the form of grants and the remaining 25% should be utilised for administration and this allocation posed a challenge for the organisation. The NAC was successful in its request to have the ministerial approval to deviate to 70% of the budget allocated to the funding of projects and the remaining 30% for administration. This deviation was granted until 2018/19. The NAC has requested a permanent deviation from the Minister of Arts and Culture.

During the 2017/18 financial period, the NAC employed 34 full-time staff and remunerated a further 56 people through their participation in the NAC's governance structures. The NAC governance structures comprise 21 Council members and 4 Panel members. This provides for a 1:2 ratio of employees to participants in the governance structures of the organisation.

2.3. Key Policy Developments and Legislative Changes

There were no key policy developments or policy changes that have affected the NAC's operations during the period under review.

[03] PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme 1: Arts Administration

For the period under review, the Arts Administration Programme had the following objectives:

- Strengthening the practise of the arts through focused, efficient and effective grant funding;
- Building sustainable arts capacity that enables the arts to entertain, enrich and inspire;
- Increase access to markets and enable creative engagement for South African art and artists;
- Promoting equity in the arts through specific grant-making focused on disadvantaged and marginalised individuals, groups and communities.



**STRENGTHENING THE
PRACTISE OF THE ARTS**



**BUILDING SUSTAINABLE
ARTS CAPACITY**



**INCREASE ACCESS TO
MARKETS**



**PROMOTING EQUITY IN
THE ARTS**

PROGRAMME: ARTS ADMINISTRATION

TABLE 1: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS

| STRATEGIC GOAL 1: STRENGTHEN THE PRACTICE OF THE ARTS THROUGH FOCUSED GRANT FUNDING | | | | | | | |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Strategic Objectives | Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Assess the compliance risk of projects eligible for funding | Percentage of projects and grants assessed for risk prior to final approval | 22% of projects assessed prior to final approval as per target set | Assess 95% of projects' risk profiles prior to final approval per funding session | 95% of projects' risk profiles assessed prior to final approval per funding session | None | 73% more of projects' risk profiles assessed prior to final approval per funding session | More projects assessed prior to final approval |
| Assess the compliance risk of projects eligible for funding | Percentage of projects' risk profile assessed annually, post approval | 65% of projects assessed post approval as per target | 95% of projects risk profiles assessed annually, post approval, per funding session | 95% of projects' risk profiles assessed annually post approval per funding session | None | 30% projects risk profiles assessed annually, post approval, per funding session | More projects assessed post approval |
| Percentage of disbursements made in accordance with the agreed disbursement criteria | Percentage of project disbursement made in accordance with the agreed disbursement criteria | 100% compliance with agreed disbursement criteria | 100% compliance with agreed disbursement criteria | 100% of disbursements to be made in accordance with agreed disbursement criteria | None | None | None |
| Reduce unclaimed funds through effective oversight to a maximum of a percentage of projects and grants budget | Reduce surplus funds through effective oversight to a maximum of a percentage of projects budget | 67.46% disbursements made and expiration of projects undertaken. 32.52% disbursements not made | 80% disbursements made or expiration of non-compliant projects | 70.68% disbursements made and expiration of projects undertaken | 9.32% less disbursements made | 3.22% more of disbursements made during the period under review | 9.32% less disbursement made due to non-compliance of beneficiaries to reporting time lines |
| Ensure a balanced allocation of project and grant funding across all disciplines and NAC strategic imperatives | Percentage of grants and project funding allocation across all disciplines and NAC strategic imperatives | 53.30% allocated for arts promotion, 32.75% for creation of new work and 26.66% for capacity building | Allocation of grants/ Projects per funding session: 50% for arts promotion, 30% for creation of new work, 20% for capacity building | 51.23% allocated for arts promotions. 27.44% for creation of new work and 20.93% for capacity building | 1.23 % more allocated for arts promotion, 2.56% less for creation of new work and 0.93% more for capacity building | 2.07% less allocated for arts promotions, 5.31% less for creation of new work and 5.73% less for capacity building | More projects allocated for arts promotions and capacity building than for creation of new work |

TABLE 2: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS¹

| STRATEGIC GOAL 2: EQUITY IN THE ARTS | | | | | | | |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic Objectives | Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Allocate and disburse funding to support indigenous art forms | Percentage of allocated funding disbursed to support indigenous art forms | 13.92% of funding disbursed to support indigenous art forms | 5% of allocated funding disbursed to support indigenous art forms | 18.45% of allocated funding disbursed to support indigenous art forms | 13.45% more allocated funding disbursed to support indigenous art forms | 4.53% more allocated funding disbursed to support indigenous art forms | The funding allocation for the support of indigenous art forms increased as an acknowledgement of diverse art forms in our society |
| Allocate and disburse funding to support projects in targeted rural areas or provinces | Percentage of allocated funding disbursed to targeted rural areas/ provinces | 25.32% of funding disbursed to targeted rural areas/ provinces | 25% of allocated funding disbursed to support projects in targeted rural areas/ provinces | 25.69% of allocated funding disbursed to support projects in targeted rural areas/ provinces | 0.69% more of allocated funding disbursed to support projects in targeted rural areas/ provinces | 1.63% more of allocated funding disbursed to support projects in targeted rural areas/ provinces | The increased support for targeted rural areas/provinces funding is important to address geographical inequity in the allocation of funding |
| Allocate and disburse funding to support women and women-led organisations | Percentage of allocated funding disbursed to support women and women-led organisations | 19.96% of funding disbursed to women-led organisations | 10% allocated funding disbursed to women and women-led organisations | 22.36% allocated funding disbursed to women and women-led organisations | 12.36% more of allocated funding disbursed to women and women-led organisations | 2.4% more of allocated funding disbursed to women and women-led organisations | The increased support of women and women-led organisations contributes towards redress and transformation of our society |
| Allocate and disburse funding to support | Percentage of allocated funding | 2.25% of funding disbursed to support organisations working with people living with disabilities and individuals living with disabilities | 2% of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | 2.82 % of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | 0.82 % more of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | 0.57% more of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | It is important to recognise organisations working with people living with disabilities and individuals living with disabilities to reduce marginalisation in our society |
| Allocate and disburse funding to projects that benefit the youth | Percentage of allocated funding disbursed to projects that benefit the youth | 26.78 of funding disbursed to benefit the youth | 15% of allocated funding disbursed to projects benefiting the youth | 30.05% of allocated funding disbursed to projects benefiting the youth | 15.05% more of allocated funding disbursed to projects benefiting the youth | 3.27% of allocated funding disbursed to projects benefiting the youth | The funding of youth is prioritised in support of national strategic imperatives |

¹The targets for indicators pertaining to the Strategic Goal of Equity in the Arts were reduced to avoid double counting. During the previous years when funding was allocated, all relevant indicators were accounted for leading to a perceived overachievement of targets. This includes women, youth, people living with disabilities and people living in rural areas.

TABLE 3: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS

| STRATEGIC GOAL 3: ARTS CAPABILITY | | | | | | | |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Strategic Objectives | Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Fund local and international bursaries in the arts | Percentage of funding allocated to local and international bursaries approved | 32.02% of funding allocated to local and international bursaries | 20% of funding allocated to bursaries approved | 21.03% of funding allocated to bursaries approved | 1.03% more of funding allocated to bursaries approved | 21.03% less of funding allocated to bursaries approved | Increase in number of deserving bursaries approved |
| Fund training and development programmes in the arts | Number of training and development programmes developed and successfully implemented annually | 8 capacity-building programmes developed and implemented in partnership with the Arts and Culture Trust, Lalela & Tshwane University of Technology (TUT) | Fund 7 training and development programmes | 7 training and development programmes funded and implemented by the Forgotten Angle Collaborative and Grahamstown Foundation | None | 1 less training and development programme funded | 7 training and development programmes supported according to budget availability |
| Support the training of community art centre managers to ensure centres function at an acceptable level | Number of community art centres considered to be functioning at an acceptable level | 5 community arts centre managers trained through ASSITEJ (3) PAST (2) | Support the training of 7 community art centre managers | The training of 7 community art centre managers supported through the Eastern Cape Arts and Culture Council | None | 2 more community art centre managers training supported | Funding for the support of community arts centre managers approved |
| Identify and fund flagship projects | Number of flagship projects supported | 9 Flagship projects supported: Tshwane University of Technology (TUT), Africa Meets Africa, Lalela, PAST, Morocco Trade & Impact Conference, National Heritage Council/HESOP, Gorée Island, CFLAC China-Graskoue Trappers | Identify and fund 4 flagship projects | 5 flagship projects identified and supported HESOP, Atelier for Festival Managers, MACUFE Seychelles and Dakar | None | 4 less flagship projects supported | Flagship projects supported according to budget availability |
| Establish a strategic partnership for the development of arts education | Number of partnerships established | 6 partnerships established with ASSITEJ, Africa Meets Africa, Lalela, Little Voices, National Heritage Council/HESOP and Grahamstown Foundation | Establish 2 partnership with a relevant structure | Partnerships established with Africa Meets Africa and Heritage Council for the development of Arts Education | None | 4 less partnerships established for the development of arts education | Partnerships established according to budget availability |

TABLE 4: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS

| STRATEGIC GOAL 4: MARKET ACCESS AND CREATIVE ENGAGEMENT | | | | | | | |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Strategic Objectives | Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Establish partnerships with government structures and other recognised structures | Number of partnerships established with government and other relevant structures | 7 partnerships established with the University of Witwatersrand (Wits), Tshwane University of Technology (TUT), National Heritage Council/ HESOP and University of the Free State (UFS), Heritage Education Trust, 21 Century Skills and Leonardo DaVinci Hotel And Suites (Pty) Ltd | Partnerships established with 1 government structure and 2 other relevant structures | Partnership established with 1 government structure and 2 other relevant structures, namely, SanParks, Tshwane University of Technology (TUT) and, Mpumalanga Department of Arts & Culture. | None | 4 less partnerships established | Partnerships established as per budget provision |
| Partnership established with a relevant structure which promotes nation building and social cohesion | Partnership established with a relevant structure which promotes nation building and social cohesion | Not applicable | Partnership established with a relevant structure which promotes nation building and social cohesion | Partnership established with relevant structures which promotes nation building and social cohesion, namely, the Lalela Project Trust and the Heritage Council | None | Not applicable | Not applicable |

PROGRAMME: BUSINESS DEVELOPMENT

TABLE 5: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS

| STRATEGIC GOAL 1: STRENGTHEN THE PRACTICE OF THE ARTS THROUGH FOCUSED GRANT FUNDING | | | | | | |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Percentage of projects and grants assessed for risk prior to final approval | 22% of projects assessed prior to final approval as per target set | Assess 95% of projects' risk profiles prior to final approval per funding session | 95% of projects' risk profiles assessed prior to final approval per funding session | None | 73% more of projects' risk profiles prior to final approval per funding session | More projects assessed prior to final approval |
| Percentage of projects' risk profile assessed annually, post approval | 65% of projects assessed post approval as per target | 95% of projects risk profiles assessed annually, post approval, per funding session | 95% of projects' risk profiles assessed annually post approval per funding session | None | 30% projects risk profiles assessed annually, post approval, per funding session | More projects assessed post approval |
| Percentage of project disbursement made in accordance with the agreed disbursement criteria | 100% compliance with agreed disbursement criteria | 100% of disbursements to be made in accordance with agreed disbursement criteria | 100% of disbursements to be made in accordance with agreed disbursement criteria | None | None | None |
| Reduce surplus funds through effective oversight to a maximum of a percentage of projects budget | 67.46% disbursements made and expiration of projects undertaken. 32.52% disbursements not made | 80% disbursements made or expiration of non-compliant projects | 70.68% disbursements made and expiration of projects undertaken | 9.32% less disbursements made | 3.22% more of disbursements made during the period under review | 9.32% less of disbursement made due to non-compliance of beneficiaries to reporting timelines |
| Percentage of grants and project funding allocation across all disciplines and NAC strategic imperatives | 53.30% allocated for arts promotion, 32.75% for creation of new work and 26.66% for capacity building | Allocation of grants/ Projects per funding session: 50% for arts promotion, 30% for creation of new work, 20% for capacity building | 51.23% allocated for arts promotion, 27.44% for creation of new work and 20.93% for capacity building | 1.23 % more allocated for arts promotions, 2.56% less for creation of new work and 0.93% more for capacity building | 2.07% less allocated for arts promotions, 5.31% less for creation of new work and 5.73% less for capacity building | More projects allocated for arts promotions and capacity building than for creation of new work |

TABLE 6: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS²

| STRATEGIC GOAL 2: EQUITY IN THE ARTS | | | | | | |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Percentage of allocated funding disbursed to support indigenous art forms | 13.92% of funding disbursed to support indigenous art forms | 5% of allocated funding disbursed to support indigenous art forms | 18.45% of allocated funding disbursed to support indigenous art forms | 13.45% more allocated funding disbursed to support indigenous art forms | 4.53% more allocated funding disbursed to support indigenous art forms | The funding allocation for the support of indigenous art forms increased as an acknowledgment of diverse art forms in our society |
| Percentage of allocated funding disbursed to targeted rural areas/provinces | 25.32% of funding disbursed to targeted rural areas/provinces | 25% of allocated funding disbursed to support projects in targeted rural areas/provinces | 25.69% of allocated funding disbursed to support projects in targeted rural areas/provinces | 0.69% more of allocated funding disbursed to support projects in targeted rural areas/provinces | 1.63% more of allocated funding disbursed to support projects in targeted rural areas/provinces | The increased support for targeted rural areas/provinces funding is important to address geographical inequity in the allocation of funding |
| Percentage of allocated funding disbursed to support women and women-led organisations | 19.96% of funding disbursed to women-led organisations | 10% allocated funding disbursed to women and women-led organisations | 22.36% allocated funding disbursed to women and women-led organisations | 12.36% more of allocated funding disbursed to women and women-led organisations | 2.4% more of allocated funding disbursed to women and women-led organisations | The increased support of women and women-led organisations contributes towards redress and transformation of our society |
| Percentage of allocated funding | 2.25% of funding disbursed to support organisations working with people living with disabilities and individuals living with disabilities | 2% of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | 2.82 % of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | 0.82 % more of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | 0.57% more of allocated funding disbursed to organisations working with people living with disabilities and individuals living with disabilities | It is important to recognise organisations working with people living with disabilities and individuals living with disabilities to reduce marginalisation in our society |
| Percentage of allocated funding disbursed to projects that benefit the youth | 26.78 of funding disbursed to benefit the youth | 15% of allocated funding disbursed to projects benefiting the youth | 30.05% of allocated funding disbursed to projects benefiting the youth | 15.05% more of allocated funding disbursed to projects benefiting the youth | 3.27% of allocated funding disbursed to projects benefiting the youth | The funding of youth is prioritised in support of national strategic imperatives |

²The targets for indicators pertaining to the Strategic Goal of Equity in the Arts were reduced to avoid double counting. During the previous years when funding was allocated, all relevant indicators were accounted for leading to a perceived overachievement of targets. This includes women, youth, people living with disabilities and people living in rural areas.

TABLE 7: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS

| STRATEGIC GOAL 3: ARTS CAPABILITY | | | | | | |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Percentage of funding allocated to local and international bursaries approved | 32.02% of funding allocated to local and international bursaries | 20% of funding allocated to bursaries approved | 21.03% of funding allocated to bursaries approved | 1.03% more of funding allocated to bursaries approved | 21.03% less of funding allocated to bursaries approved | Increase in number of deserving bursaries approved |
| Number of training and development programmes developed and successfully implemented annually | 8 capacity-building programmes developed and implemented in partnership with the Arts and Culture Trust, Lalela & Tshwane University of Technology (TUT) | Fund 7 training and development programmes | 7 training and development programmes funded and implemented by the Forgotten Angle Collaborative and Grahamstown Foundation | None | 1 less training and development programme funded | 7 training and development programmes supported according to budget availability |
| Number of community art centres considered to be functioning at an acceptable level | 5 community arts centre managers trained through ASSITEJ (3) PAST (2) | Support the training of 7 community art centre managers | The training of 7 community art centre managers supported through the Eastern Cape Arts and Culture Council | None | 2 more community art centre managers training supported | Funding for the support of community arts centre managers approved |
| Number of flagship projects supported | 9 Flagship projects supported: Tshwane University of Technology (TUT), Africa Meets Africa, Lalela, PAST, Morocco Trade & Impact Conference, National Heritage Council/ HESOP, Gorée Island, CFLAC China-Graskoue Trappers | Identify and fund 4 flagship projects | 5 flagship projects identified and supported HESOP, Atelier for Festival Managers, MACUFE Seychelles and Dakar | None | 4 less flagship projects supported | Flagship projects supported according to budget availability |
| Number of partnerships established | 6 partnerships established with ASSITEJ, Africa Meets Africa, Lalela, Little Voices, National Heritage Council/ HESOP and Grahamstown Foundation | Establish 2 partnership with a relevant structure | Partnerships established with Africa Meets Africa and Heritage Council for the development of Arts Education | None | 4 less partnerships established for the development of arts education | Partnerships established according to budget availability |

TABLE 8: ARTS ADMINISTRATION: TARGETS AND ACHIEVEMENTS

| STRATEGIC GOAL 4: MARKET ACCESS AND CREATIVE ENGAGEMENT | | | | | | |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Number of partnerships established with government and other relevant structures | 7 partnerships established with the University of Witwatersrand (Wits), Tshwane University of Technology (TUT), National Heritage Council/HESOP and University of the Free State (UFS), Heritage Education Trust, 21 Century Skills and Leonardo DaVinci Hotel And Suites (Pty) Ltd | Partnerships established with 1 government structure and 2 other relevant structures | Partnership established with 1 government structure and 2 other relevant structures, namely, SanParks, Tshwane University of Technology (TUT) and, Mpumalanga Department of Arts & Culture. | None | 4 less partnerships established | Partnerships established as per budget provision |
| Partnership established with a relevant structure which promotes nation building and social cohesion | Not applicable | Partnership established with a relevant structure which promotes nation building and social cohesion | Partnership established with relevant structures which promotes nation building and social cohesion, namely, the Lalela Project Trust and the Heritage Council | None | Not applicable | Not applicable |



ARTS ADMINISTRATION AND FUNDING

This strategic goal supports the creation of new work and its distribution by individual artists and organisations through funding. To this end, the NAC has supported 171 individuals and 270 organisations in support of this goal. Fewer projects were assessed prior to funding due to Advisory Panels not being fully constituted during the period under review. However, more projects dealing with arts promotions, creation of new work and capacity building in line with NAC strategic imperatives were supported.

The NAC prioritised funding to increase support of indigenous art forms and to acknowledge diverse arts forms in our society. 18.45% of funding was allocated to support indigenous arts forms. Targeted rural provinces and areas were supported with 26.69% of the funding with the aim of redressing geographical inequality. 22.36% was allocated to organisations led by women and women in the arts as a means of transformation of our society. Organisa-

tions supporting youth received 30.05% funding allocation and 2.82% of funding was allocated to organisations working with people living with disabilities.

The NAC supported projects that enabled development and growth of the arts through capacity building and also focused on capabilities required to sustain art practice in terms of both supply and demand. As part of the goal focusing on sustainable capability, the NAC funded bursaries that would support the growth of talent, development and enhancement of skills for arts administrators and practitioners. 21.03% of funding was allocated to local and international bursaries. A total of 8 capacity building programmes were developed and implemented in partnership with the Arts and Culture Trust, Lalela and Tshwane University of Technology (TUT).

