



NATIONAL FILM AND VIDEO FOUNDATION ANNUAL REPORT 2017/2018



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

igniting your stories

JARRID GEDULD

JILL LEVENBERG

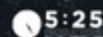
ELTON LANDREW

Ellen

the **ellen**pakkies story



THE MOVING BILLBOARD PICTURE COMPANY PRESENTS A KYNET FILMS PRODUCTION A FILM BY DARYNE JOSHUA "ELLEN" DARYNE JOSHUA FILM PRODUCED BY SCHALK WILLEM BURGER & PAULO AREAL
STARRING JILL LEVENBERG, JARRID GEDULD, ELTON LANDREW, CLINT BRINK, AMRAIN ISMAIL, ESSOP, ILSE KLINK & RUSSEL SAVADIER SCREENPLAY BY AMY JEPHTHA DIRECTOR OF PHOTOGRAPHY ZENN VAN ZYL EDITOR BATHONI ROBINSON
COSTUME DESIGNER DIANTHUS ENGELBRECHT EXECUTIVE PRODUCERS MARI COMPAGNE PRODUCED BY QUINN LUGGE PRODUCED BY JEAN NIEMAND PRODUCED BY C.A. VAN ASMIEGEN DIRECTED BY DARYNE JOSHUA
PRODUCED BY SCHALK WILLEM BURGER & PAULO AREAL EXECUTIVE PRODUCED BY KAYE-ANN WILLIAMS & ANNEKE VILLET PRODUCED BY PAULO AREAL, JAN DU PLESSIS & KAREN MEIRING



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1. GENERAL INFORMATION

REGISTERED NAME:	National Film and Video Foundation
REGISTRATION NUMBER (if applicable):	Act 73 of 1997
PHYSICAL ADDRESS:	87 Central Street Houghton 2198
POSTAL ADDRESS:	Private Bag X04 Northlands 2116
TELEPHONE NUMBER/S:	+27 11 483 0880
FAX NUMBER:	+27 11 483 0881
EMAIL ADDRESS:	info@nfvf.co.za
WEBSITE ADDRESS:	www.nfvf.co.za
EXTERNAL AUDITORS:	Auditor General
BANKERS:	First National Bank
COMPANY/ BOARD SECRETARY	First Corporate Secretaries (Pty) Ltd

2. LIST OF ABBREVIATIONS/ ACRONYMS

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





3. FOREWORD BY THE CHAIRPERSON

Introduction

The National Film and Video Foundation (NFVF) is pleased to present its annual report on the programmes implemented in fulfilling its constitutional mandate and other legislative requirements. The NFVF as the custodian of the film and video industry in the country is documenting achievements, challenges and limitations encountered while delivering on its mandate for the financial year 2017/18.

Strategy and Performance of the Entity

During the 2017/18 financial year, the NFVF continued to deliver on its mandate and objectives through strengthened partnerships with the various provincial film commissions, market activations, film festivals, media and public relations initiatives, funding of roadshows and robust stakeholder engagements. Programmes adopted to increase audience access to South African films include collaborations with key entities such as the Gauteng Film Commission (GFC), KwaZulu-Natal Film Commission (KZNFC), WESGRO (Western Cape) and the Eastern Cape Provincial Arts and Culture Council (ECPACC) in funding and participating at local markets and film festivals. These partnerships were enhanced through a range of marketing and brand activations during the various film festivals, e.g. Durban International Film Festival, Grahamstown National Arts Festival, Ugu Film Festival, Eastern Cape Film Festival and the Encounters South Africa International Documentary Festival.

Interventions towards industry transformation and gender equality as well as improved intergovernmental relations and subsequent strategic alignment in the implementation of programmes, created a collaborative service delivery environment and led to greater efficiencies for our various stakeholders.

Acknowledgments

I would like to acknowledge the Minister of Arts and Culture, Honourable Nathi Mthethwa, for his leadership and continued support of the NFVF as well as the audio-visual industry in its entirety.

I would also like to acknowledge and thank the NFVF Council members for their indefatigable commitment, and wish them a successful journey during their tenure as anchors of this transmuting organisation. I would like to acknowledge the NFVF leadership and dedicated staff members who continue to significantly contribute towards the realisation of our overall objectives of industry transformation, development, and the promotion of the local film and video industry; at local and international markets.

The NFVF is responsive to regular industry challenges of innovation in order to add value to the film industry through various service offerings, policy development and programmes with very limited financial and human resources. I acknowledge that there continues to be challenges that we, as a collective have made progress towards the resolution thereof and in achieving our organisational objectives, aligned to our mandate. I am confident that through effective public and private partnerships we will take the audio-visual industry to new heights and continue to build an equitable and sustainable industry.

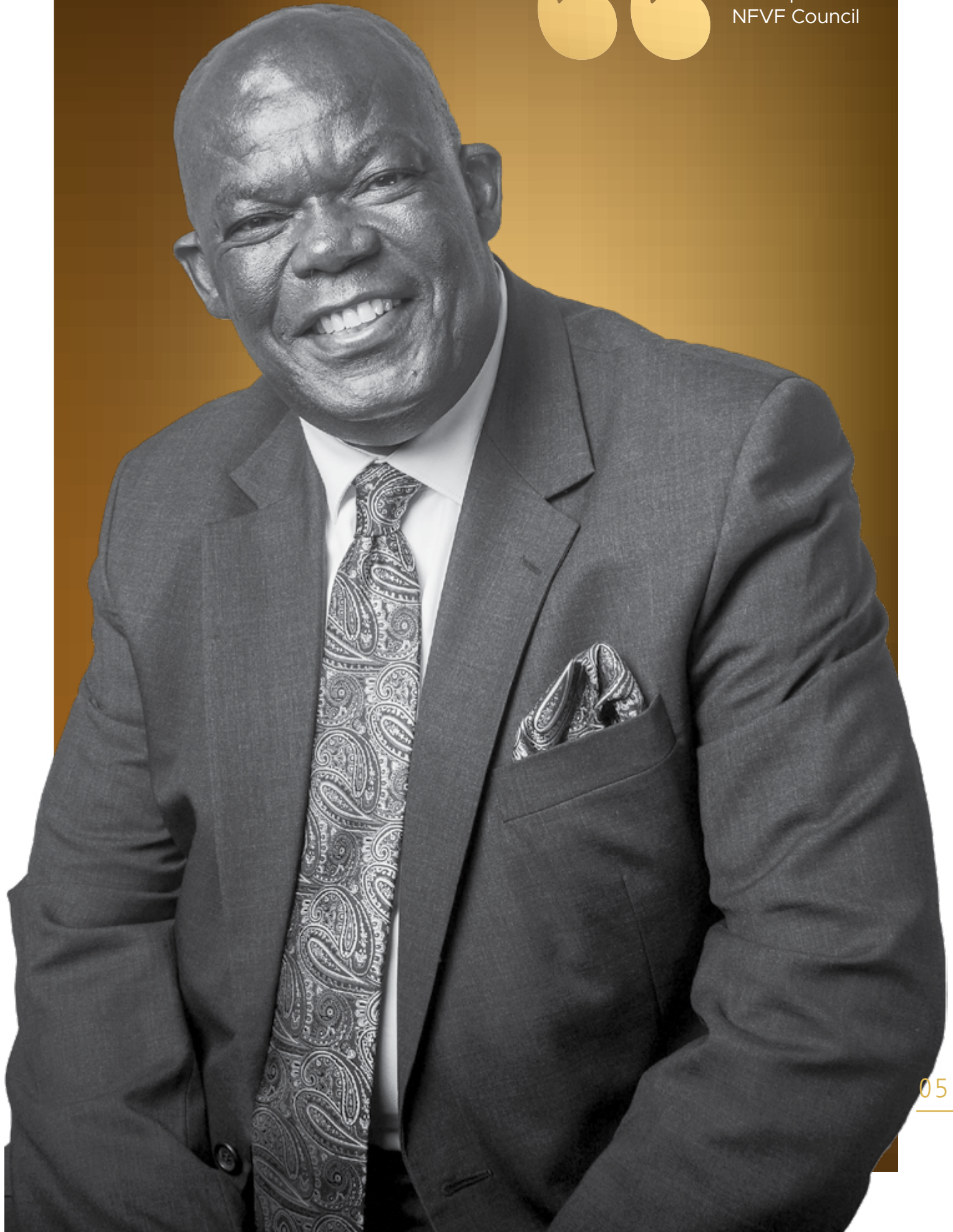


Mr Phillip Molefe

Chairperson of Council
National Film and Video Foundation



Mr Phillip Molefe
Chairperson:
NFVF Council



4. ACTING CHIEF EXECUTIVE OFFICER'S OVERVIEW

Introduction

Firstly, I would like to acknowledge the previous NFVF CEO, Ms Zama Mkosi for her contribution towards the growth of the NFVF and the film industry at large. We honour her dedication and commitment to the organisation and its various stakeholders.

The year under review, 2017/18 financial year has empowered the National Film and Video Foundation (NFVF) to thrive and continue to achieve significant successes in its endeavours towards industry transformation and growth amidst challenging times.

Our focus towards the growth of previously socially challenged youth and women in the industry has yielded positive results through partnerships with various provinces, strategic entities and community interventions in the past year; and we continue to ensure equitable growth towards industry development, job creation and social cohesion in the local Film and Video industry.

Achievements

I am proud of the achievements made by not only the NFVF, but by the industry at large, to date. We have experienced a progressive growth trajectory in industry transformation and development across all spheres of the audio-visual industry, as aligned to our mandate namely:

An Increased number of interns and bursaries through additional funding from the MICT SETA partnership and an over accomplishment by a total of 128 bursaries awarded, including the recruitment of 120 interns, and overall success in entry to market by young filmmakers and the current school's programme.

Our support and launch of platforms towards the redress of gender matters in the South African Film and Television industry has marked the beginning

of a collective journey and highlighted some of the challenges faced by SA female filmmakers which remain one of our primary areas of focus in the eradication of factors and challenges that impend a meaningful participation by women in the industry. I acknowledge positive indicators of inclusion such as the increase in the number of women coming into the industry and specifically in leading roles such as producers, directors and even writers. Strategies such as our collaboration with international countries outside the existing co-production treaties and the NFVF's Female Filmmakers Slate Project have been instrumental in creating opportunities and opening up the co-production platform for emerging black filmmakers as well as the correction of the disparity between men and women in the film industry.

The total funding granted for script development has grown from 14% in 2015/16 to 54% percent in the past two years; with Gauteng, Western Cape and KwaZulu-Natal being the largest recipients of funding from the NFVF with very few projects funded from other provinces.

The last year has seen the country's films winning awards and receiving nominations at prestigious events like the Hot Docs Canadian International Documentary Festival, Durban International Film Festival, Toronto International Film Festival, International Emmy Awards, and the Berlin Film Festival among others. South African film *Inxeba/ The Wound* being short listed in the top 9 films to advance in the Oscars race for Best Foreign Language Film is a noteworthy achievement. A total of R 1 193 billion box office gross was recorded, with 23 South African movies released.

The 12th Annual South African Film and Television Awards were hosted in conjunction with The Nelson Mandela and Albertina Sisulu Centenary celebrations, under the theme "Our Stories Are Gold" proved to be a resounding success through depth in lieu of focus in a high budget production and achieved desired outcomes amidst challenges.



Shadrack Bokaba
Acting
NFVF CEO

We were assisted by a total of 262 judges with 58% of them being black and 52% female and received a total of 348 entries in 79 categories. I would like to thank all our partners, The North West Department of Culture, Arts and Traditional Affairs (CATA), Mc Café, Ster-Kinekor, Industrial Development Corporation (IDC), Sun International, industry stakeholders and the public for their commitment in celebrating and rewarding South Africa's creative excellence in the film and video industry.

A big thank you to the NFVF Council for their support, as well as the executive team and staff members for your dedication in the past year and I look forward to the successful implementation of the NFVF's new organisational structures in the 2018/19 which is fully aligned to the NFVF operations and a further commitment towards industry growth and transformation

As the Acting CEO, I would also like to extend gratitude to Ms Nondumiso Madlala, the NFVF's Acting CFO for her hard work and service to the NFVF. I welcome the appointment of the new NFVF CFO, Ms Mbalu Buthelezi and Ms Joy Mawela as the Head of Industry Development and Promotions. May they lead the organisation and industry to great success.

Yours faithfully

Shadrack Bokaba
Acting CEO
National Film and
Video Foundation



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

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

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

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

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

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

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

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

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

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2018.

Yours faithfully



Shadrack Bokaba

Acting CEO

National Film and Video Foundation

31 July 2018



Mr. Phillip Molefe

Chairperson of Council

National Film and Video Foundation

31 July 2018



6. STRATEGIC OVERVIEW

6.1 Vision

A leader towards a sustainable and diverse audio-visual industry.

6.2 Mission

To collaborate with all stakeholders to enable the development and promotion of a transformed and thriving audio-visual industry.

6.3 Values

- Creativity
- Freedom of expression
- Entrepreneurship
- Equitable redress
- Collaboration

6.4 Strategic Outcome Orientated Goals

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

7. LEGISLATIVE AND OTHER MANDATES

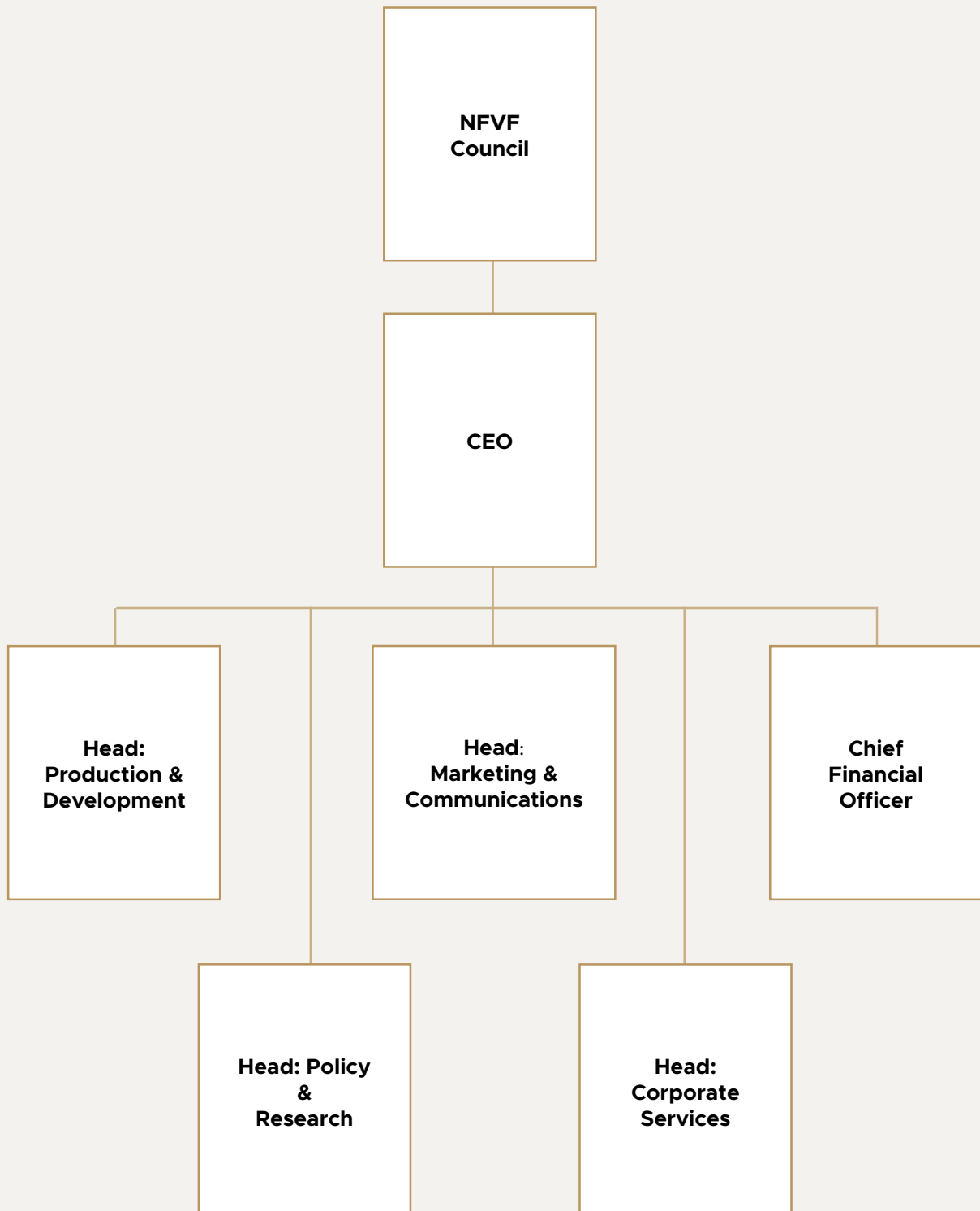
The National Film and Video Foundation (NFVF) is a Schedule 3A Public Entity in terms of the PFMA. The NFVF is governed by the National Film and Video Foundation Act 73 of 1997 as amended by the Cultural Laws Amendment Act 36 of 2001.

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

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



8. ORGANISATIONAL STRUCTURE



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PART B: PERFORMANCE INFORMATION





1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2018

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

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

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the public entity for the financial year ended 31 March 2018.

The National Film and Video Foundation performance information for the year ended 31 March 2018 has been examined by the external auditors and their report is presented on page 76.

The performance information of the entity set out on page 22 to page 49 was approved by the NFVF Council.



Shadrack Bokaba

Acting CEO

National Film and Video Foundation

31 July 2018



2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 76 of the Annual Report (Auditor's Report), published in Part E: Financial Information.

3. SITUATIONAL ANALYSIS

3.1 Service Delivery Environment

During the period under review the NFVF awarded 2 slates for the Youth and Female Filmmakers Projects to two black emerging companies which seek to mentor 30 young and 30 female filmmakers in the next 3 years.

As part of the celebration of Nelson Mandela's Centenary, the NFVF in partnership with the Department of Arts and Culture commissioned two documentaries that (DAC) launched during Nelson Mandela International Day in July 2018. For heritage month, two documentaries were commissioned with an objective to showcase our rich culture and heritage.

Improved intergovernmental relations and subsequent strategic alignment in the implementation of programmes, created a collaborative service delivery environment and led to greater efficiencies for our various stakeholders.

The NFVF has collaborated with international countries outside the existing co-production treaties in creating opportunities and opening up the co-production platform for emerging black filmmakers.

3.2 Organisational Environment

The NFVF OD process for a possible new organisational structure in the 2017/18 financial year is underway. The process to review organisational structure is fully aligned to the NFVF's operations. The 360° Performance Management System is still at its optimum and both employees and management have seen value in a performance system that takes into consideration the employee's score and the overall organisation performance. As a result of the performance review, training needs were identified and executed.

3.3 Key Policy Developments and Legislative Changes

There has been a number of proposed laws that will impact on the audio-visual industry and the NFVF. The revised White Paper on Arts, Culture and Heritage of November 2016 introduced a new cultural policy for the arts in South Africa. The White Paper proposes the establishment of a South African Audio-Visual and Arts Council made up of the NFVF and the National Arts Council (NAC). The White Paper makes reference to a single council while the functions of the two entities will remain operationally separate. The NFVF accordingly, made a written policy submission to the DAC in response to the White Paper process and call for comments.

