



**national film and video foundation**  
— SOUTH AFRICA —

ANNUAL REPORT 2008

by  
NATIONAL FILM AND VIDEO FOUNDATION

The NFVF 2008 Annual Report has adopted a theme of a 'screenplay' in line with the NFVF's special focus on story and script development as reflected in our Sediba Skills Development and Training Programme.

South Africa prides itself with an abundance of stories to tell. It is the NFVF's view that unless these stories are converted into a screenplay - there is no film.



**national film and video foundation**  
SOUTH AFRICA

## NATIONAL FILM & VIDEO FOUNDATION ANNUAL REPORT 2008

We hereby have the honour of submitting the annual  
report of the National Film and Video Foundation  
for the year 01 April 2007 to 31 March 2008.

**J.C. Mampane**  
Chairperson: NFVF

**Mr K.E. Mbalo**  
CEO: NFVF



# C O N T E N T S

<b>1. Minister's Foreword .....</b>	<b>5</b>
<b>2. Message from Chairperson .....</b>	<b>6</b>
<b>3. Corporate Governance Report .....</b>	<b>8</b>
<b>4. Audit Committee Report .....</b>	<b>9</b>
<b>5. Accounting Officer's Report .....</b>	<b>.11</b>
<b>6. Programme Performance Reports .....</b>	<b>19</b>
<b>7. Human Resource Management .....</b>	<b>118</b>
<b>8. Annual Financial Statement .....</b>	<b>122</b>



# Minister's Foreword 2008

**Dr Z. Pallo Jordan**

*(Executive Producer's Statement of Intent)*

In pursuance of the key national priorities of equity, redress and job creation by nurturing and promoting South African Cinema, National Film and Video Foundation (NFVF) has continued to deliver in the past year. NFVF has also been advancing skills development, film education and training in the film industry. I would like to note the training programs under the banner of Sediba which produced an impressive calibre of young filmmakers over the last two years.

At the recent 29<sup>th</sup> Durban International Film Festival, NFVF held a Conference titled "Treaty Co-Productions and Incentives" which provided information on production incentives under Department of Trade and Industries as well as co-production treaties administered by the NFVF. Co-Production is not only about finance, it provides people opportunities for working with experienced filmmakers and promoting their film in other parts of the world. This is yet another testimony of Government's efforts to promote the film industry.

The African film industry can become the mirror in which we are afforded the opportunity to examine ourselves critically by exploring and dissecting our African experience, in all its complexity. By giving expression to the African imagination, NFVF is helping to nurture new talents. The NFVF as the National body of film in South Africa, is also providing support and collaboration to the Continent's film body – the Federation of Pan African Filmmakers (FEPACI) during the presence of its headquarters in South Africa. The Department of Arts and Culture is assisting FEPACI while it is headquartered in South Africa. This body provides a 'creative home' for film makers from the African continent and can serve as a marketing platform for African films on the continent. South Africa continues to participate in the Cannes Film Festival as well as other festivals

**EXECUTIVE PRODUCER:**  
AN EXECUTIVE PRODUCER IS RESPONSIBLE FOR SECURING THE CONFIDENCE OF INVESTORS TO PROVIDE MONEY FOR A PROJECT. THEY DO NOT USUALLY BECOME INVOLVED IN THE DAY TO DAY HANDS-ON RUNNING OF A FILM OR TELEVISION PRODUCTION, BUT HAVE A CLEAR VISION OF THE WORK THAT HAS TO BE DELIVERED TO THE INVESTORS AND WILL DEFEND THIS VISION.

that have helped to catapult our film industry into the world cinema fraternity. South Africa has now risen from being a film-making destination to a film-producing country. However, attention needs to be given to film distribution and exhibition. This can only be addressed by Public Private Partnerships (PPPs).

Because films are so visual and aural, the impact of a good film remains with one for a long time. It is a very powerful medium to express ideas and stories and has a great mass appeal. It is one of the most popular artistic genres and encompasses all the others such as writing, music, visual arts, graphic and computer arts, acting, dancing, photography, fashion designing, make-up art, cinematography, set designing and more. It employs the skills of directors, producers, technicians in many fields, distributors etc. It is definitely a cultural industry that South Africa would like to grow as it extends far beyond the movie set and studio.

Many African films are richly textured and layered. They are a veritable treasure-trove of ideas and imagery, with a deep spiritual realm. Our country and indeed this continent have a rich cultural heritage in terms of the spoken word, poetry, dance and song. All these can be harnessed so that we can forge ahead to grow this important industry.

**Z. Pallo Jordan**

Minister of Arts and Culture

## Message from Chairperson Ms Charlotte Mampane (Producer's Synopsis)



During the period under review, the Minister of Arts and Culture, Dr Pallo Jordan, appointed the new Council of the NFVF made up of very capable men and women of good standing in their own professional right. I am thankful to the Minister for appointing me to chair this important institution. Having had the opportunity to serve in the previous period, I am very aware of the challenges facing the institution in its relationship with the Department of Arts and Culture but also of the challenges facing the film sector.

In its Annual Report of 2006, the NFVF identified a number of **TURN AROUND KEY SUCCESS FACTORS IN THE FILM SECTOR** which are listed below:

- Film is a concurrent competency between the three spheres of government as well as a number of government Departments and institutions.
- Therefore, Section 41 of the Constitution should guide intergovernmental,

### **PRODUCER:**

*THE PRODUCER MAY ASSIST THE EXECUTIVE PRODUCER IN SECURING FUNDS AND MAY SOMETIMES SECURE INVESTMENT INTO THE FILM INDEPENDENTLY OF AN EXECUTIVE PRODUCER. HOWEVER, THEIR PRIMARY FUNCTION IS TO SHEPHERD THE VISION OF THE STORY FROM CONCEPT, THROUGH ITS REALIZATION INTO A FILM AND ITS FINAL DELIVERY TO THE MARKETPLACE. TYPICALLY, THEY WILL HIRE AND FIRE THE KEY CREW FOR A PRODUCTION.*

departmental collaboration on the principles of co-operative government and intergovernmental relations.

- Commensurate resources to the mandate
  - o The resources allocated to the NFVF should be commensurate and congruent to the NFVF mandate provided in terms of the NFVF Act.
  - o The current allocation was based on the budget for the founding phase and establishment phase. It is not appropriate to the rapid growth phase.
  - o The focus during the rapid growth phase should be on creating the threshold point to address the market failures in the South African film industry while at the same time building the Relative Competitive Advantage at a global scale.
  - o It is this kind of a mindset that will make South Africa a strong partner in Co-Productions.
  - o The funding should be sourced from all the spheres of government, competent government departments and institutions.
- The DAC and the NFVF and related institutions must be geared for the phase of rapid growth
- Appropriate resources should be allocated to the NFVF.

- Cabinet should be lobbied to adopt the Value Charter.
- The NFVF and the DAC should formulate and enter into a Service Level Agreement (SLA).
  - o The SLA should include a process for how the NFVF, DAC and the Arts and Culture Ministry will jointly approach other state departments and institutions, which could add value to the Value Charter.

In the Annual Report of 2007, the NFVF warned that “Failure to address the issues discussed above and if the vision for the country to produce 15 – 20 films per year is to be realised, the following action needs to be taken if we are to see the impact on the economy and job creation.”

It is important to note that there has been no action on all of the matters highlighted above, prompting the Council to escalate the lack of a Shareholder’s Compact or SLA between the Department and the NFVF as one of the major risk factors in its Strategic Risk Assessment.

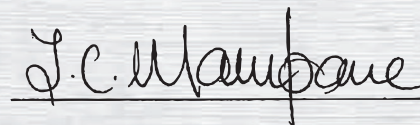
I am hopeful that with the appointment of the new Director General, Mr Themba Wakashe, that the issues that continue to plague the relationship between the Department and institutions under its wings will be reviewed and their role as implementing agencies for the state in the area of arts and culture will be entrenched.

Another matter I wish to highlight in my report is an area identified by our Audit Committee that relates to the “cost of compliance”. Whilst the NFVF has no problem with complying with appropriate legislation that governs all public entities it is the NFVF’s view that “the resources allocated to the NFVF should be commensurate and

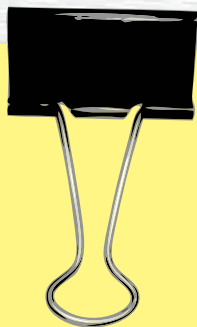
congruent to the NFVF mandate provided in terms of the NFVF Act”. The Audit Committee found that “22% of NFVF’s operational budget, which is limited to 25% of the allocation by parliament, is spent on compliance with legislation.” One has only to look at the cost of Internal and External Audits in relation to the operational budget of the institution to appreciate the extent to which this diverts resources from the NFVF mandate of industry development.

In the light of the above, we call on the Department of Arts and Culture and the Ministry to seriously review the budget allocation to the NFVF in order to create the necessary capacity to meet the demands of our industry and impact on the national imperatives of job creation, social cohesion and an opportunity to tell our own stories.

Finally, I would like to pay tribute to my predecessor, Mr Mfundu Vundla who gave outstanding leadership to the NFVF at a time of its most turbulence, particularly in its relationship with the Department. I take note of the self criticism of himself during his term of office as chairperson. As someone who served on that Council during that period, without disassociating oneself from issues highlighted, I would like to say, I hope his words will inspire this Council to take up the issues and make them its legacy. I wish Mr Vundla all the success in his professional career and hope he will always be available to share his wisdom with myself and Council during our term in office.



**Ms Charlotte Mampone**  
*Chairperson*



## **Corporate Governance**

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").

In terms of section 6 of the 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 Act. The Chief Executive Officer, management and staff exist to support the Council in executing its responsibilities.

The NFVF recognises the significance of good governance in the public sector, which is crucial for effective public services and improved social outcomes. The NFVF is committed to ensuring good governance throughout the organisation by observing the principles of the King 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 practices.

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.

# Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2008.

## **Audit Committee Responsibility**

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 NFVF, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## **Audit Committee Members and Attendance:**

The audit committee consists of the members listed hereunder and have met the required 3 times per annum as per its approved charter. During the year under review (2007/2008), the committee met on 26 April 2007, 27 July 2007, 26 October 2007 and 28 March 2008.

### **Mr Motsamai Karedi -**

External member (chairperson)

**Mr Glynn O'Leary -** External member

**Mr Chris Mullin -** External member

**Ms Neo Sowazi -** Council member

**Ms Nadia Bulbulia -** Council member

## **The effectiveness of internal control**

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed.

In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective.

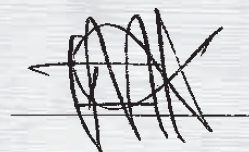
This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was efficient and effective.

## **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;
- reviewed the Auditor-General's management letter and management's response thereto;

The committee's satisfied that these statements comply, in all material respects, are reasonable and accurate, with the requirements of the PFMA, 1999, as amended, and South African Statements of Generally Accepted Accounting Practice.



**M Karedi**

*Chairperson of the Audit Committee*



## Accounting Officer's Report

### Mr K. E. Mbalo

*(Director's Treatment)*

The NFVF is the only institution established by the state to deal specifically with issues that relate to the film sector as prescribed by the National Film and Video Foundation Act No. 73 of 1997, which makes the NFVF the lead institution on issues of film. But we know that film is also a cross cutting issue that impacts at local, provincial and national level. What this means is that the NFVF coordinates all matters pertaining to film within the three spheres of government under the guidance of the NFVF Act.