TABLE 9: SUMMARY OF PAYMENTS FOR PROGRAMMES

| ARTS ADMINISTRATION | | | | | |
|---------------------|--------------------------------|--------------------------------------|-----------------|--------------------------------|--------------------------------------|
| 2016/2017 | | | 2017/2018 | | |
| Budget R'000 | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 | Budget R'000 | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 |
| 70,827 | 73,449 | (2,622) | 74,369 | 77,268 | (2,899) |

NAC GRANT BENEFICIARIES 2017/2018



CRAFT ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------------------------------------------------|---------------|-----------------|
| C00118 | Thesevana Art and Craft | Limpopo | 50,000.00 |
| C00218 | TT Ndou Pottery and Training | Limpopo | 50,000.00 |
| C00318 | Raemat Kreaxions | Limpopo | 50,000.00 |
| C00518 | Go for Arts | Limpopo | 50,000.00 |
| C00818 | Weza's Cane Waving | Eastern Cape | 50,000.00 |
| C01018 | Bokone Bophirima Craft & Design Institute | North West | 150,000.00 |
| C01518 | Mberwana Trading Enterprise | Mpumalanga | 100,000.00 |
| C01618 | Vutsithuli and Sarah Arts and Crafts | Mpumalanga | 50,000.00 |
| C01918 | Ntfulwini's Trading | Mpumalanga | 30,500.00 |
| C02218 | Nsokodokweni Trading (PTY) LTD | Mpumalanga | 50,000.00 |
| C02318 | Ligcabho Lesive | Mpumalanga | 50,000.00 |
| C02518 | Siyabuswa Commercial Services | Mpumalanga | 29,800.00 |
| C02718 | Ithemba Lomphakathi Community Organisation | Mpumalanga | 51,750.00 |
| C03118 | Moipane Ntseke Creative and Supplies T/A Sarbon Creative Designs | Gauteng | 28,000.00 |
| C03418 | Ingwempisi Yam | Gauteng | 50,000.00 |
| C03618 | Lungisani Doing2 Craft | Gauteng | 41,900.00 |
| C03818 | Ubuciko Bemvelo Art and Craft Cooperative Limited | KwaZulu-Natal | 50,000.00 |
| C03918 | Woza Moya-Hillcrest Aids Centre Trust | KwaZulu-Natal | 39,289.28 |
| C04018 | Mathulamilton Farm Primary Cooperative | KwaZulu-Natal | 50,000.00 |
| C04118 | Maswazi 2020 Projects Co-operative Limited | KwaZulu-Natal | 50,000.00 |
| C04218 | Zikulise Community Upliftment Project NPC | KwaZulu-Natal | 100,000.00 |

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------------------------|---------------|---------------------|
| C04318 | Gcwabe Primary Cooperative | KwaZulu-Natal | 50,000.00 |
| C04418 | KwaXimba Beadwork Project | KwaZulu-Natal | 50,000.00 |
| C04518 | Maqabi Beadwork Project Primary Cooperative | KwaZulu-Natal | 50,000.00 |
| C04618 | KwaZulu Natal Artists Craft Association | KwaZulu-Natal | 150,000.00 |
| C04718 | Zimele Developing Community Self-Reliance | KwaZulu-Natal | 100,000.00 |
| C05218 | Ifundiso Trading PTY (LTD) | KwaZulu-Natal | 36,000.00 |
| C05318 | Vumabongwa (PTY) LTD | KwaZulu-Natal | 48,000.00 |
| C05518 | Africa Ignite | KwaZulu-Natal | 70,760.00 |
| | | Total | 1,725,999.28 |

CRAFT INDIVIDUAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------------|---------------|-----------------|
| C00418 | Edwin Siriba | Limpopo | 50,000.00 |
| C00618 | Loki Isaac Maselwane | Free State | 30,000.00 |
| C00718 | Kelebogile Oregolele Mapota | Free State | 23,341.00 |
| C00918 | Thenjiwe Mankazana | Eastern Cape | 55,000.00 |
| C01118 | Jabulani Mashiane | Mpumalanga | 20,280.00 |
| C01218 | Esther Mapule Mojafi | Mpumalanga | 25,000.00 |
| C01318 | Bathabile Magdeline Nkambule | Mpumalanga | 28,600.00 |
| C01418 | Busisiwe Maria Mofokeng | Mpumalanga | 32,825.00 |
| C01718 | Mbhasobhi Mlungisi Shongwe | Mpumalanga | 32,800.00 |
| C01818 | Bongani Florence Maziya | Mpumalanga | 50,000.00 |
| C02018 | Jabulani Andries Mkhabela | Mpumalanga | 42,787.59 |
| C02118 | Muzi Sifiso Mamba | Mpumalanga | 46,300.00 |
| C02418 | Leonard Tshabalala | Mpumalanga | 43,261.84 |
| C02618 | Zinhle Nonhlanhla Thwala | Mpumalanga | 50,000.00 |
| C02818 | Fai-qah Abrahams | Western Cape | 33,120.00 |
| C02918 | Lerato Kodisa | Gauteng | 50,000.00 |
| C03018 | Nontethelelo Jane Mazibuko | Gauteng | 50,000.00 |
| C03218 | Thomas Musibi | Gauteng | 50,000.00 |
| C03318 | Pinky Ngokuhlwa | Gauteng | 23,800.00 |
| C03518 | Thombifikile Sibongile Mashiane | Gauteng | 50,000.00 |
| C03718 | Thandy Esther Nhlabathi | Gauteng | 50,000.00 |
| C04818 | Thandi Regina Malinga | KwaZulu-Natal | 50,000.00 |
| C04918 | Zibuyile Grace Gumbi | KwaZulu-Natal | 35,011.00 |

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-----------------------------------|---------------|---------------------|
| C05018 | Sandile Fortune Mabaso | KwaZulu-Natal | 33,000.00 |
| C05118 | Sindisiwe Happiness Thwala | KwaZulu-Natal | 50,000.00 |
| C05418 | Nkosiya Penuel Nxumalo | KwaZulu-Natal | 35,000.00 |
| C05618 | Maxwell Thwala | KwaZulu-Natal | 50,000.00 |
| C05718 | Prof Kate Louise Wells | KwaZulu-Natal | 80,600.00 |
| C05818 | Thembekile Agnetia Mchunu | KwaZulu-Natal | 35,000.00 |
| C05918 | Wikhi Velenkosoni Brian Mkhwanazi | KwaZulu-Natal | 35,000.00 |
| C06018 | Nombuso Thabsile Buthelezi | KwaZulu-Natal | 15,000.00 |
| C06118 | Mr Nsikelelo T Siteo | KwaZulu-Natal | 50,000.00 |
| | | Total | 1,305,726.43 |

CRAFT INDIVIDUAL BURSARY FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------|---------------|------------------|
| 500001 | Anke Van der Linden | KwaZulu-Natal | 24,000.00 |
| 503701 | Mandisa Nkabinde | KwaZulu-Natal | 24,000.00 |
| | | Total | 48,000.00 |

CRAFT INSTITUTIONAL BURSARY FUNDING

| FUNDING NUMBER | INSTITUTION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------------------------|--------------|-------------------|
| 460601 | Lisof (Pty) Ltd | Gauteng | 115,206.29 |
| 483201 | University of Johannesburg | Gauteng | 115,206.29 |
| 488701 | Oakfield College | Gauteng | 80,000.00 |
| 489901 | Sew Africa:1986 | Gauteng | 115,206.29 |
| 490701 | Elizabeth Galloway Academy of Fashion Design | Western Cape | 115,206.29 |
| 542401 | Cape Town College of Fashion Design | Western Cape | 115,206.29 |
| | | TOTAL | 656,031.45 |



DANCE

DANCE ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------------------------|--------------|---------------------|
| D00618 | Grahamstown Foundation | Eastern Cape | 150,000.00 |
| D02218 | Baxter Dance Theatre | Gauteng | 100,000.00 |
| D02718 | Flatfoot Dance Company | Gauteng | 100,000.00 |
| D03618 | Soweto Community Dance Project | Gauteng | 80,000.00 |
| D01818 | Jazzart Dance Theatre | Western Cape | 100,000.00 |
| D00418 | Tsomti Creatives and Projects | North West | 120,000.00 |
| D00818 | Funyufunyu Cultural Dance | Limpopo | 100,000.00 |
| D01118 | Rhythmic Indigenous Dancers Organisation | Free State | 100,000.00 |
| D01218 | Matswanafike Early Birds | Free State | 100,000.00 |
| D01518 | Inkwazi Cultural Dance | Mpumalanga | 100,000.00 |
| D01718 | Thingoluhle Trading Projects | Mpumalanga | 100,000.00 |
| D02118 | Cape Dance Company | Western Cape | 60,000.00 |
| D02818 | Mazibuye Emasisweni | Western Cape | 100,000.00 |
| D02918 | Isambane Arts Production | Gauteng | 80,000.00 |
| D03318 | Dora's Dancers Multi Project | Gauteng | 60,000.00 |
| D03418 | MIDM Michelle Fransis Cohen | Gauteng | 80,000.00 |
| | | Total | 1,530,000.00 |

DANCE INDIVIDUAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------|---------------|-----------------|
| D00218 | Motsamai Johannes Lechuti | Northern Cape | 100,000.00 |
| D00318 | Sabelo Mokwena | Northern Cape | 100,000.00 |
| D00518 | Thabo Isaac Rapoo | North West | 80,000.00 |
| D00718 | Lavern N Botha | Eastern Cape | 70,000.00 |

DANCE INDIVIDUAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------|---------------|---------------------|
| D00918 | Teresa Phuti Mojela | Limpopo | 80,000.00 |
| D01018 | Jimmy Ngobeni | Limpopo | 80,000.00 |
| D01318 | Ketlareng Maureen Setlhare | Free State | 100,000.00 |
| D01618 | Andiswa Hlanekela | Mpumalanga | 100,000.00 |
| D01918 | Onile Nkemiseng Khena | Western Cape | 60,000.00 |
| D02018 | Kirvan Fortuin | Western Cape | 50,000.00 |
| D02318 | Shelby Tanelle Strange | KwaZulu-Natal | 36,000.00 |
| D02418 | Siphiwe Xulu | KwaZulu-Natal | 80,000.00 |
| D02518 | Musa Hlatshwayo | KwaZulu-Natal | 100,000.00 |
| D02618 | Robert Vusi Makaya | KwaZulu-Natal | 100,000.00 |
| D03018 | Thapelo Diane | KwaZulu-Natal | 60,000.00 |
| D03118 | Jaqueline Nelisiwe Xaba | Gauteng | 100,000.00 |
| D03218 | Shika Harrypaul | Gauteng | 40,000.00 |
| D03518 | Patrick Tshabalala | Gauteng | 70,000.00 |
| D03718 | Krishnan Maduarai Nair | Gauteng | 14,014.29 |
| D01418 | Thulani Mgidi | Mpumalanga | 70,000.00 |
| D00118 | Julia Burnham | Gauteng | 53,795.14 |
| D03818 | Roseanne Elizabeth Maile | Gauteng | 35,840.00 |
| | | Total | 1,579,649.43 |

DANCE INTERNATIONAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------|---------------|-------------------|
| D0118B | Olebogeng I Monnawabokone | North West | 37,000.00 |
| D0218B | Thabile Buthelezi | KwaZulu-Natal | 90,000.00 |
| | | Total | 127,000.00 |

DANCE INDIVIDUAL BURSARY

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------|---------------|-------------------|
| 454301 | Mxolisi Motaung | Free State | 35,000.00 |
| 459001 | Dedanizizwe Shabalala | KwaZulu-Natal | 47,757.14 |
| 542501 | Yusuf Mpumelelo Thomas | Gauteng | 40,000.00 |
| | | Total | 122,757.14 |

DANCE INSTITUTIONAL BURSARY FUNDING

| FUNDING NUMBER | INSTITUTION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------------------------------|---------------|-------------------|
| 468001 | Mzansi Arts Development Ensemble | KwaZulu-Natal | 50,000.00 |
| 477201 | Moving into Dance Mophatong | Gauteng | 100,000.00 |
| 511001 | University of Cape Town School of Dance | Western Cape | 100,000.00 |
| 533801 | Oakfield College | Gauteng | 50,000.00 |
| 454201 | The Forgotten Angle Theatre Collaborative | Mpumalanga | 130,000.00 |
| | | Total | 430,000.00 |



LITERATURE

LITERATURE ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------------------------------|--------------|---------------------|
| L03618 | Aerial Publishing | Eastern Cape | 16,364.00 |
| L05418 | SADRAT | Eastern Cape | 60,000.00 |
| L02218 | Unomthandazo Theatre Company | Gauteng | 60,000.00 |
| L03818 | Limma Group cc | Gauteng | 60,000.00 |
| L05318 | Pan South African Language Board | Gauteng | 200,000.00 |
| L04418 | Lesedi Publishers (Pty) Ltd | Limpopo | 80,000.00 |
| L04918 | Language Safeguard International | Limpopo | 60,000.00 |
| L05018 | HTO Production | Limpopo | 60,000.00 |
| L05118 | Mhlahmala Publishers t/a Phalafala Ya Bongwadi | Limpopo | 60,000.00 |
| L00818 | Biblioneef South Africa | Western Cape | 53,625.00 |
| L03218 | South African Book Development Council | Western Cape | 350,000.00 |
| L04518 | Sign Language Education and Development | Western Cape | 150,000.00 |
| | | Total | 1,209,989.00 |

LITERATURE INDIVIDUAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-----------------------|---------------|-----------------|
| L04218 | Linda Kwatsha | Eastern Cape | 60,000.00 |
| L04318 | Robert Berold | Eastern Cape | 42,424.00 |
| L00318 | Mathene Mahanke | Free State | 60,000.00 |
| L00618 | Thokozane Mkhwanazi | Free State | 35,000.00 |
| L01218 | Lindiwe Mkhwanazi | Free State | 60,000.00 |
| L00118 | Lillian Mmamaro | Gauteng | 30,000.00 |
| L01318 | Zama Batyi | Gauteng | 50,000.00 |
| L01818 | Hlombelihle Chiya | Gauteng | 30,000.00 |
| L01918 | Vusi Nhlapo | Gauteng | 60,000.00 |
| L02318 | Rosette Ledwaba | Gauteng | 49,000.00 |
| L02618 | Wilfred Kumalo | Gauteng | 35,000.00 |
| L02818 | Lindiwe Kunene | Gauteng | 30,000.00 |
| L02918 | Khomotso Tjale | Gauteng | 48,000.00 |
| L03118 | Ramasela Makgeta | Gauteng | 30,000.00 |
| L03518 | Linda Ndlovu | Gauteng | 50,000.00 |
| L03718 | Kedibone Leshilo | Gauteng | 35,000.00 |
| L04018 | Tebatso Matabane | Gauteng | 30,000.00 |
| L04718 | Mokete Mosia | Gauteng | 50,000.00 |
| L04818 | Zoza Shongwe | Gauteng | 45,000.00 |
| L05218 | Solomon Rachilo | Gauteng | 50,000.00 |
| L00218 | Bhekamachunu Mchunu | KwaZulu-Natal | 30,000.00 |
| L01618 | Jabulile Magubane | KwaZulu-Natal | 30,000.00 |
| L00518 | Sarah Lekala | Limpopo | 60,000.00 |
| L00718 | Makokwane Leshaba | Limpopo | 30,000.00 |
| L00918 | Sekweng Madihlaba | Limpopo | 32,000.00 |
| L01418 | Condry Marota | Limpopo | 35,000.00 |
| L01718 | Refilwe Mmako | Limpopo | 25,500.00 |
| L02118 | Sebasa Mogale | Limpopo | 35,000.00 |
| L02418 | Moleti Tlooke | Limpopo | 60,000.00 |
| L02518 | Thabiso Makobe | Limpopo | 50,000.00 |
| L02718 | Mabonchi Motimele | Limpopo | 60,000.00 |
| L03418 | Raasetja Tlooke | Limpopo | 30,000.00 |
| L03918 | Pretty Ntshalintshali | Limpopo | 35,000.00 |
| L04118 | Bishop Makobe | Limpopo | 60,000.00 |
| L04618 | Butinyana Mashaba | Limpopo | 30,000.00 |
| L00418 | Mamogwang Mashilo | Mpumalanga | 30,000.00 |
| L01018 | Sthembiso Mathebula | Mpumalanga | 43,950.82 |

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------|--------------|---------------------|
| L0118 | Zachariah Rapola | Mpumalanga | 60,000.00 |
| L01518 | Vincent Metsemabe | Mpumalanga | 35,000.00 |
| L03018 | Magalane Mokabane | Mpumalanga | 60,000.00 |
| LO3218 | Danile Mohlamme | Mpumalanga | 60,000.00 |
| L02018 | Zandile Kondowe | Western Cape | 35,000.00 |
| | | Total | 1,805,874.82 |

SPECIAL LITERATURE ORGANISATIONAL FUNDING FOR AFRICAN BOOK PUBLISHING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-----------------------------------------|---------------|-------------------|
| L05618 | Arts Scene Foundation | Northern Cape | 70,231.49 |
| L05718 | Fathersmoke | Gauteng | 70,231.35 |
| L05818 | Moepi Publishing | Gauteng | 70,231.35 |
| L05918 | Segachris Publishing (Pty) Ltd | KwaZulu-Natal | 70,231.35 |
| L06018 | Never Give up Productions / K Nephalama | Limpopo | 70,231.67 |
| L06118 | Seulaula SA Publishing | Gauteng | 70,231.35 |
| L06218 | Macmillan South Africa (Pty) Ltd | Gauteng | 70,321.36 |
| | | Total | 491,709.92 |

LITERATURE INDIVIDUAL BURSARY FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------------------|---------------|-------------------|
| 453101 | Lehlogonolo Thobejane | Limpopo | 50,000.00 |
| 454001 | Dzunisani Sibuyi | Mpumalanga | 80,000.00 |
| 470101 | Xolela Benayo | Eastern Cape | 59,600.00 |
| 481901 | Zongesile Matshoba | Eastern Cape | 49,800.00 |
| 486001 | Nkafotseng Laurencia Motlounq | Gauteng | 50,000.00 |
| 486501 | Siphiwe Shabangu | KwaZulu-Natal | 50,000.00 |
| 497601 | Gloria Baloyi | Limpopo | 50,000.00 |
| 509101 | Alicia Levy-Seedat | Gauteng | 80,000.00 |
| 519301 | Pumea Macingwane | Eastern Cape | 46,150.00 |
| 514201 | University of the Free State | Free State | 154,343.32 |
| | | Total | 515,550.00 |

LITERATURE INSTITUTIONAL BURSARY FUNDING

| FUNDING NUMBER | INSTITUTION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------------|--------------|-------------------|
| 514201 | University of the Free State | Free State | 154,343.32 |
| | | Total | 491,709.92 |



MULTI-DISCIPLINE ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-----------------------------------------------|---------------|---------------------|
| A01818 | Ilinge Community Services | Eastern Cape | 150,000.00 |
| A01918 | Team Community Development Centre | Eastern Cape | 100,000.00 |
| A00118 | INFIN13 | Free State | 100,000.00 |
| A03418 | Free State Arts and Culture Council | Free State | 500,000.00 |
| A02518 | Ubumbano Cultural Arts | Gauteng | 60,000.00 |
| A02618 | Novensi Organisation | Gauteng | 80,000.00 |
| A01318 | Portia Ncwane Foundation | KwaZulu-Natal | 100,000.00 |
| A01418 | Gone Are Those Days Productions | KwaZulu-Natal | 100,000.00 |
| A01518 | African Child for Institute for Creative Arts | KwaZulu-Natal | 100,000.00 |
| A00818 | Fetogang Makharebe Cultural Village | Limpopo | 100,000.00 |
| A00918 | Ngwana Ledwaba Foundation | Limpopo | 50,000.00 |
| A01018 | Kgokgano Productions | Limpopo | 50,000.00 |
| A01118 | Medumo Creative Artists | North West | 150,000.00 |
| A01218 | Madlera Community Development | North West | 150,000.00 |
| A02918 | Ama Wolseley Cultural Association | Western Cape | 80,000.00 |
| A03018 | The Darling Festival Trust | Western Cape | 80,000.00 |
| A03218 | Enlighten Education Trust | Western Cape | 100,000.00 |
| A03318 | Indoni Dance and Arts Leadership Academy | Western Cape | 100,000.00 |
| F00118 | University of the Witwatersrand | Gauteng | 119,784.00 |
| | | Total | 2,269,784.00 |

MULTI-DISCIPLINE ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------------------|---------------|---------------------|
| A01718 | Mnatha Sir-Christian Vika | Eastern Cape | 120,000.00 |
| A00218 | Nombango Anna Radebe | Free State | 80,000.00 |
| A00318 | Semano Tom Motloung | Free State | 80,000.00 |
| A00418 | Dieketseng Beauty Thobeha | Free State | 100,000.00 |
| A00518 | Reshoketswe Daphney Teffo | Free State | 50,000.00 |
| A02218 | Jabulani Goodlord Zulu | Gauteng | 80,000.00 |
| A02318 | Deliwe Lebohang Mthunzi | Gauteng | 80,000.00 |
| A02418 | Kamogelo Ramogale | Gauteng | 80,000.00 |
| A02718 | Julian Mokoto | Gauteng | 80,000.00 |
| A01618 | Manesh Maharaj | KwaZulu-Natal | 100,000.00 |
| A00718 | Tlou Setumu | Limpopo | 150,000.00 |
| A00618 | Neliswa Nandi Dlamini | Mpumalanga | 150,000.00 |
| A02018 | Tsholofelo Godfrey Chupolongo | Northern Cape | 100,000.00 |
| A02118 | Motlalepule Elsie Segwai | Northern Cape | 100,000.00 |
| A02818 | Miriam Vabantu | Western Cape | 150,000.00 |
| A03118 | Chumani Mtshixa | Western Cape | 50,000.00 |
| | | Total | 1,550,000.00 |

MULTI-DISCIPLINE INSTITUTIONAL BURSARY FUNDING

| FUNDING NUMBER | INSTITUTION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------------|--------------|-------------------|
| 452801 | Stellenbosch University | Western Cape | 90,000.00 |
| A0118B | Witbank Arts Campus | Mpumalanga | 130,920.00 |
| | | Total | 220,920.00 |

MULTI-DISCIPLINE INDIVIDUAL BURSARY FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------|--------------|-------------------|
| A0218B | Josias Mashiane | Gauteng | 18,000.00 |
| 473301 | Mashupe Phala | Limpopo | 40,000.00 |
| 502401 | Rebecca Pahl | Gauteng | 36,000.00 |
| 454801 | Mxolisi Myezwa | Eastern Cape | 40,000.00 |
| 544901 | Nonkululeko Moloi | Gauteng | 45,000.00 |
| 543601 | Tinika Nuen | Eastern Cape | 40,000.00 |
| 537201 | Zimkhitha Mliswa | Eastern Cape | 45,837.00 |
| | | Total | 264,837.00 |