The Copyright Amendment Bill as well as the Performers Protection Bill were also revised by the Department of Trade and Industry (DTI). Significant changes include the introduction of moral and economic rights in the Performers Protection Bill as well as the introduction of a fair use clause in the Copyright Amendment Bill. With specific relevance to the film industry, is the argument for a change in the automatic ownership of intellectual property rights by commissioners of content. The NFVF attended the Copyright Amendment Bill hearings held in Parliament in August 2017. A written policy submission was made to the Parliament Portfolio Committee on the Copyright Amendment Bill ahead of the hearings.

The Film and Publication Board (FPB) reviewed its classification guidelines and released a discussion document. The NFVF has participated on a task team initiated by the Film and Publication Board.

3.4 Strategic Outcome Oriented Goals

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

The film industry is one of the key sectors that can provide job creation and economic growth, given the labour-intensive nature of film production. However, to ensure a sustainable industry that contributes to the national economy, an increase in skills development is pertinent for growth and development as an upskilled labour force directly impacts on the number of local film productions. The major skills gaps as identified by the NFVF continue to hinder the industry from sourcing adequate and alternative financing resources and or models to produce films that could perform locally and internationally. These gaps are dominant in screenwriting, directing and executive producing and the NFVF has devised interventions accordingly.

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

Develop appropriate policy interventions for the industry

During the year under review, the NFVF developed an information manual in compliance with the Promotion of Access to Information Act, 2002. The information manual that will be lodged with the South African Human Rights Commission details the business of the NFVF, the designated information officers, type of records held by the NFVF and the procedure to access such records.

Other policies were reviewed as part of the annual policy review exercise. The annual review ensures that amendments are made where policy inefficiencies and gaps have been addressed. Feedback is received from the industry, NFVF staff, internal audit, Council committees and panel members to ensure alignment with the NFVF's strategic objectives and pieces of legislation that must be complied with.





Increase number of South African films produced and PDIs producing them

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

Promote the South African Film Industry locally and internationally

The role of Marketing and Communications within the NFVF has grown in importance and focuses on the broad Marketing and Communications strategy of the NFVF. Furthermore, our objective is to create an appetite for South Africans to watch local films and to create awareness of South African produced films.

Implementation of the NFVF's global positioning strategy and effective promotion of South African films, the South African Film Industry, and the NFVF brand both locally and globally under the positioning statement of "igniting your stories..."

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

1. Opening up Markets for South African content:

- To find new markets for the distribution of South African feature films, documentaries and television concepts.

2. Securing Partnerships for Co-Production:

- To find new partners to co-produce, co-finance, distribute and or sell South African feature films, documentaries and television concepts; and
- To explore co-production challenges and opportunities with those countries with whom co-production treaties exist.

3. Skills Exchange and Skills Development Opportunities:

- To foster and build relations with institutions for best practise; and
- To position South African filmmakers in global platforms aimed at professional and business skills development.

4. Positioning of the South African Film Industry (as a filmmaking destination and a production partner):

- To market South Africa as a preferred filmmaking destination as well as a co-production partner.

The last year has seen the country's films winning awards and receiving nominations at prestigious events like the Hot Docs Canadian International Documentary Festival, Durban International Film Festival, Toronto International Film Festival, International Emmy Awards, and Berlin Film Festival among others. The South African film, *Inxeba/The Wound*, being short listed in the top 9 films to advance in the Oscars race for Best Foreign Language Film, is a noteworthy achievement.

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

In response to the NFVF's mandate and objectives of increasing audience access to South African films, the NFVF continued to run a series of roadshows and activations at various festivals around the country, including the Durban International Film Festival, the Grahamstown National Arts Festival, Eastern Cape Film Festival, Encounters SA International Documentary Festival and the Ugu Film Festival.

As part of the NFVF honouring, celebrating and rewarding talent, as well as a drive to create a full circle of interaction within the film and television industry, the NFVF administers the South African Film & Television Awards (SAFTAs) with the mandate to host the awards until such time as the South African Film and Television Academy is established. Held annually, the SAFTAs is now in its twelfth year of celebrating local talent.

The SAFTAs is an annual project which is designed to:

- Promote quality and excellence in the South African film and television products;
- Highlight and profile celebrated South African talent and product to national and international markets;
- Encourage the growth of talent and new talent within the industry;
- Encourage entrepreneurship within the South African Film and Television market and
- Stimulate participation by a broad mass of the industry in competitive awards events.

Fulfil Statutory and Governance Obligations of The NFVF as set out in relevant Legislation

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

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

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Training and Skills Development

Programme Description

Purpose of Programme

Building a sustainable film industry requires rigorous interventions and programmes that will eliminate the structural impediments such as poor education and lack of required skills. In addressing skills shortages the NFVF offers bursaries to deserving students. We have also partnered with the Media, Information and Communications Technologies Sector Education and Training (MICT SETA) to roll out an internship programme for recently graduated students wanting to acquire workplace experience.

The major skills gaps, as identified by the NFVF, continue to hinder the industry from sourcing adequate and alternative financing resources and or models to produce films that could perform locally and internationally while providing audiences with engaging yet entertaining content. These gaps are dominant in screenwriting, directing and executive producing. To that end the NFVF continues to intervene through in-house training programmes, funding for further studies and international mentorships aimed mostly at Tier 1 filmmakers.

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

Strategic objectives related to Training and Skills Development:

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





FAREWELL

Elle Bella

Programme Performance Report

Training and Development						
Strategic Objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement 2017/2018	Comment on deviations
Public Understanding of Arts and Culture	To provide bursaries to tertiary students	166 bursaries approved by Council, but 3 were subsequently cancelled by the applicants	66 bursaries awarded per annum	128 bursaries awarded	Over achieved by 62 bursaries awarded	NFVF MICT SETA partnership provided for additional funding
	To provide graduates with an opportunity to gain workplace experience	50 interns placed	Place 25 interns per annum	120 interns placed	Over achieved by recruiting 95 additional interns	NFVF MICT SETA partnership provided for additional funding
Human Capital Development	To provide funding to companies who provide training in specific gap areas within the audio-visual industry	3 training companies funded – Face of the Earth Foundation, The SA Film Academy and Academy of Television & Screen Arts	3 Training initiatives funded p.a	3 Training companies funded	N/A	N/A
	To provide filmmakers with industry skills to enhance talent	Sediba Spark hosted. 60 filmmakers participated in Sediba programmes p.a Spark programme held in (Limpopo and Gauteng Province)	60 filmmakers to participate in Sediba Programmes	60 filmmakers participated in Sediba Programmes	N/A	N/A
	To expose students to the business of filmmaking by attending local and international film festivals	10 students participated in Mentorship programmes p.a 2 Students attended Annecy International Animation Festival. 3 Students attended Encounters SA International Documentary Festival in Cape Town 5 Students attended Durban International Film Festival 2 Filmmakers attended 4 weeks mentorship at Blue Ice Production in Canada	10 students/ Film makers to participate in Mentorship programmes p.a	12 students/ filmmakers participated in Mentorship programmes p.a	Over achieved by 2 filmmakers	This was a 4 week mentorship programme opportunity for two SA female filmmakers through the NFVF partnership with Blue Ice Productions in Toronto Canada
	To expose school learners to the diverse career opportunities within the film industry	Schools Programme held at Thatohatsi Intermediate School (Free State Province) and Sibande Comprehensive Secondary School (Mpumalanga Province)	500 learners to participate in the schools programme p.a	621 learners participated in the schools programme p.a	Over achieved by 121	Thatohatsi Intermediate School had more than 250 learners from the targeted grades which were Grade 10,11 & 12

Significant Achievements

Increased number of interns and bursaries through additional funding from the MICT SETA partnership.

Key Programme Outputs

National bursaries and international scholarships remain one of the key interventions in supporting emerging talent within the industry. During the year under review, the NFVF granted 128 bursaries to students studying film or television courses. These students were from a variety of tertiary institutions both in South Africa and abroad. There was a diverse range of disciplines that the beneficiaries were pursuing including: Producing, Directing, Scriptwriting, Cinematography, Animation, Visual Effects, and Sound Design. The students who received funding were also at different levels of study - first year through to Masters Level.

Strategy to Overcome Areas of Under Performance

The Sediba accreditation process has proved to be a challenging process due to the lack of standardised study material. The NFVF has liaised with training providers to develop requisite training material in line with the MICT SETA accreditation requirements however, training providers have not met the accreditation requirements.

Changes to Planned Targets

There were no changes to planned targets.

4.2 Programme 2: Policy and Research

Programme Description

Purpose of programme

Research projects undertaken and subsequent policy interventions are critical to ensure that the film industry contributes to government imperatives such as job creation, social cohesion and enterprise development. It is also crucial to ensure that an enabling regulatory environment is created and maintained.

The Policy and Research Programme is tasked with providing the NFVF with comprehensive and accurate information by conducting research on the film and video industry in order to make policy recommendations to the NFVF Council. Research conducted also provides crucial information and key performance indicators of the South African Film industry.

The programme also ensures that internal and external policies are drafted to make sure the NFVF is able to deliver on its various objectives.

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

Strategic objectives related to policy and research:

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



Programme Performance Report

Policy and Research						
Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Business Development	To conduct and disseminate research on SA film industry	4 publications. Box Office report (January-June), 2017 Box Office Report, Gender matters in the SA film Industry, Statistical yearly report and Transformation of the SA Film Industry.	4 Research publications per annum	5	Over achieved by 1	Over Achieved due to a special request from Production for a Slate Project
	Develop, review and implement NFVF Policies to ensure compliance with relevant legislation	Funding Policy, Appeals Procedure and Terms of Reference for Advisory Panels	3 Policy Manuals approved by Council.	Not Achieved	N/A	Policy Manual not approved by Council awaiting OD process to be completed.
		Policy workshops to be conducted	2 Policy Workshop for staff per annum	2 Policy Workshop Conducted for staff	N/A	N/A
		N/A	4 quarterly Policy Monitoring Reports	4 quarterly Policy Monitoring Reports produced	N/A	N/A
		N/A	2 Policy and Legislative submissions p.a.	2 Policy and Legislative submissions with recommendations submitted p.a.	N/A	N/A
	Manage the organisational Contract Management System	N/A	Compliance with Contract Management System (CMS)	100% compliance with Contract Management System (CMS)	N/A	N/A



Significant Achievements

Gender Matters

The Gender Matters Study in the South African Film and Television industry has exposed some of the challenges faced by SA Film Industry female filmmakers. One of those challenges revealed in the report is that we are not seeing enough women entering and surviving in the industry, and this is indicative of some underlying factors barring women from participating meaningfully in the industry.

The issue of gender equality in SA cannot be looked at in isolation. Firstly consideration must be taken into the history of the country and race issues. However, over the past 10 years, there has been an increase in the number of women coming into the industry especially in leading roles such as producers, directors and writers.

Addressing gender matters in the South African film industry requires government engagement at multiple levels (institutions and departments responsible for film). The government, through institutions such as the NFVF, IDC and provincial film commissions, must show commitment to dealing with issues relating to gender matters such as empowerment of female filmmakers and sexual harassment. More important is the implementation of the commitments that have been undertaken over the last few years such as employment equity plans and women economic empowerment initiatives.

These include efforts such as providing support and mechanisms for victims of sexual harassment in the industry and empowering women in all spheres of government and decision makers.

Box Office

The box office report has also revealed that the South African audience was not very responsive to the release of local films. Performance was very poor at the box office with revenues declining by 35%. Locally produced films have been struggling to compete with the influx of foreign films, where we have seen foreign films doing fairly well and domestic films failing to perform at box office, with the exception of few. It is therefore imperative for the NFVF to embark on a programme to create an appetite for local productions.

Co-productions

Co-productions on the other hand, involve working with international country partners to create networking and business platforms for South African co-producers to collaborate and co-produce with treaty and non-treaty partners. The activations targeted well established platforms such as the Durban FilmMart, Cannes, Berlinale, Toronto International Film Festival (TIFF) and this year a MOU for co-development incentive was signed between the NFVF and Canada Media Fund.

Key Programme Outputs

Gender Matters in South African Film & Television

The report endeavours to provide information and statistics on women participation and roles in the local film industry, along with a more nuanced set of explanations and challenges they face as practitioners. Various interventions at different levels were undertaken to address issues of women participation in the film industry. Part of those interventions included the establishment of:

- Sisters Working in Film and Television (Swift) – aimed at protecting and advancing the course of women in South African film and television; and
- NFVF Female Filmmaker Slate Project - designed to correct the disparity between men and women in the film industry.

The study aims to further explore the role played by women in the South African film industry, and to quantify their total participation. The report further aims to uncover:

- Trends and insights into the status of women in the SA Film Industry;
- How has various intervention (i.e. NFVF female filmmaker slate) assisted in addressing gender parity in the industry; and
- Challenges faced by female filmmakers.

Despite all the frameworks, agenda setting national action plans and advocacy, there is little substantive progress in increasing women participation and creating opportunities in the film industry.

Women are often behind the scenes and it is very difficult to continue working due to the nature of the business, especially if it is on a freelance basis. At some stage there is a need to focus on family and providing for them. Freelance work makes it extremely difficult. Lack of funding and opportunities are the main reasons they end up in front of the camera as opposed to behind.

Behind the scenes is still very much a man's world, white men in particular are in key roles as heads of departments. It is seen as an environment that requires more brawn than brain and women are seen to be not as strong as men to perform the functions.

Challenges Faced by Female Filmmakers

Culturally, in South Africa and in Africa as a whole, female roles have always been overshadowed by male roles. This is because of the country's cultural basis. At the core of different cultures is patriarchy and it is difficult to move forward while still holding onto historically cultural traditions. Balancing the ideas of patriarchy can be very difficult if not impossible. One of the challenges facing the South African Film industry is that we are not seeing enough women entering and

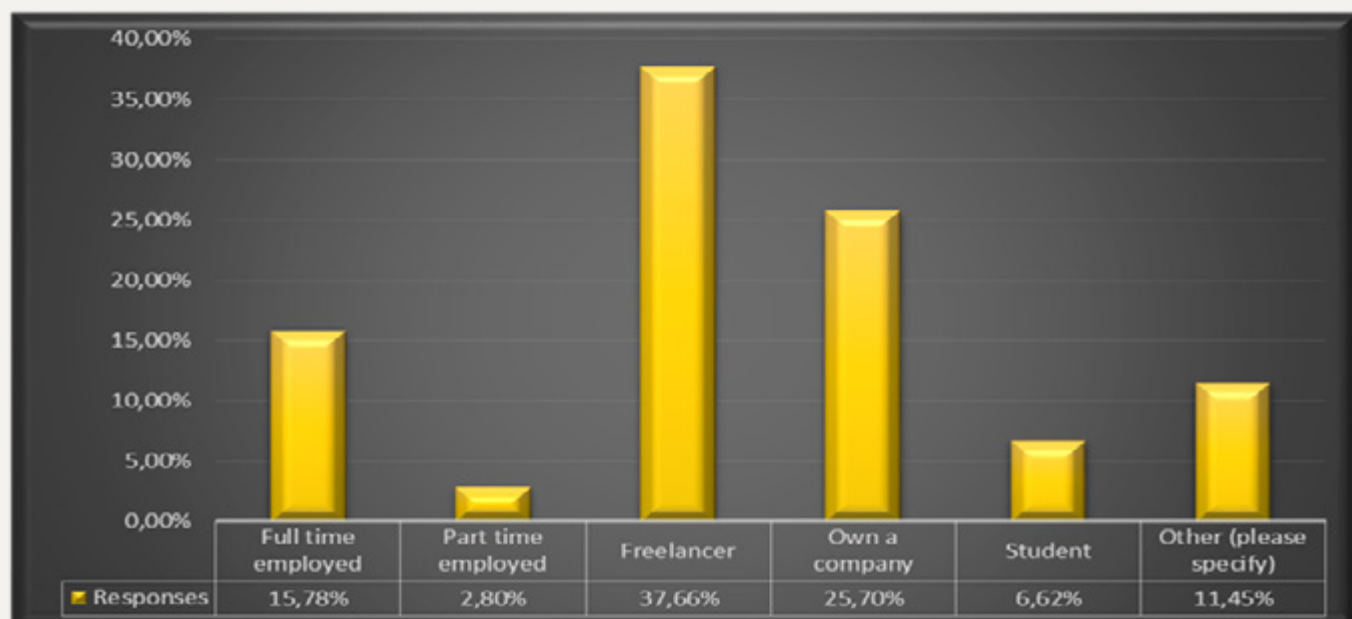


Figure 1. Employment status of females in the local film industry.

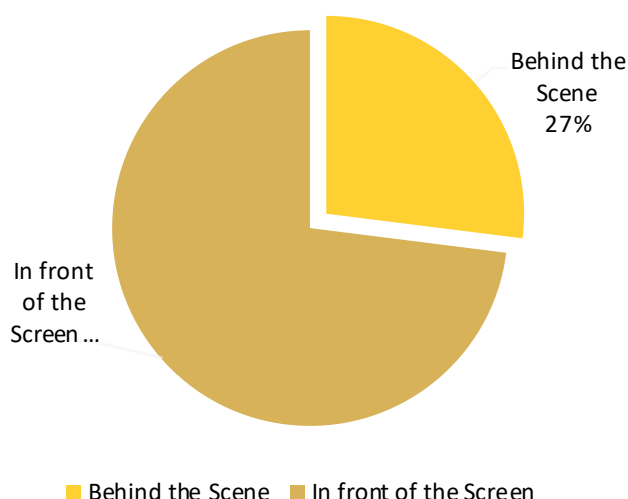


Figure 2. Representation of females behind the screen and in front of the camera.

surviving in the industry, and this is indicative of some underlying factors barring women from participating meaningfully in the industry. The issue of gender equality in SA cannot be looked at in isolation. Firstly, consideration should be taken into the history and race issues of the country. There has however, been an increase in the number of women entering the industry over the past 10 years, specifically in leading roles such as producers, directors and writers.

While most of the industry development agencies are led by women i.e. (NFVF, KZNFC, DFO), a “boys club” stigma exists... The film industry has always been male dominated.

Measures to change the landscape have seen various agencies such as the NFVF introducing programmes to empower the female filmmaker. There is also lack of resources to tackle some of these problems.

1. Salary Parity

Salary parity exists in the industry and that can be addressed by introducing a grading structure that will ensure male and female practitioners are paid equal salaries.

2. Career Progression

In most instances, women have to work twice as hard as men to be considered or recognised in their careers. The progress of female filmmakers is also hindered by females themselves. Females will often display more faith and trust in men as there is a lack of trust and over emotional display amongst female counterparts. This often leads to tasks not being completed and deadlines not being met.

3. The Glass Ceiling

Female filmmakers often have to prove themselves first as opposed to men who have a considerable advantage based on their gender.

4. Key Decision Makers

Gender imbalance also exists due to the fact that most decision makers in the industry are male.

5. Parenting

Parenting is being used as an excuse not to give female filmmakers growth opportunities.