At a national level this means that all other government departmental programmes, which impact on film, need to be guided by the national strategy as developed by the NFVF. One example of this is the consultations between the Department of Arts and Culture, the Department of Trade and Industry, the Department of Education and the NFVF with regard to the research around the national film school. Another example is the relationship between the Department of Labour and the NFVF in relation to national skills development in the area of film and under the National Skills Development Act.

If you look at the NFVF's positioning strategy, therefore, it is clear that the NFVF mediates between the interests of the state, society and the industry on all matters regarding film under the guidance of the NFVF Act.

#### Challenges facing the South African film industry

1. The challenges facing the South African film industry are immense, but to deal with the immediate ones we need to ask the following questions: How do we maintain and build on the successes of previous years? How do we extract value and create confidence on the basis of what has happened before when we won the Oscar for Tsotsi, the Golden Bear in Berlin

**DIRECTOR:**  
THE DIRECTOR EXECUTES THE VISION OF THE CONCEPT WHICH IS BLUE-PRINTED IN A SCRIPT. THE PRODUCER MAY HAVE HIRED A WRITER/S TO REALISE THE CONCEPT ON PAPER AS CONCEIVED BY HIM AND OR THE EXECUTIVE PRODUCER. SOMETIMES WRITERS WILL APPROACH A PRODUCER DIRECTLY WITH A CONCEPT FOR A SCRIPT AND BE HIRED. IN ADDITION, THE DIRECTOR APPROVES OR VETOES KEY PERSONNEL AND IS INSTRUMENTAL IN THE HIRING OF THE CAST FOR THE FILM.

11

for U-Carmen Ekhayelitsha the Oscar nomination for Yesterday and the Stallion of Yenenga for Drum at Fespaco? How have we converted these successes into long-term sustainable development of the film industry?

Bearing this in mind, how do we convince the international film community that this was not a once off thing?

2. As South African filmmakers, we need to know how films are financed throughout the world. We know that, for instance, outside of Hollywood and Bollywood, films are financed through different instruments developed by governments in order to promote their cultures, peoples and locations.

**“The challenge for SA producers is the understanding of how these instruments work in our own territory and how to utilize them in co-productions with countries with whom we have signed co-production treaties.”**

3. The fact that only a small number of production companies appear to be thriving suggests that we need to develop better models for sustainable businesses in the film industry.
4. Bearing in mind these challenges, further difficult questions need to be posed How do we ensure that films reach a much wider audience than is generally the

practice to ensure the returns that will sustain the business? Are the current distribution channels geared to open up additional revenue streams? Have we considered carefully enough what informs the stories we tell and the forms we use to tell them?

### **The Value Charter**

In relation to the challenges I have raised, the Value Charter becomes more relevant because it articulates the aspirations of the film industry and how we could begin to address these challenges with everyone working together. What is required to give it life is buy-in on programmes and strategies that are developed and a commitment by all stakeholders to work within these strategies. Issues in the Value Charter will remain relevant for the next 20-30 years, simply because we need to adopt a long term view in addressing the development of a sustainable industry. It is a living document that can be adapted from time to time as we proceed within the changing technological environment.

### **Priorities for MTEF Period 2009 - 2011**

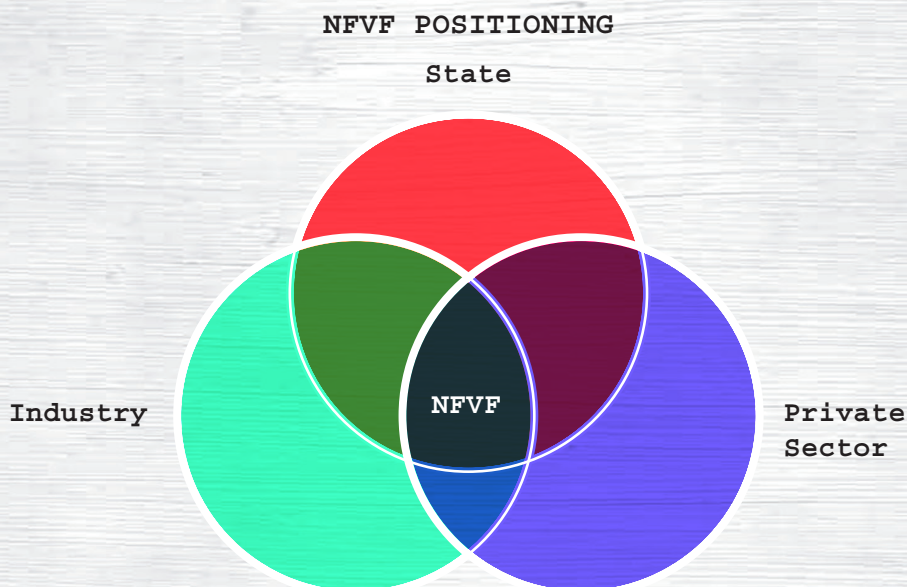
1. Our priorities for the MTEF period are to be more consultative in our

approach towards the issues that affect the film industry, our clients and other stakeholders. We honestly want to explain the Value Charter to all stakeholders in order to have it adopted by cabinet as a government programme for the development of film in South Africa into the future.

2. We will pursue the establishment of the "separate legal entity to invest in film" as articulated by the Cultural Laws amendment Act that amended the NFVF Act. We hope this will address the issue of the volumes that need be increased (15 – 20 films annually) as well as the distribution of South African product locally and abroad.
3. Finally, we will pursue the establishment of cinemas in the previously under serviced areas of the country and hopefully begin with Soweto.

### **The Role of the Private Sector**

Every time reference is made to film investment by the 'private sector', I am tempted to ask whom we are referring to. We need to be saying to the 'private sector' yes, please invest in our films and outline how we are going to bring returns and value for your



money. Yes, indeed, film is a risky business but that is the reason why everywhere, outside of Hollywood and Bollywood, films are funded through tax breaks and other incentives created by governments. It is normal for high net-worth individuals to invest in film and the arts in general. This is done because of the tax benefits they can accrue.

It has become imperative that all efforts are made to convince our government that the development of the arts rests in the creation of a tax regime that encourages such investment in the arts.

Incidentally the past chairperson of the NFVF, Mr Mfundu Vundla highlighted this matter in his final report during his term of office as chairperson. He writes, “I confess to failure in convincing the Minister of Arts and Culture to actively fight for a tax regime that would encourage philanthropic giving towards the arts and film in particular.”

In South Africa we have the National Lotteries that distributes funds towards film and the arts in general. The most unfortunate thing is that their funding distribution strategy is not informed by the national arts and culture development strategy of the country. Mr Vundla continues to say, “...considering the combined resources of the NFVF, the Department of Trade and Industry, the Industrial Development Corporation, the National Lotteries and the South African Broadcasting Corporation, I believe our country is being short changed in as far as positioning it as a player in world film culture and development...”

We need to ensure that the film industry is familiar with how film is financed everywhere else around the world and to create an environment that is favourable for private investment. Producers need to familiarize themselves with how film is financed and how best to exploit the financial instruments that have been created in South Africa.

**“It has become imperative that all efforts are made to convince our government that the development of the arts rests in the creation of a tax regime that encourages such investment in the arts.”**

### **Private Public Partnerships (PPP)**

Generally speaking, the state should get involved in business when there is market failure in a particular sector. Public Private Partnerships (PPP's) therefore work in instances where there is perceived risk and the private sector requires some form of cushioning in order to invest in a sector. It is an agreed fact that the film sector is averse to these risks and therefore calls for PPP arrangements. The areas that require this sort of intervention are production, marketing and distribution.

Another area that requires this kind of intervention is in creating access to film product by the majority of people. In South Africa, the legacy of apartheid has meant that the majority of people have no access to cinema in townships and rural areas. If we are to address the issue of equitable access to resources, redress the imbalances of our past and grow audiences for local product, then we need to establish cinemas in those areas. It is through a partnership between the state, public and private sector that the above will be realized. The state can provide the framework to mitigate against the attendant and start up risks.

In the year under review, the NFVF conducted an audience survey in Soweto in order to understand the viewing patterns of consumers of film in this sparsely populated part of our country. The findings will prove instructive to how ideas for servicing these areas are rolled out. The next phase is the development of a business plan, the launch of a pilot project and the identification of sites

where these cinemas should be established in the townships. The ten cinema screens at the Maponya Mall are a welcome development, but we do not believe they will address all the problems of cinema access in Soweto and other previously under-developed areas. We need a comprehensive strategy of how to proceed in providing people access to films.

The NFVF strategy includes increasing the volume of films made annually in order to create a sustainable industry. The most effective way to achieve this may be through public, private partnerships

If we are to address the issue of equitable access to resources, redress the imbalances of our past and grow audiences for local product, then we need to establish cinemas in those areas.

### **Skills development**

The NFVF has allocated more funds into the bursary scheme aimed at bringing more trained people into the film industry. We will continue to do so but also invest in skills that are in greater need. Our strategy for skills development into the future will be guided by an industry analysis, which will assist in identifying areas of investment. Presently there is a need for Heads of Departments across the board particularly for servicing international productions. Other shortages of skills occur in production accounting, production management as well as the key area of producing.

The NFVF has recently completed the National Skills Survey. Once its results have been certified, we will be able to provide informed guidance to our skills development strategy.

### **NFVF's view on transformation in the film industry**

Transformation in our industry is imperative, if it is to develop to meet our strategic objectives. The South African film industry is still very much predominantly white and needs to change. We need to foster relationships between

white businesses and black entrepreneurs who have an interest in investing in the film industry. Such relationships are happening already but we need to see more.

There is a tendency to equate transformation with training and development when it applies to black individuals. The reality is that whilst the two generally go together, however, opportunities have to be provided to those already in the system as skilled individuals and who have demonstrated they can deliver on the job. The legacy of our past also demands that we bring more people into the system through training and development programs.

The redress of the imbalances is a continuous and transformative process, but if we pursue our aspirations as articulated in the Value Charter, we will begin to transform our industry.

The Value Charter should not be equated to other industry charters, such as the Mining Charter or as prescribed by the BBBEE codes, which set targets and specific milestones in terms of ownership and control because it's vision is more specific and its objectives much broader.

The redress of the imbalances is a continuous and transformative process, but if we pursue our aspirations as articulated in the Value Charter, we will begin to transform our industry.

### **Developing a sustainable film industry**

Developing a sustainable film industry that creates jobs requires a common purpose by all stakeholders and substantial investment from government. It becomes imperative therefore that all of us as an industry and government sit down and work out how we will achieve the target of 15-20 films annually for the next five years. As the NFVF we realise that we have to intervene, consult and negotiate with the industry to achieve this. There are two interventions that we have identified, firstly, the establishment of a separate entity as anticipated by the Cultural Laws Amendment Act that

amended the NFVF Act in order to produce and distribute product, which will result in the first Public Private Partnership in the film sector.

Secondly, during the last four years we have learnt that slate funding is one way to go in developing sustainable businesses in the industry which will assist in addressing the issue of volumes that we have referred to earlier in his report. Therefore the investment in multiple projects, where we collaborate during development and production processes, will begin to address some of the issues. This thinking is supported by the successes of the 2003 – 2005 period that produced internationally acclaimed films such as the Oscar nominated *Yesterday* and the Oscar winner, *Tsotsi*.

### **The South African Film and Development Corporation**

In the Annual Report of 2007/2008 I reported on the proposed plan to establish the South African Film Development Corporation. I am pleased to report that to date the NFVF has developed a model that could address the prescription by the act.