MUSIC

MUSIC ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------------------------------------------------|---------------|---------------------|
| M00518 | Dipuo PR and Entertainment | Eastern Cape | 68,550.00 |
| M01918 | Drocnoc Music | Eastern Cape | 100,000.00 |
| M02018 | Mbira School of Music | Gauteng | 75,000.00 |
| M02118 | Woza Africa Arts and Culture Promotions | Gauteng | 50,000.00 |
| M02218 | Mushroom Hour Half Hour | Gauteng | 75,000.00 |
| M02318 | Ekurhuleni Jazz Ensemble | Gauteng | 75,000.00 |
| M02418 | African Cultural Organisation of SA (ACOSA) | Gauteng | 100,000.00 |
| M02618 | Imbokodo in Music | Gauteng | 275,000.00 |
| M02718 | Shosholozza Music Group | Gauteng | 50,000.00 |
| M02818 | The Morris Isaacson Centre of Music | Gauteng | 100,000.00 |
| M02918 | Jabulani Nonke Project | Gauteng | 100,000.00 |
| M03018 | Rostislava Pashkevitch | Gauteng | 75,000.00 |
| M03218 | Tutti Music Initiative | Gauteng | 100,000.00 |
| M01118 | Magnacorp 377 CC | KwaZulu-Natal | 50,000.00 |
| M01218 | UKZN Opera School | KwaZulu-Natal | 125,000.00 |
| M01318 | Friends of Music | KwaZulu-Natal | 50,000.00 |
| M01518 | Danhouser Active Rural Women Ensemble | KwaZulu-Natal | 50,000.00 |
| M01718 | Pietermartizburg Amateur Choir (PAMS) | KwaZulu-Natal | 49,625.00 |
| M01818 | The United Africa Girls' Choir & the Tungany Conservatoire of Music | KwaZulu-Natal | 90,000.00 |
| M00618 | Swi Swa Ndhuma Music Development Agency | Limpopo | 150,000.00 |
| M00718 | Isiko Foundation SA NPC | Limpopo | 150,000.00 |
| M03318 | Soulbent Project | Limpopo | 100,000.00 |
| M00418 | Wakkerstroom Music Festival | Mpumalanga | 49,233.00 |
| M00118 | Kimberley Music Academy | Northern Cape | 100,000.00 |
| M00918 | Di Piano Lab / Aletta De Vos | Western Cape | 65,299.00 |
| M01018 | Steelband Project | Western Cape | 50,000.00 |
| | | Total | 2,322,707.00 |

MUSIC INDIVIDUAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|--------------------------|---------------|-------------------|
| Mo0218 | Victor Kabelo Kgantlape | Free State | 75,000.00 |
| Mo0318 | Bonisile G Gcisa | Free State | 90,000.00 |
| Mo0818 | Conroy Cupido | North West | 60,396.00 |
| Mo1418 | Bavikile Ngema | KwaZulu-Natal | 80,000.00 |
| Mo1618 | Sibusiso Emmanuel Sosibo | KwaZulu-Natal | 50,000.00 |
| | | Total | 355,396.00 |

MUSIC INDIVIDUAL BURSARY FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------|---------------|---------------------|
| Mo118B | Melissa Gerber | Gauteng | 28,136.35 |
| Mo218B | Bart Stephanus Joubert | North West | 50,000.00 |
| Mo318B | Megan Geoffrey Prins | Western Cape | 50,000.00 |
| Mo418B | Vogani Eric Bevula | Limpopo | 55,520.00 |
| Mo518B | Condry Nyiko Ngobeni | North West | 80,000.00 |
| Mo618B | Caroline Nontsikelelo Nkwe | Gauteng | 80,000.00 |
| Mo718B | Simphiwe Simon Shibambo | Gauteng | 80,000.00 |
| Mo818B | Adam David Campbell | Eastern Cape | 50,000.00 |
| Mo918B | Linda N Skhakhane | KwaZulu-Natal | 60,000.00 |
| 455601 | Sakhiseni Yende | Gauteng | 35,000.00 |
| 470601 | Masechaba Phakela | Gauteng | 35,000.00 |
| 472301 | Kgomotso S Moshugi | Gauteng | 35,000.00 |
| 483301 | Thuli Msezane | Gauteng | 35,000.00 |
| 483901 | Lebohang Letsoenyo | Gauteng | 35,000.00 |
| 485701 | Phuti Seabi | Limpopo | 35,000.00 |
| 505701 | Irma Davel | Eastern Cape | 26,610.00 |
| 508201 | Phumelele Mzimela | Gauteng | 35,000.00 |
| 539601 | Susanna Louw | Gauteng | 26,000.00 |
| 540001 | Boitshepo Ntshole | Gauteng | 35,000.00 |
| 541201 | Siphosethu Mbonjwa | Gauteng | 35,000.00 |
| 544801 | Xolani Masengemi | Gauteng | 30,000.00 |
| | | Total | 2,322,707.00 |

MUSIC INSTITUTIONAL BURSARY FUNDING

| FUNDING NUMBER | INSTITUTION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-----------------------|--------------|------------------|
| 555501 | North West University | North West | 84,398.00 |
| | | Total | 84,398.00 |



THEATRE

THEATRE ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------------|--------------|-------------------|
| T01318 | Myekeni Dance Theatre | Gauteng | 90,500.00 |
| T01418 | Twin Plugs Organisation | Gauteng | 63,000.00 |
| T01518 | Showzee Productions | Gauteng | 100,000.00 |
| T01718 | Sello Maake Ka-Ncube Foundation | Gauteng | 120,000.00 |
| T02118 | Alexandra Youth in Action | Gauteng | 100,000.00 |
| T02218 | Lagoon Dramatic Arts | Gauteng | 90,000.00 |
| T02618 | Jaydee Productions | Gauteng | 36,022.79 |
| T02818 | Isigansonso Productions | Gauteng | 100,000.00 |
| T01618 | Imameleng Theatre Group | Limpopo | 120,000.00 |
| T02318 | Izigi Performing Arts | Mpumalanga | 180,000.00 |
| | | Total | 999,522.79 |

THEATRE INDIVIDUAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------------|---------------|-----------------|
| T00218 | Momelezi Vuyisa Ntshiba | Eastern Cape | 172,000.00 |
| T00718 | Thapelo Mohapi | Free State | 30,000.00 |
| T00818 | Prof. Nicolaas J Luwes | Free State | 135,000.00 |
| T00918 | Phillip S Manzini | Gauteng | 30,000.00 |
| T01818 | Sifisoimba | Gauteng | 91,900.00 |
| T01918 | Siwe Hashe | Gauteng | 100,000.00 |
| T02018 | Velaphi Mthimkulu | Gauteng | 100,000.00 |
| T02518 | Allen Cebekhulu | Gauteng | 90,000.00 |
| T02718 | Tsholofelo N Dipudi | Gauteng | 50,000.00 |
| T02418 | Andile Mbatha | KwaZulu-Natal | 95,000.00 |

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------|---------------|---------------------|
| T01018 | Phekane Mothongwane | Limpopo | 120,000.00 |
| T00518 | Simon Modise | North West | 100,000.00 |
| T00618 | Lucky Mathenyane | North West | 176,182.92 |
| T00418 | Mpho C Oliphant | Northern Cape | 114,000.00 |
| T00118 | Agnes Zintle Ntshoko | Western Cape | 173,000.00 |
| T00318 | Mwabisi Plaatjie | Western Cape | 172,000.00 |
| T01118 | Obed Plaatjies | Western Cape | 100,000.00 |
| T01218 | Iman Isaacs | Western Cape | 100,000.00 |
| | | Total | 1,949,082.92 |

THEATRE INDIVIDUAL BURSARY FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------|--------------|-------------------|
| 451601 | Raymond Taylor | Gauteng | 14,839.00 |
| 455301 | Thapelo Hlongwane | Gauteng | 26,363.64 |
| 456101 | Roberto Pombo | Gauteng | 31,363.64 |
| 456701 | Phindile Suntsha | Gauteng | 26,363.64 |
| 461201 | Warona Seane | Gauteng | 31,363.64 |
| 479801 | Berlie Swart | Western Cape | 31,363.64 |
| 509001 | Bongani Malinga | Mpumalanga | 21,363.64 |
| 520101 | Ngamapato La-Portia Khoza | Gauteng | 31,363.64 |
| 529201 | Lunga Khuhlane | Gauteng | 26,363.64 |
| 532001 | Mahlohonolo Sekoto | North West | 31,363.64 |
| 533101 | Lebohang Moroe | Free State | 26,363.64 |
| 555301 | Jermain Johnson | Gauteng | 31,636.60 |
| | | Total | 336,112.00 |

THEATRE INSTITUTIONAL BURSARY FUNDING

| FUNDING NUMBER | INSTITUTION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------------------------------------------------|--------------|-------------------|
| 488601 | Department of Drama and Theatre Arts, Free State University | Free State | 160,656.00 |
| 512301 | Drama for Life Wits | Gauteng | 110,656.00 |
| 534001 | Oakfield College | Gauteng | 100,000.00 |
| | | Total | 371,312.00 |



VISUAL ARTS ORGANISATIONAL FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-------------------------------------------------|---------------|-------------------|
| V00518 | Artec Community Art Gallery | Eastern Cape | 40,000.00 |
| V00918 | Michaelis Galleries, University of Cape Town | Western Cape | 160,000.00 |
| V02218 | Open Plan Studio (Pty) Ltd | KwaZulu-Natal | 100,000.00 |
| V02318 | MEL Media and Production | KwaZulu-Natal | 100,000.00 |
| V04118 | Back 2 Back t/a Kauri African Contemporary Arts | Gauteng | 100,000.00 |
| V04218 | University of South Africa | Gauteng | 150,000.00 |
| V04318 | Photo Tool (Pty) Ltd | Gauteng | 70,000.00 |
| V04418 | Room Space and Projects | Gauteng | 70,000.00 |
| | | Total | 790,000.00 |

VISUAL ARTS INDIVIDUAL FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------|---------------|-----------------|
| V00118 | Tiego Shametja | North West | 70,000.00 |
| V00218 | Helenard Kingsley Louw | North West | 16,000.00 |
| V00318 | Mochaka Isaac Mohale | Free State | 50,000.00 |
| V00418 | Tshegofatso Marogoa | Free State | 28,000.00 |
| V00618 | Sydelle Louw | Western Cape | 37,200.00 |
| V00718 | Ashley Walters | Western Cape | 50,000.00 |
| V00818 | Gavin James Krastin | Western Cape | 30,000.00 |
| V01018 | Nozipho Zulu | KwaZulu-Natal | 25,000.00 |
| V01118 | Mluleki Dlamini | KwaZulu-Natal | 40,000.00 |
| V01218 | Buhlebethu Owen Ngidi | KwaZulu-Natal | 25,000.00 |
| V01318 | Buhlebuyeza Khomo | KwaZulu-Natal | 25,000.00 |

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|--------------------------------|---------------|---------------------|
| V01418 | Kwanele Ishmael Bhengu | KwaZulu-Natal | 25,000.00 |
| V01518 | Hlengiwe Rose Mabelane | KwaZulu-Natal | 40,000.00 |
| V01618 | Jardache Abner Ellapen | KwaZulu-Natal | 150,000.00 |
| V01718 | Paulo Menenez | KwaZulu-Natal | 40,000.00 |
| V01818 | Themba Simon Shongwe | KwaZulu-Natal | 20,000.00 |
| V01918 | Jabulani Cypriani Mkhize | KwaZulu-Natal | 25,000.00 |
| V02018 | Lindelani Ndinisa | KwaZulu-Natal | 50,000.00 |
| V02118 | Nonjabulo Gcuma | KwaZulu-Natal | 25,000.00 |
| V02418 | Dr Lucius Bavusile Brown Maaba | Gauteng | 250,000.00 |
| V02518 | Mika Comrade | Gauteng | 50,000.00 |
| V02618 | Ephia Mmbidi | Gauteng | 40,000.00 |
| V02718 | Tladi Joseph Kituele | Gauteng | 40,000.00 |
| V02818 | Molemo Moiloa | Gauteng | 43,000.00 |
| V02918 | Pauline Mazibuko | Gauteng | 30,000.00 |
| V03018 | Clare Tracey Louise | Gauteng | 150,000.00 |
| V03118 | Nompi Vilakazi | Gauteng | 75,000.00 |
| V03218 | Amy Watson | Gauteng | 40,000.00 |
| V03318 | Jacob Moithoduwana Mawela | Gauteng | 50,000.00 |
| V03418 | Alinah Madiotsi Khumalo | Gauteng | 25,000.00 |
| V03518 | Daniel Ramashiga | Gauteng | 40,000.00 |
| V03618 | Barney Nkosi | Gauteng | 30,000.00 |
| V03718 | Isaac Phiri | Gauteng | 25,000.00 |
| V03818 | Bonolo Puleng Plessie | Gauteng | 40,000.00 |
| V03918 | Mamothusi Yvonne Tihong | Gauteng | 25,000.00 |
| V04018 | Elizabeth Seboka | Gauteng | 30,000.00 |
| | | Total | 1,539,200.00 |

VISUAL ARTS INTERNATIONAL BURSARY FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|--------------------------|--------------|------------------|
| V0118B | Casparus Eloff Pretorius | Gauteng | 50,000.00 |
| | | Total | 50,000.00 |

VISUAL ARTS INDIVIDUAL BURSARY FUNDING

| FUNDING NUMBER | INDIVIDUAL NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------|---------------|-------------------|
| 451501 | Cwayita Swana | Eastern Cape | 32,000.00 |
| 451901 | Edinah Ndlovu | Gauteng | 30,000.00 |
| 452301 | Siyabonga Ngubane | KwaZulu-Natal | 23,000.00 |
| 455901 | Kolodi Senong | Gauteng | 32,000.00 |
| 456201 | Robyn Munnick | Eastern Cape | 30,000.00 |
| 463001 | Monique Biscoombe | Western Cape | 32,000.00 |
| 467101 | Mbali Keswa | Gauteng | 23,000.00 |
| 470701 | Natasha Bezuidenhout | Eastern Cape | 30,000.00 |
| 474001 | Sizwe Mthethwa | KwaZulu-Natal | 23,000.00 |
| 481401 | Gomolemo Sefotlhelo | North West | 30,000.00 |
| 492601 | Ruben Sennett | Western Cape | 30,000.00 |
| 514701 | Nathaniel Mokoena | Mpumalanga | 30,000.00 |
| 518201 | Itumeleng Molale | Gauteng | 30,000.00 |
| 548401 | Zanele Lucia Radebe | Gauteng | 30,000.00 |
| | | Total | 405,000.00 |

VISUAL ARTS INSTITUTIONAL BURSARY FUNDING

| FUNDING NUMBER | INSTITUTION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|--------------------------------------------------|---------------|-------------------|
| 455801 | Ruth Prowse School of Art NPC | Western Cape | 90,000.00 |
| 470801 | Durban University of Technology | KwaZulu-Natal | 113,000.00 |
| 501401 | University of South Africa | Gauteng | 90,000.00 |
| 511701 | Rhodes University Department of Fine Art | Eastern Cape | 90,000.00 |
| 534801 | University of the Free State Fine Arts | Free State | 90,000.00 |
| 537601 | Funda Community College | Gauteng | 123,557.14 |
| 542801 | University of KwaZulu-Natal School of Arts (CVA) | KwaZulu-Natal | 90,000.00 |
| | | Total | 686,557.14 |

ARTS ORGANISATIONAL SUPPORT FUNDING

ARTS ORGANISATIONAL SUPPORT FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------------------------------------|----------------------------------|---------------------|
| CC1317 | Ifa Lethu Foundation | Limpopo | 257,059.15 |
| VC0817 | Lefika La Phodiso | Limpopo, North West & Free State | 257,059.15 |
| DC1917 | The Forgotten Theatre Angle Collaborative | Mpumalanga | 257,059.15 |
| AC3717 | Nobulali Productions | Eastern Cape | 257,059.15 |
| AC3817 | Sibikwa Community Project | Limpopo & Eastern Cape | 257,059.15 |
| DC0217 | Jazzart Dance Theatre | Western Cape | 257,059.15 |
| AC3917 | Grahamstown Foundation | Eastern Cape | 257,059.15 |
| AC4017 | Art Africa Centre | Western Cape | 214,118.30 |
| AC4117 | University of KwaZulu-Natal Centre for the Creative Arts | KwaZulu-Natal | 257,059.15 |
| | | Total | 2,270,591.50 |

CRAFT

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------------------|---------------|---------------------|
| CC0118 | Isakhona Community Development Project | Eastern Cape | 150 000.00 |
| CC0218 | Imbali Visual Literacy Project | Gauteng | 150 000.00 |
| CC0318 | Inthuthuko Yesizwe | Limpopo | 150 000.00 |
| CC0418 | Malengs Trading | Mpumalanga | 150 000.00 |
| CC0518 | Creative Thinking 524 Trading | Northern Cape | 150 000.00 |
| CC0618 | Bantu Women Heritage | Free State | 150 000.00 |
| CC0718 | Noko Design | Gauteng | 100 000.00 |
| CC0818 | Madi A Thava Tourism | Limpopo | 300 000.00 |
| CC0918 | Bogaetsu Trading | Northern Cape | 150 000.00 |
| CC1018 | Ikhwezi Welfare Organisation | KwaZulu-Natal | 300 000.00 |
| CC1118 | Jabulani Jewellery CC | KwaZulu-Natal | 300 000.00 |
| CC1218 | Cape Craft Design Institute | Western Cape | 300 000.00 |
| | | Total | 1,725,999.28 |

DANCE

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------------------------|---------------|---------------------|
| DC0118 | KZN Dance Productions | KwaZulu-Natal | 200,000.00 |
| DC0218 | Garage Dance Ensemble | Northern Cape | 350,000.00 |
| DC0318 | The Johannesburg Youth Ballet | Gauteng | 200,000.00 |
| DC0418 | Koketso Dance Projects | Gauteng | 150,000.00 |
| DC0518 | Savavidya Natyaalayo | Gauteng | 150,000.00 |
| DC0618 | Maison Dala Dance | Gauteng | 150,000.00 |
| DC0718 | The Orange Farm Dance Theatre | Gauteng | 180,000.00 |
| DC0818 | Dinganga Theatre Creations | Gauteng | 200,000.00 |
| DC0918 | Luthando Arts Academy | Gauteng | 180000.00 |
| DC1018 | Nyavhumbwa wa Dagaila Cultural Village | Limpopo | 200,000.00 |
| DC1118 | Patriots Dance Theatre | Mpumalanga | 150,000.00 |
| DC1218 | Foot Expression Dance | North West | 200,000.00 |
| DC1318 | Sibonelo Dance Project | Western Cape | 150,000.00 |
| DC1418 | Gauteng Dance Manyano | Gauteng | 250,000.00 |
| DC1518 | Via Volcano | Gauteng | 250,000.00 |
| DC1618 | Dance Forum | Gauteng | 300,000.00 |
| DC1718 | Boyzie Cekwana's Floating Outfit Project | KwaZulu-Natal | 200,000.00 |
| DC1818 | The Wentworth Arts and Cultural Organisation | KwaZulu-Natal | 200,000.00 |
| | | Total | 3,660,000.00 |

LITERATURE

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------------------------------|---------------|---------------------|
| LC0118 | Nkahemacon Pty | Free State | 150,000.00 |
| LC0218 | Indigenous Poetry Development Programme | KwaZulu-Natal | 150,000.00 |
| LC0318 | Unity and Cultural Diversity Council | Limpopo | 150,000.00 |
| LC0418 | Development of Limpopo Literature Organisation | Limpopo | 150,000.00 |
| LC0518 | HTO Productions | Limpopo | 250,000.00 |
| LC0618 | Human Rights Media Centre | Western Cape | 100,000.00 |
| LC0718 | Tiego Creative Writers | Limpopo | 300,000.00 |
| LC0818 | Puku Children's Literature Foundation | Gauteng | 300,000.00 |
| LC0918 | Arts Amuse | Free State | 300,000.00 |
| LC1018 | Imbizo Arts of South Africa | Eastern Cape | 350,000.00 |
| | | Total | 2,200,000.00 |