6. Society/Patriarchy

Societal issues dictate the role of women in the industry. In most cases women are not allowed to voice their concerns, once they do that they are labelled as attention seekers and wanting preferential treatment.

Box Office 2017

South Africa's box office report provides an analysis of the performance of domestic films in comparison to international films. The report looks into the earnings of each film (the top grossing films), market share, percentage share by distributors, top earning genre and comparison between classic 2D (standard format) and classic 3D format.

Key Points:

- Overall, theatrical box office revenues grew by 5% in 2017;
- A total of R 1 193 billion box office gross was recorded;
- Domestic gross box office declined by 35%, recording only R45,2 million earnings;
- There were 222 titles shown at cinemas across the country, a drop from 248 titles released in 2016;
- 23 South Africa films were released in 2017;
- The market share for domestic films is 4%;
- South African box office charts were dominated by big-budget Hollywood movies led by Fate of the Furious, Jumanji: Welcome to the Jungle, Despicable Me 3, and Beauty and the Beast;
- Growth in films released in digital 3D screens in 2017 continue to rise, 45 films were released on 3D/4DX/IMAX & D.BOX format claiming 65% of the total gross, while standard format (classic 2D) accounted for 35%; and
- Action/Adventure movies were the highest grossing genre which took 19% of the gross box office.

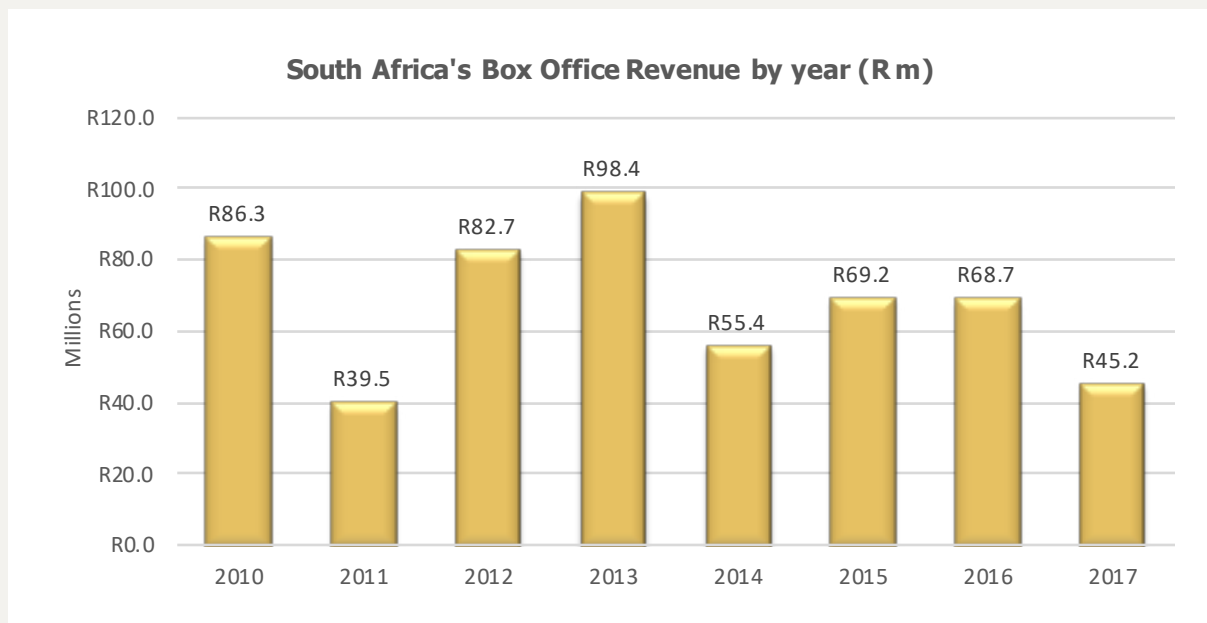


Figure 3: South Africa's Gross Box Office by year

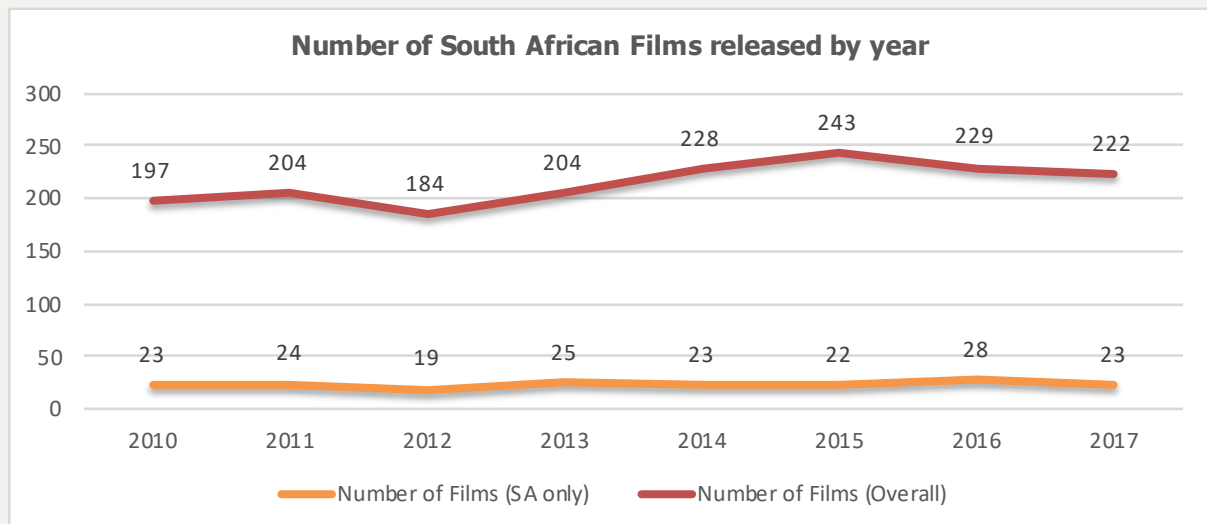


Figure 4: Total Number of films released by year

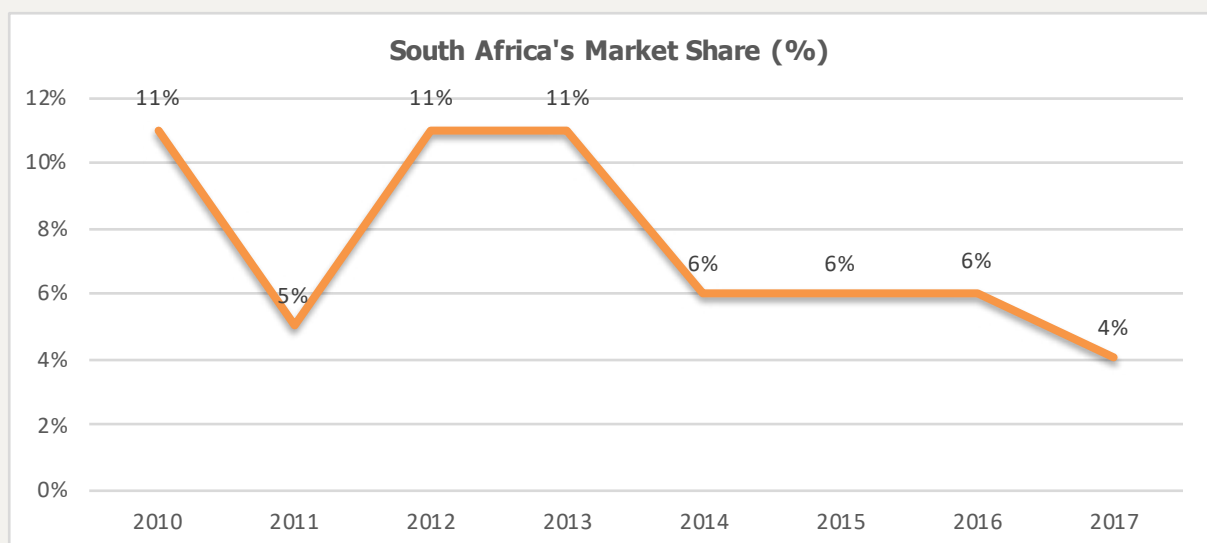


Figure 5: Market Share



Table 1: Top 10, South African Produced Films

Top 10, SA Produced Films

Movie Title	No# of Weeks	No# of Screens	GBO at Release	Cumulative GBO
Keeping up with the Kandasamy's	12	26	R1 597 416	R16 348 848
Vuil Wasgoed	6	51	R816 403	R3 776 306
Vaselinetjie	7	38	R711 529	R3 746 716
Kalushi	9	32	R520 145	R3 077 947
Beyond the River	9	54	R674 751	R2 719 583
Krotoa	5	25	R458 171	R2 565 966
Kampsterrein	9	44	R480 602	R2 134 304
Jagveld	3	39	R526 253	R1 999 001
Nul is Nie Niks Nie	6	43	R488 843	R1 459 789
Love by Chance	8	39	R365 586	R1 321 231

Strategy to overcome areas of Under Performance

There are no specific areas of underperformance for the period under review. The organisation however, undertakes to increase stakeholder engagement before, during and after research and policy development processes to ensure consistent communication. The period for conducting research outsourced to a service provider will be increased in the future. This is to ensure that there is sufficient time for field work and stakeholder consultations leading up to the conclusion of the research.

Changes to planned Targets

There were no changes to planned targets.

South African Films Certified

Co-productions

During the 2017/18 financial year, 8 projects were certified for co-production, 4 for advance rulings and 4 for final ruling:

Project Name	Treaty	Ruling
The Tree	SA/Netherlands	Advance
Frankie and Chair	SA/Netherlands	Advance
Love on Safari	SA/Canada	Advance
Lie to me	SA/Germany	Advance
Meet the Penguins	SA/UK	Final
Rivonia	SA/Netherlands	Final
Mia and the White Lion	SA/France	Final
Secrets	SA/Germany	Final

14 applications were issued with certificate of nationality:

Project Name	Production Company	Producer(s)	Director(s)
The Story of a Small Town	Small Town Story (Pty) Ltd	Rehad Desai	Palesa Shongwe
Die Rebelle van Lafras	Sonneblom Ateljees (Pty) Ltd	Genevieve Hofmeyr, Katinka Heyns	Simon Barnard
Happiness is a four letter word	Cream Magenta 375 (Pty) Ltd	Bongiwe Selane, Junaïd Ahmed, Helena Spring	Thabang Moleya
Keeping up with the Kandasamys	Lightwave Trade & Invest 25 (Pty) Ltd	Junaïd Ahmed, Helena Spring	Jayan Moodley
Pop Rock 'n Lock	Pop Lock 'n Role (Pty) Ltd	Mayenzeke Baza, Pascal Schmitz	Ziggy Hofmeyer
The Number	Born Free Media (Pty) Ltd	Carolyn Carew, Khalo Matabane	Khalo Matabane
A family Affair	Fishcake Features (Pty) Ltd	Rob Bath	Warren Fisher
Alone	The Ergo Company (Pty) Ltd	Dumi Gumbi, Cati Weinek	Jerome Pikwane
The Whale Caller	Black Roots Pictures (Pty) Ltd	Zola Maseko, Dylan Voogt	Zola Maseko
The Forgiven	Light and Dark Films (Pty) Ltd	Zaheer Goodman-Bhyat	Roland Joffe
Van Der Merwe	Van Der Merwe Films (Pty) Ltd	Murray Macdonald	Bruce Lawley
Our in Laws	Naleli Media (Pty) Ltd	Palesa Mochele	Rapolo Selogiloe
Between Friends	Impucuzeko Productions (Pty) Ltd	Zuko Nodada and Nicola Rauch	Zuko Nodada
High Fantasy	Fox Fire Films (Pty) Ltd	Jenna Bass, Steven Markovitz, David Holier	Jenna Bass





4.3 Programme 3: Production and Development of Content

Programme description

Purpose of programme

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

Strategic objectives related to production and development of content:

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

Programme Performance Report

Production and Development of Content						
Strategic Objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement 2017/2018	Comment on Deviations
Business Development	To fund the development & production of South African content	77 projects funded in development	66 projects funded in development p.a.	81 projects funded in development	15 more than target	More projects were funded because some applicants requested less than the maximum allocation per project.
		45 projects funded in production	38 projects funded in production p.a.	48 projects funded in production	10 more than target	
		10 Female Filmmaker films funded	Award 1 New Women Filmmaker Slate	1 Female filmmaker slate funded	N/A	N/A
		10 Youth Filmmakers and 1 first time filmmakers	Award 1 First Time/Youth Filmmaker Slate	1 First time Youth Filmmaker Slate funded	N/A	N/A
		3 fiction slates funded	Fund 3rd year of the fiction slate	3 fiction slates funded	2 more than target	More than 1 slate funded because of the high quality standard of the proposals.
		1 animation slate funded	Fund the 2nd year of the animation	1 animation slate funded	N/A	N/A
		1 documentary slate funded	Fund the 2nd year of the documentary slate	1 documentary slate funded	N/A	N/A
Co-Productions	To certify National Films	A total of 22 applications were received and certified: 4 advance ruling; 4 final rulings; and 14 certificates of nationality	Certify 90% of all applications received	100%	All applications that were received met the requirements	There were no rejections or withdrawals of any application.
		4 Co-production forums with Carthage, Canada Hotdocs and TIFF, Berlinale, & DFM.	3 Co-production activations p.a	5 Co-production activations	Over Achieved by 2 co-production Forum	Overachieved due to the Africa focus which included Nigeria and Tunisia.

Significant Achievements

As the number of projects approved increases, the budget also needs to be reviewed for possible increase. The total funding granted for script development has grown by 14% in 2017/18 to 54% percent in the past two years.

Gauteng, Western Cape and KwaZulu-Natal are the largest recipients of funding from the NFVF with very few projects funded from other provinces.

Completed Fiction Films

- Farewell Ella Bella
- Five Fingers for Marsellies

- Gracie
- Meerkat Maantuig
- Nomfundo
- Pop Lock 'n Roll
- Zulu Wedding

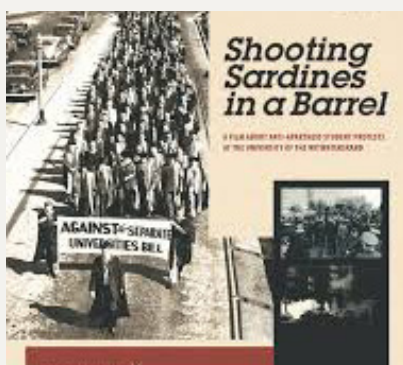
Completed Non-Fiction Films

- District Six - Rising from the Dust
- Like shooting Sardines in a Barrel
- Not in my neighbourhood
- Voetsek! Us, Brothers?
- Troupes of War – Diturupa
- Waithira
- Winnie
- I Want to see for Myself

Projects Highlights FY17/18



Waithira, feature length documentary, directed by Jean Meeran of Team Tarbaby was selected to be in competition at the Luxor African Film Festival which took place in Egypt between the 16th and 22nd of March 2018.



Shooting Sardines in a Barrel, a feature length documentary, directed by Lieza Louw of White Goat Cineart was selected for screening at the Ethnofilm Festival which took place in Paris between the 27th and 29th of April 2018.



Nakhane Touré, star of South African film *Inxeba (The Wound)* has won the FIRPRESCL prize for best actor in a foreign language film at the 29th Annual Palm Springs International Film Festival (PSIFF), in California. This was the 19th award that the film has been awarded by the international festivals. The NFVF showed allegiance with the filmmakers by condemning the violent threats against the film and its cast, by speaking out on various print and radio platforms throughout the month of January and February 2018.



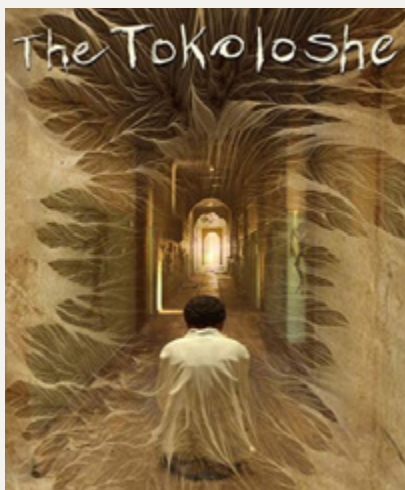
Five Fingers for Marseilles, a feature length Western film, directed by Michael Matthews of Be Phat Motel Film Company will have its African film premiere at Rapid Lion Film Festival and was released in cinemas nationwide on the 6th of April 2018. The film, directed by Michael Matthews will be released in US theatres in September 2018.



Meerkat Maantuig, a feature length film, directed by Hanneke Schutte of The Film Factory, has been selected for screening 8 international film festivals including the Austin Film Festival, Oxford Film Festival, Sedona Film Festival in Arizona, The Kids First Film Festival (the biggest kids' film festival in the world), The Bay Area Children's Festival outside San Francisco, Omaha Film Festival, Nebraska, Calcutta International Cult Film Festival and the GUKIFF International Kids Film Festival, Seoul, Korea. The film was released nationwide on the 16th of March 2018.



Zulu Wedding, a feature length romantic comedy, directed by Lineo Sekeleokane of Luju Pictures & Productions is set to be released nationwide in the latter part of 2018.



Alone, a horror film directed by Jerome Pikwane, which is now called '*The Tokoloshe*' has found a great distribution partner in the UK and has been selected and invited to the top 4 horror film festivals on the globe:

- BIFAN - (South Korea) World Premiere;
- Fantasia - (Canada) North American Premiere;
- Fright Fest - (UK) European Premiere; and
- Sitges (Spain) - Spanish Premiere.

The film has been selected to be in the spotlight at all these festivals. The theatrical release in SA is set for November with IFD.



Miles from Nowhere a feature film by Samantha was selected for this year's Festival de Cannes - The Fabrique Cinéma by the Institut Français.