The next step for us is the development of a business plan. We are engaging the IDC in this regard. Once the business plan has been developed, it will be presented to the Ministers of Arts and Culture and Trade and Industry, who after careful consideration would then give authority for the establishment of that entity as required by the act.

The entity would co-exist with the NFVF in its current form but would be a separate legal entity. This would allow for the NFVF funds to specifically focus on developmental issues rather than the current combined activity of attempting to produce commercially viable films and on developmental goals. The intention of this entity would not be to compete but to supplement the work of the independent production sector. We are confident that this entity will assist in achieving the goal of producing 15-20 films annually in line with NFVF strategy.

**“It is imperative that as South Africa pursues co-production arrangements with European countries, the same is encouraged to ensure that co-production takes place with the rest of the continent.”**

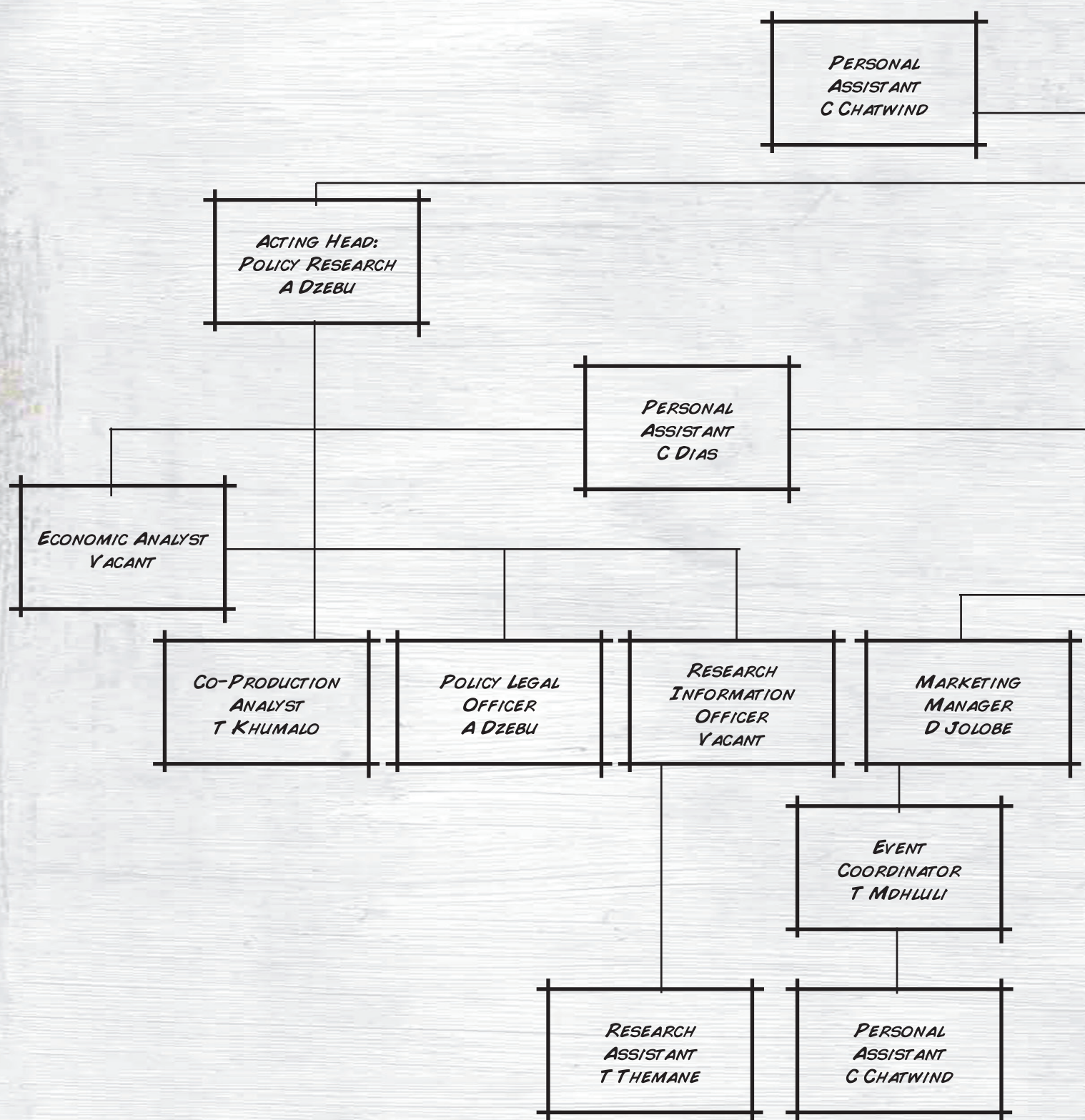
It is not fair to say that South Africans do not want to watch local films when we all acknowledge that there are a number of structural changes that need to take place. One of the issues is that as a country we have not been able to supply the market regularly with films and therefore have not created loyalty within the consumer market whilst developing a cinema going culture. We cannot say that South Africans reject local films, if we are not supplying enough films to them at affordable rates and at their doorsteps. In this regard, even our audience development efforts are a futile exercise, if we are not able to supply the films consistently.

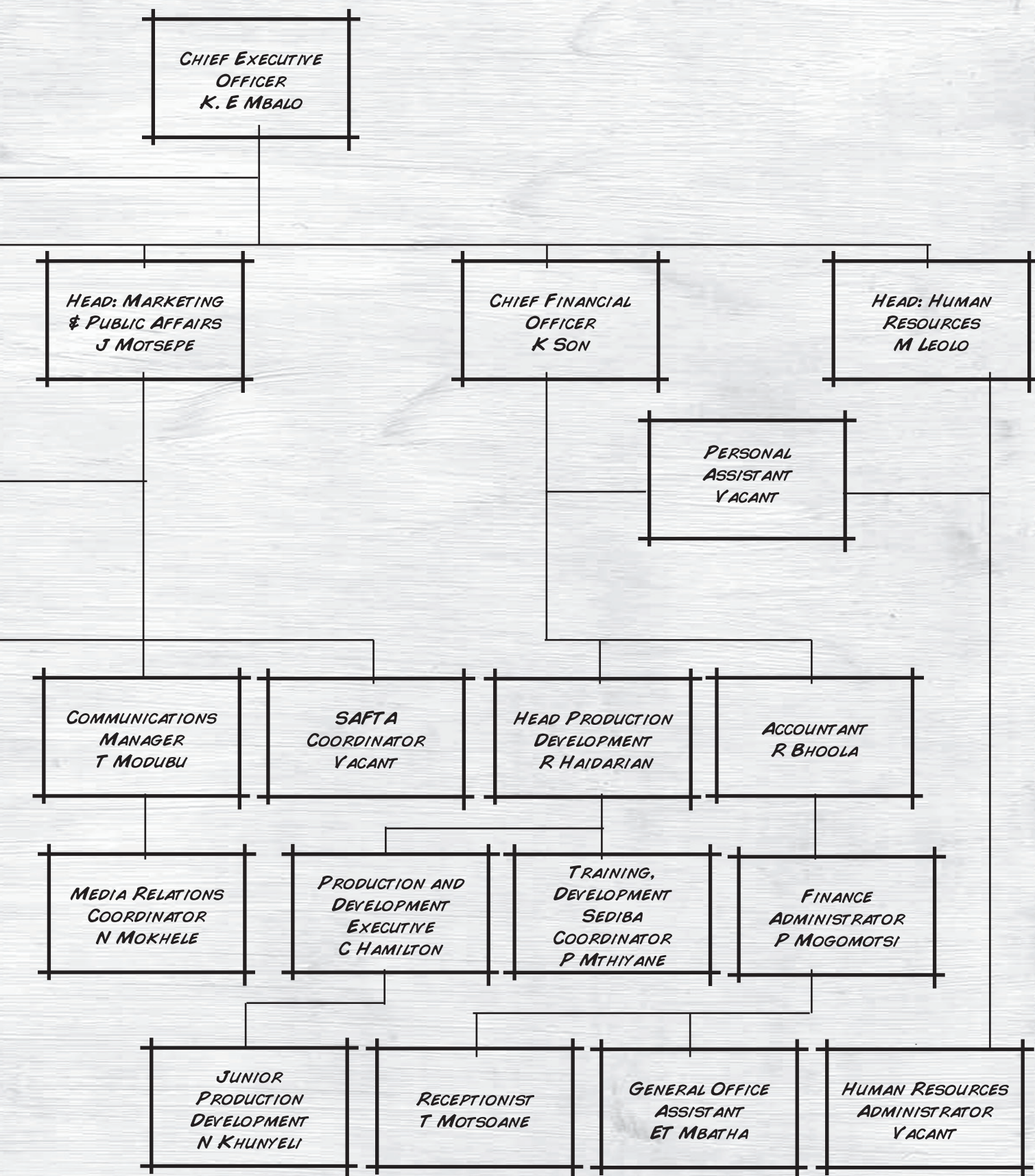
### **NFVF's role in Southern Africa and the continent?**

First and foremost, the NFVF's mandate is to develop cinema in South Africa. Be that as it may, we have to acknowledge that during the apartheid era, South Africa was isolated culturally from the rest of the continent. It becomes important therefore that the NFVF, through film, plays the role of assimilating South Africa back into the continent.

It is also important that the NFVF works with sister institutions in the continent and participate in events and festivals like Fespaco in Burkina Faso and Dockanema in Mozambique. It is imperative that as South Africa pursues co-production arrangements with European countries, the same is encouraged to ensure that co-production takes place with the rest of the continent. It is in this light that the NFVF, DAC and FEPACI hosted the African Film Summit in 2006.

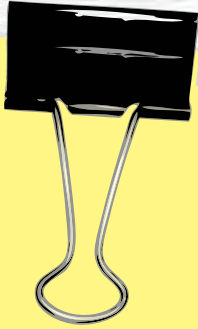
## National Film and Video Foundation Organisational Structure 2008





### **SCREENPLAY:**

THE TEXT FOR A FEATURE FILM SCREENPLAY IS LAID OUT IN A UNIQUE MANNER FOR EASE OF READING AND TO PROVIDE PERTINENT INFORMATION TO THE PRODUCTION TEAM ONCE ITS CREATIVE CONTENT HAS BEEN SIGNED OFF FOR PRODUCTION BY ALL VESTED PARTIES. THE MOST WIDELY USED FORMAT IS EMULATED IN THIS LAYOUT OF THE NFVF'S 2008 ANNUAL REPORT.



## **Description of a Script**

A script (screenplay) is written by a screenwriter/ scriptwriter. It works as a plan of sorts for a feature film, short film, documentary or television serials.

The two fundamentals of a script are action and dialogue. Action is what happens and dialogue is what is said. The golden rule for any script-writer is **SHOW DON'T TELL!**

Scripts follow strict rules around formatting, font and margin specifications. These specifications are to restrict a page of the script to approximately match one minute of action on screen. Proper scripts are always printed in 12-point Courier, or another fixed-width font.

Scripts don't usually include story boards but we've included them as a visual element in this annual report presentations.

### **SCREENPLAY TERMS:**

THE WORDS AND LETTERS IN CAPITALS AT THE BEGINNING OF A SCENE ARE COLLECTIVELY REFERRED TO AS THE SLUGLINE. THE SLUGLINE HELPS TO LOCATE THE SCENE IN PLACE AND TIME.