MUSIC

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|------------------------------------------------|---------------|---------------------|
| MC0118 | Ekhaya Creatives and Marketing | Gauteng | 200,000.00 |
| MC0218 | Music Academy of Gauteng | Gauteng | 250,000.00 |
| MC0318 | Ladysmith Youth Development Ensemble | KwaZulu-Natal | 150,000.00 |
| MC0418 | Izithethe Arts Institute | Mpumalanga | 250,000.00 |
| MC0518 | Masihlangane Productions | Northern Cape | 150,000.00 |
| MC0618 | Young Blood Arts | Western Cape | 100,000.00 |
| MC0718 | Gugulethu Arts Festival | Western Cape | 100,000.00 |
| MC0818 | West Coast Youth Orchestra | Western Cape | 150,000.00 |
| MC0918 | Africa Arts Group | Western Cape | 100,000.00 |
| MC1018 | East Cape Opera Company | Eastern Cape | 180,000.00 |
| MC1118 | Free State Symphony Orchestra | Free State | 180,000.00 |
| MC1218 | Mangaung String Program | Free State | 180,000.00 |
| MC1318 | Heritage Music | Gauteng | 180,000.00 |
| MC1418 | Soweto Music Ensemble | Gauteng | 200,000.00 |
| MC1518 | Zonke Bonke Arts Organisation | KwaZulu-Natal | 180,000.00 |
| MC1618 | Sangeet Vidya Institute (SA) | KwaZulu-Natal | 180,000.00 |
| MC1718 | Kronendal Music Academy of Hout Bay | Western Cape | 180,000.00 |
| MC1818 | Artwork for Art | Eastern Cape | 200,000.00 |
| MC1918 | The Black Tie Ensemble Trust t/a Gauteng Opera | Gauteng | 200,000.00 |
| MC2018 | Gauteng Music Development | Gauteng | 180,000.00 |
| MC2118 | Clermont Choir Foundation | KwaZulu-Natal | 250,000.00 |
| MC2218 | Durban Music School | KwaZulu-Natal | 300,000.00 |
| MC2318 | Ma-Afrika | Western Cape | 180,000.00 |
| | | Total | 4,220,000.00 |

THEATRE

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------------------|---------------|---------------------|
| TC0118 | Diniso Kasi Arts | Gauteng | 200,000.00 |
| TC0218 | Achievers Theatre Company | Limpopo | 250,000.00 |
| TC0318 | Nhluvuko Enlightenment Production | Gauteng | 250,000.00 |
| TC0418 | Phambili Ghetto Artists | Gauteng | 250,000.00 |
| TC0518 | Mavundla and the Roses of South Africa | Gauteng | 300,000.00 |
| TC0618 | Youth in Action Theatre Productions | KwaZulu-Natal | 250,000.00 |
| TC0718 | Ladimash Productions | Limpopo | 250,000.00 |
| TC0818 | Maqhawe Theatre Group | Mpumalanga | 250,000.00 |
| TC0918 | Theatre Arts Admin Collective | Western Cape | 250,000.00 |
| TC1018 | Eighty Six Manka | Limpopo | 400,000.00 |
| | | Total | 2,650,000.00 |

VISUAL ARTS

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|---------------------------------------------|--------------|---------------------|
| VC0118 | Corelight t/a Seeds of Light | Limpopo | 150,000.00 |
| VC0218 | Africa South Art Initiative | Western Cape | 200,000.00 |
| VC0318 | Artist Proof Studio | Gauteng | 200,000.00 |
| VC0418 | The Thupelo Cape Town Trust | Western Cape | 300,000.00 |
| VC0518 | Arts Source South Africa | Gauteng | 150,000.00 |
| VC0618 | Becomo Art Centre | Gauteng | 300,000.00 |
| VC0718 | Visual Arts Network of South Africa (VANSA) | Gauteng | 300,000.00 |
| | | Total | 1,600,000.00 |

MULTI-DISCIPLINE

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|-----------------------------------------|---------------|---------------------|
| AC0118 | Free State Arts and Culture Association | Free State | 150,000.00 |
| AC0218 | Ithutheng Arts | Gauteng | 150,000.00 |
| AC0318 | Community and Prison Organisation | Gauteng | 180,000.00 |
| AC0418 | Lucky Dance Theatre | Gauteng | 150,000.00 |
| AC0518 | Impophoma Youth Production | Gauteng | 150,000.00 |
| AC0618 | Village Gossip Productions | Gauteng | 150,000.00 |
| AC0718 | Kwela Theatre Production | Gauteng | 150,000.00 |
| AC0818 | Lihlikhono Community Development | KwaZulu-Natal | 150,000.00 |
| AC0918 | Molepo Traditional Dance | Limpopo | 150,000.00 |
| AC1018 | Kopano Ke Matla | North West | 150,000.00 |
| AC1118 | Fitzgerald Goeieman Productions | North West | 150,000.00 |
| AC1218 | Tshisa Talent | Western Cape | 150,000.00 |
| AC1418 | Newcastle Creative Network | KwaZulu-Natal | 180,000.00 |
| AC1518 | ICRD Group Foundation | Gauteng | 150,000.00 |
| AC1618 | I-Afrika Theatre Education | Gauteng | 180,000.00 |
| AC1718 | Vilantainment Vilakazi Entertainment | Gauteng | 150,000.00 |
| AC1818 | Medu Nakeng | Gauteng | 150,000.00 |
| AC1918 | National Arts and Culture Development | Gauteng | 150,000.00 |
| AC2018 | Litshani Vhana Vshade Foundation | Limpopo | 150,000.00 |
| AC2118 | Pakama Productions | Northern Cape | 180,000.00 |
| AC2218 | Zoe Dance Academy | Free State | 180,000.00 |
| AC2318 | Mangaung Drama and Dance Group | Free State | 180,000.00 |
| AC2418 | Masutsa Dance Theatre Projects | Free State | 180,000.00 |
| AC2518 | Emthonjeni Rural Development | Mpumalanga | 180,000.00 |
| AC2618 | Enhlanzeni Arts Academy | Mpumalanga | 180,000.00 |
| AC2718 | Amos Kgaphamadi Community Organisation | Mpumalanga | 180,000.00 |
| AC2818 | Zimiseleni Projects | Mpumalanga | |
| AC2918 | East City Talent House | Mpumalanga | 180,000.00 |
| AC3018 | Newlife Community Development | Limpopo | 180,000.00 |
| AC3118 | Masifunde Siphhlisa Umfundi | Eastern Cape | 250,000.00 |
| AC3218 | Durban African Art Centre Association | KwaZulu-Natal | 250,000.00 |
| AC3318 | Newcastle Arts Development Organisation | KwaZulu-Natal | 180,000.00 |
| AC3418 | University of KwaZulu-Natal | KwaZulu-Natal | 250,000.00 |
| AC3518 | Dikwena Tse Botse Tsa Ga Matsepe | Limpopo | 250,000.00 |
| AC3618 | Botsotso | Gauteng | 250,000.00 |
| AC3718 | Esikhaleni Arts and Culture Initiative | KwaZulu-Natal | 180,000.00 |
| | | TOTAL | 6,350,000.00 |

SPECIAL ARTS ORGANISATIONAL SUPPORT FUNDING

| FUNDING NUMBER | ORGANISATION NAME | PROVINCE | APPROVED AMOUNT |
|----------------|----------------------------------------|---------------|---------------------|
| SL0118 | Seulaula SA Publishing and Production | Eastern Cape | 500,000.00 |
| SM0218 | Koloni Consulting Enterprises | Eastern Cape | 350,000.00 |
| SA1218 | The Swallows Foundation | Eastern Cape | 150,000.00 |
| SA0718 | Visual Arts Cherry | Free State | 500,000.00 |
| SA0818 | Free State Production House | Free State | 500,000.00 |
| SC0118 | Nelly 'Squeeje Trading (Pty) Ltd | Mpumalanga | 250,000.00 |
| SA0118 | East City Talent House | Mpumalanga | 250,000.00 |
| SA0218 | TE Radebe Theatre Foundation | Mpumalanga | 100,000.00 |
| SA0318 | Isiqalo Arts Organisation | Mpumalanga | 100,000.00 |
| SA0418 | Osizweni Theatre Production | Mpumalanga | 100,000.00 |
| SA0518 | Mbombela Arts Networking Organisation | Mpumalanga | 100,000.00 |
| SA0618 | Ribavuteka | Mpumalanga | 100,000.00 |
| SD0118 | Ngwai Ya Batswana | North West | 250,000.00 |
| SA0918 | Lentswe Arts Projects | North West | 250,000.00 |
| SA1018 | KKM Entertainment and Music Production | North West | 250,000.00 |
| SM0318 | Malatsi Media Institute | North West | 250,000.00 |
| SM0118 | Arts Scene Foundation | Northern Cape | 500,000.00 |
| SA1118 | Karona Trading 720 CC | Northern Cape | 500,000.00 |
| | | Total | 5,000,000.00 |

TABLE 10: GOAL 5 INCREASED ACCESS TO THE ARTS THROUGH ADVOCACY

| STRATEGIC GOAL 5: INCREASED ACCESS TO THE ARTS THROUGH ADVOCACY | | | | | | | |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------|
| Strategic Objectives | Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
| Position and strengthen the NAC brand and increase stakeholder awareness | Percentage of projects and grants assessed for risk prior to final approval | 22% of projects assessed prior to final approval as per target set | Assess 95% of projects' risk profiles prior to final approval per funding session | 95% of projects' risk profiles assessed prior to final approval per funding session | None | 73% more of projects' risk profiles assessed prior to final approval per funding session | More projects assessed prior to final approval |

TABLE 11: STRATEGIC GOAL 5: INCREASED ACCESS TO THE ARTS THROUGH ADVOCACY

| Performance Indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Variance from 2016/17 to 2017/18 (if applicable) | Comment on Variances |
|---------------------------------------------------|------------------------------------------------------|------------------------------------------------|----------------------------------------------------|---------------------------------------------|--------------------------------------------------|----------------------|
| Update and implement brand communication strategy | Brand communication strategy updated and implemented | Review and update brand communication strategy | Brand communications strategy reviewed and updated | Not applicable | Not applicable | Not applicable |

3.2. Programme: Communications

The Communication and Marketing Unit provides the link between the NAC, stakeholders and the broader sector.

Strategic Objectives of the Programme

The 2017/18 objectives of the programme were to advocate the arts and the work of the NAC by developing a clear positioning of the NAC brand, ensuring stakeholder understanding of the NAC's role and positioning in the arts ecosystem. The programme aims to utilise traditional, electronic and social media.

Key Performance Measures, Targets and Results

The Communications programme is integral to the manner in which the NAC operates and carries out its functions towards fulfilling its mandate. This in terms of effectively engaging with all stakeholders within the arts as well as the broader public. For the period review, numerous activities were carried out through the programme to enhance the

NAC's brand and position the NAC as an effective, holistic and development-orientated organisation. Goal 4 (Market Access and Creative Engagement) and Strategic Goal 5 (Increased Access to the Arts), as outlined in the Annual Performance Plan, quarterly targets were set for each of the programme's activities. These included reviewing and updating the brand communication strategy, publishing a minimum of 120 articles for the year and enhancing the functionality of the NAC's online presence. A brand communication strategy was successfully drafted and implemented during the period under review.

There were a number of negative media reports that surfaced during the period under review regarding the alleged awarding of unfair project funding, including alleged maladministration in the entity. The Council took these allegations extremely seriously and responded by distributing media statements and embarking on a vigorous communication programme to counter the negative reports in the media with positive NAC stories.

TABLE 12: SUMMARY OF PAYMENTS FOR PROGRAMMES

| | 2016/2017 | | | 2017/2018 | | |
|----------------|------------------|--------------------------|---------------------------------|------------------|--------------------------|---------------------------------|
| Communications | Budget R'000 | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 | Budget R'000 | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 |
| | 1,632,967 | 2,108,363 | (475,396) | 1,580,240 | 2,218,710 | (638,470) |
| Total | 1,632,967 | 2,108,363 | (475,396) | 1,580,240 | 2,218,710 | (638,470) |

3.3 Programme 2: Human Resources, IT and Financial Administration

The NAC's Human Resources, Information Technology and Financial resources are administered by a programme that is responsible for:

- Financial management;
- Human resources management and development;
- Information technology management and development; and
- Administration management, particularly in support of grant administration.

Strategic objectives, performance indicators, planned targets and actual achievements

STRATEGIC OBJECTIVES

The objectives of the programme in 2017/18 were to promote effective corporate governance by:

- Achieving an unqualified audit report;
- Ensuring compliance with relevant legislation;
- Complying with the King IVTM Report where applicable; and

- Monitoring and reporting on strategic objectives.

The objectives of this programme also included developing systems to improve efficiency and effectiveness in the delivery of service by:

- Developing a skilled workforce and efficiently administer human resources;
- Managing risks effectively; and
- Implementing cost saving initiatives.

| STRATEGIC GOAL 6: ENHANCE THE NAC'S CAPACITY TO SUPPORT THE ARTS BY STRENGTHENING ITS GOVERNANCE, ORGANISATIONAL DESIGN, PEOPLE AND PROCESSES | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Strategic Objectives | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Comment on Variances |
| Implement HR Strategy | HR strategy developed | Implement HR strategy and HR plan | HR strategy and HR plan implemented | None | None |
| Implement ICT governance framework | Not applicable | Implement ICT governance | ICT governance implemented | None | None |
| Implement effective financial management | Unqualified audit outcome | Unqualified audit outcome | Unqualified audit outcome | None | None |
| Evaluation of Council, Sub-Committees and Advisory panels | Not applicable | Performance evaluation of Council and its sub committees | Performance evaluation of Council Sub-committees completed | Evaluation of the Audit and Risk Committee undertaken. The evaluations of Council and Advisory Panels was not concluded | The performance evaluation of Advisory panels was not completed by the end of the financial year |

Key performance indicators, planned targets and actual achievements

| Performance indicator | Actual Achievement 2016/2017 | Planned Target 2017/2018 | Actual Achievement 2017/2018 | Deviation from Planned Target for 2017/2018 | Comment on Variances |
|-----------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Implement HR Strategy | HR strategy developed | Implement HR strategy and HR plan | HR strategy and HR plan implemented | None | None |
| Implement ICT governance framework | Not applicable | Implement ICT governance | ICT governance implemented | None | None |
| Implement effective financial management | Unqualified audit outcome | Unqualified audit outcome | Awaiting audit outcome | None | None |
| Evaluation of Council, Sub-Committees and Advisory panels | Evaluation of Council and Advisory panels not conducted | Performance evaluation of Council and its Sub-committees | Performance evaluation of Council Sub-committees completed | Evaluation of the Audit and Risk Committee undertaken. The evaluations of Council and Advisory Panels was not concluded | The performance evaluation of Advisory panels was not completed by the end of the financial year |

The NAC has maintained an unqualified audit outcome with no findings, in other words a clean audit, for the financial year ended 31 March 2018.

The new Grant Management System (GMS) was successfully piloted with bursary applications in September 2017. The roll out of GMS has improved efficiency in the way applicants apply for grants and how the NAC office process submitted applications. In the new financial year, all applications will use the online system and will be monitored to ensure a smooth transition from the previous GMS. Although the system has been launched as an online system, the NAC still continues to receive applications manually to cater for applicants who might not have access to internet. Forms submitted through the manual process will still be captured on the GMS. This move supports the NAC strategy in embracing technology to enhance operational effectiveness. The NAC website, which is currently not user-friendly, has been modified and will be launched in the new financial year.

HR continues to review policies on an on-going basis to meet the demands of labour legislation. During the period under review, several policies were evaluated and overhauled. Staff briefing sessions were introduced and the sessions are utilised to communicate organisational developments and to identify issues that require the intervention of management. A staff survey was conducted and the findings of the survey were utilised to gather data that would assist HR to kick-start the culture change process.

The implementation of the HR strategy 2015-2018 has placed the HR function in good stead. Predictive Indices and the re-evaluation of job profiles were introduced and this will assist the organisation in ensuring that the right people are placed in the right positions.

| | 2016/2017 | | | 2017/2018 | | |
|-------------------------------|---------------|--------------------------|---------------------------------|---------------|--------------------------|---------------------------------|
| Communications | Budget R'000 | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 | Budget R'000 | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 |
| Finance, IT & Human Resources | 27,816 | 32,261 | (4,445) | 31,872 | 35,913 | (4,041) |
| Total | 27,816 | 32,261 | (4,445) | 31,872 | 35,913 | (4,041) |

[04] REVENUE COLLECTION

| Sources of revenue | 2016/2017 | | | 2017/2018 | | |
|--------------------|-------------------|-------------------------------------|-----------------------------------------|-------------------|-------------------------------------|-----------------------------------------|
| | Estimate R'000 | Actual Amount Collected R'000 | (Over)/ Under Collection R'000 | Estimate R'000 | Actual Amount Collected R'000 | (Over)/ Under Collection R'000 |
| Grant | 101,182 | 101,182 | - | 106,241 | 106,869 | (628) |
| Other income | - | 586 | (586) | 0 | 38 | (38) |
| Interest | 0 | 1,986 | (1,986) | 0 | 1,856 | (1,856) |
| Total | 27,816 | 32,261 | (4,445) | 31,872 | 35,913 | (4,041) |

The NAC received revenue as per the approved ENE and schedule of withdrawal and did not have any under collection of revenue. All revenue targets are monitored monthly, quarterly and annually through financial reporting. The revenue received by the NAC does not meet the demands of the sector, however, the NAC uses a target approach to funding in an attempt to meet its mandate. The target on the revenue is exceeded due to the fact that the NAC does not budget for interest

income and other income. The NAC is embarking on resource mobilisation and forming partnership to achieve its full mandate.

CAPITAL INVESTMENT

The NAC does not have substantive infrastructure projects and capital expenditure that is managed within the finance section.

| Infrastructure projects | 2016/2017 | | | 2017/2018 | | |
|-------------------------|-----------------|-----------------------------|------------------------------------------|-----------------|-----------------------------|------------------------------------------|
| | Budget R'000 | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 | Budget R'000 | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 |
| | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |





PART C
Governance



[01] INTRODUCTION

The NAC is a Schedule 3A public entity established in terms of the National Arts Council Act (Act No. 56 of 1997) (NAC Act). The corporate governance principles of the National Arts Council (NAC) are governed by the NAC Act, as amended by the Cultural Laws Amendment Act (Act No. 36 of 2001) and the Public Finance Management Act (Act No. 1 of 1999) (PFMA). In addition, the NAC has a corporate governance framework in place, which is aligned with the King IV Report on Corporate Governance in South Africa^{TM3} (King IVTM).

The NAC's corporate governance framework was approved by Council in 2015 with a clear definition of the roles and responsibilities of the constituent elements of the organisation's management structure. This enables Council to plan, execute, control and monitor the NAC's activities in accordance with its strategic objectives. The delegation of authority framework determines levels of authority for Council and management in terms of financial and operational decision-making. This includes major investments, capital expenditure and contractual engagements.

The internal audit function monitors compliance with these authority levels and checks for compliance with the corporate governance framework. In terms of Section 4 of the NAC Act, the NAC functions under the authority of a Council appointed by the Minister of Arts and Culture. For the period under review, the NAC had an 18 member

Council which was appointed in January 2017. There was one resignation from Ms Mathebe Moja during the year under review. Council meetings were held quarterly and, when necessary, special meetings were convened.

The NAC maintained a functional Audit and Risk Committee and internal audit function for the year under review, in compliance with the PFMA. The advisory panels, established in terms of Section 11 of the Act and chaired by the duly appointed Council member,

facilitated the allocation of Arts Organisation Support, and project and bursary funding in the year under review by evaluating applications and making recommendations to Council.

The NAC further maintained a functional Executive Committee as required in terms of the NAC Act and a Council mandated Human Resource Committee. Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

“ The NAC maintained a functional Audit and Risk Committee and internal audit function for the year under review, in compliance with the PFMA. ”

³The King IV Report on Corporate Governance for South Africa 2016 and the copyright and trademarks for King IV are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved with the required link <http://www.iodsa.co.za/?page=AboutKingIV>

[02]



PORTFOLIO COMMITTEES

The Parliamentary Portfolio Committee on Arts and Culture is responsible for oversight on the work of the NAC, along with the Department of Arts and Culture (DAC) and all other public entities reporting to the DAC. The NAC appeared before the Portfolio Committee on the following occasion/s:

| Dates | Purpose |
|--------------------------------|--------------------------------------------------------|
| 27 March 2017 28 March 2017 | Portfolio Committee Oversight Visit at the NAC offices |
| 03 October 2017 | NAC Annual Report Presentation and other matters |



[03] EXECUTIVE AUTHORITY

The NAC reports quarterly to the Minister of Arts and Culture using a template as prescribed by the DAC. Furthermore, through the annual Shareholder's Compact signed by the NAC and the Minister of Arts and Culture, a series of structures were established to promote effective relations between the DAC and the public entities that report to it. A Chief Financial Officer's Forum, CEO's Forum and Chairpersons' Forum were established. The NAC attended the following meetings in the year under review:

| Dates | Purpose |
|---------------------------------|----------------------------------|
| 10 May 2017 28 November 2017 | DAC CFO's Forum |
| 19 November 2015 | National Treasury CFO's Forum |
| 11 August 2017 02 March 2018 | CEO's Forum |
| 20 April 2017 | Signing of Shareholder's Compact |

[04] THE ACCOUNTING AUTHORITY (COUNCIL)

For the period under review, the NAC had a Council appointed by the Minister of Arts and Culture. According to the NAC Act, the Council has a direct responsibility for decisions regarding grant funding. As such, the NAC Council is expected to meet at least four times a year to approve funding, while also fulfilling its governance role and strategic oversight functions for the entity.