Key Programme Outputs

Approved Projects 2017/18

APPROVED PROJECTS – CYCLE 1 – FY 2017/18

Non-Fiction Projects

Development – Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Redefining Beauty - Albinism on the Catwalk	Sharon Farr	Shoot the Breeze Productions	R 97 983.00
I am queen of the struggle “The story of Regina Mundi”	Disemelo Makhanda	Sqo Productions	R 150 000.00
Indecent Exposure	Peter Goldsmid	Southern Exposure CC	R 150 000.00
Jozi Gold	Maanda Nwendamutsw	Maanda Pictures (Pty) Ltd	R 150 000.00

Development - Short Documentaries

Kgoši Sekhukhune Resistance Wars Against Colonialism	Tlou Setumu	N/A	R 100 000.00
Maintaining My Daughter	Zukiswa Boyce	Boyce Communications (Pty) Ltd	R 100 000.00

Production - Archive

Untamed	Simon Wood	SaltPeter Productions	R 250 000.00
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Production – Documentaries

Lobola, A Bride's True Price	Sihle Hlophe	Passion Seed Communications	R 350 000.00
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Post-Production – Documentaries

The Colonel's Stray Dogs	Khalid Shamis	Tubafilms cc	R 120 000.00
Tears of the Mbashe River	Nkosinati Njumbuxa	Picture Tree (Pty) Ltd	R 120 000.00

Fiction Projects

Development – Feature Length

Project Name	Applicants Name	Production Company	Amount Allocated
Cellar	Maynard Kraak	West Five Films	R 200 000.00
Social Grace	Ben Johnson	N/A	R 200 000.00

Development – Short Film

Cooped	David Heitner	The Revolution Company	R 100 000.00
Displace	Hisham Samie	Benchfilms	R 100 000.00
The Water Bear	Clea Mallinson	N/A	R 100 000.00
Address Unknown	Lebogang Fisher	Green Leaf Films	R 100 000.00
Deadly Secret	Philiswa Ngalo	N/A	R 100 000.00
Ms. Me	Oliver Swartz	Little LA Productions	R 100 000.00
Pondoland King	Themba Khoza	Ntivo Pictures	R 100 000.00
Ruby & Roach	Dorette Nel	Abyss Productions	R 100 000.00
Suburban Terrestrial	Rae Human	Being Human Agency	R 71 000.00

Development – TV Format

Sarika's 60 Second Story	Chrischar Rock	Rock Creative Partnerships	R 200 000.00
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Production – Feature Length

Sew The Winter To My Skin	Layla Swart	Spier Moving Pictures	R 1 200 000.00
Collide	Gary King	Picture Tree (Pty) Ltd	R 1 300 000.00
The Road Less Cycled	John Hlongwane	Untitled Entertainment	R 700 000.00

Production Short Film

A Fowl Escape	Lerato Moloi	Lekholokwe Media Services	R 200 000.00
Mma Moeketsi	Reabetswe Moeti	Rare View Media	R 200 000.00
S(HE)	Almarida Reynecke	West Five Films	R 200 000.00
Sweet Whimsical	Nompi Vilakazi	Buthano Pictures	R 200 000.00

Post-Production

Table Manners	Leli Maki	Jack and Jill Productions	R 400 000.00
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APPROVED PROJECTS – CYCLE 2 – FY 2017/18

Non-Fiction Projects**Development – Documentaries**

Project Name	Applicants Name	Production Company	Amount Allocated
A Land for All	Isa-Lee Jacobson	Flying Films	R 128 625.00
Biko Lives!: The Most Potent Weapon	Keith Kenneth	Capturevate Productions	R 150 000.00
Breathes of the Blues	Berenice Lindereth	African Aces	R 150 000.00
Global Bass	Christopher Sinclair Kets	Black Major (Pty) Ltd	R 141 140.00
State of Emergency	Luhanyo Calata	Arusha Films	R 150 000.00
The Football Age	Lucia Nameko	Xolani Nameko Productions	R 124 260.00

Development - Short Documentaries

Full Moon Rises Over Autumn Shores	Julia Ramsay	Lionfish Productions	R 100 000.00
Documentary - Ubuzwe Bethu	Mandlakayise Khawula	M222 Film and Communications	R 100 000.00
The Tooth Fairy	Moshiane Nchabeleng	Phashe Kgaakge (Pty) Ltd	R 100 000.00
Wolves Don't Sleep	Ernest Mmetoane	Thekgo Phemelo Trading	R 100 000.00

Production - Archive

Winnie	Steven Markovitz	Big World Cinema	R 250 000.00
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Production – Documentaries

Everything Must Fall	Rehad Desai	Uhuru Productions	R 300 000.00
Bra Wam	Abel Semege	SenaKihm Entertainment	R 238 171.00
Crossing Solo	Chris Mason	Mason Brothers Films	R 350 000.00

Production – Short Documentaries

Waves Of Courage	Pule Molebatsi	Rurban Concepts	R 200 000.00
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Post-Production – Documentaries

Afrikan Jazz Fantazia	Thokozani Mngomezulu	Afrikan Jazz Fantazia	R 120 000.00
SanDance	Edwin Angless	Mushroom Films cc	R 120 000.00

Fiction Projects

Development – Feature Length

Hotel Nowhere	Roberta Durrant	Penguin Films	R 200 000.00
The Shaper	Bruce Macdonald	The Fabulous Boomtown Boys	R 200 000.00
Low Tide	Rorisang Motuba	Rorisang Motuba	R 200 000.00
Till Money Do Us Part	Clive Madiya	PCM Films	R 200 000.00
White War Black Hero	Gersh Kgamedi	Petroglyphs	R 200 000.00

Development – Short Film

Life on Earth	Chuanne Blofield	Whitman Independent	R 100 000.00
Get Away	Darren Parker	The Ergo Company	R 150 000.00
Honourable Chair	Kelly-Eve Koopman	Backyard Pitch	R 95 000.00
Last Rounds	Zack Mthombeni	The Third Law	R 100 000.00
Love in the Hell	David Boyes	David Boyes	R 100 000.00
Talking Reeds	Pearl Mthembu	Pearl Mthembu	R 150 000.00
Tuesday in the B Flat	Khanyo Mjamba	Gaba Media	R 90 000.00

Development – TV Format

Mama K's Super 4	Anthony Silverston	Triggerfish Animation	R 200 000.00
Pulane's Adventures	Nompi Vilakazi	Buthano Pictures	R 200 000.00

Production – Feature Length

Toorbos	Andre Scholtz	Toorbos Die Rolpent	R 1 200 000.00
Bhai's Café	Razia Rawoot	Razia Bawa Productions	R 1 300 000.00
Wild is the Wind	Fabian Medea	MYD88 Films	R 1 300 000.00

Production - Short Film

Letters of Hope	Vusi Sindane	Trial By Media Films	R 200 000.00
Prey	Zamo Mkhwanazi	Kude Media	R 200 000.00

Production – Web Series

Corner Freedom Street	Mlingane Dube	Artistry Media	R 200 000.00
The Single Diaries of a Jozi Girl	Tshego Monaisa	MonaLisa Productions	R 200 000.00

APPROVED PROJECTS – CYCLE 3 – FY 2017/18

Non-Fiction Projects

Development – Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Agents of Influence	Neil Brandt	Fireworx Media	R 150 000.00
Jumping the Line	Thami Nakasa	Native of Nowhere Film Productions	R 150 000.00

Development - Short Documentaries

Banned: Joe Bullet	Nonofu Bogacwi	Trail by Media	R 100 000.00
Beyond the Cliché	Peter Maleta	Home Grown Solutions	R 99 600.00
Black Women and Sex	Godisamang Khunou	Mogale Pictures	R 100 000.00
Blend	Ashleigh da Silva	AG Picture	R 99 700.00
Identity	Namhla Duma	NSS Media	R 100 000.00
Mambo Kazi	Mary-Ann Mandishona	Matriarch Films	R 100 000.00

Most Potent Weapon: Selby Semela	Thabo Afitlhile	Innvexx Consulting	R 100 000.00
Starving Artist	Ntuthuko Mkhabela	Durban Media House	R 100 000.00
Sustained Discourse: Re Gana go Buswa!	Tharollo Seatlholo	Ditike Business Enterprise	R 100 000.00
The Dump is Mine	Tshililo Muzila	Masanani Productions	R 100 000.00
World of Trophies	Victoria Wigzell	News From Home	R 95 600.00
Umajola-The Immortal Snake	Thandiswa Twecu	N/A	R 100 000.00
Uncovering the Lost City	Sandra Roberts	Frayintermedia	R 100 000.00

Production – Documentaries

Umkhusane	Martha Qumba	Matambara Films	R 350 000.00
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Production – Short Documentaries

A Thousand Words To Kill By	Ikaye Masisi	Pontsho Visuals	R 150 000.00
Diamond in the Rough	Reshoketjwe Joyce Nkgapele	Black Queens Media	R 150 000.00
Song of Ascents	Jessie Zinn	Red Coat Films	R 150 000.00

Post-Production – Short Documentaries

Rainmakers: Beyond the Music	Fidel Tshivhasa	TIFF Film and Multimedia Design	R 150 000.00
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Fiction Projects**Development – Animation**

Project Name	Applicants Name	Production Company	Amount Allocated
Late Night Bark	Mr Adam Behr	Adam Behr (Pty)	R 250 000.00

Development – Feature Length

Che Guevara in the Congo	Khalo Matabane	Certelle NPC	R 200 000.00
The Immaculate Room	Mr Mukunda Dewil	Incognito Films	R 200 000.00
Taxiing	Mr Alan Shelley	Benchfilms	R 200 000.00
The Blessed Girl	Mr Michael Lee	Indigo Montoya CS	R 200 000.00
The Silverton Siege	Mr Walter Ayres	The Silverton Siege (Pty) Ltd	R 200 000.00
The Weekend	Mr Akona Matyila	Mulatto Films	R 185 000.00
Tselane and Dimo	Mr Teboho Mahlatsi	The Bomb Shelter	R 200 000.00

Development – Short Film

A Sudden Twist	Mr Andrew Manzini	N/A	R 100 000.00
Half a Cup	Ms Shannan Taylor	Muse and Doodle (Pty) Ltd	R 100 000.00
Love On Fire	Mr Unique Shabangu	Chaotic films production	R 100 000.00
My Bizarre And Wondrous Life So Far	Ms Carmichelle Yates III	N/A	R 100 000.00
“Na Trane” After Tears	Mr Mikale Barry	In Motion Media & Arts Projects	R 45 500.00
PALEHO-thella he!	Ms Ms Lebo Leisa	Thope Productions	R 100 000.00
Son in Law	Mr Rankgo Andries Lankey Manong	N/A	R 100 000.00
Tab	Ms Zamo Mkhwanazi	Kude Media	R 100 000.00
The Calling	Ms Cynthia Mohoto	N/A	R 100 000.00
The Orphan Club	Ms Jane Folodi	N/A	R 100 000.00

Production – Feature Length

Indemnity	Mr Benjamin Overmeyer	Indemnity Feature (Pty) Ltd	R 1 000 000.00
Uncovered	Mr Zuko Nodada	The final chapter	R 1 100 000.00

Production - Short Film

Happy To Serve You	Mr David Franciscus	Protagonist Films	R 200 000.00
The story of a baked brownie	Mr Hisham Samie	Benchfilms	R 198 800.00
Two Hues	Ms Weaam Williams	Tribal Alchemy	R 200 000.00
3AM	Mr Johannes Mzwandile Spirit	BunduzBoi Pictures PTY Ltd	R 150 000.00
A Mother, A Father & Their Son	Mr Mlungiseleli Godola	Tostri Media	R 150 000.00
Before Today	Ms Ndamu Farisani	Farisani Creations	R 150 000.00
Identity Crisis	Mr Mthokozisi Ndhlovu	Piction Films	R 150 000.00
The Award Ceremony	Ms Mmabatho Montsho	Mmonday Pictures	R 150 000.00

Production – Web Series

Black Twitta	Mr Siyabonga Mkholo	Outré	R 200 000.00
IKASI LAMI: a beautiful place	Mr Lilli Mahlangu	Kiri Pink Nob Arts	R 200 000.00
Politically Awah	Mr Stephen Horn	Bouncing Biscuit Studios (Pty) Ltd	R 200 000.00
Ringside of Life	Ms Mahreen Chenia	Niande Media	R 130 000.00

Recoupment Schedule**Total recoupable grants are as follows:**

Grants allocated in 2003	R 12 690 774
Grants allocated in 2004	R 8 630 000
Grants allocated in 2005	R 4 990 000
Grants allocated in 2006	R 4 300 000
Grants allocated in 2007	R 3 550 000
Grants allocated in 2008	R 1 934 000
Grants allocated in 2009	R 3 309 000
Grants allocated in 2010	R 3 700 000
Grants allocated in 2011	R 6 984 845
Grants allocated in 2012	R 17 758 735
Grants allocated in 2013	R 14 854 735
Grants allocated in 2014	R 12 923 500
Grants allocated in 2015	R 18 089 369
Grants allocated in 2016	R 25 525 452
Grants allocated in 2017	R 28,717,374
Total Recoupable Grants	R 167 957 784

Strategy to overcome areas of Under Performance

The overall number of applications has increased year on year with the introduction of the online application system. The number of projects funded has also increased but is still limited due to access to resources and funds.

There remains a disparity in provincial representation which the NFVF is addressing by holding funding and application workshops in all provinces to encourage under represented provinces to submit applications for funding.

The assessment process still remains prejudice to entry level applicants. The application and evaluation criteria for entry level applicants was refined and aligned to entry level standards.

Changes to Planned Targets

There were no changes to planned targets.

4.4 Programme 4: Marketing and Distribution

Programme Description

Purpose of programme

The role of Marketing and Communications within the NFVF has continued to grow in importance and continues to focus on the broad Marketing and Communications strategy of the NFVF. The “Igniting Your Stories” campaign was launched and activated in 2017. This campaign assisted in the positioning of the NFVF as an organisation that ignites the stories South Africans want to tell. The campaign aims to work as

an enabler based on different facets of its business (Funding, Training, Bursaries, Policy and Research).

Developing and promoting the production of South African film for distribution around the continent and to global audiences.

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

1. Marketing and Distribution Grant

- Funding for printing of marketing material and advertising for independent distribution of South African Film through cinema, video on demand (VOD) or direct to DVD.

2. National Film Festival Grant

- Provides financial support to individuals or organisations to host local film festivals which contribute towards the growing of audiences and creating markets for SA Film. NFVF continues to provide this critical financial support to local long standing festivals.

3. NFVF Activations at Local and International Markets and Festivals (which aim to increase audience access to SA film)

- Creating awareness of NFVF programmes and South Africa film opportunities; and
- Promote the South African film industry locally and internationally.

4. Markets and Film Festivals attendance

- Provide financial travelling support to South African filmmakers to attend global festivals and markets.

Strategic objectives related to marketing and distribution:

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



Programme Performance Report

Marketing and Distribution						
Strategic objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Promotional Events	To develop audiences for SA Films and Content	11 Festival Grants awarded to National Festivals	7 Festival Grants awarded to National Festivals p.a	12 Festival Grants awarded to National Festivals	Funded 5 more than target	Funded incorporated more festivals in previously underserved regions: e.g. Limpopo Film Festival, Mahikeng International Film Festival, Mpumalanga Short Film Mart/ Festival, Ekurhuleni Film Festival and Behind the Blazer.
	Local activations and promotional events to showcase SA film & content	Implemented 13 Festival activations, 2 Career Expos and 4 National Days programmes	12 Festival Activations p.a	13 Festival Activations p.a	Activated at 1 more national festival than the target.	Activation included Eastern Cape Film Festival, focus on underserved regions.
	To position SA Filmmakers at film markets and festivals	Funded 85 Filmmakers p.a to attend Markets and Film Festivals	Fund 80 Filmmakers p.a to attend Markets and Film Festivals	Funded 99 Filmmakers p.a to attend Markets and Film Festivals	Funded 17 more than target	Not all applicants applied for or were granted the R29,000.00 funding cap and more filmmakers were invited to screen their productions as part of the "Official festival programme".
	Local activations and promotional events to showcase SA film & content	1 DAC activation during Africa Month	1 DAC Activation and 2 Public Screenings to be hosted	We are Africa Film Festival 3 Public Screenings	Hosted 1 additional screening	King Cetshwayo Municipality Screenings were added for audience development in a rural area.
	To position the NFVF and the SA Film Industry through international activations.	Attended 9 International Festivals p.a	Attend and activate at 7 International Festivals	Attended 8 international festivals p.a	Attended 1 more international festival than target	Berlin International Film Festival

		Attended 3 New Markets to promote SA content	Activate at 4 Strategic Markets for SA content p.a.	Attended 4 strategic markets to promote SA content	N/A	N/A
	Local Brand Positioning to promote the NFVF and SA Film Industry	5 Below the Line brand activation	4 Brand activations per quarter	4 brand activations implement per quarter	N/A	N/A
	Sucessful SAFTA's awards planned, coordinated & hosted	The planning, organising, and hosting the SAFTAs event that was broadcast on SABC 2 and Mzansi Magic	SA Film and TV Awards (SAFTAs)	The planning, organising & hosting the SAFTAs event that was broadcast on SABC 2 and Mzansi Magic	N/A	N/A
	Stakeholder Relations management (Internal and External)	NFVF held 6 quarterly engagement fora with stakeholders instead of 4.	4 Stakeholder Engagements per quarter	16 Stakeholder engagement for a were held during the financial year	N/A	N/A
	Implement a communication campaign to create top of mind awareness (Internal & External)	Implemented Quarterly Communication of NFVF programmes to external stakeholders	4 communication campaigns per quarter	4 communications campaigns implemented per quarter	N/A	N/A
Distribution	To assist SA filmmakers to sell and distribute local films	1 Digital Platform for SA film industry implemented	A Digital Platform for the SA film industry is implemented & 50 titles uploaded p.a	218 titles were uploaded	Uploaded 168 more titles	NFVF over-achieved because the titles that were uploaded are not only feature films but includes 66 fiction titles, 76 documentary titles, 6 banners and 70 images.
Distribution of South African Content	To assist SA filmmakers to sell and distribute local films	12 Marketing and Distribution projects funded	10 Marketing and Distribution grants awarded p.a	10 Marketing and Distribution grants awarded	N/A	N/A
	Audience Development & Positioning the NFVF and SA Film Industry & Content	N/A	Implement 2 awareness programmes and 2 NFVF Industry Events	7 awareness and industry events implemented	Implemented 3 more than the target.	The Soweto Youth Expo, Tier 3 workshops implemented in areas and groups that the NFVF is trying to increase its footprint in.

Significant Achievements and Key Programme Outputs

Festival grants awarded to national film festivals:

The focus of the festival grant programme was to ensure film activity and audience development in all 9 provinces of the country. During this financial year, festival grants were awarded to festivals in predominantly underserved provinces such as: Mpumalanga, North West, Limpopo and Free State. The Western Cape and Gauteng were also represented in the approvals. The Northern Cape and Eastern Cape were reached through local film activations.

The NFVF funded new festivals namely, Mahikeng International Film Festival, Mpumalanga Short Film Mart and Festival, Behind the Blazer Film Festival, The Free People's Festival Eastern Cape, KwaZulu-Natal and Western Cape, and Rapid Lion Film Festival.

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

Activations at Local Festivals:

Durban International Film Festival

Durban International Film Festival (DIFF) is Africa's premier film event, hosted by the University of KwaZulu-Natal Centre for Creative Arts. Arguably the continent's biggest film event, which attracts both film-lovers and industry representatives from across Africa and beyond; the DIFF is a ten day celebration of world class cinema which screens new feature, documentary and short films from around the globe with a special focus on African films.

Through Durban Film Mart (DFM), the festival afforded the NFVF an opportunity to present a series of interactive workshops and masterclasses throughout the industry programme. The festival also gave the NFVF the opportunity to showcase the work that is being done with its research programmes, co-production initiatives, and marketing programmes. The programme was supplemented by a fully branded session room where all NFVF and non-NFVF sessions took place and an impressive stand in the industry lounge.

A noteworthy addition was the inclusion of some of the SAFTAs winners to the programme through a special celebratory dinner during DIFF. This was in a bid to raise the profile of both the festival and the market as

well as provide delegates an opportunity to engage and learn from the winners.

Lastly, the NFVF partnered with the KwaZulu-Natal Film Commission and extended the festival's audience through an outreach programme to rural and township communities.