**INT** - MEANS THE **INTERIOR** OF A LOCATION, FOR EXAMPLE, A HOUSE, BAR, CAR, RESTAURANT, ETC.

**EXT** - MEANS THE **EXTERIOR** OF A LOCATION, FOR EXAMPLE, A HOUSE, BAR, GARDEN, FIELD, BUILDING, ETC.

**INT** OR **EXT** IS FOLLOWED BY THE NAME OF A SPECIFIC PLACE, FOR EXAMPLE, **SIPHO'S CAR**.

**SIPHO'S CAR** IS USUALLY FOLLOWED BY AN INDICATION OF TIME, USUALLY, **DAY** OR **NIGHT**.

SOME WRITERS WILL USE **DAWN** AND **DUSK** IF THEY SPECIFICALLY WANT THE DIRECTOR TO FILM THAT SPECIAL TIME OF DAY FOR THE STORY. INDICATING OTHER TIMES OF DAY, LIKE **LATE AFTERNOON** OR **EARLY MORNING**, IS FROWNED UPON.



**national film and video foundation**  
— SOUTH AFRICA —

## **PROGRAMME PERFORMANCE REPORTS 2008**

Screenplay by  
**National Film & Video Foundation**

## ***MORAL IMPERATIVE***

*IT IS A NATIONAL IMPERATIVE TO CREATE FACILITIES FOR ORDINARY SOUTH AFRICANS TO BEAR INFLUENCE IN THE EXPRESSION OF THEIR OWN IMAGE, THEREBY DEEPEN DEMOCRACY AND CREATE PROSPERITY. THE NATIONAL FILM AND VIDEO FOUNDATION STRIVES FOR THIS NOBLE IDEAL.*

*TILT DOWN*

## ***VISION***

*A SOUTH AFRICAN FILM AND VIDEO INDUSTRY THAT MIRRORS AND REPRESENTS THE NATION, SUSTAINS COMMERCIAL VIABILITY, ENCOURAGES DEVELOPMENT AND PROVIDES A MEDIUM THROUGH WHICH THE CREATIVE AND TECHNICAL TALENTS OF SOUTH AFRICANS ARE ABLE TO REACH THE WORLD.*

*TILT DOWN*

## ***MISSION***

*TO CREATE AN ENVIRONMENT THAT DEVELOPS AND PROMOTES THE SOUTH AFRICAN FILM AND VIDEO INDUSTRY DOMESTICALLY AND INTERNATIONALLY.*

## ***VALUES***

*CREATIVITY  
FREEDOM OF EXPRESSION  
ENTREPRENEURSHIP  
EQUITABLE REDRESS*

Title up: Early 2001 - Johannesburg

A team of twenty huddle around a conference table. Coffee cups and muffin crumbs strewn across the table. EDDIE, a black man, clearly the leader of the bunch finishes scrawling on a white board. He triumphantly caps the marker.

EDDIE  
So it's all agreed then?

STAFF  
(In unison)  
It's perfect.

CLOSE ON: The white board to see the Moral Imperative, Vision, Mission and Values scrawled out:

EDDIE  
I think its exactly what our  
legislative mandate says.

One of the staff members, flips through the papers in front of her until he gets to a page title LEGISLATIVE MANDATE.

STAFF MEMBER  
I've got it right here.

STAFF MEMBER  
Why don't you read it out loud for  
all of us?

STAFF MEMBER 2  
Okay.

STAFF MEMBER 2, young and energetic, walks to the head of the table and clears her throat.

STAFF MEMBER 2  
The National Film and Video Foundation  
(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.

As STAFF MEMBER 2 reads, the Legislative Mandate appears on the black board behind her:

CUT TO:  LEGISLATIVE  
MANDATE

Title: April 2008 - NFVF Offices - Johannesburg

Eddie Mbalo, the same man we saw in the previous scene, sits behind his desk. He's 8 years older now. - the smile matches the one he had 8 years ago.

Everything about this office says CEO. The Flat screen, the demeanor. Across from him sits KAREN SON. She's got a calculator and stacks of paper- clearly a numbers gal.

(CONTINUED)



#### **LEGISLATIVE MANDATE OF THE NFVF:**

- \* **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 ACCESS TO THE FILM AND VIDEO INDUSTRY**
- \* **TO ADDRESS HISTORICAL IMBALANCES IN THE INFRASTRUCTURE AND DISTRIBUTION OF SKILLS AND RESOURCES IN THE FILM AND VIDEO INDUSTRY.**

**TILT DOWN**

**IN ORDER TO ACHIEVE THESE IDEALS THE NFVF HAS DEVELOPED THE VALUE CHARTER WHICH IS THE STRATEGIC INTERPRETATION OF THE NFVF ACT. THE VALUE CHARTER OUTLINES THE FOLLOWING MISSION CRITICAL STRATEGIC INITIATIVES:**

- \* **DEVELOPMENT OF A SECTORAL INFORMATION SYSTEM (SIS), MEASURE OF AGGREGATION AND KEY PERFORMANCE INDICATORS (KPI'S) FOR THE FILM SECTOR**
- \* **DEMAND STIMULATION AND AUDIENCE DEVELOPMENT**
- \* **PRODUCTION OF LOCAL GENRE AND CONTENT**
- \* **GLOBAL POSITIONING OF THE SOUTH AFRICAN FILM INDUSTRY**

**LEGISLATIVE  
MANDATE**

**TILT DOWN**

- \* **CAPITAL FORMATION, INFRASTRUCTURE AND FACILITIES DEVELOPMENT**
- \* **HUMAN CAPITAL DEVELOPMENT, EDUCATION AND TRAINING**
- \* **ESTABLISHMENT OF THE TRADING ENTITY IN TERMS OF SECTION 27 OF THE CULTURAL LAWS AMENDMENT ACT 36 OF 2001**
- \* **THE NFVF EMPOWERMENT, TALENT INCUBATION AND FUNDING INITIATIVE**
- \* **INTERGOVERNMENTAL AND STAKEHOLDER RELATIONS STAFF MEMBER FINISHES READING AND LOOKS UP.**

Eddie's face is hidden behind the papers. Karen patiently awaits his reaction to what he's reading when...

Eddie puts the papers down revealing a big smile.

EDDIE

This is exactly what the Council asked for. You're the best CFO anyone could ask for.

Relief across Karen's face.

KAREN

It feels right on the money. I'm pretty sure the auditors will be very pleased with the matrix.

EDDIE

It's exactly what government is talking about when it comes to service delivery and being able to track our performance.

CLOSE ON: The performance report indicator Eddie's referring to. It's a chart that outlines the key objectives, strategy, output, service delivery indicators, targets or milestones and the progress to date. DIRECTORS NOTE: Refer to the storyboard inlays to see the report on the next page.



**PERFORMANCE  
REPORTS**

EDDIE

Well done to the whole team! This will really help us track our progress and keep us accountable to our stakeholders.

Eddie flips through some more papers and focuses on one titled TRAINING AND BURSARIES.

KAREN

That's a really exciting report about how SEDIBA has been progressing.

EDDIE

Clarence and Ryan's?

Karen nods yes.

Eddie hits a button on his phone. His assistant's voice picks up.

CHARMAINE (O.S.)

Yes Eddie?

(CONTINUED)

## PERFORMANCE REPORTS

### INCOME

#### Fundraising

Key objective	Strategy	Output	
Increase funding for film and television industry initiatives	<p>Pursue the implementation of the Content Strategy as adopted by cabinet in 2003</p> <p>Propose legislation that imposes levies on ticket sales at box office</p>	<p>Cabinet Memo drafted by Task team as proposed by Minister of Arts and Culture. (NFVF/Minister meeting 08/2006</p> <p>Draft bill on levies from ticket sales, DVD rentals and sales.</p> <p>Develop an implementation Plan of the Strategy</p>	

#### Business Ventures

Key objective	Strategy	Output	
Development of commercially viable film and television product	<ul style="list-style-type: none"> <li>Develop Public Private Partnerships within the film sector</li> <li>Development of a new Business Model for the sector</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a separate legal entity for investment in film(per the Cultural Laws Amendment Act, 2001)</li> <li>Development of parallel economies for the film sector, i.e. Differentiate between commercial and non-commercial films</li> </ul>	

#### Investment Income

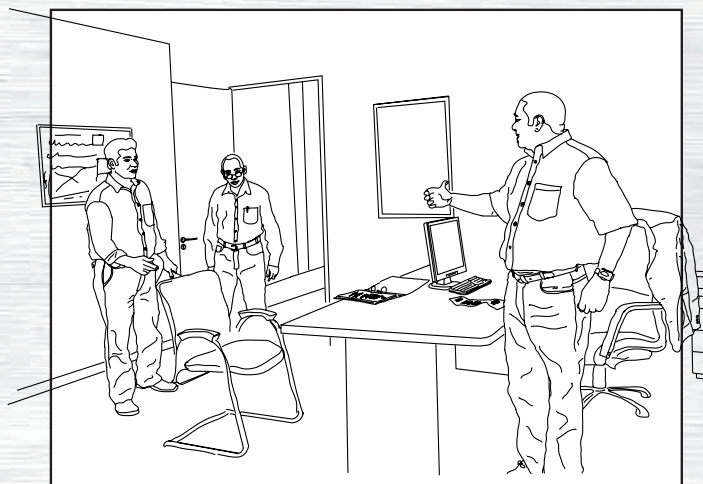
Key objective	Strategy	Output	
Develop NFVF into a self-sustainable organisation	Ensure return on investment	Development of a recoupment and cost recovery strategy	

PERFORMANCE  
REPORTS

	Service delivery indicator	Service delivery target or milestones	Progress
	<p>More Feature Films and Documentary projects funded</p> <p>Hollywood subsidises development of local content</p> <p>Legislation that would impose levies on ticket sales at cinemas and on DVD rentals and sales</p>	<p>20 feature films produced per annum by 2010.</p> <p>Less reliance on the government for funding the development of film</p> <p>More facilities, product and opportunities created in the under developed areas of our country.</p>	<p>Task team comprising NFVF &amp; DAC set up to deal with Content Industry Strategy Meeting with DAC DG Mar08 to present Business case</p> <p>Informed by DAC that amendments and regulations subject to conclusion of DAC policy review process.</p>

	Service delivery indicator	Service delivery target or milestones	Progress
	<ul style="list-style-type: none"> <li>• Implementation of the Cultural Laws Amendment Act, 2001</li> <li>• More South African and NFVF funded films attract audiences</li> </ul>	<ul style="list-style-type: none"> <li>• A viable commercial industry that is able to provide a return on investment</li> <li>• Local films take 20% market share in 5 years</li> </ul>	<p>Business plan has been developed. Engagement is underway with relevant stakeholders</p>

	Service delivery indicator	Service delivery target or milestones	Progress
	<p>Recoupment and cost recovery plan</p>	<p>Recoupment of NFVF investment on commercial projects within 5 years of project reaching market</p>	<p>NFVF recoupment policy approved by Council in 2006. Recoupment clause included in contracts</p>



EDDIE

Can you get Clarence and Ryan in here please?

CHARMAINE (O.S.)

Certainly.

3 INT. CEO'S OFFICE - LATER

3

CLARENCE, early-50's, black, calm and teacherly stands next to RYAN, mid-30's brash and a touch too gung-ho stand at the doorway.

RYAN

How's it chief?

EDDIE

Come on in guys.

CLARENCE

Sawubona.

EDDIE

Yebo. Have a seat guys.

Karen moves to one side of the couch, making space for the two men.

EDDIE

We're really excited about this report. But we've got to explain its origins.