THE ROLE OF THE COUNCIL IS AS FOLLOWS:

- It holds absolute responsibility for the performance of the public entity;
- It retains full and effective control over the public entity;
- It has to ensure that the public entity complies with applicable laws, regulations and government policy;
- It has unrestricted access to information of the public entity;
- It formulates, monitors and reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans;
- It ensures that the shareholders' performance objectives are achieved;
- It manages potential conflicts of interest;
- It develops a clear definition of levels of materiality;
- The Council must attend annual meetings;
- It ensures financial statements are prepared;
- The Council must appraise the performance of the Chairperson;
- It must ensure an effective Council induction; and
- Must maintain integrity, responsibility and accountability.

COUNCIL CHARTER

As recommended by King IV™, the Council has a charter setting out its responsibilities, which should be disclosed in its annual report. At a minimum, the charter should confirm:

- The Council's responsibility for the adoption of strategic plans;
- Monitoring of operational performance and management;
- Determination of policy processes to ensure the integrity of the public entity risk management and internal controls; and
- Communication policy, and director selection, orientation and evaluation.

During the period under review the Council complied with the Council Charter and it is aligned to the minimum requirements as recommended by King IV™.

COMPOSITION OF COUNCIL

The NAC Council comprises of 18 members. However, the CEO and CFO are Ex-Officio members of Council. Out of the 18 Council members, 10 are appointed by the Minister of Arts and Culture, 3 members are elected by the outgoing Council for purposes of continuity and 6 members are Provincial representatives appointed by the MECs of the presented provinces. During the year under review, Ms Mmathebe Moja resigned from Council and was replaced by Ms Maleshini Naidoo. According to section 8(1) of the NAC Act, Council has to meet no less than four times a year. However, the Chairperson may at any time convene a special meeting with Council.

NAC COUNCIL MEMBERS AND DESIGNATIONS

| Name | Designation | App date | Qualifications | Area of expertise | Board of Directorship | Other committees | Number of meetings |
|----------------|---------------------|----------------|---------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hartley Ngoato | Council Chairperson | 1 January 2017 | B. Proc, LLB, Diploma: Human Resource Development | Legal and Human Resources | Member: Security Committee (Risk Management); Chair: Law Council, School for Legal Practice; Chair: Employment Equity Committee; Chair: Occupational Health and Safety (Section 16) Appointee | None | Council 9 EXCO 7 HRC 3 Strategic Planning 4 Council Induction 1 Report to Minister 10 Public Protector Report 3 Handover with previous Chairperson 1 Board Secretary Disciplinary Hearing 8 Minister's Budget Speech 1 Gobodo Forensic Meeting 1 CEO Performance Review 1 Umhlaba Uyalingana trip 1 Staff meeting 1 SAACY Meeting 1 |

| Name | Designation | App date | Qualifications | Area of expertise | Board of Directorship | Other committees | Number of meetings |
|------------------------|-------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jabu Dlamini | Council Deputy Chairperson, Mpumalanga Provincial Representative, Craft Panel Chairperson | 1 September 2015 | Bachelor Degree: Humanities, Diploma: Education, Certificate: Project Management | Social Development | None | None | Council 7 EXCO 3 Provincial Committee 1 Panel Chairs 5 HRC 1 Council Induction 1 Strategic Planning 4 Staff meeting 1 PPC Presentation 1 GMS Training 1 |
| Avril Joffe | ARC Chairperson | 1 January 2017 | Master's Degree: Development Studies, Bachelor's Degree: Economics, Bachelor's (Honours): Industrial Sociology | Cultural Policy, Cultural Economy Research and Training | None | None | Council 6 EXCO 7 ARC 3 Strategic Planning 4 Council Induction 1 Internal Workshop 1 UNESCO 1 |
| Erica Elk | HRC Chairperson | 1 September 2015 | Diploma: Teaching, Bachelor's Degree: Fine Arts, Postgraduate Diploma: Fine Arts | Arts and Crafts | South African Student Travel Service: Director: Cape Digital Foundation Director: Cape Town Festival | None | Council 8 EXCO 6 HRC 5 Strategic Planning 4 Council Induction 1 PPC Presentation 1 |
| Bongani Mavuso | Literature Panel Chairperson | 1 January 2017 | Bachelor's Degree: Communication, Information and Technology, Honours Degree: Social Sciences | Poetry and Literature | None | None | Council 9 EXCO 2 Panel Chairs 5 Strategic Planning 4 Council Induction 1 GMS Training 1 |
| Thandiwe Profit-McLean | Council Member | 1 January 2017 | Bachelor's Degree: English and Sociology, Diploma: Public Relations and Organisational Development and Strategic Management | Human Resources, Public Relations Business Management | Non-executive Director: Nozala Investments, Non-executive Director: BMW South Africa, Executive Director: Maxitrade South Africa, Director: KTM Holdings | None | Council 7 HRC 6 Staff Meeting 1 HR Manager Interview 1 CFO Interview 1 |
| Dr Same Mdluli | Visual Arts Panel Chairperson | 1 January 2017 | B-Tech Degree: Fine Arts (cum laude), Certificate: Arts and Culture Teacher Training, Master's Degree: Arts and Culture Management, Doctorate: History of Art | Arts and Culture (Visual Arts) | None | None | Council 4 EXCO 1 Panel Chairs 3 Strategic Planning 3 Council Induction 1 |

| Name | Designation | App date | Qualifications | Area of expertise | Board of Directorship | Other committees | Number of meetings |
|---------------------|-------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Edward Mhlongo | Council Member | 1 January 2017 | Master's Degree: Development Studies, Bachelor's Degree (Honours): Sociology, Research Methods, Doctorate: Business Administration (DBA), Executive Diploma: Quantitative Methods | Business, Project Management and Administration | None | None | Council 7 Strategic Planning 4 |
| Mandie van der Spuy | Dance Panel Chairperson | 1 January 2017 | Degree: Languages and Literature, Postgraduate Degree: Theatre Studies, Master's Degree: Literature | Arts and Culture (Literature) | Non-executive Director: Artinsure | Deputy Chair: Business and Arts South Africa (BASA) Chair: French Institute of SA Committee Gerard Sekoto Foundation Paleo-anthro-pological Scientific Trust (PAST) | None |
| Pheni Ngove | Council Member | 1 January 2017 | National Diploma: Public Administration and Management, Postgraduate Diploma: Urban Economic Development, Postgraduate Certificate: Law for non-lawyers, Postgraduate Certificate: Local Government Law, Postgraduate Certificate: Public Finance and Fiscal Management, Postgraduate Certificate: Advanced Administrative Law | Business Management and Finance | None | None | Council 5 Strategic Planning 1 |

| Name | Designation | App date | Qualifications | Area of expertise | Board of Directorship | Other committees | Number of meetings |
|------------------------|----------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------|
| Thebi Moja | Council Member | 1 January 2017 | B.Comm, Master's Degree: Business Leadership Advanced Treasury Management, B.Comm- Fort Hare University | Auditing and Human Resources | Human Settlements, Lephatsi Investments Pty Ltd, Phodifon Pty Ltd, GIB Insurance brokers, Sub-Tropica Investment Holdings | None | Council 2 ARC 2 Other 6 |
| Advocate Nakedi Ribane | Theatre Panel Chairperson | 1 January 2017 | LLB, Certificate: Marketing and Research, Diploma: Speech and Drama | Legal Matters, Arts and Culture (Theatre) | Editorial Member : World Council of Science and Factual Producers | None | Council 7 EXCO 2 Panel Chairs 7 Strategic Planning 4 GMS Training 1 |
| Moshe Apleni | Western Cape Provincial Representative | 1 January 2017 | Certificate: Business Leadership, Certificate: Desktop Publishing, Certificate: Management Development Programme, Certificate: International Business Ethics & Leadership | Business Leadership, Ethics and Communications | Board Member: Diocesan College Council; Council Member: Playhouse Company; Deputy Chairperson: Western Cape Cultural Commission; EXCO member: Old Diocesan Union; Trustee: Bishops Trust, African Scholars Fund | None | Council 9 Strategic Planning 4 |
| Jerry Mabuza | Gauteng Provincial Representative | 1 January 2017 | Diploma: Further Education and Training, Arts and Culture Administration | Arts Administration | Director: Cathsseta | None | Council 7 EXCO 6 Provincial Committee 1 Strategic Planning 4 Council Induction 1 Staff meeting 2 |
| Zolani Mkiva | Eastern Cape Provincial Representative | 1 January 2017 | Bachelor's Degree: Social Science, Honours Degree: Development Studies, Certificate: Training -Community and Conflict Resolution | Arts and Culture (Literature) | Board Member: Black Sea, Caspian Sea: International Fund, Board Member: International Delphic Council, Director: Institution of African Royalty | None | Council 3 Provincial Committee 1 Strategic Planning 4 Council Induction 1 |

| Name | Designation | App date | Qualifications | Area of expertise | Board of Directorship | Other committees | Number of meetings |
|----------------------------|--------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Thoko Nogabe | Free State Provincial Representative | 1 January 2017 | - | Music Practitioner | Board Member: Performing Arts Centre of the Free State (PACOFS) | None | Council 3 EXCO 2 Provincial Committee 1 Panel Chairs 3 Strategic Planning 4 Council Induction 1 GMS Training 1 |
| Prof. Sekgothe Mokgoatšana | Limpopo Provincial Representative | 1 January 2017 | Distinction in History, Music and Education, Music Theory III, and Grade V; Bachelor's Degree (Honours): Folklore, Poetry, Drama, Morphology and Research; Master's Degree (cum laude); Postgraduate Diploma: Tourism Management and Development | Education and Arts: (Literature and Music) | None | None | Council 8 HRC 5 Strategic Planning 4 Council Induction 1 |
| Maleshini Naidoo | Council Member | 1 December 2017 | Bachelor's Degree (Honours): Commerce (Accounting and Auditing) | Finance, Accounting, Internal Audit Business and Business Administration | Board Member: Performing Arts Centre of the Free State (PACOFS), Director: MG and Associates, Board of Trustees: Black Sash, Board of Trustees: Little Eden Society | None | Council 2 ARC 1 HR Manager Interview 1 CFO Interview 1 |
| Michael Arendse | Council Member | 1 January 2017 | Master's Degree: Culture, Policy and Management (London), Bachelor's Degree: Arts Management (Australia), National Diploma: Journalism (South Africa) | Arts Management | Community Arts and Culture Centres Federation of Western Cape: EXCO Member | None | Council 8 EXCO 2 Panel Chairs 5 Strategic Planning 4 Council Induction 1 PPC Presentation 1 GMS Training 1 |

COMMITTEES

| Committee | No. of meetings held | No. of members | Name of members |
|----------------------------------|----------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EXCO | 6 | 5 | Hartley Ngoato (Chairperson) Jabu Dlamini (Deputy Chairperson) Erica Elk (HRC Chairperson) Avril Joffe (ARC Chairperson) Jerry Mabuza (Chairperson for Provincial Representatives) |
| HUMAN RESOURCES COMMITTEE | 2 | 4 | Erica Elk (Chairperson) Moshe Apleni Thandiwe Profit-Mclean Prof. Sekgothe Mokgoatšana |
| AUDIT AND RISK COMMITTEE | 32 | 4 | Avril Joffe (Chairperson) Thebi Moja (Resigned on 31 July 2017) Nchoke Raphela (External Member) Sikhuthali Nyangintsimbi (External Member) Maleshini Naidoo (Appointed on 1 December 2017) |
| PANEL CHAIRPERSONS | 1 | 7 | Jabu Dlamini (Craft) Advocate Nakedi Ribane (Theatre) Thoko Nogabe (Music) Dr Same Mduli (Visual Arts) Bongani Mavuso (Literature) Mandie van der Spuy (Dance) Michael Arendse (Multidiscipline) |

Remuneration of Council Members

Council members are remunerated in accordance with the rates stipulated by the National Treasury for particular categories of public entities. The remuneration is inclusive of preparations fees. Remuneration of Council members is detailed as note 21 of the Annual Financial Statements.

COUNCIL MEMBER REMUNERATION FOR THE PERIOD UNDER REVIEW

| Name | Remuneration | Other allowance | Other re-imbursments | Total |
|-----------------------------------|--------------|-----------------|----------------------|-----------|
| Mr Hartley Ngoato | R383,096 | NA | NA | R383,096 |
| Ms Jabu Dlamini | R141,283 | NA | NA | R141,283 |
| Mr Michael Arendse | R105,790 | NA | NA | R105,790 |
| Dr Same Mduli | R63,218 | NA | NA | R63,218 |
| Mr Zolani Mkiva | R45,155 | NA | NA | R45,155 |
| Mr Moshe Apleni | R66,347 | NA | NA | R66,347 |
| Mr Masengana Mabuza | R111,638 | NA | NA | R111,638 |
| Ms Thokozile Nogabe | R75,251 | NA | NA | R75,251 |
| Ms Avril Joffe | R 112,055 | NA | NA | R 112,055 |
| Ms Thandiwe Profit-McLean | R101,601 | NA | NA | R101,601 |
| Ms Mmathebe Moja | R29,501 | NA | NA | R29,501 |
| Mr Bongani Mavuso | R88,054 | NA | NA | R88,054 |
| Prof. Sekgothe Mokgoatšana | R97,220 | NA | NA | R97,220 |

| Name | Remuneration | Other allowance | Other re-imbursements | Total |
|-------------------------------|-------------------|-----------------|-----------------------|-------------------|
| Mr Edmond Mhlongo | R63,157 | NA | NA | R63,157 |
| Ms Mandie van der Spuy | R97,639 | NA | NA | R97,639 |
| Mr Pheni Ngove | R56,061 | NA | NA | R56,061 |
| Ms Maleshini Naidoo | R18,556 | NA | NA | R18,556 |
| Ms Erica Elk | R 115,148 | NA | NA | R 115,148 |
| Ms Nakedi Ribane | R99,115 | NA | NA | R99,115 |
| Total | R1,869,885 | NA | NA | R1,869,885 |

PANEL MEMBER REMUNERATION FOR THE PERIOD UNDER REVIEW

| Name | Remuneration | Other allowance | Other re-imbursements | Total |
|-------------------------|-----------------|-----------------|-----------------------|-----------------|
| Ms Lizelle Julie | R21,128 | NA | NA | R21,128 |
| Ms Londiwe Langa | R12,889 | NA | NA | R12,889 |
| Mr Jacob Lebeko | R21,128 | NA | NA | R21,128 |
| Mr Othusitse Mabilo | R8,451 | NA | NA | R8,451 |
| Ms Nthabiseng Makhene | R21,335 | NA | NA | R21,335 |
| Ms Nomsa Mdlalose | R8,451 | NA | NA | R8,451 |
| Mr Wandile Mgcodo | R22,548 | NA | NA | R22,548 |
| Mr Lionel Mkhwanazi | R8,451 | NA | NA | R8,451 |
| Ms Mamela Nyamza | R16,902 | NA | NA | R16,902 |
| Mr PJ Sabbagha | R27,839 | NA | NA | R27,839 |
| Ms Marie-Heleen Coetzee | R16,902 | NA | NA | R16,902 |
| Mr Monwabisi Grootboom | R9,003 | NA | NA | R9,003 |
| Mr Moses Monamodi | R8,451 | NA | NA | R8,451 |
| Ms Tracy Rose | R16,902 | NA | NA | R16,902 |
| Ms Bulelwa Bam | R16,902 | NA | NA | R16,902 |
| Mr Molele Mohlatlego | R12,677 | NA | NA | R12,677 |
| Ms Coleen Emmenis | R19,316 | NA | NA | R19,316 |
| Ms Kim Cassels | R25,354 | NA | NA | R25,354 |
| Mr Andile Ma Afrika | R25,812 | NA | NA | R25,812 |
| Mr Tsietsi Mohapi | R25,844 | NA | NA | R25,844 |
| Ms Christina Jikelo | R25,444 | NA | NA | R25,444 |
| Total | R371,749 | NA | NA | R371,749 |

[05]



RISK MANAGEMENT

The NAC manages risk in accordance with the risk register approved by Council and updated annually. The risk register is based on an annual risk assessment conducted by the NAC's internal auditors. The risk register is based on the strategic plan of the NAC. The risk register, including mitigation strategies and progress with regards to implementation is updated quarterly and presented to ARC, EXCO and Council.

[06]



INTERNAL AUDIT UNIT

The NAC does not have an internal audit unit. This function is performed under the guidance of the Audit and Risk Committee.



[07] INTERNAL AUDIT AND AUDIT COMMITTEES

In accordance with the PFMA, the NAC has a duly constituted Audit and Risk Committee comprising two Council members and two external members.

In terms of the Corporate Governance Framework and Charter of the Audit Committee the role of the committee is to ensure:

- Effectiveness of the internal control system;
- Effectiveness of the internal audit function; and
- Risk areas of operations to be covered in the scope of internal and external audits.
- Ensure the adequacy, reliability and accuracy of financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- Compliance with legal and regulatory provisions; and
- Activities of the internal audit function, including its annual work programme, coordination with the external auditors (i.e. Auditor-General), the reports of significant investigations and the responses of management to specific recommendations.

THE ROLE OF THE AUDIT COMMITTEE IS TO ENSURE:



| Name | Qualifications | Internal or external | If internal, position in the public entity | Date appointed | Date Resigned | No. of Meetings attended |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------|----------------|---------------|--------------------------|
| Avril Joffe | Master's Degree: Development Studies Bachelor's Degree: Economics Bachelor's Degree (Honours): Industrial Sociology | Internal | Chairperson : Audit and Risk Committee | 1 January 2017 | | 2 |
| Thebe Moja | Master's Degree: Business Leadership, Advanced Treasury Management B.Comm | Internal | Audit Committee Member | 1 January 2017 | 31 July 2017 | 2 |
| Maleshini Naidoo | Bachelor's Degree (Honours): Commerce (Accounting) | Internal | Audit Committee Member | December 2017 | | 1 |
| Nchoke Raphela | MBA: Management Bachelor's Degree (Honours): Science, Computer Science | External | External Audit Committee Member | 1 October 15 | | 2 |
| Sikhuthali Nyangintsimbi | Master's Degree: Internal Audit Master's Degree: Business Leadership B.Comm CIA: Certified Internal Auditor CRMA: Certification in Risk Management CGAP: Certified Government Auditing Professional CCSA Certification: Control Self-Assessment | External | External Audit Committee Member. | 1 October 2015 | | 2 |

[08] COMPLIANCE WITH LAWS AND REGULATIONS

The Supply Chain Management policy was reviewed and approved by Council.

[09] FRAUD AND CORRUPTION

The NAC has a Fraud Prevention Strategy available to all staff. Assessing possible fraud risks is part of the annual risk assessment workshop where staff members are encouraged to disclose and share any information that might pose a risk to the NAC. The Fraud Prevention Awareness Campaign co-ordinated by the DAC is also implemented at the NAC. Information to create awareness is displayed on the NAC notice board.

The campaign makes staff aware of mechanisms to report fraud and corruption through surveys, the results of which are published for employee awareness. Employees are provided with confidential numbers to report any possible fraud and corruption including, but not limited to, the Presidential Hotline.

Fraud prevention activities at the NAC also include pre-employment screening for all appointments and evidence of such screening is maintained by the HR Department.

THE FOLLOWING ASPECTS ARE INCLUDED IN THE SCREENING:



Verification of identity



Police criminal history



Reference checks with the two most recent employers – this will normally require telephonic contact



A consideration of any gaps in employment history and the reasons for those gaps



Verification of claimed formal qualifications

A fraud workshop was conducted in September 2017 by internal audit.

[10] MINIMISING CONFLICT OF INTEREST

The NAC stipulates that members of Council and Advisory Panel members should not receive grant funding from the organisation. In 2014/2015, Council, with the support of the DAC, approved an interpretation of this clause which would allow the organisations that individual members are employed by or associated with to apply for funding, but that it would explicitly exclude individual Council members

from applying. In support of this commitment to effective governance, Declarations of Interest were completed prior to each Council or sub-committee meeting and annual declarations were completed by all Council members. In the event of any declared interests the Council addressed such declarations immediately in the appropriate manner.



[11]



CODE OF CONDUCT

The conduct of Council is governed by the NAC Corporate Governance Framework which stipulates that each member is obliged to act honestly and in good faith.

IN PARTICULAR, THE FRAMEWORK REQUIRES ALL MEMBERS TO:

- Act within their powers and in the interest, and for the benefit of the NAC;
- Not to act with self interest in making short and long-term decisions;
- Carry out their duties with appropriate skill and care, and exercise their own judgement;
- Uphold the values and objectives of the NAC;
- Uphold the NAC's core policies;
- Contribute to and share responsibility for Council decisions;
- Read Council papers;
- Attend and effectively participate in meetings, training sessions and other events;
- Represent the NAC and its values, policies and decisions;
- Declare any relevant interest;
- Furnish the NAC's auditors with all information and explanations they require;
- Respect confidentiality of information and not disclose confidential information about the NAC, its staff or its stakeholders; and
- Comply with the law, letter and spirit of the corporate governance principles and practices set out in the Framework.

Council members not complying are subject to the provisions of the NAC Act with regard to vacating their seat on Council and non-compliant staff members are subject to the NAC's disciplinary process.

[12]



HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NAC is a very small organisation with no specific hazards in the work conducted on a daily basis. In accordance with the Occupational Health and Safety Act, the NAC has a duly appointed safety officer, floor marshals and first aid resources.