Encounters SA International Documentary Festival

The 19th edition of the Encounters South African Documentary International Festival occurred in Cape Town and Johannesburg. With over 73 titles, the festival continues to position itself as a premier documentary festival both locally and internationally. Encounters is a platform to further promote and support local talent as per the NFVF's mandate. Through Encounters the NFVF is able to present South African films to local audiences and international curators.

In this financial year, the partnership with Encounters extended to four programmes; *Rough Cut Lab*, *In-Access*, *Virtual Reality* and *a Masterclass*. These programmes had similar objectives of developing emerging filmmakers, creating access to the festival, creating learning opportunities for filmmakers and audience development.

The NFVF also partnered with Encounters for the South African premier of the documentary *Winnie*, by Pascale Lamche. The screening was of great significance as it was the first authorized documentary about the late Winnie Madikizela-Mandela's life.

DISCOP Johannesburg

With over 1000 acquisition, development, production and distribution executives from over 70 countries in attendance, DISCOP Johannesburg has gained prominence as a key market to access African content. This film market attracts independent producers, regional and global distributors, broadcasters, pay-tv, mobile operators and alternative distribution platforms driving the growth of Africa's multiscreen and televised entertainment industry.

This market has therefore always been important to further the NFVF's objectives of creating access to South African content and promoting the country as an optimal co-production destination.

The National Film and Video Foundation (NFVF), in partnership with the Gauteng Film Commission



(GFC), Durban Film Office (DFO), KwaZulu-Natal Film Commission (KZNFC) and the Film and Publication Board (FPB) hosted the South African Pavilion at DISCOP Johannesburg. The DISCOP platform was utilised to engage the industry about the South African Movie Database, (SAMDB), a Video on Demand (VOD) site, created to assist with the distribution of the South African film and television content locally and internationally. The NFVF also hosted a two part presentation focusing on TV formats in an effort to improve the quality of applications by clearly defining TV formats and the evaluations criteria.

In addition to the above, the NFVF also supported and activated at a number of other local festivals such as Grahamstown National Arts Festival, Yanaya Gender Film and Dialogue Festival, Cape Town Animation Film Festival, Eastern Cape Film Festival, Cape Town International Film Market & Festival (CTIFMF) and Ugu Film Festival.

The NFVF's transformative role of providing funding and empowering programmes to the industry is in even greater focus, and will be communicated to broader audiences.

South African Film and Television Awards (SAFTAs)

The NFVF is the custodian of the South African Film and Television Awards. The SAFTAs is an annual project that is designed to:

- Promote quality and excellence in the South African film and television products;
- Highlight and profile celebrated South African talent and product to national and international markets;
- Encourage the growth of talent and new talent within the industry;
- Encourage entrepreneurship within the South African Film and Television market; and
- Stimulate participation by a broad mass of the industry in competitive awards events.

The SAFTAs is the only ceremony that recognises the film making fraternity across all disciplines and dedicates awards for excellence across the value chain in front of and behind the camera. The essence of the awards are encapsulated in the values of the NFVF, which are:

- Creativity;
- Freedom of Expression;
- Entrepreneurship; and
- Transformation.

The 12th Annual SAFTAs took place on the 22nd and 24th March 2018, with a Live Broadcast on SABC 2 on the 24th of March 2018, and a highlights package broadcast on Mzansi Magic.

SAFTAs 12 was celebrated under the theme “our stories are gold”, shining the light on those who have captured our hearts, minds, and imaginations through the telling of our unique stories. The live show’s electrifying opening performance paid homage to Nelson Mandela’s centenary and set the tone for the rest of the show which was a visual feast that seamlessly integrated the celebration of seasoned film and TV industry professionals while acknowledging the incredible work put in by new talent.

Key to the success of SAFTAs 12 are the private and public sector partnerships with the North-West Department of Culture, Arts and Traditional Affairs (CATA), McCafé, Ster-Kinekor and the Industrial Development Corporation (IDC) being some of the partners who made the awards possible. Other partners making contributions were, AB InBev, Graftobian Professional Make Up South Africa and Caivil.

The partnership with CATA, is part of a longer commitment towards developing the film and TV industry in the North-West Province. The school’s outreach programme during the SAFTAs 12 weekend which focused on audience development at rural schools in the province will be complimented by a yearlong programme that will include a Masterclass series, training on the business of film, engagement with women and youth in film with a particular focus on villages, townships and small dorpiess.

McCafé have shown significant support in advancing and developing the exceptional talent in South Africa. McCafé presented the Best Actor and Actress Awards in a Feature Film and the partnership with the SAFTAs highlights their belief that the film and television industry provides an ideal opportunity to challenge conventional thinking. Through these awards McCafé provides the local film and TV industry and its associated industries the opportunity to hone their skills, through practising the art of condensed powerful story-telling.

Viewers at home were a testament to this as this year’s awards saw a growth in the number of viewers from 1, 6 million in the previous year to 2,3 million viewers for this year’s show.

Global positioning:

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





Visions Du Réel:

Visions du Réel is the only Swiss Film Festival to present a majority of its films as world or international premieres. The Festival is a stepping stone for new talent, offering masterclasses, debates with film directors, meetings with professionals and many cultural mediation activities. The 2017 Visions Du Réel focus country was South Africa. Being a focus country is not only about allowing the general and professional public to discover a guest country, its social and cultural specificities, but it encourages exchanges and encounters between film institutions, producers, directors and distribution companies from different countries.

The South African focus took a retrospective glance at diverse films from the last 15 years. NFVF funded films selected to screen at the Visions Du Réel South African Focus were:

- 50 Years of Love by Karin Slater;
- Action Kommandant by Nadine Angel Cloete;
- I, Afrikaner by Annalet Steenkamp;
- Nelson Mandela, the Myth and Me by Khalo Matabane;
- Miners Shot Down by Rehad Desai; and
- The Devils Lair by Riaan Hendricks.

Five NFVF funded projects were also selected to pitch at the festival and the highlight was Days of Cannibalism by Teboho Edkins, winning the overall prize and being awarded 10 000 euros toward the production of the film.

Hot Docs:

Hot Docs Canadian International Documentary Festival is one of the biggest documentary festival's in the world. The festival offers a platform where filmmakers meet distributors, financiers, commissioning editors, exhibitors and broadcasters. In 2017, the festival screened 230 documentaries from 58 countries. The festival features The Doc Shop, an international documentary market, and the Hot Docs Pitch Forum and other workshops and programmes

As part of achieving its objectives for international festivals, the NFVF also celebrated 20 years of the co-production agreement between South Africa and Canada. The agreement / treaty was signed in 1997, administered by the NFVF and Telefilm. To date the Canadian treaty is the second highest with 28 projects being completed between the two countries. Some of the titles include: Molo Fish, Jozi H, The Bang Bang Club, The Roads to Freedom, Against the Wild 2 and 3, Madiba, Book of Negroes and Love Jacked.

Cannes Film Festival

The Cannes Film Festival is one of the world's oldest and most prestigious film festivals and market place for film. It is held annually (usually in May) at the Palais de Festival in Cannes, France. The 2017 edition marked 17 years of South Africa's official participation at the festival.

Cannes affords the NFVF the opportunity to reach the objective of globally positioning the South African Film Industry and collaborating with all stakeholders in supporting the development and promotion of a thriving South African Film Industry.

The festival offers the local film industry access to meet potential buyers, film financiers, distributors, co-producing partners and allows the NFVF to position the country as a competitive filming destination with competitive incentives for foreign filmmakers.

Key activities the NFVF hosted and facilitated were:

SA screenings:

- She is King directed by Gershwin Kgamedji;
- Asinamali directed by Mbongeni Ngema; and
- Zulu Wedding directed by Lineo Sekeleane.

Activations:

- South African Welcome Cocktail;
- NFVF Networking Session;
- NFVF Showcase; and
- Africa Day screening.

The SA Pavilion in Cannes has become critical in creating a home away from home for delegates. It serves as a platform to promote South Africa as a filmmaking destination, co-production partner of choice and assists in the marketing of South Africa's financial instruments that support film.

In order to achieve the above objectives the SA Pavilion assisted as follows:

- Provided a business base for all South Africans and other Africans at the Cannes Film Festival;
- Provided meeting facilities;
- NFVF team scheduled important meetings for SA with walk-in visitors; and
- Provided information to all visitors on filming in South Africa.



Toronto International Film Festival (tiff)

The 2017 edition of tiff saw four South African films selected as part of the official programme; *High Fantasy*, *The Number*, *Silas* and *Five Fingers for Marseilles*. The films were well received with some excellent reviews.

This year was also the 20th anniversary of the Canada and South Africa audio-visual co-production treaty. These celebrations started at Hot Docs, moved to DIFF and were concluded at tiff. The celebrations were concluded at a breakfast seminar where the Canadian filmmakers and SA filmmakers had an opportunity to network. At the breakfast, the NFVF also announced a partnership between the organisation and the Canada Media Fund (CMF) to incentivise co-productions between SA and Canadian producers and the mentorship programme with Blue Ice Films.

The NFVF collaborated with Blue Ice Pictures to host a networking session. The event brought together 350 key industry stakeholders and provided an opportunity for South African filmmakers and industry to network and consider areas for future collaboration.

Strategic Markets

The African continent is one of the NFVF's strategic goals going forward. The aim is to create similar fruitful relationships with other African countries as the ones that exist between South Africa and a few European countries, Canada, Australia and New Zealand.



We have realised that in order for Africa to succeed and dominate the creative industry, there is a need for a unified and collaborative approach and efforts from all role players.

The NFVF was part of a delegation that attended the Carthage Film Festival in Tunisia, along with a few South African filmmakers.

AFRIFF in Nigeria, was the second film festival within the continent that the NFVF activated, in order to establish relationships.

Supporting filmmakers to attend film festivals locally and globally

In an attempt to further expand the South African filmmaker footprint, the NFVF supports filmmakers to attend various other film festivals and markets around the world through a grant system. To qualify for funding support, the filmmaker should have been invited to attend a festival, forum or market to participate in screening, forums or have a compelling reason and solid itinerary in the country of choice.

Overall, the NFVF funded 97 filmmakers to attend the following Festivals/Markets:

Vision Du Réel, Zanzibar Film Festival, Cannes Film Festival, New York Film Festival, Durban International Film Festival, Cape Town International Film Market & Festival, Annecy International Animation Film Festival, Toronto International Film Festival, IFP No Borders, and Berlin International Film Festival. Great effort went into increasing the number of women and black applicants to create access to markets and festivals.

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to planned targets.

4.5 Programme 5: Administration and Human Resources

Programme Description

Purpose of programme

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

Strategic objectives related to administration and human resources

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

Programme Performance Report

Administration and Human Resources						
Strategic Objectives	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement 2017/2018	Comment on Deviations
Entity Management	Effective reporting	Quarterly Reports submitted to DAC, National Treasury and Council	Quarterly reporting to Council, DAC and Treasury	Quarterly Reports submitted to DAC, National Treasury and Council	N/A	N/A
Finance Administration	Effective governance	Unqualified audit report	Monthly Management Accounts	Monthly Management Accounts Prepared	N/A	N/A
Risk Management	Risk register	Risk assessment workshop was conducted in Feb 2017 with Audit committee members in attendance and the risk register approved by Council	Conduct an annual risk assessment workshop	Risk assessment workshop was conducted in Feb 2018	N/A	N/A
Internal Audit	Internal audit function	5 Audits completed: AoPO; Project Funding Audit; HR and Payroll Audit; SCM Audit and IT General Controls Review	4 internal audits annually	5 Audits completed for the year	1 more than target – AoPO	N/A
Performance Management System	To measure & align employee performance to service delivery	PMS fully implemented	Implement PMS	PMS fully implemented	N/A	N/A
Human Resource Development	To capacitate employees with skills & knowledge to assist with service delivery	20 staff trained	6 staff trained	9 staff trained	3 additional staff members trained	More staff were accommodated as some staff completed courses that will be paid over a period of 3 years.
	Labour and Compliance	Annual HR policies reviewed	Compliance with legislation	Annual HR policies and procedures workshop	N/A	N/A
Payroll System	Implement approved salary structure	Annual increases approved by Council and implemented	Implement approved structure	Annual increases approved by Council and implemented	N/A	N/A

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to planned targets.

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PART C: GOVERNANCE





1. INTRODUCTION

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

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

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

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





2. EXECUTIVE AUTHORITY

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

- Annual Performance Plan and Strategic Plan for 2017/18 – 29th January 2018;
- 1st Quarterly Report – 26th July 2018;
- 2nd Quarterly Report – 31st October 2018;
- 3rd Quarterly Report – 31st January 2019 and
- 4th Quarterly Report – 31st April 2019.

3. THE ACCOUNTING AUTHORITY

Introduction

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

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

The role of the Council is to:

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

In accordance with section 8(1) of the NFVF Act, Council meetings were held on 1st June 2017, 30th June 2017, 8th August 2017, 20th September 2017, 3rd November 2017, 13th November 2017, 7th December 2017, 14th February 2018, 19th February 2018, 27th February 2018 and 23rd March 2018. NFVF Council also had a 2-day Strategy Session 30th & 31st of August 2017.



Programme Performance Report

Name	Designation	Date appointed	Date resigned	Other Committees (e.g. Audit committee)	No. of Meetings attended
Mr Phillip Molefe	Chairperson	01 May 2017		Executive Committee	24
Ms Zimkhitha Zatu	Deputy Chairperson	01 May 2017		Executive Committee	21
Adv Dimakatso Qocha	Council Member	01 May 2017		HR Committee	19
Ms Zanele Mthembu	Council Member	01 May 2017			16
Ms Pamela Mashiane	Council Member	01 May 2017		Executive Committee / Panel Chair	31
Mr Thabiso Masudubele	Council Member	01 May 2017		Executive Committee / Panel Chair	34
Mr Shadrack Bokaba	Council Member	01 May 2017		Audit Committee / HR Committee	20
Mr Mfundo Ntsibande	Council Member	01 May 2017			14
Dr Siphelo Ngcwangu	Council Member	01 May 2017		Executive Committee / Panel Chair	23
Ms Fikile Masiko	Council Member	01 May 2017		HR Committee	7
Mr Lebohang Seperepere	Council Member	01 May 2017		Executive Committee / Audit Committee / HR Committee	20
Mr Jeremiah Mofokeng	Council Member	01 May 2017		HR Committee	18
Mr Delon Bakker	Council Member	01 May 2017	October 2017		10

Remuneration of Board Members

Name	Remuneration	Other allowance	Other	Total
Previous Council	R 55 010.00	0	0	R 55 010.00
Current Council				
Mr Phillip Molefe	R 223 564.00	0	0	R 223 564.00
Ms Zimkhitha Zatu	R 175 370.00	0	0	R 175 370.00
Adv Dimakatso Qocha	R 95 450.00	0	0	R 95 450.00
Ms Zanele Mthembu	R 121 811.00	0	0	R 121 811.00
Ms Pamela Mashiane	R 235 941.00	0	0	R 235 941.00
Mr Thabiso Masudubele	R 271 121.00	0	0	R 271 121.00
Mr Shadrack Bokaba	R 147 440.00	0	0	R 147 440.00
Mr Mfundo Ntsibande	R 13 972.00	0	0	R 13 972.00
Dr Siphelo Ngcwangu	R 175 634.00	0	0	R 175 634.00
Ms Fikile Masiko	R 20 958.00	0	0	R 20 958.00
Mr Lebohang Seperepere	R 28 716.00	0	0	R 28 716.00
Mr Jeremiah Mofokeng	R 137 733.00	0	0	R 137 733.00
Mr Delon Bakker (resigned)	R 74 492.00	0	0	R 74 492.00

4. RISK MANAGEMENT



Nature of Risk Management

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

Risk management strategies to identify risks and manage the risks

A Risk Assessment Workshop was conducted with Audit Committee members and the Executive Management team on the 20th February 2018 to review and update the NFVF Risk Register. Based on the outcomes of the Risk Assessment, a three-year Rolling Internal Audit Plan was drafted, presented and approved by the Audit Committee.

Progress made in addressing risks identified

Based on the control improvement plan identified at the Risk Assessment Workshop, the NFVF has undertaken the following:

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

5. INTERNAL CONTROL

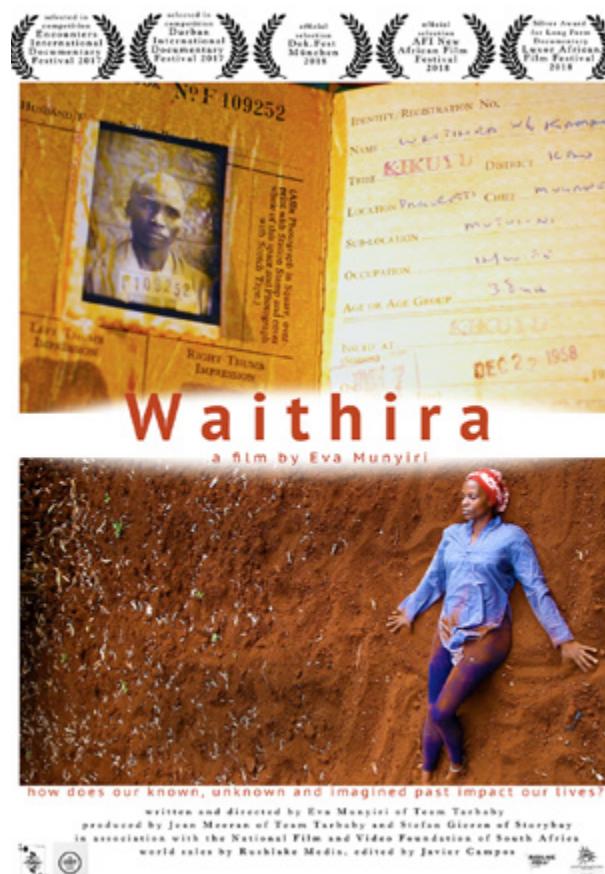
The NFVF is a section 3A Public Entity that is guided by both the principles set out in the NFVF Act as well as the Public Finance Management Act (PFMA). As such, its objectives are to ensure a fully functioning and efficient NFVF office that fulfils its statutory obligations in terms of the NFVF Act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

During the year under review the NFVF has:

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

During the year 2017/18, there were instances of irregular expenditure relating to non-compliance with SCM and deficient budget management which indicated a failure in some internal controls. NFVF has strengthened its internal controls by implementing the following:

- Filled a vacant position of CFO which had been vacant for 6 months of the 2017/18 financial year with a suitably skilled and well-experienced permanent CFO as at 1 July 2018; and
- Through its Audit Committee, instituted an SCM processes review/audit by NFVF internal auditors SNG.



6. INTERNAL AUDIT AND AUDIT COMMITTEES

Key Activities and Objectives of the Internal Audit

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

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

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

Thus the activities performed by the Internal Audit Function in executing its responsibilities include:

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

The NFVF's internal audit was performed by SizweNtsalubaGobodo.

Summary of Audit Work Done

During the 2017/18 financial year, a risk assessment was conducted. Based on the outcomes of the assessment and in terms of the three-year rolling internal audit plan, the following audits were conducted:

- Audit of pre-determined objectives;
- Project Funding Audit;
- Governance Review;
- Financial discipline review;
- Bursary Funding audit; and
- Supply Chain Management Audit (draft completed April 2018).