RYAN

It goes back to when the NFVF identified story and script writing as a weakness in the development of the film industry within South Africa.

EDDIE

How would you put it in writing?

CLARENCE

We'd probably say, The Sediba Spark program was devised in 2007 as a direct result of the NFVF being inundated with script proposals in which the writers were able to articulate interesting ideas, but were insufficiently equipped to realize as scripts.

RYAN

Instead of simply rejecting these

(CONTINUED)



RYAN (cont'd)

ideas, the NFVF carefully evaluated the potential of the writers to succeed if provided with training in the fundamental principles of story.

The two guys are really excited and almost finish each others sentences.

CLARENCE

When writers are selected for this training, a number of other additional factors are taken into account, e.g. they would have had to be engaged in the industry for some time in some capacity, should have had some training, preferably tertiary training at a film institution, and/or a very good idea for a story.

RYAN

In rare cases, newcomers with passion, commitment and a great idea may also be eligible.

Eddie's pleased.

EDDIE

Sounds good, but what about the progress so far?

CLARENCE

When the program began in 2007 it was first conducted one weekend a month over four months and focussed specifically on the development of feature film writing talent.

RYAN

The course combined teaching and student led seminars which dealt with the foundational principles of story telling for the big screen.

CLARENCE

This meant writers had to understand premise, logline, character arcs, mythic structure, main plot and sub-plots, stakes, dialogue, subtext, world of story and genre.

RYAN

Teaching combined published texts as well as audio-visual material. The aim was that at the end of the

(CONTINUED)



RYAN (cont'd)

training candidates would have understood the above concepts and be able to apply these to the first act of their screenplay which was the final submission for the program from the writers.

CLARENCE

The academic level is pitched at university degree level, year 4. To date 3 cycles of Spark have been completed. Intake at each cycle is between 10 and 12 writers.

RYAN

Sometimes writers are accompanied by their producers. This means that over the last eighteen months approximately 39 candidates have been trained through Spark.

CLARENCE

The highest achievers in each cycle are then selected for the Intermediate program. In 2007/08 we were able to select 8 candidates from the first two cycles to enter the Intermediate program.

RYAN

This Intermediate program is fantastic.

Ryan leans forward in his chair giving positive reinforcement to Clarence. Encouraging him on.

CLARENCE

This program was devised in tandem with the Spark program as the next stage in the development of the candidates who achieved the highest standards in Spark.

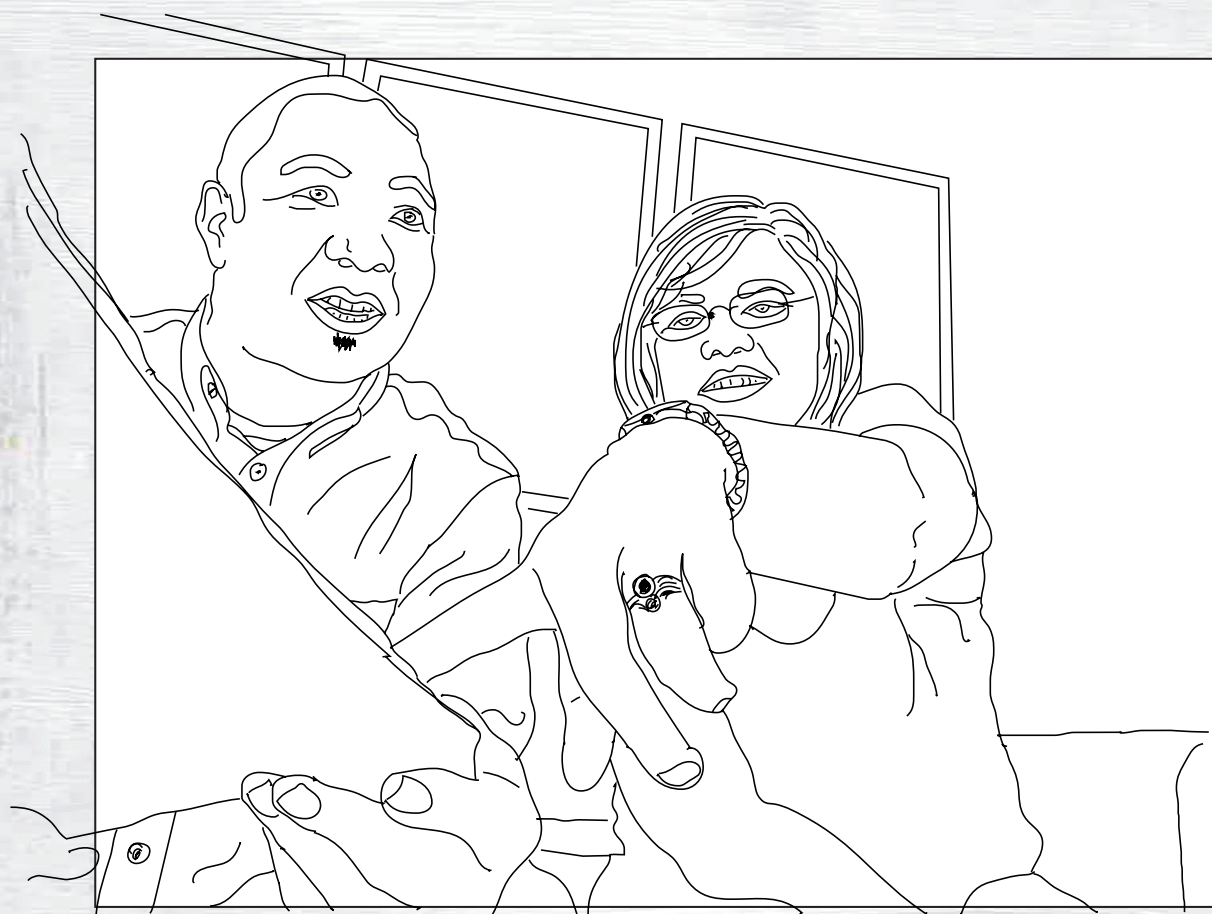
RYAN

It's pitched between 4th year university honours and masters level. Learning and development takes place one weekend per month over six months combining a much wider reading and viewing list, student led seminars, tutorials and one on one script development sessions.

CLARENCE

The aim is for the candidates to deepen their knowledge beyond the foundational principles acquired in Spark and to develop their individual concepts to 2nd draft

(CONTINUED)



CLARENCE (cont'd)

script stage. Eight candidates have been selected for this program which will take place in the 2008/09 financial year.

Karen can't hold back her excitement and chimes in.

KAREN

On top of that Sediba has selected eight trainee script editors to be trained and mentored alongside these writers over this period.

RYAN

These candidates were selected on the basis of a public advertising campaign and thorough interviews.

CLARENCE

All candidates had to be indigenous language speakers, have a tertiary education in literature, journalism, publishing, advertising or film and had to demonstrate a passionate interest in literature, theatre and stories for the big and small screen.

Eddie goes through some newspaper clippings in the file and pulls out one with a headline that says: SABC GOES WITH SEDIBA.

Ryan, Clarence and Karen beam with pride.

KAREN

We're really proud of that.

CLARENCE

We developed that program after the first year of the Sediba Masters feature film program when the SABC recognized that the best work at Sithengi 2005 came from Sediba trained writers.

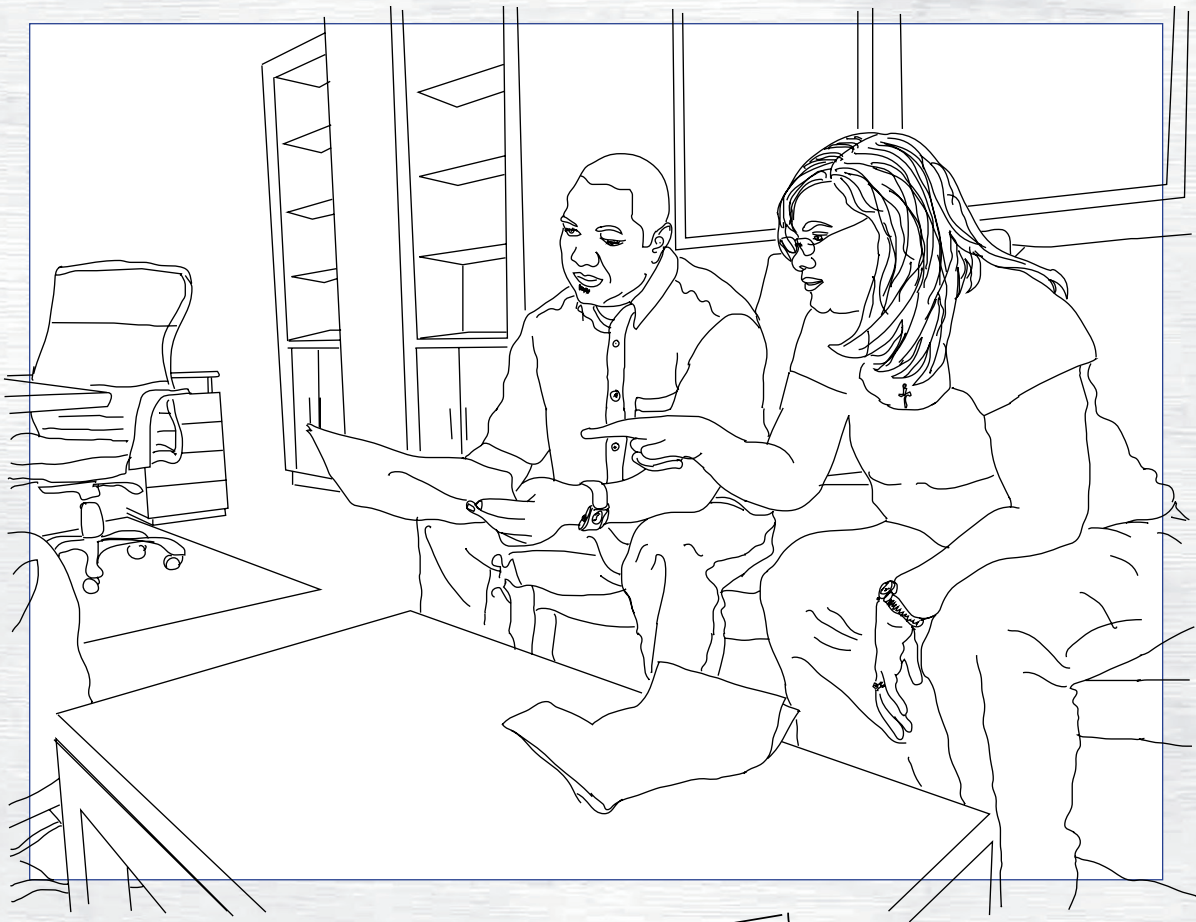
RYAN

The aim was to develop a program that would train commissioning editors, script editors and writers on commissioned SABC mini-series to the Intermediate level of Sediba.

CLARENCE

Writing teams were selected on the basis of SABC Drama Content Hub briefs showing the greatest talent or potential for development.

(CONTINUED)



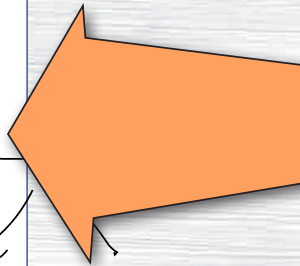
## OUTCOMES

Eight out of approximately 20 Spark candidates are now enrolled in the Intermediate program and will complete their development and training by November 2008.