[13] "

COMPANY / BOARD SECRETARY

THE NAC BOARD SECRETARY IS RESPONSIBLE FOR THE FOLLOWING DUTIES:

PROVIDING COMPANY SECRETARIAL AND ADMINISTRATIVE SUPPORT

- Assist Chairperson of Council and CEO to determine the Annual Council Plan;
- Compile and distribute Council packs 7 days prior to the meeting;
- Accurate capturing and distribution of minutes 10 days after the meeting;
- Ensure that resolutions, policies and all documentation capturing decisions taken are signed and properly filed;
- Ensure proper conduct of Council Committee Meetings and the production of minutes;
- Co-ordinating Council communications as necessary given by deadlines;
- Prepare all relevant documentation for Council and committee meetings;
- Gather departmental reports in advance prior to Council and Committee meetings with the CEO's support; and
- Follow up on action items to ensure that decisions are implemented.

CO-ORDINATE LOGISTICS FOR MEETINGS

- Maintain an updated calendar of Council and Committee meetings;
- Ensure Committee members are reminded of meetings 14 days in advance of the meeting;
- Schedule additional meetings when required;
- Ensure that meeting rooms are set up and catering has been arranged; and
- Ensure that meeting packs are sent out 7 days in advance.

CORPORATE GOVERNANCE PRACTICES

- Ensure compliance with all relevant regulations, provisions of the PFMA and King IVTM codes of Good practice;
- Ensure Service Level Agreements and the Code of Conduct is signed by all Council members;
- Ensure Council members are inducted and receive training related to their work;
- Co-ordinating the Council evaluation process;
- Ensuring that files of Council members are kept securely;
- Ensuring that annual declarations of interest of Council members are recorded and filed and a members register is kept;
- Ensuring that meeting declarations are signed and filed; and
- Ensure the Council and Committee Charters are reviewed annually.

[14]



AUDIT COMMITTEE REPORT



Ms Avril Joffe
Chairperson
Audit and Risk Committee
National Arts Council

We are pleased to present our report for the financial year ended 31 March 2017/18.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 55 (1)(a) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

THE EFFECTIVENESS OF INTERNAL CONTROL

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity.

The following internal audit work was completed during the year under review:

- IT Governance Review
- Fraud Risk Assessment Review
- Performance Information Review (Quarters 2, 3 and 4)
- Follow-up Review
- Grant Funding Review



The following were areas that needed some improvement:

- Grant management
- IT Governance
- Performance information

IN-YEAR MANAGEMENT AND MONTHLY/ QUARTERLY REPORT

The public entity has submitted monthly and quarterly reports to the Executive Authority.

EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the annual financial statements prepared by the public entity.

AUDITOR'S REPORT

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the external auditor 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.

Ms Avril Joffe
Chairperson of the Audit and Risk Committee
National Arts Council
August 2018



PART D

Human Resource
Management

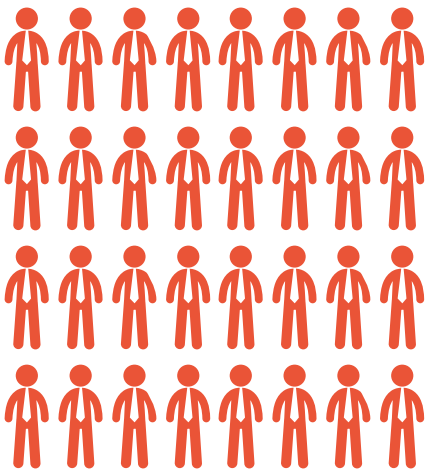
[01]



HUMAN RESOURCE OVERSIGHT STATISTICS

HUMAN RESOURCE OVERSIGHT STATISTICS

FOR THE PERIOD UNDER REVIEW, THE NAC EMPLOYED



[32]

PERMANENT STAFF
MEMBERS



[2]

CONTRACTUAL STAFF
MEMBERS



[5]

INTERNS

PERSONNEL COST BY PROGRAMME/ ACTIVITY/ OBJECTIVE

| Programme | Total Expenditure for the entity (R'000) | Personnel Expenditure (R'000) | Personnel exp. as a % of total exp. (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|-----------------|------------------------------------------|-------------------------------|---------------------------------------------|------------------|---------------------------------------------|
| NAC Staff | 113 181 | 20 034 | 17.7 | 29 | 691 |
| Temporary staff | 113 181 | 625 | 0.8 | 3 | 208 |
| Provisions | 113 181 | 1 602 | 1.4 | | |
| Total | 113 181 | 22 261 | 19.7 | 32 | 696 |

PERSONNEL COST BY SALARY BAND

| Programme | Personnel Expenditure (R'000) | % of personnel exp. to total personnel cost (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|------------------------|-------------------------------|-----------------------------------------------------|------------------|---------------------------------------------|
| Top Management | 3 328 | 16.1 | 2 | 1 664 |
| Senior Management | 1 236 | 6 | 1 | 1 236 |
| Professional qualified | 3 584 | 17.3 | 5 | 717 |
| Skilled | 10 346 | 50.1 | 17 | 690 |
| Semi-skilled | 1 732 | 8.4 | 4 | 289 |
| Unskilled | 433 | 2.1 | 3 | 144 |
| Total | 20 659 | 93.9 | 32 | 4 740 |

PERFORMANCE REWARDS

| Programme//activity/objective | Performance rewards | Personnel Expenditure (R'000) | % of performance rewards to total personnel cost (R'000) |
|-------------------------------|---------------------|-------------------------------|----------------------------------------------------------|
| Top Management | 163 | 3 328 | 0.8 |
| Senior Management | 110 | 1 236 | 0.5 |
| Professional qualified | 73 | 3 584 | 0.4 |
| Skilled | 32 | 10 346 | 0.2 |
| Semi-skilled | 39 | 1 732 | 0.2 |
| Unskilled | - | 433 | - |
| Total | 417 | 20 659 | 2.1 |

| TRAINING COSTS | | | | | |
|-----------------------------------|-----------------------------------------|----------------------------------------|------------------------------------------------------------|--------------------------------|--------------------------------------|
| Programme//activity/ objective | Personnel Expenditure (R'000) | Training Expenditure (R'000) | Training Expenditure as a % of Personnel Cost. | No. of employees trained | Avg training cost per employee |
| Finance | 4 888 | 35 | | 7 | 5 |
| Grants | 7 631 | 49 | | 10 | 5 |
| Operations | 803 | 2 | | 1 | 2 |
| Admin | 1 323 | 8 | | 5 | 2 |
| Marketing | 1 053 | 26 | | 2 | 13 |
| CEO's office | 3 729 | 6 | | 3 | 2 |
| Human Resources | 1 232 | 6 | | 2 | 3 |
| Total | 20 659 | 132 | | 30 | 32 |

| EMPLOYMENT AND VACANCIES | | | | | |
|-----------------------------------|----------------------------------|--------------------------------|----------------------------------|------------------------|----------------|
| Programme//activity/ objective | 2015/2016 No. of Employees | 2016/2017 Approved Posts | 2017/2018 No. of Employees | 2017/2018 Vacancies | % of vacancies |
| NAC | 32 | 34 | 32 | 2 | 6.25 |

| EMPLOYMENT AND VACANCIES | | | | | |
|-----------------------------------|----------------------------------|--------------------------------|----------------------------------|------------------------|----------------|
| Programme//activity/ objective | 2015/2016 No. of Employees | 2016/2017 Approved Posts | 2017/2018 No. of Employees | 2016/2017 Vacancies | % of vacancies |
| Top Management | 3 | 3 | 2 | - | - |
| Senior Management | 1 | 1 | 1 | - | - |
| Professional qualified | 4 | 6 | 5 | - | - |
| Skilled | 11 | 11 | 17 | - | - |
| Semi-skilled | 4 | 4 | 4 | - | - |
| Unskilled | 1 | 1 | 3 | - | - |
| Total | 24 | 26 | 32 | - | - |

| EMPLOYMENT CHANGES | | | | |
|------------------------|-----------------------------------|--------------|--------------|---------------------------------|
| Salary Band | Employment at beginning of period | Appointments | Terminations | Employment at end of the period |
| Top Management | 2 | 1 | 1 | 2 |
| Senior Management | 1 | 0 | 0 | 1 |
| Professional qualified | 6 | 1 | 2 | 5 |
| Skilled | 18 | 1 | 2 | 17 |
| Semi-skilled | 5 | 0 | 1 | 4 |
| Unskilled | 3 | 0 | 0 | 3 |
| Total | 35 | 3 | 6 | 32 |

| REASONS FOR STAFF LEAVING | |
|---------------------------|--------|
| Reason | Number |
| Death | 0 |
| Resignation | 3 |
| Dismissal | 0 |
| Retirement | 0 |
| Ill health | 0 |
| Expiry of contract | 3 |
| Other | 0 |
| Total | 6 |

| LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION | |
|------------------------------------------------------|--------|
| Nature of disciplinary Action | Number |
| Verbal Warning | 0 |
| Written Warning | 0 |
| Final Written warning | 1 |
| Dismissal | 0 |

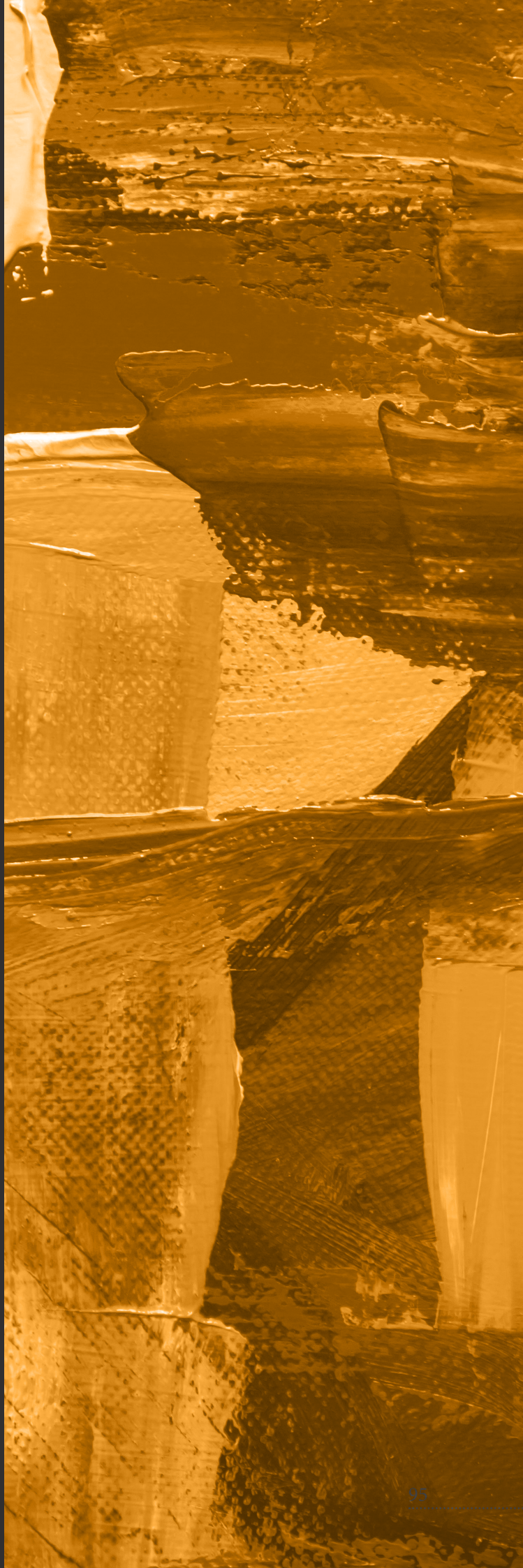
| EQUITY TARGET AND EMPLOYMENT EQUITY STATUS | | | | | | | | |
|--------------------------------------------|---------|--------|----------|--------|---------|--------|---------|--------|
| MALE | | | | | | | | |
| Levels | AFRICAN | | COLOURED | | INDIAN | | WHITE | |
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional qualified | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Skilled | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unskilled | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 8 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |

| EQUITY TARGET AND EMPLOYMENT EQUITY STATUS | | | | | | | | |
|--------------------------------------------|---------|--------|----------|--------|---------|--------|---------|--------|
| FEMALE | | | | | | | | |
| Levels | AFRICAN | | COLOURED | | INDIAN | | WHITE | |
| | Current | Target | Current | Target | Current | Target | Current | Target |
| Top Management | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Senior Management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional qualified | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled | 12 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Semi-skilled | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Unskilled | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 20 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |

| EQUITY TARGET AND EMPLOYMENT EQUITY STATUS | | | | |
|--------------------------------------------|---------|--------|---------|--------|
| STAFF LIVING WITH DISABILITIES | | | | |
| Levels | MALE | | FEMALE | |
| | Current | Target | Current | Target |
| Top Management | 0 | 0 | 0 | 0 |
| Senior Management | 0 | 0 | 0 | 0 |
| Professional qualified | 0 | 0 | 0 | 0 |
| Skilled | 0 | 0 | 0 | 0 |
| Semi-skilled | 0 | 0 | 0 | 0 |
| Unskilled | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

According to the Employment Equity Act, 1998 (Act 55 of 1998), the NAC is not required by legislation to set equity targets owing to the size of its staff complement. The NAC currently has a staff complement of 34.

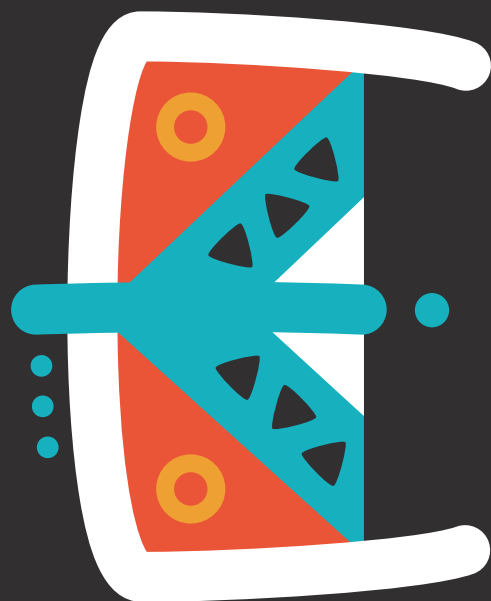






PART E

Financial Information



[01]

COUNCIL'S RESPONSIBILITIES AND APPROVAL

The Council is 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 Council to ensure that the unaudited annual financial statements fairly represent the state of affairs of the NAC as at the end of the financial year and the results of its operations and cash flow for the period then ended. The external auditors are appointed to express an independent opinion on the unaudited annual financial statements and were given unrestricted access to all financial records and related data.

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

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

The Council acknowledges 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 management 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 NAC and all employees are required to maintain the highest ethical standards in ensuring the NAC's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the NAC is on

identifying, assessing, managing and monitoring all known forms of risk across the NAC. While operating risk cannot be fully eliminated, the NAC endeavours to minimise it by ensuring that appropriate Infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

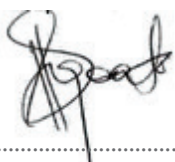
“ The unaudited annual financial statements have been prepared in accordance with Standard of Generally Recognised Accounting Practice (GRAP) including any Interpretations, guidelines and directives issued by the Accounting Standards Board. ”

The Audit and Risk Committee has reviewed the entity's cash flow position for the year to 31 March 2019 and in the light of this review and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The NAC is wholly dependent on the Department of Arts and Culture for continued funding of operations. The unaudited annual financial statements are prepared on the basis that the NAC is a going concern.

Although the Council is 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 unaudited annual financial statements. The unaudited annual financial statements will be audited by the entity's external auditors and their report will be on pages 100 - 102.



Mr Hartley Ngoato
Council Chairperson
National Arts Council



[02] AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

AUDIT AND RISK COMMITTEE MEMBERS AND ATTENDANCE

The Audit and Risk Committee comprises of the members listed hereunder and should meet at least 2 times per annum as per Section 7 of the PFMA. During the year under review, 4 meetings were held (15 May 2017, 25 July 2017, 10 Oct 2017 & 14 Feb 2018).

| Name of member | Number of meetings attended |
|-----------------------------------------------------|-----------------------------|
| Ms. Avril Joffe (Chairperson) | 4 |
| Ms. Mmathebe Moja (Resigned 31 July 2017) | 2 |
| Mr. Sikhuthali Nyangintsimbi | 4 |
| Mr. Nchoke John Raphela | 2 |
| Ms. Maleshini Naidoo (Appointed 7 November 2017) | 1 |

AUDIT COMMITTEE RESPONSIBILITY

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 55(1)(a) of the PFMA and Treasury Regulation 27.1.

The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference in the audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls applied by the National Arts Council over financial and risk management is effective, efficient and transparent. In line with the PFMA and the

King IV Report on Corporate Governance requirements, the internal Audit provides the audit committee and management with the assurance that 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, the Audit Report on the unaudited annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The Audit and Risk Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the management of the NAC of South Africa during the year under review.

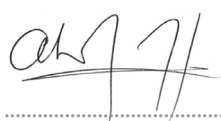
EVALUATION OF UNAUDITED ANNUAL FINANCIAL STATEMENT

The audit committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General and the internal auditors;
- reviewed changes in accounting policies and practices; and
- reviewed the entities compliance with legal and regulatory provisions;

INTERNAL AUDIT

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the NAC and its audits.



The Chairperson of the Audit and Risk Committee
24 May 2018

OPINION

1. I have audited the financial statements of the National Arts Council of South Africa set out on pages 100 to 135, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Arts Council of South Africa as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR OPINION

3. 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 this auditor's report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and the 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTER

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

Restatement of corresponding figures

7. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2017, were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2018.

Irregular expenditure

8. As disclosed in note 22 to the financial statements, the entity incurred irregular expenditure of R2,264,769 as result of the overspending of the budget.

**RESPONSIBILITIES OF ACCOUNTING
AUTHORITY FOR THE FINANCIAL STATEMENTS**

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 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.

10. In preparing the financial statements, the accounting authority is responsible for assessing the National Arts Council of South Africa'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 accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

11. 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.
12. 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

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to 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.
15. 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 objectives presented in the annual performance report of the entity for the year ended 31 March 2018:

| Objectives | Pages in the annual performance report |
|--------------------------------------------------------------------|----------------------------------------|
| Strategic goal 1 - Strengthen the arts through grant making | 30 - 34 |
| Strategic goal 2 - Equity in the arts | 31 - 35 |
| Strategic goal 3 - Sustainable arts capability | 32 - 36 |
| Strategic goal 4 - Market access and creative engagement | 33 - 37 |
| Strategic goal 5 - Increased access to the arts | 63 - 65 |

16. 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.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objectives:
 - Strategic goal 1 - Strengthen the arts through grant making
 - Strategic goal 2 - Equity in the arts
 - Strategic goal 3 - Sustainable arts capability
 - Strategic goal 4 - Market access & creative engagement
 - Strategic goal 5 - Increased access to the arts

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 30 to 65 for information on the achievement of planned targets for the year and explanations provided for the over achievement of a number of targets.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION INTRODUCTION AND SCOPE

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. I did not identify material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
23. 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 thereon.
24. 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 objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

25. I did not identify any significant deficiencies in internal control.

Auditor - General

Johannesburg
31 July 2018



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 objectives and on the entity'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 entity'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 related to events or conditions that may cast significant doubt on the National

Arts Council South Africa's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the 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 the entity to cease continuing as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

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 confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



[04]

ACCOUNTING AUTHORITY'S REPORT

The members submit their report for the year ended 31 March 2018.

GOING CONCERN

We draw attention to the fact that at 31 March 2018, the entity had accumulated surplus of R 8,925,922 and that the entity's total Assets exceed its liabilities by R 15,918,025.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The accumulated surplus of R 8,925,922 includes projects contracted but not fully paid and projects approved by council but not contracted. The NAC submitted the request to National Treasury to retain the surplus.



STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

| | Note(s) | 2018 R | 2017 Restated* R |
|--------------------------------|---------|--------------------------|--------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Trade and other receivables | 4 | 332,978 | 347,100 |
| Cash and cash equivalents | 5 | <u>34,190,607</u> | <u>39,773,893</u> |
| | | <u>34,523,585</u> | <u>40,120,993</u> |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 10,434,099 | 8,110,517 |
| Intangible assets | 3 | <u>671,804</u> | <u>318,475</u> |
| | | <u>11,105,903</u> | <u>8,428,992</u> |
| Total Assets | | <u>45,629,488</u> | <u>48,549,985</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 6 | 1,663,894 | 1,778,890 |
| Deferred grant income | 7 | 226,489 | 843,417 |
| Provisions | 8 | 1,601,981 | 701,981 |
| Projects and bursaries payable | 9 | <u>26,219,099</u> | <u>27,437,460</u> |
| Total Liabilities | | <u>29,711,463</u> | <u>30,761,748</u> |
| Net Assets | | <u>15,918,025</u> | <u>17,788,237</u> |
| Reserves | | | |
| Revaluation reserve | 10 | 6,992,103 | 4,423,061 |
| Accumulated surplus | | <u>8,925,922</u> | <u>13,365,176</u> |
| Total Net Assets | | <u>15,918,025</u> | <u>17,788,237</u> |

[06]



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2018

| | Note(s) | 2018 R | 2017 Restated* R |
|-------------------------------------------------|---------|----------------------|------------------------|
| REVENUE | | | |
| Revenue from exchange transactions | | | |
| Other income | 11 | 38,015 | 586,634 |
| Interest received - investment | 12 | 1,856,456 | 1,986,369 |
| Total revenue from exchange transactions | | 1,894,471 | 2,573,003 |
| REVENUE FROM NON-EXCHANGE TRANSACTIONS | | | |
| Transfer revenue | | | |
| Government grants & subsidies | | 106,868,673 | 102,054,327 |
| Total revenue | 13 | 108,763,144 | 104,627,330 |
| EXPENDITURE | | | |
| Depreciation and amortisation | 2&3 | (1,064,925) | (654,079) |
| Employee-related costs | 14 | (22,261,198) | (20,557,632) |
| Bad debts | 15 | - | (255,412) |
| Operating expenses | 16 | (12,587,380) | (13,121,461) |
| Projects and bursaries' expenses | 17 | (77,267,751) | (100,886,490) |
| Total expenditure | | (113,181,254) | (135,475,074) |
| Operating deficit | | (4,418,110) | (30,847,744) |
| Loss on disposal of assets and liabilities | | (21,144) | (77,903) |
| Deficit for the year | | (4,439,254) | (30,925,647) |



STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2018

| | Revaluation Reserve | Accumulated Surplus | Total Net Assets |
|--------------------------------------------------------|------------------------|------------------------|---------------------|
| | R | R | R |
| BALANCE AT 01 APRIL 2016 | 3,229,040 | 44,290,823 | 47,519,863 |
| Changes in net assets | | | |
| Surplus for the year | - | (30,925,647) | (30,925,647) |
| Revaluation of assets | 1,194,021 | - | 1,194,021 |
| Total changes | 1,194,021 | (30,925,647) | (29,731,626) |
| Opening balance as previously reported | 4,423,061 | 41,059,101 | 45,482,162 |
| Adjustments | | | |
| Prior year adjustments | - | (27,693,925) | (27,693,925) |
| RESTATED* BALANCE AT 01 APRIL 2017 AS RESTATED* | 4,423,061 | 13,365,176 | 17,788,237 |
| Changes in net assets | | | |
| Surplus for the year | - | (4,439,254) | (4,439,254) |
| Revaluation of assets | 2,569,042 | - | 2,569,042 |
| Total changes | 2,569,042 | (4,439,254) | (1,870,212) |
| BALANCE AT 31 MARCH 2018 | 6,992,103 | 8,925,922 | 15,918,025 |
| Note(s) | 10 | | |



CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

| | Note(s) | 2018 R | 2017 Restated* R |
|-------------------------------------------------------------|-----------|---------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Other income | | 52,137 | 318,864 |
| Grants and other income received | | 106,251,745 | 101,375,174 |
| Interest income | | 1,856,456 | 1,986,369 |
| | | <u>108,160,338</u> | <u>103,680,407</u> |
| Payments | | | |
| Employee costs | | (22,518,306) | (20,557,632) |
| Suppliers | | (11,545,268) | (12,231,259) |
| Projects and bursaries | | (78,486,112) | (73,952,465) |
| Movement in administered funds | | - | (426,947) |
| | | <u>(112,549,686)</u> | <u>(107,168,303)</u> |
| Net cash flows from operating activities | 18 | <u>(4,389,348)</u> | <u>(3,487,896)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | 2 | (605,679) | (2,085,939) |
| Proceeds from sale of property, plant and equipment | 2 | 500 | 38,952 |
| Purchase of other intangible assets | 3 | (588,759) | (217,405) |
| Other movements in property, plant and equipment | | - | (40,486) |
| NET cash flows from investing activities | | <u>(1,193,938)</u> | <u>(2,304,878)</u> |
| NET increase/(decrease) in cash and cash equivalents | | (5,583,286) | (5,792,774) |
| Cash and cash equivalents at the beginning of the year | | <u>39,773,893</u> | <u>45,566,667</u> |
| Cash and cash equivalents at the end of the year | 5 | <u>34,190,607</u> | <u>39,773,893</u> |



STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS

BUDGET ON ACCRUAL BASIS

STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

Revenue from exchange transactions

| | | | |
|-------------------------------------------------|----------|------------------|------------------|
| Other income | - | 38,015 | 38,015 |
| Interest received - investment | - | 1,856,456 | 1,856,456 |
| Total revenue from exchange transactions | - | 1,894,471 | 1,894,471 |

Revenue from non-exchange transactions

| | | | |
|---------------------------------|--------------------|--------------------|------------------|
| Transfer revenue | | | |
| Government grants and subsidies | 106,241,000 | 106,868,673 | 627,673 |
| Total revenue | 106,241,000 | 108,763,144 | 2,522,144 |

EXPENDITURE

| | | | |
|---------------------------------|----------------------|----------------------|--------------------|
| Employee related costs | (20,025,000) | (22,261,198) | (2,236,198) |
| Depreciation and amortisation | - | (1,064,925) | (1,064,925) |
| Operating expenses | (11,847,000) | (12,587,380) | (740,380) |
| Projects and bursaries expenses | (74,369,000) | (77,267,751) | (2,898,751) |
| Total expenditure | (106,241,000) | (113,181,254) | (6,940,254) |

| | | | |
|------------------------------------------------------------------------------------------------------|----------|--------------------|--------------------|
| Operating deficit | - | (4,418,110) | (4,418,110) |
| Loss on disposal of assets | - | (21,144) | (21,144) |
| Deficit before taxation | - | (4,439,254) | (4,439,254) |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | - | (4,439,254) | (4,439,254) |



1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The GRAP standards complied with are as a listed in Directive 5 of the Accounting Standards Board (“Determining the GRAP Reporting Framework”).

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 New standards and interpretations

GRAP Standards issued but not yet effective that might affect the entity in future are as follows:

- GRAP 20: Related Party Disclosures (Effective 1 April 2019)

Further GRAP Standards issued but not yet effective, and not relevant to the operations of NAC are listed below:

- GRAP 32: Service Concession Arrangements: Grantor (Effective 1 April 2019)
- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investments in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interests in Other Entities
- GRAP 108: Statutory Receivables (Effective 1 April 2019)
- GRAP 109: Accounting by Principals and Agents (Effective 1 April 2019)
- GRAP 110: Living and Non-living Resources

Management has considered all the above-mentioned GRAP Standards approved but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flow of the entity.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure 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 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. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Property, plant and equipment (with the exception of land and buildings) is carried at cost less accumulated depreciation and any impairment losses.

Land and buildings are carried at a revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that

which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|------------------------|---------------------|---------------------|
| Land | | Indefinite |
| Buildings | Straight line | 50 years |
| Furniture and Fixtures | Straight line | 6 years |
| Motor Vehicles | Straight line | 5 years |
| Office Equipment | Straight line | 5 years |
| Computer Equipment | Straight line | 3 years |
| Paintings | | Not depreciated |
| Banners | Straight line | 3 years |
| Photocopiers | Straight line | 5 years |
| Digital Equipment | Straight line | 3 years |

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant 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, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. 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, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of

acquisition is measured at its fair value as at that date. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

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

| Item | Useful life |
|--------------------------|-------------|
| Computer software, other | 2 years |

Assets under construction will be amortised when brought into use.

1.5 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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, and
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is

a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - » receive cash or another financial asset from another entity; or
 - » exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - » it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - » on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - » non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - » financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

CLASSIFICATION

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|-----------------------------|----------------------------------------|
| Trade and other receivables | Financial asset measured at fair value |
| Cash and cash equivalents | Financial asset measured at fair value |

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

| Class | Category |
|---------------------------------|--------------------------------------------|
| Trade and other payables | Financial liability measured at fair value |
| Projects and bursaries payables | Financial liability measured at fair value |
| Deferred grants income | Financial liability measured at fair value |

1.6 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

IDENTIFICATION

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

RECOGNITION AND MEASUREMENT

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

REVERSAL OF AN IMPAIRMENT LOSS

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior

periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.7 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or

- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the

compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.8 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.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged, and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and

- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity 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.

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.

MEASUREMENT

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

1.10 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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.

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

GOVERNMENT GRANTS

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants and funding are recognised as revenue to the extent that the National Arts Council of South Africa has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a deferred grant income liability is recognised.

1.11 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.12 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.13 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also 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. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.14 Budget information

Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The entity shall provide information whether resources were obtained and used in accordance with legally adopted budget for general purpose financial reporting.

The audited annual financial statements and the budget are not on the same basis of accounting. A comparison with the budgeted amounts for the reporting period has been included in the Statement of comparison of budget and actual amounts.

1.15 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

1.16 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurs.

The entity discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

| | 2018 | | | 2017 | | |
|------------------------|---------------------|-----------------------------------------------------------------|-------------------|---------------------|-----------------------------------------------------------------|------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Land | 2,254,156 | - | 2,254,156 | 1,611,895 | - | 1,611,895 |
| Buildings | 6,814,887 | (619,043) | 6,195,844 | 4,888,105 | (505,988) | 4,382,117 |
| Furniture and fixtures | 556,718 | (101,897) | 454,821 | 135,604 | (28,556) | 107,048 |
| Motor vehicles | 151,042 | (80,556) | 70,486 | 151,042 | (50,347) | 100,695 |
| Office equipment | 792,156 | (298,150) | 494,006 | 757,314 | (165,688) | 591,626 |
| Computer equipment | 1,136,296 | (627,036) | 509,260 | 1,295,373 | (583,639) | 711,734 |
| Paintings | 52,270 | - | 52,270 | 52,270 | - | 52,270 |
| Photocopiers | 645,176 | (247,318) | 397,858 | 645,176 | (118,282) | 526,894 |
| Banners | 40,770 | (40,770) | - | 40,770 | (33,902) | 6,868 |
| Digital equipment | 25,050 | (19,652) | 5,398 | 33,850 | (14,480) | 19,370 |
| Total | 12,468,521 | (2,034,422) | 10,434,099 | 9,611,399 | (1,500,882) | 8,110,517 |

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2018

| | Opening balance | Additions | Disposals | Revaluations | Depreciation | Total |
|------------------------|--------------------|----------------|-----------------|------------------|------------------|-------------------|
| Land | 1,611,895 | - | - | 642,261 | - | 2,254,156 |
| Buildings | 4,382,117 | - | - | 1,926,781 | (113,054) | 6,195,844 |
| Furniture and fixtures | 107,048 | 421,114 | - | - | (73,341) | 454,821 |
| Motor vehicles | 100,695 | - | - | - | (30,209) | 70,486 |
| Office equipment | 591,626 | 56,537 | - | - | (154,157) | 494,006 |
| Computer equipment | 711,734 | 128,028 | (16,266) | - | (314,236) | 509,260 |
| Paintings | 52,270 | - | - | - | - | 52,270 |
| Photocopiers | 526,894 | - | - | - | (129,036) | 397,858 |
| Banners | 6,868 | - | - | - | (6,868) | - |
| Digital equipment | 19,370 | - | (5,378) | - | (8,594) | 5,398 |
| | 8,110,517 | 605,679 | (21,644) | 2,569,042 | (829,495) | 10,434,099 |

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - 2017

| | Opening balance | Additions | Disposals | Revaluations | Depreciation | Total |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Land | 1,301,616 | - | - | 310,279 | - | 1,611,895 |
| Buildings | 3,612,447 | - | - | 843,256 | (73,586) | 4,382,117 |
| Furniture and fixtures | 25,989 | 89,034 | - | - | (7,975) | 107,048 |
| Motor vehicles | 130,903 | - | - | - | (30,208) | 100,695 |
| Office equipment | 50,193 | 636,024 | - | - | (94,591) | 591,626 |
| Computer equipment | 190,271 | 715,705 | - | 40,486 | (234,728) | 711,734 |
| Paintings | 52,270 | - | - | - | - | 52,270 |
| Photocopiers | 116,855 | 645,176 | (116,855) | - | (118,282) | 526,894 |
| Banners | 8,116 | - | - | - | (1,248) | 6,868 |
| Digital equipment | 30,653 | - | - | - | (11,283) | 19,370 |
| | 5,519,313 | 2,085,939 | (116,855) | 1,194,021 | (571,901) | 8,110,517 |

2018

R

2017

R

CHANGE IN ESTIMATE: USEFUL LIFE OF ASSETS REVIEW

A change in the estimated useful life of assets in computer equipment and office equipment, resulted in a change in depreciation for the year. NAC discloses the nature and the amount resulting from the change in an accounting estimate that has an effect in the current period and is expected to have an effect in future. This change in estimate is applied prospectively.

Effect of change in accounting estimate on future periods

| | | |
|-----------------------------------|---|--------|
| Increase in depreciation expenses | - | 87,582 |
| Decrease in Income | - | 87,582 |

REVALUATIONS

| | | |
|--------------------|-----------|-----------|
| Land and buildings | 2,569,043 | 1,153,535 |
|--------------------|-----------|-----------|

The effective date of the revaluations was 31 March 2018. Revaluations were performed by independent valuer. Mr Darryl Robert Riley, Professional Valuer, of the Property Partnership. Mr Riley is not connected to the NAC of South Africa. The Income Capitalisation Method was adopted to determine the market value. The estimated value of the property increased from the previous reporting period.

OTHER INFORMATION

Property, plant and equipment fully depreciated and still in use (Gross carrying amount)

| | | |
|--------------------|----------------|----------|
| Banners | 40,770 | - |
| Office equipment | 70,503 | - |
| Computer equipment | 135,220 | - |
| | 246,493 | - |

REPAIRS AND MAINTENANCE

During the 2017/18 financial year, repairs and maintenance cost amounted to R237,447. This is mainly due to repairs of the lift of R30,885, reallocation of the glass door at main reception of R151,834 and repairs of the electrical door of R22,000.

3. INTANGIBLE ASSETS

| | 2018 | | | 2017 | | |
|-------------------------------------|---------------------|-----------------------------------------------------------------|----------------|---------------------|-----------------------------------------------------------------|----------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software | 806,164 | (134,360) | 671,804 | 450,286 | (349,216) | 101,070 |
| Intangible assets under development | - | - | - | 217,405 | - | 217,405 |
| Total | 806,164 | (134,360) | 671,804 | 667,691 | (349,216) | 318,475 |

RECONCILIATION OF INTANGIBLE ASSETS - 2018

| | Opening balance | Additions | Transfers | Amortisation | Total |
|-------------------------------------|--------------------|----------------|-----------|------------------|----------------|
| Computer software | 101,070 | 588,759 | 217,405 | (235,430) | 671,804 |
| Intangible assets under development | 217,405 | - | (217,405) | - | - |
| | 318,475 | 588,759 | - | (235,430) | 671,804 |

RECONCILIATION OF INTANGIBLE ASSETS - 2017

| | Opening balance | Additions | Amortisation | Total |
|-------------------------------------|--------------------|----------------|-----------------|----------------|
| Computer software | 144,295 | - | (43,225) | 101,070 |
| Intangible assets under development | - | 217,405 | - | 217,405 |
| | 144,295 | 217,405 | (43,225) | 318,475 |

ASSETS UNDER CONSTRUCTION

The NAC purchased software for its operations namely, the grant management system, recognised in the prior year as Assets Under Construction. The implementation of this system was broken down into phases, the final of which was completed in the current year.

| | | |
|---------------------------|---|---------|
| Assets under construction | - | 217,405 |
|---------------------------|---|---------|

4. TRADE AND OTHER RECEIVABLES

| | 2018 | 2017 |
|---------------------|----------------|----------------|
| | R | R |
| Trade debtors | 152,947 | 131,771 |
| Staff advances | 21,609 | 16,461 |
| Deposits | 6,477 | 6,477 |
| Interest receivable | 151,945 | 192,391 |
| | 332,978 | 347,100 |

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

| | | |
|--------------------------------|------------|------------|
| Cash on hand | 5,000 | 4,990 |
| Cash at Bank - Current Account | 6,531,880 | 6,147,154 |
| Cash at Bank - Call Account | 27,653,727 | 33,621,749 |

Analysis of Bank Accounts

| | | |
|---------------------------------------|-------------------|-------------------|
| NAC - Petty Cash | 5,000 | 4,990 |
| NAC - Current Account | 6,410,483 | 6,025,809 |
| NAC Downtown Studios- Current Account | (68) | (69) |
| NAC - Call Account | 27,653,727 | 33,621,749 |
| Bank Account UNESCO | 121,465 | 121,414 |
| Total | 34,190,607 | 39,773,893 |

6. TRADE AND OTHER PAYABLES

| | | |
|---------------------|------------------|------------------|
| Trade payables | 200,958 | 79 |
| Accrued leave pay | 594,048 | 533,519 |
| Accrued expenses | 483,919 | 798,589 |
| Salary account | 101,353 | 189,595 |
| Accrued 13th Cheque | 283,616 | 257,108 |
| | 1,663,894 | 1,778,890 |

Trade payables are non-interest bearing and are normally settled on a 30-day term.

An accrual for leave is recognised for leave due to employees at year end and calculated using the BCEA rates. The accrual is expected to be realised within the subsequent financial year when the employees utilise the leave or resign.

| | Opening balance | Current year | Utilised during the year | Movements | Total |
|---------------------------------------------------|-----------------|--------------|--------------------------|-----------|---------|
| RECONCILIATION OF ACCRUED LEAVE PAY - 2018 | | | | | |
| Accrued leave pay | 533,519 | 594,048 | (253,892) | (279,627) | 594,048 |
| RECONCILIATION OF ACCRUED LEAVE PAY - 2017 | | | | | |
| Accrued leave pay | 341,218 | 533,519 | (228,196) | (113,022) | 533,519 |

7. DEFERRED GRANT INCOME

| | 2018 R | 2017 R |
|--------------------------------------|----------------|----------------|
| Movement during the year | | |
| Balance at the beginning of the year | 843,417 | 1,522,570 |
| DAC capital works - Renovations | (616,928) | (679,153) |
| | 226,489 | 843,417 |

8. PROVISIONS

| | Opening balance | Additions | Utilised during the year | Total |
|--------------------------------------------|-----------------|-----------|--------------------------|-----------|
| RECONCILIATION OF PROVISIONS - 2018 | | | | |
| Performance Bonus | 701,981 | 1,316,191 | (416,191) | 1,601,981 |
| RECONCILIATION OF PROVISIONS - 2017 | | | | |
| Performance Bonus | 612,572 | 701,981 | (612,572) | 701,981 |

“Performance bonus” represents management’s best estimate of the company liability for staff bonuses. The provision raised estimates the amount of the provision based on the anticipated performance of employees. This anticipated performance is based on experience with the employees of the company, taking into account performance trends in the prior periods.

9. PROJECTS AND BURSARIES PAYABLE

Projects and bursary expenditure is a core business of the NAC of South Africa. In the prior periods, the NAC recognised the approved funding amounts and related liability after the approval of the projects. Subsequent payments were processed through the liability.

In the year under review, only those projects and bursaries that met the criteria of a present obligation are recognised

Projects and Bursaries Payable

| | | |
|-----------------|---------------------|---------------------|
| Opening Balance | (27,437,460) | (503,435) |
| Net Movement | 1,218,361 | (26,934,025) |
| | (26,219,099) | (27,437,460) |

10. REVALUATION RESERVE

| | 2018 R | 2017 R |
|------------------------|------------------|------------------|
| Opening balance | 4,423,061 | 3,229,040 |
| Change during the year | 2,569,042 | 1,194,021 |
| | 6,992,103 | 4,423,061 |

11. OTHER INCOME

| | | |
|---------------|---------------|----------------|
| Sundry income | 38,015 | 586,634 |
|---------------|---------------|----------------|

Sundry income reflects cellphones that exceeded their useful life and were purchased by NAC staff members. Beneficiaries who have not utilised their grants payments in full and pay the funds back to the NAC are included in Sundry income.