Key Activities and Objectives of the Audit Committee

The primary purpose of the NFVF Audit Committee is to assist the Council in fulfilling its oversight responsibility relating to the financial activities of the Foundation, in terms of the NFVF Act and the PFMA, (which includes responsibilities regarding safeguarding of assets, operating effective systems of internal control, financial management and preparing annual financial statements) by reviewing:

- The systems of internal control (financial, operational and compliance) that management have established;
- NFVF's auditing, accounting and financial reporting processes generally; and
- The integrity of financial reporting and other information provided by the NFVF to the Minister of Arts and Culture, any government body or the public.

Attendance of Audit Committee meetings by Audit Committee members:

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr Siyakhula Vilakazi	External		1 June 2017		4
Ms Lesego Sennelo	External		1 June 2017		3
Ms Phuthanang Motsielwa	External		1 June 2017		3
Mr Lebohang Seperepere	Internal	Council Member	1 June 2017		3
Mr Shadrack Bokaba	Internal	Council Member	1 June 2017		2

7. COMPLIANCE WITH LAWS AND REGULATIONS

The NFVF regularly monitors changes in legislation, policies and procedures are reviewed and updated to take into account legislative changes and updates.

8. FRAUD AND CORRUPTION

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

9. MINIMISING CONFLICT OF INTEREST

The NFVF has developed a conflict of interest policy which has been approved by Council. All Council, Committee and Panel Members are required to sign a declaration of conflict of interest form at every meeting. Staff members must sign a declaration of conflict of interest form on an annual basis.

10. CODE OF CONDUCT

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

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

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

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



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

The Audit Committee has complied with its responsibilities arising from the Treasury Regulations for Public Entities as issued by the Public Finance Management Act (PFMA), 1999, as amended. The Audit Committee has adopted an appropriate formal Audit Committee Charter, which has been confirmed by the Council of the NFFV, has regulated its affairs in compliance

Ms Lesego Sennelo - External member
Ms Phuthanang Motsielwa - External member
Mr Lebohlang Seperepere - Council member
Mr Shadrack Bokaba - Council member

The Effectiveness of Internal Control

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

From the various reports of the internal auditors and the Audit Report on the Annual Financial Statements of the Auditor-General, it was noted there were material non-compliances with prescribed policies and procedures that were reported. This resulted in a significant increase in irregular expenditure compared to the previous financial year. We are conducting an investigation to determine whether or not there was any fruitless and wasteful expenditure and misconduct by the officials. Accordingly, we can report that the system of internal control for the period under review was not adequately designed and fully effective and therefore requires strengthening in the 2018/19 financial year. Where there is evidence of misconduct, necessary action will be taken in accordance with the applicable policies and procedures.

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

- Audit of pre-determined objectives;
- Project Funding Audit;
- Governance Review; and
- Financial discipline review
- Bursary Funding audit.

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements of the NFVF to be included in the Annual Report, with the Auditor-General and the Accounting Officer. The Committee noted with concern the instances of Irregular Expenditure reported in financial statements including the deficit made by the entity at the end of 31 March 2018;

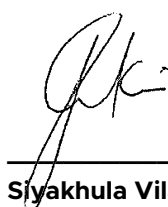
- Reviewed the Auditor-General's management letter and management's responses thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed any significant adjustments resulting from the audit.

The Committee is satisfied that these statements comply, in all material respects, with the requirements of the PFMA, 1999, as amended, and South African Statements of Generally Recognised Accounting Practice (GRAP). However, The Committee insisted that Management must review all controls and close all gaps identified. To support Management, The Committee instructed the Internal Audit to perform a review of financial controls earliest possible in 2018/19.

Auditor's Report

We have reviewed the Public Entity's implementation plan for audit issues raised in the prior year and we are concerned that some of the matters were not adequately resolved as irregular expenditure recurred.

The Committee has met with the Auditor-General to discuss all audit findings. 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.



Siyakhula Vilakazi

Chairperson of the Audit Committee
National Film and Video Foundation
31 July 2018



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PART D:
HUMAN
RESOURCE
MANAGEMENT



1. INTRODUCTION

Overview

The HR Priorities for 2017/2018 and their Impact

Align the Organisational Structure to the Organisation's Strategic Objectives

The Organisational Structure ensures that the NFVF has the right number of staff to enable the organisation to achieve its strategic objectives.

Implement an enhanced Performance Management System

The 360° Performance Management was embraced by the staff and is fully implemented. This is an assessment system which allows a comprehensive performance assessment of staff. This enabled the staff to see their individual roles in the overall organisational performance.

Human Capital Development

Training priorities are identified when the performance reviews are conducted. These training needs are compiled into a work skills plan and training reports for the previous year that are submitted to the MICT SETA. Employees are then trained in line with the training plan.

Employee Wellness

Implementation of the Wellness Programme, a programme designed to offer 24 hour life management support to all staff and their immediate families.

Labour and Compliance

HR Policies are reviewed on an annual basis and are approved by Council. Once approved, NFVF staff members are taken through the changes and implications.

Performance Reward System

The Reward System was revised and implemented and encompasses both financial and non-financial rewards. Members of staff are rewarded according to the revised and approved salary increases.





Mentorship Programme:

Formal mentoring programmes are implemented to address challenges such as retaining and engaging employees, accelerating learning and building succession pools. Mentoring remains an important part of the NFVF's learning and development offering.

Plans for the Year Ahead

The overarching purpose of The Department continues to be ensuring that the programmes are in line with the overall objective of sound leadership and governance. The major emphasis will be on solidifying the talent management framework which addresses programmes such as mentorship, career development and succession planning. The Wellness Programme remains a key part of maintaining employee engagement.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by Programme

Programme	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Training & Skill Development	986	4	2	5
Policy & Research	2738	11	5	5
Production & Development	3971	17	6	7
Marketing & Distribution	4082	17	7	6
CEO, Finance & Centralised Services	12187	51	17	7
TOTAL	2363	100	37	

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 285	9	1	2 285
Senior Management	6 329	25	5	1 265
Middle Management	8 853	36	11	805
Professional qualified	6 884	28	18	382
Semi-skilled	200	1	1	200
Unskilled	128	1	1	128
TOTAL	24 679	100	37	

Performance Rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	368	2 285	16
Senior Management	511	6 329	8
Middle Management	483	8 853	5
Professional qualified	396	6 884	6
Semi-skilled	16	200	8
Unskilled	8	128	6
TOTAL	1 782	24 679	

Training Costs

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
24 679	270	1.09	9	30

Employment and Vacancies by Programme

Programme	No. of Employees as at 31 March 2017	2017/2018 Approved Posts	No. of Employees as at 31 March 2018	Vacancies as at 31 March 2018	% of Vacancies
Training & Skills Development	2	2	2	0	0%
Policy & Research	5	5	5	0	0%
Production & Development	6	6	4	2	50%
Marketing & Distribution	6	6	6	0	0%
HR, Finance & CEO	17	17	14	3	21.42%
TOTAL	31	36	31	5	

Employment and Vacancies by Salary Band

Programme	No. of Employees as at 31 March 2017	2017/2018 Approved Posts	No. of Employees as at 31 March 2018	Vacancies as at 31 March 2018	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	5	5	4	1	25%
Middle Management	11	11	9	2	22.22%
Professional qualified	18	18	16	2	12.50%
Semi-skilled	1	1	1	0	0%
Unskilled	1	1	1	0	0%
TOTAL	37	37	32	5	

Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	5	0	0	5
Middle Management	10	0	2	8
Professional qualified	18	1	3	16
Semi-skilled	1	0	0	1
Unskilled	1	0	0	1
Total	36	1	5	32

Reasons for Staff Leaving

Reason	Number
Death	0
Resignation	4
Dismissal	0
Retirement	1
Ill health	0
Expiry of contract	0

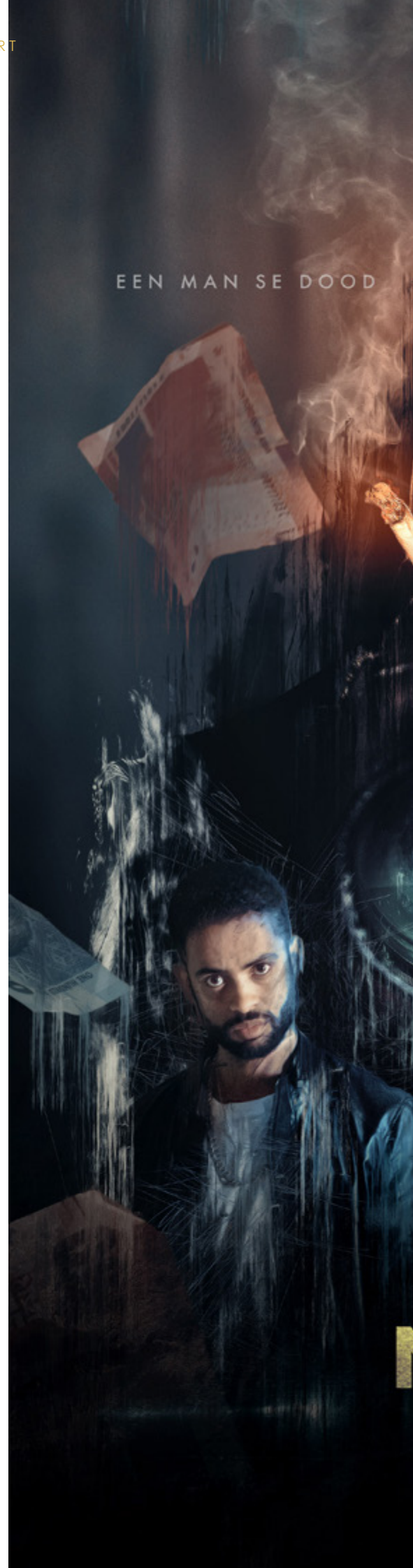
Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	0
Dismissal	0

Employment Equity Status

Levels	MALE			
	African	Coloured	Indian	White
Top Management	0	0	0	0
Senior Management	1	0	0	0
Middle Management	5	0	0	0
Professional qualified	2	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	8	0	0	0

Levels	FEMALE			
	African	Coloured	Indian	White
Top Management	1	0	0	0
Senior Management	3	1	0	0
Middle Management	4	0	1	0
Professional qualified	15	0	0	1
Semi-skilled	1	0	0	0
Unskilled	1	0	0	0
TOTAL	25	1	1	1



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PART E: FINANCIAL INFORMATION



1. STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2018

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

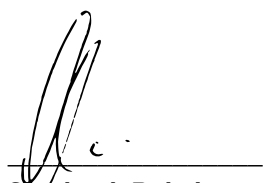
The Accounting Authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Annual Financial Statements.

In my opinion, the Financial Statements fairly reflect the operations of the Public Entity for the financial year ended 31 March 2018.

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

The National Film and Video Foundation Annual Financial Statements for the year ended 31 March 2018 have been audited by the External Auditors and their report is presented on page 82.

The Annual Financial Statements of the Public Entity set out on page 82 to page 111 have been approved by the Accounting Authority.

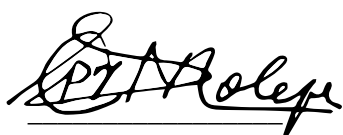


Shadrack Bokaba

Acting CEO

National Film and Video Foundation

31 July 2018



Mr Phillip Molefe

Chairperson

National Film and Video Foundation

31 July 2018





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

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the National Film and Video Foundation set out on pages 82 to 111, 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 Film and Video Foundation 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 this matter.

Irregular expenditure

7. As disclosed in note 15 to the financial statements, the entity incurred irregular expenditure of R7 107 281 as result of the overspending of the budget and not following proper tender process.

Responsibilities of accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
9. In preparing the financial statements, the accounting authority is responsible for assessing the National Film and Video Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the 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

10. 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.

11. 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

12. 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 programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. 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.
14. 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 programmes presented in the annual performance report of the entity for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 1 - Training and Skills Development	20 – 23
Programme 3 - Development and Production of content	31 – 39
Programme 4 - Marketing and Communication	40 – 48

15. 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.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
 - Programme 1 - Training and Skills Development
 - Programme 3 - Development and Production of Content
 - Programme 4 - Marketing and Communication

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 20 to 48 for information on the achievement of planned targets for the year and explanations provided for the under and over achievement of a number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 1: Training and Skills Development, Programme 3: Production and Development of Content and Programme 4: Marketing and Communication. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

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. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements of current liabilities identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

23. A person in the service of the entity whose partner or associate had a business interest in a contract awarded by the entity participated in the process relating to that contract in contravention of treasury regulation 16A8.4.

Other information

24. 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 programmes presented in the annual performance report that have been specifically reported in this auditor's report.
25. 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.
26. 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 programmes 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

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

Financial and performance management

28. Management had not prepared regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information. Furthermore, compliance with applicable laws and regulations were not effectively monitored.

Other reports

29. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
30. The investigation instituted by the Executive authority of the National Department of Arts and Culture at the entity into the failure to adhere to governance processes and misuse of positions by management was finalised in March 2018.

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 programmes 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 Film and Video Foundation'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.

NATIONAL FILM AND VIDEO FOUNDATION ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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The Annual Financial Statements set out on page 82 to 111 were approved by the Accounting Authority on 31 May 2018 and are signed by:



Mr Phillip Molefe

Chairperson

National Film and Video Foundation

31 July 2018

NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2018

1. INTRODUCTION

The Accounting Authority presents the report that forms part of the Audited Annual Financial Statements of the organisation for the year ended 31 March 2018. The National Film and Video Foundation is established in terms of the National Film and Video Foundation (NFVF) Act no. 73 of 1997 and is listed as a National Public Entity in schedule 3A of the Public Finance Management Act (PFMA), 1999, as amended.

2. DIRECTORS OF THE ENTITY

Executive director:

Ms Z Mkosi (Chief Executive Officer) – resigned 27 May 2018.

Mr S Bokaba (Acting Chief Executive Officer) – appointed 28 May 2018.

Non-executive directors (Council):

Mr Phillip Molefe (Chairperson); Ms Zimkhitha Zatu (Deputy Chairperson); Mr Shadrack Bokaba; Ms Zanele Mthembu; Dr Siphelo Ngcwangu; Mr Lebogang Seperepere; Advocate Dimakatso Qocha; Mr Mfundo Ntsibande; Ms Fikile Masiko; Mr Jeremiah Mofokeng; Ms Pam Mashiane; Mr Thabiso Masudubele

3. ORGANISATIONAL STRUCTURE

The organisation currently employs 29 permanent staff including the Chief Executive Officer and 4 Executive Managers. 6 staff members resigned during the year.

4. REMUNERATION FOR THE YEAR

Non-executive directors: Council (1 April 2017 to 31 March 2018)

Council Member	Amount		Number of Meetings Attended				
	(R)	12 Council Meetings	2 Strategy Sessions	2 Exco Meetings	4 HR Committee	3 Council Inductions	10 Other Meetings **
Mr. Phillip Molefe	223,564	11	2	2	0	3	6
Ms. Zimkhitha Zatu	175,370	10	2	2	0	3	4
Ms. Pamela Mashiane	188,951	12	2	2	0	2	7
Mr. Thabiso Masudubele	195,937	12	2	2	0	3	8
Dr. Siphelo Ngcwangu	147,440	8	2	2	0	3	5
Mr. Lebogang Seperepere	28,716	8	2	2	3	3	2
Mr. Delon Bakker (resigned)	74,492	4	2	0	0	3	1
Ms. Fikile Masiko	20,958	4	0	0	1	2	0
Mr. Jeremiah Mofokeng	137,733	8	2	0	3	3	2
Mr. Mfundo Ntsibande	13,972	10	2	0	0	2	0
Adv. Dimakatso Qocha	95,450	8	2	0	3	2	4
Mr. Shadrack Bokaba	147,440	8	2	0	4	3	3
Ms. Zanele Mthembu	121,811	11	2	0	0	3	0
Former Council - ended 30 April 2017	55,010	1	0	0	0	0	0

** Other meetings include, among others, Pitch Sessions, Council Task Team, Portfolio Committee Meeting, Meetings with the Shareholder.

NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2018

Council Member	Amount	Number of Meetings Attended			
	(R)	Training Panel	Marketing Panel	Fiction Panel	Non-Fiction Panel
Ms. Pamela Mashiane	46,990		5		
Mr. Thabiso Masudubele	75,184			4	3
Dr. Siphelo Ngcwangu	28,194	3			

Audit Committee (1 April 2017 to 31 March 2018)

Audit Committee Member	Amount	Number of Meetings Attended	
		3 Audit Committee	1 Risk Workshop
Siyakhula Vilakazi (Chairperson)	6 986	3	1
Lebogang Seperepere	6 986	2	1
Shadrack Bokaba	13 972	2	0
Ms. Phuthanang Motsielwa	17 465	2	1
Ms. Lesego Sennelo	13 972	2	1
Former Audit Committee (T Mjoli)	9 398	1	0

Executive Management:

	Basic Salary	13th Cheque & Performance Bonus	Allowances	Employer Contributions	Total
Chief Executive Officer - Z Mkosi	1,507,067	125,589	18,000	363,193	2,013,850
Chief Financial Officer (resigned)	619,475	247,538	6,190	15,064	888,267
Head: Marketing	990,528	158,575	12,000	168,620	1,329,722
Head: Policy & Research	842,396	174,017	12,000	85,871	1,114,284
Head: Human Resources	957,782	191,371	12,000	192,479	1,353,632
Head: Production and Development	760,716	122,078	12,000	174,019	1,068,813
	5,677,965	1,019,167	72,190	999,246	7,768,568

5. GOING CONCERN

The Council and Management of the Foundation are of the opinion that the organisation will continue as a going concern in the foreseeable future as it still has future grant support from the shareholder.

6. PRINCIPAL ACTIVITIES

The principal activities of the organisation during the year comprise of support to the film and video industry through the granting of funds for the development and production of film projects, the granting of bursaries and support of training initiatives, and the marketing and promotion of film and video projects.

NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2018

7. OPERATING RESULTS

The deficit of the organisation for the year is R6 345 887 (2017 deficit: R4 338 813). The deficit is mainly attributable to less than expected SAFTAs sponsorships.

8. REVIEW OF OPERATIONS

Revenue

Revenue comprises funding received from Government, sponsors and other stakeholders. The decrease in revenue is attributable to a decrease in funds from MICT Seta.

Expenditure

The organisation hosted the twelfth annual South African Film and Television Awards (SAFTAs). The NFVF had to accommodate additional costs as the SAFTAs sponsorships did not materialised as expected. The NFVF awarded 126 grants towards the development and production of content. The NFVF also awarded 127 bursaries in partnership with MICT Seta to students for film related studies.

9. SUBSEQUENT EVENTS

A significant event occurred in that a CEO, Ms Z Mkosi resigned on 27 May 2018.

10. AUDITORS

The Office of the Auditor General will continue as external auditors of the Foundation in accordance with section 58(1)(a) of the PFMA.