Four script editor trainees recruited during the Sediba Masters program are now working as professionals. One,

- Loyiso Maqoma, is employed as a staff writer on Isidingo and is actively being pursued to head write a 26 part drama series. Two, Ayanda Halimana and Tshego Monaisa, have been appointed as assistant commissioning editors at the SABC.

And one, Lentsoe Serote, is working as script editor on one of the mini series in year two of the SABC Sediba program.



KAREN

In year one 12 mini series were developed with approximately 48 candidates receiving training as they developed the projects. 6 of the projects dealt with issues of masculinity and femininity and were screened under the strand of His and Hers Stories.

RYAN

The remaining 6 projects were re-imagining Shakespeare for South Africa under the strand-Shakespeare in Mzansi. The His and Her Stories have all been broadcast. The Shakespeare in Mzansi series is halfway through its run.

CLARENCE

In year two of this program the SABC selected 10 mini series for development with an eye on foreign visitors attending the 2010 Fifa World Cup in South Africa. Most of these mini series deal with seminal historical moments in the shaping of South Africa, from the Sharpsville massacre to development of xenophobia in the country.

RYAN

This development and training program as in year one is training approximately 48 writers, script editors and commissioning editors to the Intermediate level of Sediba training and should be completed by October with production scheduled for 2009.

Karen points to a page in the stack in front of Eddie that says OUTCOMES.

CLOSE ON the Outcomes page to read:

CLARENCE

One of the Sediba Masters writers, Hanneke Schutte, has gone on to win one of the slots in the 25 words or less UK Film Council/NFVF Contest, as well as being shortlisted for the final 4 films in the Short Film Contest.

(CONTINUED)



EDDIE

Is that it?

CLARENCE

No, another, Nena Pharboo, has had her script optioned by Ochre Media and is still in development. Two others, Tracey Farren and Dianne Case have published novels based on the screenplays developed during that first year.

RYAN

One of the writers shortlisted for production of their short films, Lev David, has been offered a writing assignment on one NFVF funded script development project.

CLARENCE

And 3 others, Sibongile Nkosana, Zulfah Otto Allies and Hanneke Schutte, are working on the mini series in year two of the SABC Sediba project.

RYAN

Four of the 8 script editor trainees from the Sediba Masters program, Justine Loots, Dermot Judge, Julie Hall and Thandi Brewer (a writer on the first Sediba) now work as editors and or trainers on Sediba projects.

CLARENCE

Two of them, Dermot and Brent Quinn also train writers in the SADCC region and as far away as Kenya and Nigeria using the Sediba approach.

RYAN

One of them, Justine, also works as a development executive at Videovision and another, Julie, combines her editing work with writing series television and training Spark candidates.

PRETTY, a young black woman wearing glasses and with more papers to add to the report chimes in from the doorway.

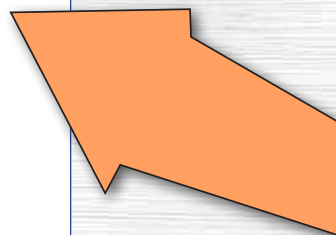
PRETTY

In year two of the SABC/Sediba program 2 black females, Palesa

(CONTINUED)



THE FOUNDATION ALSO FUNDS TRAINING PROVIDERS WHO OFFER UNIQUE SKILLS PROGRAMMES TO THE INDUSTRY. WE CONTINUE TO ENDEAVOUR TO BRING IN PARTNERS WHO CAN CONTRIBUTE TO THE EDUCATION OF STUDENTS EITHER FINANCIALLY OR OTHERWISE. TWO SUCH SUCCESSFUL PARTNERSHIPS HAVE BEEN WITH KODAK AND THE TSHWANE UNIVERSITY OF TECHNOLOGY



PRETTY (cont'd)

Shongwe and Lineo Sekeloane, have been identified for mentorship as prospective project leaders operating at the highest levels of Sediba training and development.

EDDIE

Come on in Pretty.

PRETTY

Sorry to interrupt, but I had some more info for the training portion of the annual report I wanted to share.

Everyone slides over making room for Pretty to sit.

PRETTY

One of the objectives of the NFVF is to stimulate training & development by making it more accessible for previously disadvantaged individuals and those with financial difficulties to enter the film & television industry.

EDDIE

But don't people already know this about the NFVF?

PRETTY

Not as widely as we would like. As you know we award bursaries for students to study at the various tertiary institutions in South Africa & internationally.

KAREN

Maybe you should explain why we do this.

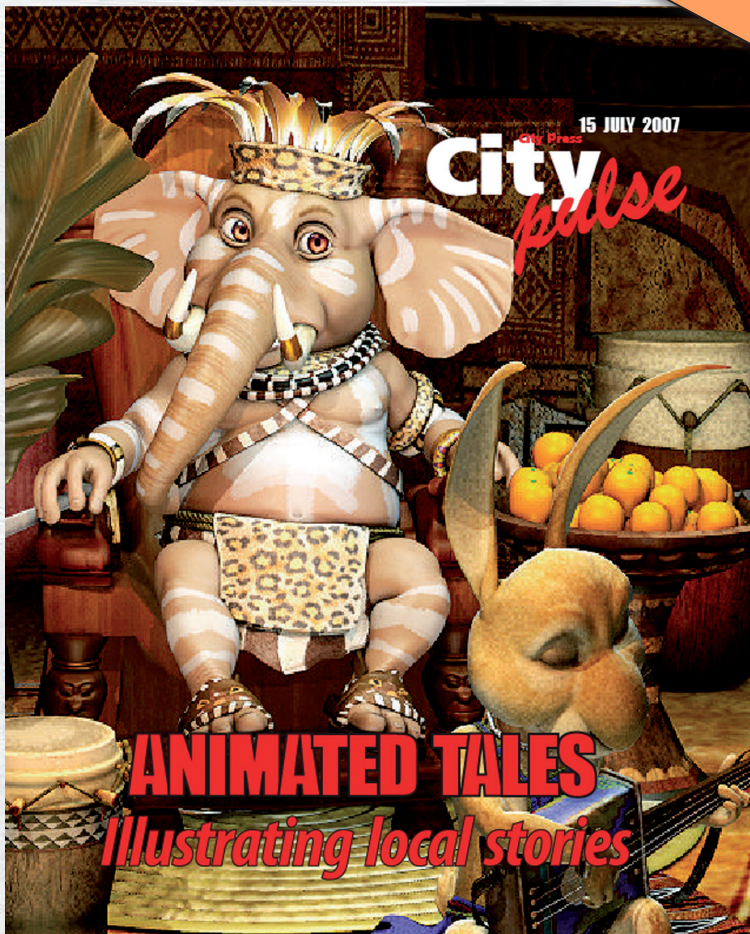
PRETTY

Our view is that if our industry has adequately educated & skilled filmmakers, it will impact positively on the quality & competitive edge of local content on our screens. More viewers and cinema attendances will definitely contribute towards accelerating the growth of the industry.

Pretty hands out the report to everyone in the room and points to a particular section.

CLOSE ON: The page to see.

(CONTINUED)



PRETTY

The financial burden of pursuing Film & Television related studies are enormous, which only the privileged few can afford.

Pretty flips to a page with charts and statistics.

PRETTY

After a vigorous selection process, we awarded bursaries to over 50 students to pursue their studies in 2007 at the various accredited educational institutions around the country with the aim of obtaining formal qualifications in film & television.

EDDIE

What about the performance of these students over the last year?

PRETTY

We are proud of our students' year-end academic results. They were a clear indication to the Foundation that students, who were hard working, ambitious, strong achievers & disciplined, were indeed worthy beneficiaries.

Another flip of her report and she shows the group a beautifully designed page with APTI and WILDLIFE FILM ACADEMY across the top.

PRETTY

In the past year, we funded Animation Production Training Initiative (APTI) and the Wildlife Film Academy.

Behind the APTI page is a DVD with colorful animation stills. One of them looks like a kwaito singing dog, chains, baggy pants and all.

PRETTY

APTI was created to serve a critical role in the development of both high quality & culturally relevant African Animation.

RYAN

They're the guys who did that dancing kwaito dog short film that everyone's going crazy for.

(CONTINUED)



DOLLY  
AROUND  
PRETTY



EDDIE

I was so impressed with them when I saw that short.

Everyone nods in unison.

KAREN

It was brilliant!

PRETTY

This programme continues to develop and advance skills within a highly neglected area from a training perspective, and yet serves as a huge potential area for employment creation and entrepreneurial development.

KAREN

What exactly does APTI offer?

PRETTY

APTI comprises of a one-year long training & internship programme on Animation with a specific focus on empowering previously disadvantaged youth.

EDDIE

What have the outcomes been, so far?

PRETTY

After the first year we are pleased to announce that the trainees, who were part of this programme, produced short animated films of high quality in terms of content & production.

RYAN

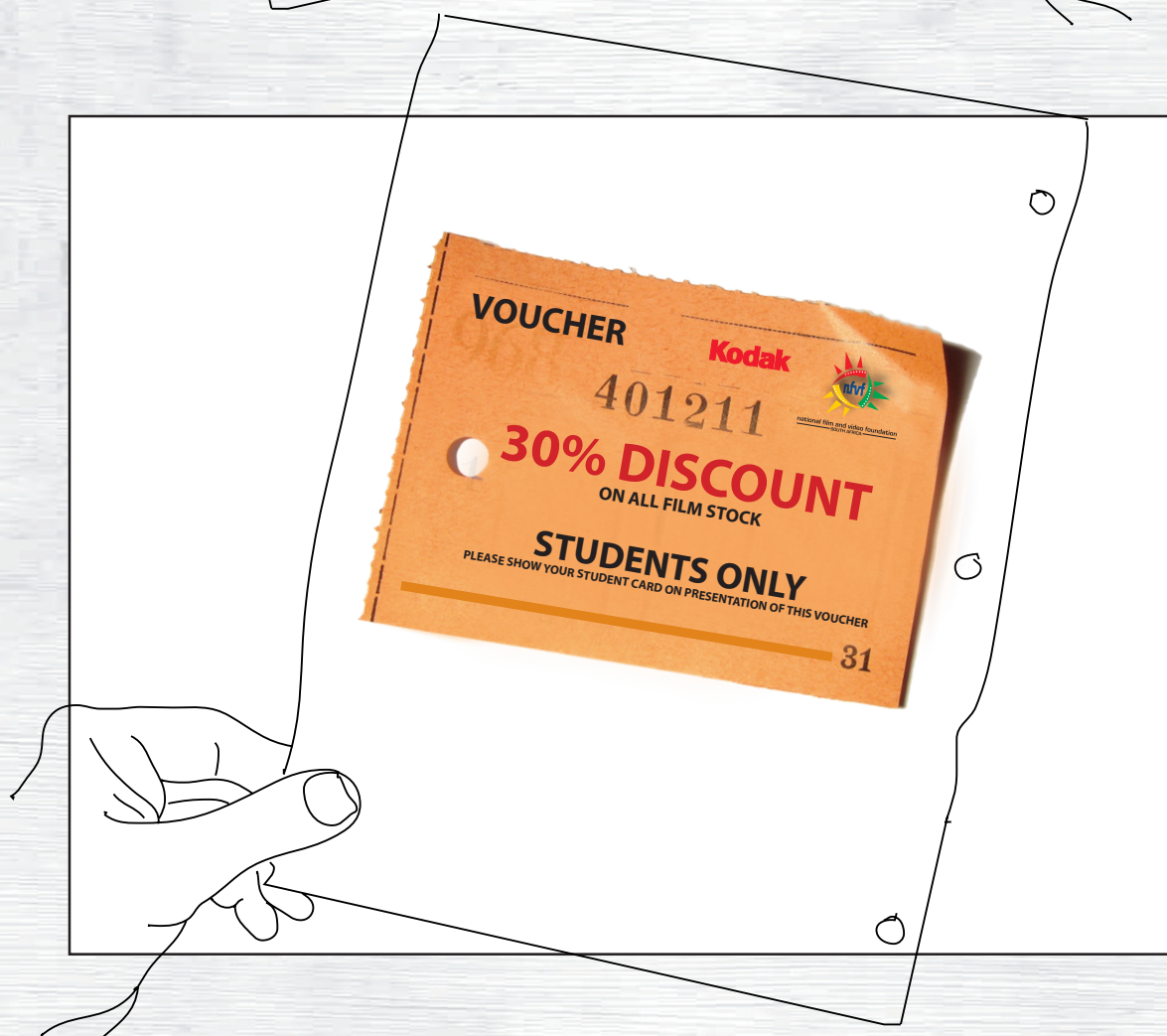
(enthusiastically)

These shorts have been broadcast on SABC and other distribution channels are currently being negotiated, including cellphones!