12. INVESTMENT INCOME

Interest revenue

| | | |
|------|------------------|------------------|
| Bank | 1,856,456 | 1,986,369 |
|------|------------------|------------------|

13. REVENUE

| | | |
|----------------------------------|--------------------|--------------------|
| Other income | 38,015 | 586,634 |
| Interest received - investment | 1,856,456 | 1,986,369 |
| Government grants received - NAC | 106,868,673 | 102,054,327 |
| | 108,763,144 | 104,627,330 |

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

| | | |
|--------------------------------|------------------|------------------|
| Other income | 38,015 | 586,694 |
| Interest received - investment | 1,856,456 | 1,986,369 |
| | 1,894,471 | 2,573,003 |

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

| | | |
|-----------------------------------------------------|-------------|-------------|
| Taxation revenue | | |
| Transfer revenue | | |
| Department of Arts and Culture - Grant received NAC | 106,868,673 | 102,054,327 |

14. EMPLOYEE RELATED COSTS

| | 2018 R | 2017 R |
|---------------------------------------|-------------------|-------------------|
| Basic salary | 18,089,938 | 16,695,430 |
| Medical aid - company contributions | 1,445,594 | 1,406,852 |
| Unemployment Insurance Fund (UIF) | 110,852 | 116,191 |
| Workers Compensation Assistance (WCA) | 3,813 | 2,000 |
| Leave pay | 253,892 | 228,196 |
| Provident fund | 1,253,156 | 1,070,332 |
| Pension plans | 873,564 | 863,081 |
| Overtime payments | 59,545 | 22,311 |
| Housing benefits and allowances | 170,844 | 153,239 |
| | 22,261,198 | 20,557,632 |

15. BAD DEBTS

| | | |
|-----------|---|----------------|
| Bad debts | - | 255,412 |
|-----------|---|----------------|

16. OPERATING EXPENSES

| | | |
|-----------------------------------|-------------------|-------------------|
| Auditors' fees (External) | 886,714 | 934,808 |
| Auditors' fees (Internal) | 315,931 | 708,597 |
| Bank charges | 35,186 | 34,739 |
| Cleaning | 76,793 | 61,089 |
| Conference | 1,322 | 17,200 |
| Consulting and professional fees | 1,128,462 | 1,244,774 |
| Expense reimbursements | 25,951 | 33,469 |
| Fuel and oil | 18,130 | 28,114 |
| IT expenses | 845,520 | 632,464 |
| Insurance | 203,463 | 309,598 |
| Interest paid | 1,957 | 460 |
| Marketing | 2,218,710 | 2,108,363 |
| Minor assets expense | 11,047 | 197,492 |
| Monitoring of projects | 234,017 | 1,003,792 |
| Motor vehicle expenses | 224,070 | 236,474 |
| Office expenses | 80,787 | 109,694 |
| Postage and courier | 20,456 | 9,602 |
| Printing and stationery | 443,255 | 423,612 |
| Recruitment costs | 42,933 | 13,473 |
| Remuneration - Council and Panel | 2,207,830 | 1,100,748 |
| Repairs and maintenance | 237,448 | 697,757 |
| Security | 328,620 | 320,852 |
| Staff training | 131,645 | 371,772 |
| Staff welfare | 25,626 | 2,000 |
| Subscriptions and membership fees | 102,831 | 24,740 |
| Telephone and fax | 578,584 | 889,023 |
| Travel and accommodation | 1,415,431 | 1,079,457 |
| Venue expenses | 196,331 | 123,363 |
| Water and electricity | 548,330 | 403,935 |
| | 12,587,380 | 13,121,461 |

17. PROJECT AND BURSARY EXPENSES

| | 2018 R | 2017 R |
|---------------------------------------|-------------------|--------------------|
| Basic salary | 8,414,772 | 32,653,143 |
| Medical aid - company contributions | 22,146,000 | 20,912,000 |
| Unemployment Insurance Fund (UIF) | 30,454,030 | 31,407,708 |
| Workers Compensation Assistance (WCA) | 10,586,232 | 10,018,774 |
| Leave pay | 5,666,717 | 5,894,865 |
| | 77,267,751 | 100,886,490 |

The project costs comprise of ring-fenced money for Orchestras.

18. CASH USED IN OPERATIONS

| | | |
|------------------------------------|--------------------|--------------------|
| Deficit | (4,439,254) | (30,925,647) |
| Adjustments for: | | |
| Depreciation and amortisation | 1,064,925 | 654,079 |
| Disposal of assets | 21,144 | 77,903 |
| Bad debts | - | 255,412 |
| Movements in provisions | 900,000 | 89,409 |
| Changes in working capital: | | |
| Trade and other receivables | 14,122 | (267,770) |
| Trade and other payables | (114,996) | 800,793 |
| Deferred grant income | (616,928) | (679,153) |
| Movement in administered funds | - | (426,947) |
| Projects and bursaries payable | (1,218,361) | 26,934,025 |
| | (4,389,348) | (3,487,896) |

19. COMMITMENTS

Projects: Not yet contracted for and authorised by Council/Committee

| | | |
|-----------------------------------------|------------------|-------------------|
| Expired Projects - 2015 | 638,920 | 638,920 |
| Expired Flagship projects - 2017 | 673,511 | 673,511 |
| Expired Projects - 2016 | 1,209,370 | 1,901,814 |
| RMB Primary Schools' Research | 270,000 | 270,000 |
| Research and Database | 2,000,000 | 2,000,000 |
| Provincial Projects | - | 5,000,000 |
| Seychelles | - | 300,000 |
| | 4,791,801 | 10,784,245 |

Projects Approved by DAC

| | | |
|--------------------------------------------|---------|---------|
| NAC Health and Safety Building Improvement | 226,489 | 843,417 |
|--------------------------------------------|---------|---------|

Total capital commitments

| | | |
|--------------------------------------------------|------------------|-------------------|
| Not yet contracted for and authorised by members | 4,791,801 | 10,784,245 |
| Projects - Approved by DAC | 226,489 | 843,417 |
| UNESCO | 121,465 | 121,414 |
| | 5,139,755 | 11,749,076 |

2018
R

2017
R

The accumulated surplus from prior years will be utilised as outlined above. This committed expenditure relates to projects contracted for but have not yet received funds. Some of these contracts are due to projects not being completed as yet or awaiting project closure reports and annual financial statements as required by the stipulated funding conditions.

20. RELATED PARTIES

Relationships

| | |
|---------------------------------|------------------------------------|
| Department of Arts and Culture | Controlling Entity - Grant |
| National Heritage Council | Public entity under common control |
| Council members - Non-executive | Refer to note 21 |
| Members of key management | Refer to note 21 |

Related party transactions

Amount paid to (received from) related and former related parties

| | | |
|--------------------------------|---------------|---------------|
| Department of Arts and Culture | (106,868,673) | (102,054,327) |
| National Heritage Council | 162,000 | - |

21. EMOLUMENTS

EXECUTIVE

2018

| | Basic Salary | Salary Structure - 13th Cheque | Performance Bonus | Travel Allowance | Other benefits | Total* |
|----------------------------------------------------------|------------------|--------------------------------|-------------------|------------------|----------------|------------------|
| Chief Executive Officer | 1,381,348 | - | - | 344,540 | - | 1,725,888 |
| Chief Financial Officer - D. Dlamini (resigned Nov 2017) | 1,018,607 | 120,914 | 163,312 | - | 72,010 | 1,374,843 |
| Chief Financial Officer - K. Son (appointed Jan 2018) | 227,688 | - | - | - | - | 227,688 |
| Arts Development Manager | 1,027,849 | 87,703 | 109,588 | - | 10,536 | 1,235,676 |
| Finance Manager | 941,778 | - | - | - | 40,621 | 982,399 |
| IT Manager | 802,988 | - | - | - | - | 802,988 |
| Communications & Marketing Specialist | 736,980 | - | 71,901 | - | - | 808,881 |
| Council Secretary | 796,555 | - | , | - | 10,406 | 806,961 |
| Project Manager in CEO's Office | 355,376 | - | , | - | 21,920 | 377,296 |
| HR Manager - T. Matsipa | 440,000 | - | 717 | - | 22,760 | 463,477 |
| HR Manager - T. Selai (appointed January 2018) | 149,223 | - | - | - | - | 149,223 |
| | 7,878,392 | 208,617 | 345,518 | - | 178,253 | 8,955,320 |

EXECUTIVE

2017

| | Basic Salary | Salary Structure - 13th Cheque | Performance Bonus | Travel Allowance | Other benefits | Total* |
|--------------------------------------------------------------------|------------------|--------------------------------|-------------------|------------------|----------------|------------------|
| Executive Officer | 1,252,422 | - | 155,801 | 363,230 | - | 1,771,453 |
| Chief Financial Officer 1 | 1,394,885 | 119,076 | 147,427 | - | - | 1,661,388 |
| Arts Development Manager | 926,291 | 79,093 | 34,718 | - | 10,536 | 1,050,638 |
| Finance Manager | 915,238 | - | 34,718 | - | - | 949,956 |
| IT Manager | 748,358 | - | 2,500 | - | - | 750,858 |
| Communications & Marketing Specialist | 670,089 | - | 61,425 | - | - | 731,514 |
| Council Secretary | 678,374 | 56,531 | 2,500 | - | 10,406 | 747,811 |
| Project Manager in CEO's Office (01 April 2015 - 31 March 2016) | 600,000 | - | - | - | - | 600,000 |
| Project Manager in CEO's Office (01 March 2016 - 31 March 2016) | 160,000 | - | - | - | - | 160,000 |
| | 7,345,657 | 254,700 | 439,089 | 363,230 | 20,942 | 8,423,618 |

*The total remuneration is the cost to company package to the National Arts Council.

NON-EXECUTIVE - COUNCIL MEMBERS

2018

| | Remuneration |
|----------------------------|------------------|
| Ms. Erica Elk | 115,148 |
| Ms. Nakedi Ribane | 99,115 |
| Mr. Michael Arendse | 105,790 |
| Ms. Jabu Dlamini | 141,283 |
| Ms. Same Mdluli | 63,218 |
| Mr. Zolani Mkiva | 45,155 |
| Mr. Phumzile Apleni | 66,347 |
| Mr. Masengana Mabuza | 111,638 |
| Ms. Thokozile Nogabe | 75,251 |
| Ms. Avril Joffe | 112,055 |
| Ms. Thandiwe Profit-Mclean | 101,601 |
| Ms. Mmathebe Moja | 29,501 |
| Mr. Bongani Mavuso | 88,054 |
| Prof. Sekgothe Mokgoatsana | 97,220 |
| Mr. Hartly Ngoato | 383,096 |
| Mr. Edmund Mhlongo | 63,157 |
| Ms. Mandie Van Der Spuy | 97,639 |
| Mr. Pheni Ngove | 56,061 |
| Ms. Maleshini Naidoo | 18,556 |
| | 1,869,885 |

The term of the previous Council started on 1 September 2015 until 31 August 2016. The CEO was appointed as Interim Accounting Authority from 01 September 2016 until 31 December 2016, following which the new Council was appointed on the 01 January 2017. The following information relates to the current council:

NON-EXECUTIVE - COUNCIL MEMBERS

2017

| | Remuneration |
|----------------------------|---------------|
| Ms. Nakedi Ribane | 4,280 |
| Ms. Jabu Dlamini | 8,560 |
| Mr. Zolani Mkiva | 2,140 |
| Ms. Avril Joffe | 4,280 |
| Ms. Thandiwe Profit-Mclean | 4,280 |
| Ms. Mmathebe Moja | 2,140 |
| Mr. Hartly Ngoato | 10,479 |
| Ms. Mandie Van Der Spuy | 4,280 |
| Mr. Pheni Ngove | 4,280 |
| | 44,719 |

The term of the following council members ended on 31 August 2016:

| | Remuneration |
|-----------------------------------------|----------------|
| Ms. Erica Elk - still on council | 41,760 |
| Mr. Mohau Samuel Mphomela | 65,165 |
| Ms. Nakedi Ribane - still on council | 37,584 |
| Mr. David Maahlamela | 50,211 |
| Ms. Jabu Dlamini | 43,200 |
| Mr. Zolani Mkiva | 36,312 |
| Mr. Zanemali Bani | 20,880 |
| Ms. Boitumelo Bopape | 22,668 |
| Ms. Jayesper Moopen | 43,330 |
| Ms. Nontobeko Ntombela | 12,528 |
| Ms. Belisa Rodrigues | 14,946 |
| Ms. Georgina Thomson | 41,760 |
| Ms. Kim Matthews | 49,262 |
| Mr. Wandile Kasibe | 20,880 |
| Mr. Thami Kubheka | 36,230 |
| Mr. Phumzile Apleni | 12,528 |
| Mr. Masengana Mabuza | 25,056 |
| Ms. Thokozile Nogabe - still on council | 12,528 |
| | 586,828 |

Non-executive - Panel Members

In terms of the National Arts Council Act, the Council may establish an advisory panel for every field of the arts it deems necessary. Membership of each advisory panel consists of persons who have achieved distinction or have special knowledge or experience in the field of the arts in question, and who are not members of the Council. The advisory panels advise the Council on the merits of applications for grants and on any matter relating to the field of the arts for which they were appointed

NON-EXECUTIVE - PANEL MEMBERS

2018

Remuneration

| | |
|--------------------------|----------------|
| Ms. Lizelle Julie | 21,128 |
| Mr. Londiwe Langa | 12,889 |
| Mr. Jacob Leboko | 21,128 |
| Mr. Othusitse Mabilo | 8,451 |
| Mr. Nthabiseng Makhene | 21,355 |
| Ms. Nomsa Mdlalose | 8,451 |
| Mr. Wandile Mgcodo | 22,548 |
| Mr. Lionel Mkhwanazi | 8,451 |
| Mr. Mamela Nyamza | 16,902 |
| Mr. Pj Sabbagha | 27,839 |
| Ms. Marie-heleen Coetzee | 16,902 |
| Mr. Monwabisi Grootboom | 9,003 |
| Mr. Moses Monamodi | 8,451 |
| Ms. Tracey Rose | 16,902 |
| Ms. Bulelwa Bam | 16,902 |
| Mr. Mohlatlego Molele | 12,677 |
| Mr. Coleen Emmenis | 19,316 |
| Ms. Kim Cassels | 25,354 |
| Mr. Andile Ma Afrika | 25,812 |
| Mr. Tsietsi Mohapi | 25,844 |
| Ms. Christina Jikelo | 25,444 |
| | 371,749 |

NON-EXECUTIVE - PANEL MEMBERS

2017

| | Remuneration |
|--------------------------|--------------|
| Mr. Michael Arendse | 26,548 |
| Ms. Igor Dlamini | 12,756 |
| Ms. Nikki Froneman | 12,677 |
| Ms. Lizelle Julie | 12,723 |
| Mr. Londiwe Langa | 12,677 |
| Mr. Jacob Leboko | 21,128 |
| Mr. Tebogo Maahlamela | 62,738 |
| Mr. Othusitse Mabilo | 12,677 |
| Mr. Nthabiseng Makhene | 21,707 |
| Ms. Nomsa Mdlalose | 46,746 |
| Mr. Wandile Mgcodo | 31,863 |
| Mr. Lionel Mkhwanazi | 16,902 |
| Ms. Mamela Nyamza | 12,941 |
| Mr. Pj Sabbagha | 18,552 |
| Mr. Menzi Thango | 40,175 |
| Ms. Marie-Heleen Coetzee | 12,677 |
| Mr. Monwabisi Grootboom | 12,941 |
| Ms. Same Mdluli | 25,354 |
| Ms. Tracey Rose | 8,451 |
| Ms. Bulelwa Bam | 21,352 |
| Mr. Molele Mohlatlego | 38,460 |
| Mr. Emmenis Coleen | 9,606 |

491,651

AUDIT AND RISK COMMITTEE MEMBERS

2018

| | Remuneration |
|----------------------------------------------------------------|--------------|
| Ms. Avril Joffe* | 19,496 |
| Ms Maleshini Naidoo | 4,516 |
| Ms. Mmathebe Moja* | 13,076 |
| Mr. Sikhuthali Nyangintsimbi - External Audit Committee Member | 38,412 |
| Mr. Nchoke Raphela - External Audit Committee Member | 15,314 |

90,814

AUDIT AND RISK COMMITTEE MEMBERS

2017

| | Remuneration |
|----------------------------------------------------------------|--------------|
| Ms. Mmathebe Moja* | 4,280 |
| Mr. Thami Kubheka* | 12,528 |
| Mr. David Wa Maahlamela - External Audit Committee Member | 12,528 |
| Mr. Sikhuthali Nyangintsimbi - External Audit Committee Member | 4,280 |
| Mr. Nchoke Raphela - External Audit Committee Member | 4,280 |

37,896

*Some members of the Audit and Risk Committee members are also members of the Council. Their remuneration in their capacity as council members is disclosed under “Non-executive - Council members” (above).

22. IRREGULAR EXPENDITURE

| | 2018 R | 2017 R |
|------------------------------------------------------------------------------------|-------------------|-------------------|
| Opening balance | 24,912,501 | 24,912,501 |
| Add: Irregular Expenditure - incurred in current year | 511,720 | - |
| Add: Irregular Expenditure - incurred in prior year but identified in current year | 1,753,049 | - |
| Less: Irregular expenditure written off | - | - |
| Less: Irregular expenditure recovered | - | - |
| Less: Irregular expenditure condoned | - | - |
| | 27,177,270 | 24,912,501 |

Analysis of expenditure awaiting condonation per age classification

| | | |
|--------------|-------------------|-------------------|
| Current year | 511,720 | - |
| Prior years | 26,665,550 | 24,912,501 |
| | 27,177,270 | 24,912,501 |

Expenditure relating to operating expenses exceeded the budget for the year.

The closing balance for irregular expenditure includes items inherited from prior years, the first of which was recorded in the 2009 financial year at R7,509,560. The amount further increased by R17,402,941 in the 2010-2014 financial years to R24,912,501. Investigation was concluded, and the relevant documentation submitted to National Treasury for condonement.

23. FRUITLESS AND WASTEFUL EXPENDITURE

| Incident | Disciplinary Steps / criminal proceedings | 2018 | 2017 Restated |
|---------------------------------------------------------------------------------|-------------------------------------------|--------------|---------------|
| During the financial year, management discovered the interest on late payments. | NO | 1,957 | 460 |
| | | 1,957 | 460 |

24. GOING CONCERN

We draw attention to the fact that at 31 March 2018, the entity had accumulated surplus of R8,925,922 and that the entity's total assets exceed its liabilities by R15,918,025.

The audited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The accumulated surplus of R8,925,922 includes projects contracted but not fully paid and projects approved by Council but not contracted. The NAC submitted the request to National Treasury to retain the surplus.

25. RISK MANAGEMENT

LIQUIDITY RISK

The National Arts Council of South Africa manages liquidity through the management of working capital, capital expenditure and cash flow and by variance reports between actual and budget items.

| AS AT 31 MARCH 2018 | INTEREST RATE % | YEAR 1 | YEAR 1 - 5 | OVER 5 YEARS |
|--------------------------|-----------------|---------|------------|--------------|
| Trade and other payables | Interest free | 226,489 | - | - |

| AS AT 31 MARCH 2017 | INTEREST RATE % | YEAR 1 | YEAR 1 - 5 | OVER 5 YEARS |
|--------------------------|-----------------|---------|------------|--------------|
| Trade and other payables | Interest free | 843,417 | - | - |

| | 2018 R | 2017 R |
|------------------------------|-------------------|-------------------|
| Financial Instruments | | |
| Cash and cash equivalents | 34,190,607 | 39,773,893 |
| Trade and other receivables | 332,978 | 347,100 |
| Trade and other Payables | (1,663,895) | (1,778,887) |
| | <u>32,859,690</u> | <u>38,342,106</u> |

As at 31 March 2018 the carrying values of cash and cash equivalents, trade and other payables approximate their fair values due to the short-term maturities of these assets and liabilities as disclosed above

CREDIT RISK

Credit risk is the risk of economic loss should any of NAC's clients or market counterparties fail to fulfill their contractual obligations.

Financial assets, which potentially subject the entity to the risk of non-performance by counter parties and thereby subjecting it to credit concentrations of credit risk, consist mainly of cash and cash equivalents, investments and accounts receivable.

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The entity managed to limit its exposure by only dealing with well-established financial institutions, approved by the National Treasury. The entity's exposure is continuously monitored by the Accounting Authority. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

LIQUIDITY RISK

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

OTHER PRICE RISK

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

| 2018 | Change in investment | Upward change | Downward change |
|---------------------------|----------------------|---------------|-----------------|
| Cash and cash equivalents | 1% | 313,830 | (25,340) |
| 2017 | Change in investment | Upward change | Downward change |
| Cash and cash equivalents | 1% | 455,667 | (455,667) |

26. CONTINGENCIES

Contingencies in the current year comprise a contingent liability of R 35, 623,91 that might be payable to UNESCO as at year end.

27. PRIOR PERIOD ERRORS

Projects and bursaries were previously incorrectly classified as commitments rather than as payables and were not recorded in the statement of financial performance and position. The prior period has been adjusted retrospectively.

Movement in projects and bursaries payable were incorrectly classified as cash flows from financing activities in the prior year. The amounts have now been presented as cash flows from operating activities.

The accrued 13th Cheque liability and expense for the year were not recognised in trade and other payables, and employee- related expenses respectively.

The correction of the error(s) results in adjustments as follows:

| Statement of financial position | 2017 (as previously stated) | Correction | 2017 (Restated) |
|--------------------------------------------|--------------------------------|--------------|--------------------|
| Projects and bursaries payable | (643) | (27,436,817) | (27,437,460) |
| Trade and other payables | (1,521,782) | (257,108) | (1,778,890) |
| Statement of financial performance | 73,449,673 | 27,436,817 | 100,886,490 |
| Projects and bursaries expenses | 20,300,524 | 257,108 | 20,557,632 |
| Employee related costs | (3,231,722) | (27,693,925) | (30,925,647) |
| Deficit for the year | | | |
| Statement of changes in equity | | | |
| Accumulated Surplus | 41,059,101 | (27,693,925) | 13,365,176 |
| Cash flow statement | 2017 (as previously stated) | Correction | 2017 (Restated) |
| Cash flow from operating activities | | | |
| Projects and bursaries | (73,449,030) | (5,037,082) | (78,486,112) |
| Cash flow from financing activities | | | |
| Movement in projects and bursaries payable | 502,792 | (502,792) | - |





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