11. ADDRESSES

The entity's business, postal and registered addresses are as follows:

Business address / domicile:	Postal address:	Registered address:
87 Central Street Houghton 2198	Private Bag X04 Northlands 2116	87 Central Street Houghton 2198

NATIONAL FILM AND VIDEO FOUNDATION

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	March 2018	March 2017
ASSETS			
Non Current Assets		9 198 033	8 125 809
Plant and Equipment	3	6 472 680	4 784 191
Intangible assets	4	2 385 379	3 001 644
Rental deposit	14,3	339 974	339 974
Current Assets		70 723 223	74 961 818
Cash and cash equivalents	13	63 996 142	59 616 707
Trade and other receivables	5,1	6 582 403	15 345 111
Prepayments	5,2	144 679	-
TOTAL ASSETS		79 921 256	83 087 627
LIABILITIES			
Non-Current Liabilities		39 943 314	35 011 811
Provisions	6,2	39 356 195	34 846 099
Operating lease liability	14,2	587 119	165 712
Current Liabilities		44 438 094	46 190 099
Trade and other payables	6,1	2 528 169	5 565 566
Provisions	6,2	40 899 088	39 613 697
Income received in advance	7	1 010 836	1 010 836
TOTAL LIABILITIES		84 381 407	81 201 910
NET ASSETS			
Accumulated (deficit) / surplus		(4 460 151)	1 885 718
TOTAL NET ASSETS AND LIABILITIES		79 921 256	83 087 627

NATIONAL FILM AND VIDEO FOUNDATION

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 Actual R	2018 Approved Budget R	2017 Actual R
Revenue		145 987 210	129 052 000	158 098 207
Non-exchange	8,1	129 097 396	129 052 000	122 941 216
Exchange	8,2	16 889 815	-	35 156 991
Grant expense	9	(115 538 182)	(94 300 000)	(131 380 844)
Gross profit		30 449 029	34 752 000	26 717 363
Other income	8,3	85 662	-	272 580
Operating expenses	10	(40 302 590)	(38 952 000)	(36 574 621)
Loss on disposal of Plant and Equipment	3 & 4	(219 073)	-	(28 236)
Deficit from operations		(9 986 973)	(4 200 000)	(9 612 914)
Investment income	11	3 641 086	4 200 000	5 274 102
Deficit for the year	21	(6 345 887)	0	(4 338 813)

NATIONAL FILM AND VIDEO FOUNDATION

STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2018

	Accumulated surplus R	Total Net Assets / (Liabilities) R
Balance as at 31 March 2014	2 321 825	2 321 825
Surplus for the year	3 427 722	3 427 722
Correction of error	(1 259 397)	(1 259 397)
Balance as at 31 March 2015	4 490 150	4 490 150
Surplus for the year	1 871 364	1 871 364
Correction of error	(136 965)	(136 965)
Balance as at 31 March 2016	6 224 549	6 224 549
(Deficit) for the year	(4 338 813)	(4 338 813)
Balance as at 31 March 2017	1 885 736	1 885 736
(Deficit) for the year	(6 345 887)	(6 345 887)
Balance as at 31 March 2018	(4 460 151)	(4 460 151)

NATIONAL FILM AND VIDEO FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 Actual R	2017 Actual R
Cash flow from operating activities			
Cash Receipts		146 072 873	148 662 045
Non-exchange		129 097 396	122 941 216
Exchange		16 889 815	25 448 249
Other income		85 662	272 580
Cash Payments		(141 576 523)	(170 854 741)
Employee costs		(23 519 076)	(22 182 163)
Suppliers		(118 057 447)	(148 672 578)
Net Cash flows from operating activities	12	4 496 350	(22 192 696)
Cash flow from investing activities			
Purchase of Property and Equipment	3	(3 325 133)	(3 414 456)
Purchase of intangible assets	4	(432 869)	(193 613)
Investment revenue	11	3 641 086	5 274 103
Net Cash flows used in investing activities		(116 915)	1 666 034
Net(Decrease)/ Increase in cash and cash equivalents		4 379 435	(20 526 662)
Cash and cash equivalents at the beginning of the year		59 616 707	80 143 370
Cash and cash equivalents at the end of the year	13	63 996 142	59 616 707

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Basis of preparation

The Annual Financial Statements of the NFVF have been prepared in accordance with the effective South African Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board

2. Summary of significant accounting policies

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

2.1 Significant accounting estimates and judgements

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

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

Critical judgements in applying accounting policies

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

Estimates

Trade Receivables

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 6.2 to the Annual Financial Statements.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Useful life and residual value of property and equipment

As described in the accounting policy of property and equipment, the NFVF reviews the estimated useful lives of property and equipment at the end of each annual reporting period. During the review, management determines whether the useful lives of certain equipment should be lengthened, due to the condition and the continuous use of certain of the assets. The financial effect of this assessment, assuming the assets are held until the end of their revised estimated useful lives, is to reduce the depreciation expense in the current financial year. The annual depreciation charge will be adjusted for any changes in these estimates (refer to note 3 & 4). These estimates are based on managements experience, knowledge and current expectations.

Judgements

Leases

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

2.2 Revenue

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

2.2.1 Revenue from Non-Exchange Transactions

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

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

Government Grants

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

2.2.2 Revenue from Exchange Transactions

An exchange transaction is one in which the NFVF receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Exchange revenue is recognised when it is probable that future economic benefits will flow to the NFVF and when the amount can be measured reliably.

Revenue is measured at the fair value of the consideration received. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Interest Revenue

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

2.3 Plant and equipment

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

Plant and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Plant and equipment are depreciated on the straight line method at rates which are estimated to write off each asset over its useful life, as follows:

	Useful life	Rate	
Computer hardware	3 - 7 years	14% - 33,33%	p.a
Furniture and fittings	6 -10 years	10% - 16,67%	p.a
Office equipment	6 years	16,67%	p.a

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

2.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identified as an intangible asset when it is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability. An intangible asset is recognised when it is probable that the future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

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

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

The amortisation rates are as follows:	Useful life	Rate	
Intangible assets	10 years	10,00%	p.a
Computer software	2 - 5 years	20% - 50%	p.a

Useful lives are assessed annually.

2.5 Impairment of assets

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

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

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

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

2.6 Non-current assets

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

2.7 Financial instruments

A financial instrument is defined as a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets and financial liabilities are recognised on the Statement of Financial Position when the NFVF becomes a party to the contractual provisions of the instrument. Financial instruments recognised on the Statement of Financial Position and in the notes thereto are as follows:

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

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Trade receivables

Trade and other receivables are measured at fair value at initial recognition, and are subsequently measured at amortised cost, if applicable, using the effective interest rate method less any impairment. Impairment is determined on a specific basis, whereby each asset is individually assessed for impairment indicators. Receivables are purely from exchange transactions whereby a service was rendered by the organisation.

Cash and cash equivalents

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

Trade payables

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

Impairment of financial instruments

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

Derecognition of financial instruments

Financial assets

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

Financial liabilities

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

Off-setting of financial instruments

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

2.8 Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognised when the NFVF has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be estimated reliably. Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 6.2 to the Annual Financial Statements. The amount of a provision is the present value of the amount expected to be required to settle the obligation. Contingent assets and contingent liabilities are not recognised as provisions as they do not comply with the recognition criteria. Provisions are not recognised for future operating losses.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2.8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised but disclosed when identified.

2.9 Taxation

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

2.10 Comparative figures

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

2.11 Presentation currency

Amounts in the Annual Financial Statements are presented and disclosed in South African Rand, and are rounded to the nearest rand.

2.12 Employee Benefits

Short-term employee benefits

Short-term employee benefits are recognised during the period in which the employee renders the related service.

Defined contribution plans

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

2.13 Related Parties

The NFVF is a Schedule 3(A) Public Entity that is ultimately owned and controlled by the South African government.

All related party transaction that are entered into by the NFVF with any organization owned by SA government are disclosed in the Annual Financial Statements.

2.14 Irregular and fruitless and wasteful expenditure

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

National Treasury 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 year and which was condoned before year end and/or before finalisation of the Financial Statements must be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the Financial Statements.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2.14 Irregular and fruitless and wasteful expenditure (continued)

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.

2.15 Leases

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

2.16 Budget Information

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury and is in line with the basis of accounting as per the GRAP Framework.

The budget was approved by the Council and submitted to the executive authority in terms of section 53(1) of the PFMA, and covers the period from 1 April 2016 to 31 March 2017. The budget and accounting basis are the same; both are on the accrual basis. The budget information is prepared using a classification on the nature of expenses in the Statement of Financial Performance.

2.17 Segment reporting

The Foundation has considered GRAP 18 requirements and accordingly no separate segments have been identified.

2.18 Foreign exchange transactions

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

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Plant and Equipment

	R	R	R	R
2018	Computer hardware	Furniture & fittings	Office equipment	Total
Cost as at 31 March 2018	3 649 521	6 577 051	431 152	10 657 723
Accumulated depreciation	(2 121 455)	(1 919 978)	(143 611)	(4 185 043)
Carrying value at 31 March 2018	1 528 066	4 657 073	287 541	6 472 680

	R	R	R	R
2018	Computer hardware	Furniture & fittings	Office equipment	Total
Carrying value at 1 April 2017	2 299 579	2 314 689	169 923	4 784 191
Additions	50 446	3 101 382	173 305	3 325 133
Plant and equipment disposed	(107 248)	(97 584)	73	(204 759)
Cost	(243 468)	(254 968)	73	(498 363)
Accumulated depreciation	136 220	157 384		293 604
Disposal of plant and equipment				
Depreciation	(714 710)	(661 415)	(55 759)	(1 431 884)
Carrying value at 31 March 2018	1 528 067	4 657 072	287 541	6 472 680

	R	R	R	R
2017	Computer hardware	Furniture & fittings	Office equipment	Total
Cost as at 31 March 2017	3 841 609	3 791 077	257 847	7 890 533
Accumulated depreciation	(1 542 030)	(1 476 388)	(87 924)	(3 106 341)
Carrying value at 31 March 2017	2 299 579	2 314 688	169 923	4 784 191

	R	R	R	R
2017	Computer hardware	Furniture & fittings	Office equipment	Total
Carrying value at 1 April 2016	2 244 656	347 621	75 365	2 667 642
Additions	961 682	2 239 518	127 717	3 328 916
Additions - Work in progress	85 540			85 540
Plant and equipment disposed		-		-
Cost	(531 752)	(617 561)	(184 014)	(1 333 327)
Accumulated depreciation	503 516	617 561	184 014	1 305 091
Disposal of plant and equipment	(28 236)	-	-	(28 236)
Depreciation	(964 062)	(272 450)	(33 159)	(1 269 672)
Carrying value at 31 March 2017	2 299 579	2 314 688	169 923	4 784 191

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Plant and Equipment (continued)

The total additions for the year amounted to R3,101,382 (2017: R3 414 456).

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property and equipment is tested for impairment whenever there is an indication that the asset may be impaired in accordance with the requirement of GRAP 17. The impairment losses, if any, are disclosed under other expenses in the Statement of Financial Performance. The estimation of the useful life of property and equipment is based on historical performance as well as expectations about future use and therefore requires a significant degree of judgement by management. The depreciation rate represents managements current best estimate of the useful life of assets.

No impairments were made to property and equipment during the current financial year. During the year, the NFVF carried out a review of the recoverable amount of its property and equipment. Estimates and judgements are evaluated annually and are based on historical experience and other factors. Management has considered the impact of GRAP 17 on the Annual Financial Statements for the year.

4. Intangible assets

This relates to the NFVF computer software, website and specialised software.

	R	R	R	R
2018	Website	Computer software	Specialised Software	Total
Cost as at 31 March 2018	867 483	4 507 440	171 992	5 546 915
Accumulated amortisation	(481 267)	(2 575 308)	(104 963)	(3 161 537)
Carrying value at 31 March 2018	386 216	1 932 133	67 029	2 385 378

	R	R	R	R
Reconciliation - 2018	Website	Computer software	Specialised Software	Total
Carrying value at 1 April 2017	475 775	2 407 172	118 697	3 001 644
Additions		432 869		432 869
Plant and equipment disposed				-
Cost			(64 127)	(64 127)
Accumulated depreciation			29 822	29 822
Disposal of plant and equipment			(34 305)	(34 305)
Depreciation	(89 559)	(907 908)	(17 363)	(1 014 829)
Carrying value at 31 March 2018	386 217	1 932 133	67 029	2 385 379

	R	R	R	R
2017	Website	Computer software	Specialised Software	Total
Cost as at 31 March 2017	867 483	4 074 572	236 119	5 178 174
Accumulated amortisation	(391 708)	(1 667 400)	(117 422)	(2 176 530)
Carrying value at 31 March 2017	475 775	2 407 172	118 697	3 001 644

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4. Intangible assets (continued)

	R	R	R	R
Reconciliation - 2017	Website	Computer software	Specialised Software	Total
Carrying value at 1 April 2016	565 334	3 023 039	145 045	3 733 418
Additions	-	160 951	-	160 951
Additions - Work in progress		32 662	-	32 662
Amortisation	(89 559)	(809 480)	(26 348)	(925 386)
Carrying value at 31 March 2017	475 775	2 407 172	118 697	3 001 644

The total additions for the year amounted to R465 518 (2017: R193 613). Computer software is amortised over its useful life using the straight-line method (finite useful life). The amortisation expense has been included under the line “depreciation and amortisation expense” in the notes to the Statement of Financial Performance. Management has reviewed the useful life of computer software and believe that the straight-line method of 2 - 5 years is still deemed to be a true reflection of the write-off period. The estimation of the useful life of computer software is based on historical performance as well as expectations about future use. The amortisation rate represents managements current best estimate of the useful life of the assets.

5. Trade and other receivables

5.1 Trade receivables

5.1.1 Receivables from exchange transactions

	2018 R	2017 R
South African Broadcasting Corporation	541 216	630 604
M-Net	1 273 039	1 235 960
MICT SETA	70 000	9 417 096
Other	-	22 750
KZN Film Commission	151 600	151 600
Ster-Kinekor	350 000	300 000
Flight Centre	-	134 564
GE Media	2 822 120	2 358 954
Culture, Arts and Traditional Affairs - North West	500 000	-
South African Breweries	100 000	-
Caivil Hair	150 000	-
National Youth Development Agency	-	500 000
	5 957 974	14 751 528

5.1.2 Other receivables

Recoverable amount from staff member	593 583	593 583
Cecil Nurse refund	30 846	
Trade and other Receivables	6 582 403	15 345 111

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. Trade receivables (continued)

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method less any impairment. No interest is charged on any outstanding balance due as these consist of sponsorships and partnership contributions. Trade receivables that are past due are not impaired at year end as there is no significant change in credit quality and therefore are still considered recoverable.

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

Other receivables is the amount due by a former employee who committed fraudulent activity in the prior financial years. Management appointed a legal team to facilitate the repayment terms.

	R	R	R	R	R	R
2018	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
Gross trade receivables	5 175 282	-	-	-	1 407 121	6 582 403
Impairment of trade receivables	-	-	-	-	-	-
Net trade receivables	5 175 282	-	-	-	1 407 121	6 582 403

	R	R	R	R	R	R
2017						
Gross trade receivables	15 345 111	-	-	-	-	15 345 111
Impairment of trade receivables	-	-	-	-	-	-
Net trade receivables	15 345 111	-	-	-	-	15 345 111

5.2 Prepayments

	2018 R	2017 R
Magicode	37 097	-
AGA	88 202	-
SA Career Guide	19 380	-
	144 679	-

Prepayments relate to expenses mainly for furniture that has not been delivered pending completion of renovations.

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6.1 Trade and other payables from exchange transactions	2018 R	2017 R
Trade payables	2 402 145	5 565 566
Liberty Life	126 024	-
	2 528 169	5 565 566

	R	R	R	R	R	R
2018	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
Gross trade payables	2 402 145	-	-	-	-	2 402 145
Impairment of trade payables	-	-	-	-	-	-
Net trade payables	2 402 145					2 402 145

	R	R	R	R	R	R
2017	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
Gross trade payables	5 565 566	-	-	-	-	5 565 566
Net trade payables	5 565 566					5 565 566

The carrying amount approximates fair value because of the short period of settlement.

The NFVF recognises trade payables at fair value and subsequently measures payables at amortised cost using the effective interest method. There were no defaults on any amounts payable nor were there any amounts renegotiated with suppliers of the NFVF.

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

6.2 Provisions	2018 R	2017 R
6.2.1 Provision for Grants issued by NFVF		
Opening balance as at 01 April 2017	72 320 279	79 434 152
New Grants issued (note 9)	115 538 182	131 380 844
Payments and reversals made during the year	(109 871 735)	(138 494 717)
Closing balance as at 31 March 2018	77 986 726	72 320 279

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

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6.2.2 Provision for leave pay

	2018 R	2017 R
Opening balance as at 01 April 2017	683 336	666 028
Utilised during the year	(683 336)	(666 028)
Originated during the year	725 663	683 336
Closing balance as at 31 March 2018	725 663	683 336

A provision for leave is recognised for leave due to employees at year end and calculated using the BCEA rates. The provision is expected to be realised within the following financial year when the employee utilises the leave, resign or retire.

6.2.3 Provision for 13th cheque and Performance Bonus

	2018 R	2017 R
Opening balance as at 01 April 2016	1 456 180	1 657 078
Utilised during the year	(1 456 180)	(1 657 078)
Originated during the year	1 542 893	1 456 180
Closing balance as at 31 March 2017	1 542 893	1 456 180

A provision for 13th cheque is recognised for the amount due to employees at year end. The provision is expected to be realised within the NFVF incurred irregular expenditure of R593 583 during the 2015/16 financial year. This was due to fraudulent activity committed by a former NFVF employee. The amount of the irregular expenditure was determined by a forensic investigation. A criminal case was opened with South African Police Services against the employee. A legal team was appointed to facilitate the repayment terms for the recovery of the amount. The provident fund has not been paid out to the employee and will serve as part payment of the amount owing.

Total Provisions	80 255 282	74 459 796
Current	40 899 088	39 613 697
Non-current	39 356 195	34 846 099

Non-current provisions relate to estimates for grant projects that have milestones which are due after the next financial year and hence classified as non-current provisions.

7. Income received in advance from non exchange transactions

Department of Arts and Culture

	2018 R	2017 R
Opening balance as at 01 April 2017	1 010 836	3 138 059
Utilised during the year	-	(2 127 223)
Closing balance as at 31 March 2018	1 010 836	1 010 836

Income received in advance relates to the funds received from Department of Arts and Culture (DAC) to identify potential sites and have a business case for the establishment of Film Hubs. A service provider is assisting in this project and to date R2 127 223 has been utilised.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Revenue

	2018 Actual R	2018 Approved Budget	2017 Actual R
8.1 Revenue from Non-Exchange Transactions	129 097 396	122 907 000	122 941 216
Department of Arts and Culture - annual allocation	129 052 000	122 907 000	122 907 000
MICT-SETA: Mandatory Grant	45 396	-	34 216
8.2 Revenue from Exchange Transactions	16 889 815	-	35 156 991
Namibian Film Commission - Youth Filmmaker	300 000	-	-
Department of Arts and Culture - Digital Screens	-	-	2 127 223
South African Broadcasting Corporation	776 216	-	3 030 604
M-Net	1 273 039	-	1 357 660
GE Media	2 063 166	-	3 845 053
MICT - SETA	4 497 029	-	20 696 896
KZN Film Commission	-	-	1 530 839
Ster-Kinekor	350 000	-	300 000
Durban Film Office	-	-	90 000
National Youth Development Agency (NYDA)	-	-	500 000
Duekom	818 599	-	-
Gauteng Film Office	-	-	129 239
Recoupments	1 261 766	-	1 176 865
South African Breweries	100 000	-	-
Culture, Arts and Traditional Affairs - North West	5 000 000	-	-
Independent Development Corporation	300 000	-	-
Caivil Hair	150 000	-	-
Sales - SAFTAs	-	-	372 612
	145 987 210	122 907 000	158 098 207

Revenue received from exchange transactions relate mainly to sponsorships and partnership agreements with stakeholders for projects and NFVF events. The NFVF entered into partnership agreements with private sector companies e.g. Sun International, McCafe and Ster-Kinekor which contributed to the successful hosting of the SAFTA's. The MICT Seta is also one of NFVF's partners in providing additional funding for bursaries and the internship programme.