PRETTY

The next intake of interns will be in 2009.

(CONTINUED)



Pretty flips another page in her report to show a big picture of a young student hidden behind a camera filming a lion.

PRETTY

The Wildlife Film Academy operates a globally-unique one month course in South Africa, developed by award winning wildlife filmmakers. This training programme provides a variety of skills to the learners essential to making original and appealing wildlife films.

EDDIE

Is this what we mean by unique?

PRETTY

Yes, it is. A hands-on approach has been taken for this programme and numerous learners, who cannot afford the fees, have benefited from the Foundation's contribution towards the Academy.

RYAN

She's doing a great job with all of this training stuff. Thanks Pretty.

PRETTY

I'm not done.

RYAN

Oh - what else do you have?

PRETTY

Kodak.

RYAN

Right. Sorry - go ahead.

PRETTY

The agreement signed between the Foundation and Kodak has seen numerous institutions benefit from the discounted Kodak film stock for student films.

KAREN

How have the students benefited?

PRETTY

These savings have directly benefited students because it allowed them to produce films of uncompromised quality. We continue with this partnership into the new year and hope that more institutions & students will continue to benefit.

Pretty closes her report papers.

(CONTINUED)



*DOLLY IN*



All done.

EDDIE

Great work. Really impressive training programs. We should all be very proud.

Beaming faces all around.

KAREN

Who wants to report on the short film contest?

CLARENCE

I'll start.

(beat)

The short film contest was devised as an opportunity for black and women candidates already entrenched in the industry as writers and or directors working in documentaries and television drama to create a calling card for their careers in feature film writing and or directing.

RYAN

Candidates were recruited on the basis of a public advertising campaign. Over 350 applications were received for the prospective 8 films to be produced.

CLARENCE

However the calibre of the applications was such that the NFVF had to devise a program to develop these candidates and their projects to the same high standards as our Spark and Intermediate programs.

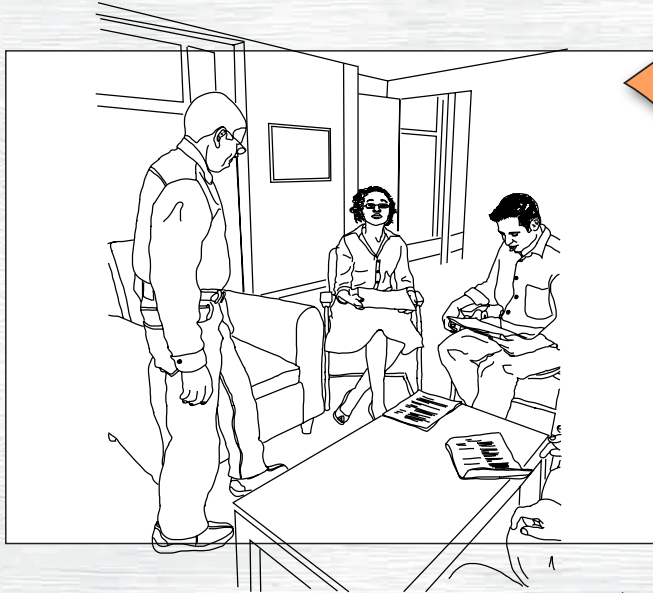
RYAN

So instead of giving funds to the filmmakers to produce their films, 12 candidates and their projects were selected for development using a modified version of the Spark for Narrative Fiction program with more or less the same aims.

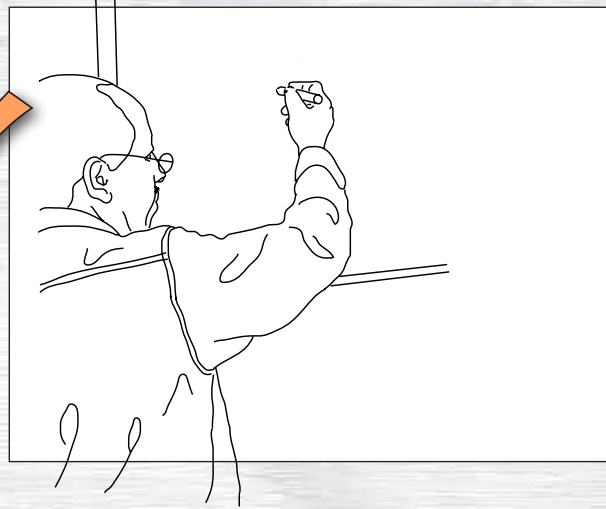
CLARENCE

Candidates were expected at the end of the training and development period to have a fundamental grasp of the foundational principles of  
(MORE)

(CONTINUED)



*STEADICAM TO  
FOLLOW CLARENCE  
AND END ON  
WHITEBOARD*



***KARAOKE BY LEY DAVID AND CLARE CASSIDY - A COMEDY  
ABOUT A BREAK UP SET IN CHATSWORTH, DURBAN.***

***YES, MADAM BY ZULFAH OTTO-ALLIES  
- A MELODRAMA ABOUT A  
TRANVESTITE WHOSE MADAM HAS TURNED HER  
BACK ON HER GAY SON SET IN CAPE TOWN.***

***FATHER CHRISTMAS DOESN'T COME HERE BY SIBONGILE  
NKOSANA - A COMING OF AGE DRAMA ABOUT A YOUNG  
GIRL GOING THROUGH AN IDENTITY CRISIS OVER HER  
SELF-IMAGE SET IN A KWA-ZULU NATAL VILLAGE.***

***SUPER HERO BY HANNEKE SCHUTTE - A COMEDY  
ABOUT A YOUNG BLACK BOY WHO MISTAKES A RACIST  
WHITE MAN WITH AMNESIA FOR A SUPERHERO.***

CLARENCE (cont'd)

story as outlined in the Spark for Narrative program and to have produced the final draft of 12 a minute script.

RYAN

During the development period the 12 shortlisted candidates were narrowed down to 8.

CLARENCE

After the 5 month development period only 4 of the scripts achieved the outcomes the NFVF was hoping for. These projects are:

Clarence moves to the white board in the office and writes out the list of projects.

RYAN

A directing workshop and further script development is planned for the successful candidates with production expected to begin by November 2008.

CLARENCE

Our script editor trainees received their introduction to the Sediba approach to talent and project development during this phase when the commencement of the Intermediate program was delayed.

EDDIE

Very impressive. What about the project we're doing with the SABC and BINGER? How's that progressing?

CLARENCE

You mean COMMANDMENTS?

Clarence gives a knowing look to Ryan and sits. Ryan takes over the talking.

RYAN

The NFVF has committed R6 million over a 3 year period to a series of 10 films (5 features and 5 television hours) to be written and directed by top South African talent. The partners on the project include the SABC at a minimum of R20million and the Binger Film institute at R3.5 million.

(CONTINUED)



*DOLLY OR  
STEADICAM BACK*



- \* *BLOOD DOWN CLAIM STREET BY NORMAN MAAKE*
- \* *GEES BY TEDDY MATTERA*
- \* *JOSEPH BY GILI APTER*
- \* *FLAWED LIFE BY MATTHEW BROWN*
- \* *MARULA TREE BY NOZISWE GININDEZA*
- \* *REVELATIONS BY KHALO MATABANE*
- \* *BELLY DANCING BY AKIEDAH MOHAMED*
- \* *HIDDEN GARDEN BY TRISTAN HOLMES*
- \* *GIZELLE 911 BY JEAN & ZINAID MEERAN*
- \* *LUCKY LADY BY NICKY NEWMAN*

CLARENCE

The projects have been going through a rigorous development process headed by Binger and were subsequently invited to CINEMART in February 2008, which is one of the world's top co-production forums.

RYAN

The teams presented the projects to funders, broadcasters, sales agents and distributors around the world. Their positive response has given the initial funders great confidence in the success of the project.

CLARENCE

The development process has been filled with numerous training objectives for the filmmakers selected including a spectacular director's workshop run by the world's foremost expert on directing actors, Judith Weston

RYAN

The scripts are continually being developed with an eye towards completion and exposure to market in 2010. The list of the films and filmmakers are:

Ryan moves to the white board and writes out the list while he talks:

RYAN

In addition to the programs highlighted, the NFVF funded numerous documentary and narrative shorts and features which are broken down here.

Ryan hands Eddie a chart that displays the following:

Production fund - 28 projects


Development fund - 17 projects

SEDIBA - 25 projects

KAREN

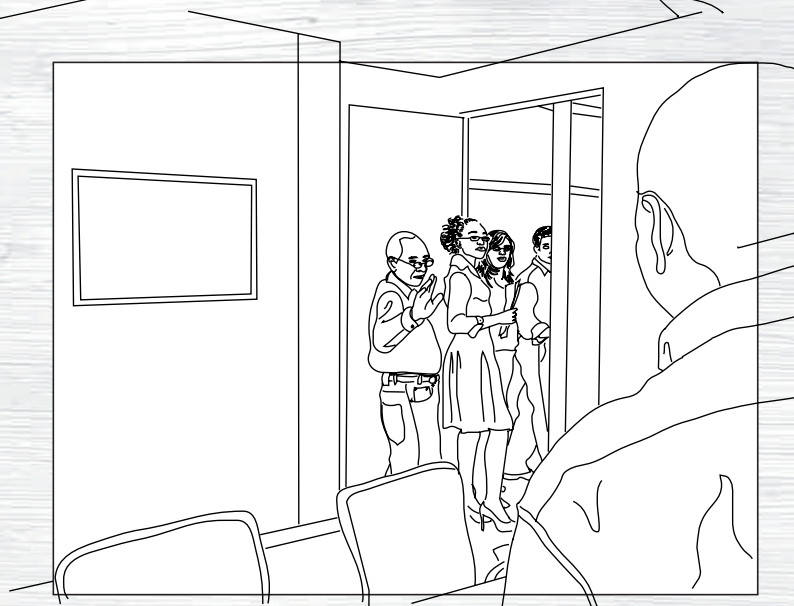
The total spend on all of these projects was R11,930,000.00 which include slate deals for 2 companies (DV8 & RogueStar Film Slate) and the NFVF's commitment to the Commandments project we just reported on.