8.3 Other Income

	2018 Actual R	2018 Approved Budget	2017 Actual R
Other	85 662	-	272 580
Other income includes VAT rebates from suppliers from International countries.			

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	2018 Actual	2018 Approved Budget	2017 Actual
	R	R	R
9. Grant expense			
Training & bursaries	16 966 276	12 100 000	29 999 460
Development and production of content	46 316 424	46 000 000	49 186 570
Research projects	1 854 785	3 500 000	6 365 130
Local and global positioning	50 400 697	32 700 000	45 829 684
	115 538 182	94 300 000	131 380 844

The variance between actual and budget grant expenditure was sourced mainly from sponsorship and partnership agreements entered into with various stakeholders, as reflected in note 8.

	Note	2018 Actual	2018 Approved Budget	2017 Actual
		R	R	R
10. Operating expenses				
Included in the operating expenses are the following:				
Audit fees - Internal		1 263 088	680 000	817 145
- External		813 821	725 000	534 392
Consulting services		635 558	330 000	738 429
Professional services - staff recruitment		396 594	150 000	499 947
Website expenses		238 965	180 000	238 482
Councillors' services				
Honorarium - Council meetings	17.1	1 845 991	1 393 000	1 180 098
Depreciation and amortisation expense	3 & 4	2 446 713	1 650 000	2 195 058
Rent - Buildings		4 028 537	3 948 000	2 842 824
Salaries and wages	10.2	23 519 076	24 701 239	21 998 573
Salaries and wages - Executive Management	17.2	7 768 568	-	7 844 356
Salaries and wages - other staff		15 750 508	-	14 154 217
Travel and accommodation		780 686	450 000	834 046
Printing and publication		98 735	240 000	561 831
Administration		2 180 566	2 040 761	2 134 773
Conferences and Catering		701 279	650 000	364 443
Advertising		-	300 000	121 354
Telephone & Fax		658 641	554 000	762 418
Equipment Hire		449 473	420 000	501 675
Computer Expenses		493 709	400 000	466 501
Electricity & Water		386 716	470 000	521 060
		40 302 590	38 952 000	36 574 621

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Salary costs are lower than budget due to vacant positions. There has been a significant increase in depreciation due to significant amounts spent on office renovations i.e. refurbishments, partitioning, furniture, blinds and carpets.

There have been a number of pertinent meetings held during the financial year which include, a Council 3-day induction, Portfolio Committee meetings, meetings with the Minister, panel meetings and special Council meetings. This has contributed to the cost of travel and accommodation.

	2018 Actual	2018 Approved Budget	2017 Actual
	R	R	R
10.1 Salaries and wages	23 519 076	23 849 465	21 998 573
Gross Salary	17 262 744	18 973 919	16 350 790
Cellphone Allowance	208 190	246 000	223 000
Medical Aid	1 083 106	1 154 797	1 032 545
Provident Fund UIF	1 523 231	1 897 392	1 551 860
Skills Development	63 222		61 107
Levy	187 764	-	183 330
Bonus	2 866 438	1 560 157	2 437 607
Leave	324 381	17 200	158 335

	2018 Actual	2018 Approved	2017 Actual
11. Investment income			
Interest income - Bank Deposits	3 641 086	4 200 000	5 274 102

	2018 R	2017 R
12. Reconciliation of net cash flow from operating activities to (deficit)/surplus		
(Deficit)/Surplus for the year	(6 345 887)	(4 338 813)
Adjustments for non cash movements:		
Depreciation and amortization on property, equipment and intangible assets	2 446 713	2 195 058
Disposal of property and equipment	239 062	28 236
Increase in operating lease	421 407	9 691
Increase/(Decrease) in employee related provisions	129 040	(183 590)
(Decrease) in other provisions	5 666 447	(7 113 873)
Items shown separately on the face of the cash flow statement		
Interest income	(3 641 086)	(5 274 102)
Changes in working capital:	8 762 718	(9 708 742)
(Increase)/Decrease in trade and other receivables		
(Increase) / Decrease in prepayments	(144 679)	714 527
Increase/(Decrease) in trade and other creditors	(3 037 387)	1 478 911
Net cash flows from operating activities	4 496 350	(22 192 696)

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	2018 R	2017 R
13. Cash and cash equivalents	63 996 142	59 616 707
First National Bank	16 030 902	487 264
Corporation for Public Deposits	47 963 240	59 127 443
Petty cash	2 000	2 000

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

14. Lease arrangements

14.1 Operating lease commitments

As at 31 March, the NFVF had outstanding commitments which relates to an operating lease and falls due as follows:

2018	Up to 1 Year	2 - 5 years
Building	3 751 146	12 108 696
2017	Up to 1 Year	2 - 5 years
Building	3 441 418	15 859 841

The NFVF renewed its lease with ALW Estates for a further 5 year period (1 January 2017 to 31 December 2021). The basis on which rent is charged by the lessor is per specified amounts and increases in the contract. The lease expenditure is straight-lined and charged to the Statement of Financial Performance. The lease expense for the year ended 31 March 2018 is R4 028 537 (2017: R2 842 824).

	2018 R	2017 R
14.2 Operating lease liability		
Short term portion of Operating Lease - Liability / (Asset)	587 119	(587 118)
Long term portion of Operating Lease - Liability	-	752 830
	587 119	165 712

Equipment

The NFVF leases its equipment (photocopiers etc.) on a month to month basis and therefore there is no operating lease liability.

	2018 R	2017 R
14.3 Rental Deposit		
Opening balance as at 01 April 2017	339 974	196 560
Additional Deposit	-	143 414
Closing balance as at 31 March 2018	339 974	339 974

The NFVF leases its building from ALW Estates until 31 December 2021. The total deposit held by ALW will be refunded to the NFVF on termination of the lease if the lease is not renewed, which is also subject to terms and conditions of the contract.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15. Irregular expenditure

Opening balance

Irregular expenditure identified during the year

- Renovations: Non-compliance with SCM
- Marketing contract: Non-compliance with SCM
- Tax Clearance Certificates - Non-compliance with SCM
- 2017/18 Financial Year - Overall Budget over-spending as per Statement of Financial Position

Less: Condoned

Closing balance - 31 March 2018

2018 R	2017 R
2 484 015	593 583
7 107 281	1 890 432
3 795 225	1 890 432
1 676 405	-
552 411	-
1 083 240	-
-	-
9 591 296	2 484 015

The NFVF incurred irregular expenditure of R593 583 during the 2015/16 financial year. This was due to fraudulent activity committed by a former NFVF employee. The amount of the irregular expenditure was determined through a forensic investigation. A criminal case was opened with South African Police Services against the employee. A legal team was appointed to facilitate the repayment terms for the recovery of the amount. A portion of the provident fund has not been paid out to the employee and will serve as part payment of the amount owing.

During 2016/17, NFVF incurred irregular expenditure of R1,890,432 relating to the office renovations project. This project continued during 2017/18 and additional irregular expenditure of R3,795 225 was incurred. Council has commenced implementation of the findings of the forensic report that was commissioned by the Minister of Arts and Culture with regards to the various allegations of impropriety including renovations.

During 2017/18 NFVF incurred irregular expenditure of R1,676,405 relating to marketing services due to officials ordering and paying for goods/services over and above the contract amount. Disciplinary process is underway.

During 2017/18, there were two transactions that did not comply to the requirements of obtaining a valid SARS tax clearance. One transaction with another public entity had an expired tax clearance certificate at the time of transacting (R492 411) and the other relates to a celebrity appearance which was misinterpreted as not requiring a tax clearance certificate as they had not quoted as a company but as an individual (R60 000).

The Treasury Updated Guideline on Irregular Expenditure of 2015 requires that when entities overspend on their Approved Budgets, such an overspending must be recognised as Irregular Expenditure in the notes to the financial statements. Excludes non-cash items.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

16. Related parties

During the year, the NFVF entered into a related party transactions with the following:

Amounts received from related parties	Nature	2018 R	2017 R
Department of Arts and Culture	Executive authority	129 052 000	125 034 223
South African Broadcasting Corporation	Controlled entities	776 216	3 030 604
MICT - SETA	Controlled entities	4 542 425	20 731 112
National Youth Development Agency	Controlled entities	-	500 000
Culture, Arts and Traditional Affairs - North West	Controlled entities	5 000 000	-
Amounts due by related parties			
Culture, Arts and Traditional Affairs - North West	Controlled entities	500 000	-
KZN Film Commission	Controlled entities	151 600	-
MICT - SETA	Controlled entities	70 000	9 417 096
South African Broadcasting Corporation	Controlled entities	541 216	630 604
National Youth Development Agency	Controlled entities	-	500 000
Income in advance from related parties			
Department of Arts and Culture	Executive authority	1 010 836	1 010 836

The NFVF is an agency of the Department of Arts and Culture and receives its annual allocation as a Grant in order to fulfil its mandate in accordance with the NFVF Act. The amounts received from MICT-Seta and the SABC are in terms of partnership agreements.

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	2018 R	2017 R
17. Disclosure of remuneration		
17.1 Non Executive Honorarium - Council services: Current Council		
Mr. Phillip Molefe (Chairperson)	223 564	-
Ms. Zimkhitha Zatu (Deputy Chairperson)	175 370	-
Ms. Pamela Mashiane	235 941	-
Mr. Thabiso Masudubele	271 121	-
Dr. Siphelo Ngcwangu	175 634	-
Mr. Lebogang Seperepere	28 716	-
Mr. Delon Bakker (resigned)	74 492	-
Ms. Fikile Masiko	20 958	-
Mr. Jeremiah Mofokeng	137 733	-
Mr. Mfundo Ntsibande	13 972	-
Adv. Dimakatso Qocha	95 450	-
Mr. Shadrack Bokaba	147 440	-
Ms. Zanele Mthembu	121 811	-
Former Council - ended 30 April 2017	55 010	-
Audit Committee Members		-
Siyakhula Vilakazi (Chairperson)	6 986	-
Lebogang Seperepere	6 986	-
Shadrack Bokaba	13 972	-
Ms. Phuthanang Motsielwa	17 465	-
Ms. Lesego Sennelo	13 972	-
Former Audit Committee (T Mjoli)	9 398	-
	1 845 991	-
17.2 Non Executive Honorarium - Council services: Former Council		
Ms M Ramagoshi (Chairperson)	-	-
Mr G Leolo (Deputy Chairperson)	-	110 138
Adv. R Rai Dehal	-	38 220
Ms D Markgraaf	-	89 002
Ms P Mashiane	-	159 963
Mr TL Masudubele	-	198 086
Mr B Meyer	-	103 737
Mr L Mkhabela	-	30 652
Mr P Molefe	-	113 626
Mr A Moosa	-	22 894
Ms LJ Ramathesele	-	68 006
Mr S Swana	-	110 439
Mr M Vundla	-	15 326
Ms T Mjoli - Audit Committee Member	-	50 999
Mr S Vilakazi - Audit Committee Member	-	31 097
Mr L Seperepere - Audit Committee Member	-	37 913
	-	1 180 098

Council members including sub-committees i.e. Audit, HR and Exco only receive honorariums for meetings attended.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17.3 Executive Management salaries - 2017/2018

	R	R	R	R	R
		13th Cheque & Performance		Employer	
	Basic Salary	Bonus	Allowances	Contributions	Total
Chief Executive Officer - Z Mkosi	1 507 067	529 874	18 000	230 303	2 285 244
Chief Financial Officer (resigned)	619 475	247 538	6 190	15 064	888 267
Head: Marketing	990 528	159 922	12 000	99 053	1 261 502.80
Head: Policy & Research	842 396	142 864	12 000	84 240	1 081 500
Head: Human Resources	957 782	178 567	12 000	159 503	1 307 852
Head: Production & Development	760 716	123 894	12 000	113 232	1 009 842
	5 677 965	1 019 167	72 190	999 246	7 768 568

Executive Management only receive remuneration for salaries. No loans have been advanced to the Executive Management during the financial year.

Executive Management salaries - 2017

	R	R	R	R	R
	Basic Salary	13th Cheque	Allowances	Employer Contributions	Total
Chief Executive Officer - Z Mkosi	1 405 846	341 757	18 000	233 692	1 999 295
Chief Financial Officer	1 153 844	178 659	12 000	221 325	1 565 829
Head: Marketing	924 000	132 270	12 000	103 355	1 171 625
Head: Policy & Research	785 817	118 460	12 000	89 412	1 005 690
Head: Human Resources	893 453	136 858	12 000	158 822	1 201 133
Head: Production and Development	678 000	100 610	12 000	110 175	900 785
	5 840 961	1 008 614	78 000	916 782	7 844 357

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Financial instruments

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

			2018 R	2017 R
Financial assets				
Cash and cash equivalents	Carrying value	Cash and cash equivalents	63 996 142	59 616 707
	Fair value		63 996 142	59 616 707
Trade and other receivables	Carrying amount	Trade and other receivables	6 582 403	15 345 111
	Fair value		6 582 403	15 345 111
Financial liabilities				
Trade and other payables	Carrying value	Financial liabilities	2 528 169	5 565 566
	Fair value		2 528 169	5 565 566
Non current provisions	Carrying value	Financial liabilities	39 356 195	34 846 099
	Fair value		39 356 195	34 846 099
Current provisions	Carrying value	Financial liabilities	40 899 088	39 613 697
	Fair value		40 899 088	39 613 697
Income received in advance	Carrying value	Financial liabilities	1 010 836	1 010 836
	Fair value		1 010 836	1 010 836
Operating lease liability	Carrying value	Financial liabilities	587 119	165 712
	Fair value		587 119	165 712

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. Management of risk

The Council is responsible for strategic risk-management within the NFVF and tasks the Audit Committee with ensuring effective risk management. The purpose of the NFVF risk-management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk-management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed. The NFVF risk policy sets out the minimum standards of risk management to be adopted and adhered to by all units within the NFVF. The risk-management strategy, which has been reviewed and updated in March 2016, contains processes for identifying both the impact and likelihood of such risk. Risks that have been identified as having a potentially severe impact on the NFVF are regarded as unacceptable and, where possible, will be avoided.

Management's responsibilities

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

Financial risk profile

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

19.1 Market risk management

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

19.2 Interest rate risk management

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

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

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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

	2018 R	2017 R
Within 1 year	63 996 142	59 616 707
1 to 5 years	-	-
	63 996 142	59 616 707

Sensitivity analysis

In terms of Treasury Regulation 31.3.3, the NFVF must invest all of its surplus funds with the Corporation for Public Deposits. It is estimated that by increasing the returns by 100 basis points on the amounts invested will result in a further R 639 961 being earned in investment income in the Statement Financial Performance. As capital is applied in pursuit of NFVF mandate, the amount available will gradually diminish which will reduce the sensitivity to interest rates as the main fund diminishes over time.

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

	2018 R	2017 R
Increase in interest rate of 1%	639 961	687 320
Decrease in interest rate of 0.5 %	(319 981)	(50 468)

19.3 Credit risk management

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

Receivables

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

Cash and cash equivalents

Cash and deposits are held with registered a banking institution and are regarded as having insignificant credit risk. Cash in the current account is kept at a maximum in order to maximise interest earned. The Foundation has invested any surplus cash with the Corporation for Public Deposits. Foreign exchange rates are monitored and payments are made on favourable rates.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Exposure to credit risk	2018 R	2017 R
Cash and cash equivalents	63 996 142	59 616 707
Trade and other receivables	6 582 403	15 345 111

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

Cash and cash equivalents held with reputable financial institutions are used for investing and cash handling purposes.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities nor have any amounts been renegotiated or have been defaulted on.

19.4 Liquidity risk

The NFVF's risk to liquidity relates to the funds available to cover future commitments. The NFVF manages liquidity risk through ongoing review of future commitments. Cash flow forecasts are prepared regularly to monitor payables. The tables below summarise the maturity profile of the NFVF's financial assets and liabilities as at 31 March 2018.

Financial Assets	%	2018 Carrying	2017 Carrying amount
Trade and other receivables			
Current	100,0	5 175 282	15 345 111
30-60 Days	0,0	-	-
60-90 Days	0,0	-	-
Greater 90 days	0,0	1 407 121	-
	100,0	6 582 403	15 345 111

NFVF does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current or prior year.

Financial Liabilities

	R	R	R	R	R
	Less than 3	3 -12 months	91-120 days	1 - 5 years	Total
2018					
Trade and other payables	2 528 169	-	-	-	2 528 169
Financial liability	2 528 169	-	-	-	2 528 169
2017					
Trade and other payables	5 565 566				5 565 566
Operating lease liability	-	(587 118)	-	752 830	165 712
Financial liability	5 565 566	(587 118)	-	752 830	5 731 278

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20. Commitments

CONTRACTUAL COMMITMENTS

Already contracted for as at 31 March 2018	Contract end date	2018 R
Internal Audit	2020	1 138 029
Information Technology Services	2019	2 172 642
Stakeholder and Public Relations	2018	190 512
Human Resources Services	2018	224 748
Facilitation and Media Monitoring	2019	235 952
Live Production Services	2018	700 000
		4 661 883

21. Deficit

In the previous financial year, the NFVF applied for and was granted permission to retain the surplus on condition that it will be utilised in the normal course of operations to fund more projects in the 2017/2018 financial year which are in line with the NFVF's mandate. The deficit for the year ended 31 March 2018 has thus been reduced as follows:

- Deficit for the year 31 March 2018	(6 345 887)
- Less: Accumulated surplus granted in 2017	1 885 736
- Net Deficit for the year 31 March 2018	(4 460 151)

The net deficit is mainly due to less than expected SAFTAs sponsorships, more than budgeted depreciation expense, and less than expected investment income.

22. Subsequent Events

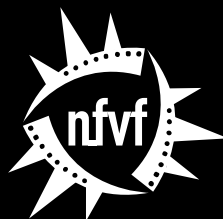
A significant event occurred in that the CEO, Ms. Z Mkosi, resigned on 27 May 2018.

23. Segment Reporting

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

24. Going Concern

The Council and Management of the Foundation are of the opinion that the organisation will continue as a going concern in the foreseeable future as it still has future grant support from the shareholder.




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