(CONTINUED)



**RECOUPMENT SCHEDULE:**

Grants allocated in 2003	12 690 774
Grants allocated in 2004	8 630 000
Grants allocated in 2005	4 990 000
Grants allocated in 2006	4 300 000
Grants allocated in 2007	3 550 000
Grants allocated in 2008	1 935 000
<b>Total recoupable grants</b>	<b>- 36 095 774</b>



Karen goes through her stack of papers and pulls out a page titled RECOUPMENT SCHEDULE.

CLOSE on the page to see:  
Current Recoupment schedule:

PRETTY

Oh - and here's my training and  
bursaries performance management  
matrix.

Everyone gets a copy of the chart that outlines the key objectives, strategy, output, service delivery indicators, targets and progress. DIRECTORS NOTE - See insert on next page for the chart.

EDDIE

Wow! That was a lot of detail. Well  
done team. Keep up the good work. I  
need a cup of tea after that  
session.

RYAN

Thanks sir.

EDDIE

Salakahle, Clarence.

Clarence waves.

KAREN

Call me if you need anymore  
details.

EDDIE

Sharp.

Eddie exits after everyone leaves and heads down the hall.

## EXPENDITURE

### Training and Bursaries

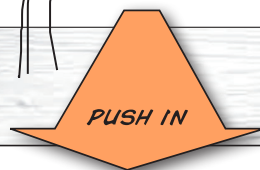
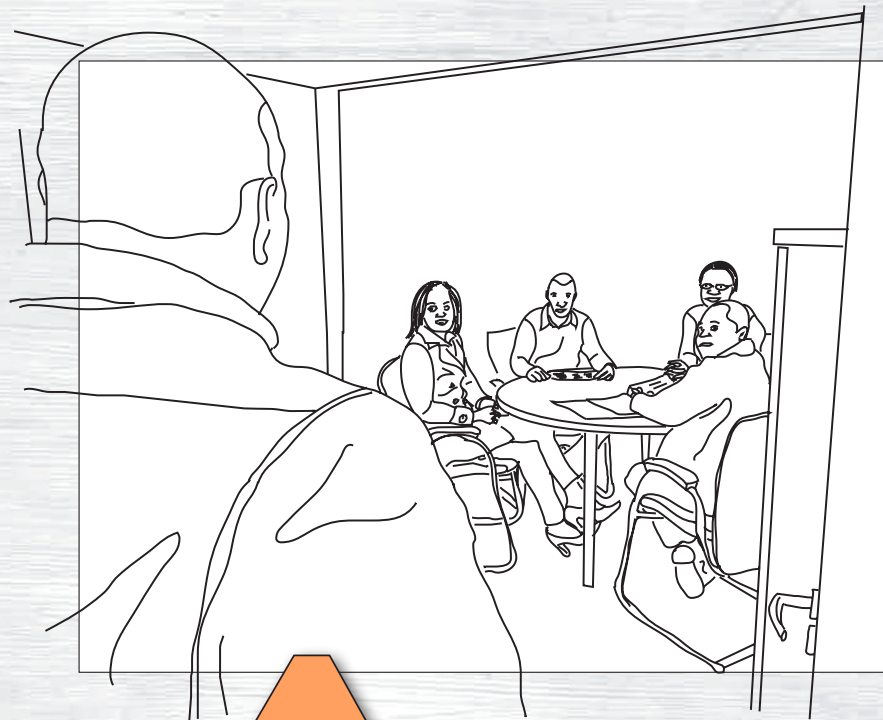
Key objective	Strategy	Output	
To contribute towards skills development within the industry	<ul style="list-style-type: none"><li>• Guide the sector on the skills development needs of the film sector</li></ul>	<ul style="list-style-type: none"><li>• Development of national strategy for film education and training</li></ul>	
Development of professional practitioners in the film industry	<ul style="list-style-type: none"><li>• Identify and target specific areas of need in the value chain</li></ul>	<ul style="list-style-type: none"><li>• Co-ordinated &amp; managed training grant allocations</li><li>• Bursary funding for different levels of training</li></ul>	
To create access and opportunities to previously disadvantaged individuals	<ul style="list-style-type: none"><li>• Develop specific programme that cater for the previously disadvantaged individuals</li><li>• Ring-fence funding for projects from PDI's</li></ul>	<ul style="list-style-type: none"><li>• Increased number of PDI's in the production of local content on TV</li><li>• Positive discrimination to achieve equity</li></ul>	

	Service delivery indicator	Service delivery target or milestones	Progress
	<ul style="list-style-type: none"> <li>Improved quality of South African product arising from enhanced skills</li> </ul>	<ul style="list-style-type: none"> <li>More international films are shot in South Africa</li> <li>More locally produced films acknowledged internationally</li> </ul>	National Film School Research is currently underway. This will assist in identifying areas of need and in the development of a comprehensive strategy. Draft report writing underway.
	<ul style="list-style-type: none"> <li>Growth in the number of trained professionals employed by industry particularly those from previously disadvantaged communities at both entry and professional levels</li> </ul>	<ul style="list-style-type: none"> <li>20% increase in the number of black professionals within the industry over 5 years.</li> </ul>	54 bursaries have been awarded for full time study - 21 of these to female students and 46 to black students
	<ul style="list-style-type: none"> <li>A diverse number of films and television programmes are produced.</li> <li>More films in indigenous languages are produced</li> </ul>	Increase in the number of South African professionals at HOD level employed on local and international productions particularly those from previously disadvantaged communities	<p>Initiated SEDIBA Skills development programme for fiction. 28 learners were trained during the year.</p> <p>A documentary Kcurriculum has been developed and training will commence in the 08/09 year.</p> <p>Partnership with SABC to train 46 commissioning editors, script editors and trainee editors. Support given to Animation Workshop for animation training Training partnerships with UK film council</p>

## Development and Production of Content

Key objective	Strategy	Output	
To improve the quality and commercial prospects of local productions	<ul style="list-style-type: none"> <li>Increased &amp; better targeted investment in project &amp; script development</li> <li>Encourage script development in indigenous languages</li> </ul>	<ul style="list-style-type: none"> <li>Adequately developed projects which appeal to targeted audiences &amp; have greater commercial returns</li> <li>Increased number of films in indigenous languages</li> </ul>	
Position the South African film industry globally	<ul style="list-style-type: none"> <li>Move the industry from low volume and low margin base to high volume and high margin base</li> <li>Development of a National Film Portfolio (incorporating the full value chain from development to distribution)</li> <li>Development of the Film Development Fund and the Film and Video Initiative (per NFVF Act)</li> <li>Production of specific genre films that reflect and develop a South African aesthetic in the production of indigenous language product.</li> </ul>	<ul style="list-style-type: none"> <li>An increased number of film produced in South Africa in a most cost effective way</li> <li>Clear guidelines on the target areas for development for each province</li> <li>Access to funds identified per the Content Industries Strategy approved by cabinet in 2003</li> <li>A South African Film Portfolio that mirrors our cultural diversity</li> </ul>	

	Service delivery indicator	Service delivery target or milestones	Progress
	<ul style="list-style-type: none"> <li>Local &amp; international sales and financing of projects</li> <li>Increased in size &amp; scale of distribution channels for South African product</li> <li>Increased number of South Africans supporting local films</li> </ul>	<ul style="list-style-type: none"> <li>South African film &amp; television productions that are highly commended &amp; successfully sold locally &amp; internationally.</li> <li>30% of films produced are in indigenous languages by 2010</li> </ul>	<p>25 development grants awarded including 9 for feature films. 28 production grants awarded including 9 for feature films</p>
	<ul style="list-style-type: none"> <li>More permanent jobs are created and sustained</li> <li>Fair spread of film activity amongst the Provinces</li> <li>Activation and implementation of Content Industries Strategy</li> <li>Growth in the number of co- productions</li> </ul>	<ul style="list-style-type: none"> <li>20 South African films are produced annually by 2010</li> <li>Access to film activity by provinces that initially had no activity at all</li> <li>30% increase in the annual number of South African productions within 3 years.</li> <li>20% increase in the number of co-productions per year within 3 years.</li> </ul>	<p>Co-production Treaty signed with UK. The "25 Words or less" specific genre contest with UK film council initiated to promote Treaty. 4 projects currently in development Draft scripts are being finalised for completion by end of 2008.</p> <p>Introduction of 2 short film contests that are targeted at indigenous languages and women filmmakers. 13 Shortlisted candidates were announced in June 07 and projects will be are currently being work shopped prior to final winners being announced . It is anticipated that production of at least 4 projects will commence in June 2008</p>



Voices can be heard in deep consultation down the hall. The voices become clearer as Eddie walks down the corridor.

VOICES (O.S.)

I think Eddie's going to love  
this. We've done a great job if I  
do say so myself.

Giggling from the room sparks Eddie's interest. He stops and turns down the corridor leading to the room with the voices.

5 EXT. POLICY OFFICE - CONTINUOUS

AIFHELI, business suit and glasses at the tip of her nose laughs with TERRENCE, mid-30s, who leans back in his chair bouncing with laughter. TSIETSI, serious and bookish sits next to a reserved HALATEDZI. They grin with a quite reserve.

Suddenly they notice Eddie at the doorway.

The volume of the laughter stops but the smiles remain.

EDDIE

Don't stop on account of me.

More smiles.

EDDIE

What do you guys think I'm gonna  
love?

Looks between the team before Aifheli assumes her position as head of the department and speaks up.

AIFHELI

No, its just that we finished our  
section of the annual report and  
think it's pretty good.

EDDIE

Really? Tell me more.

AIFHELI

Well for starters, the NFVF's Funding  
Criteria was reviewed for the first time  
since 2004. The purpose was to update  
the policy to include new changes.

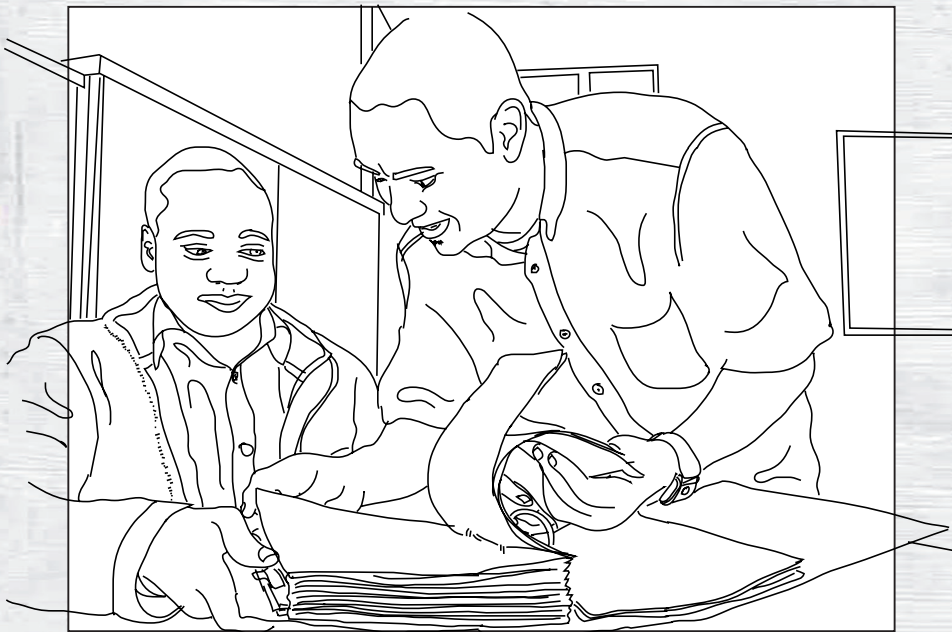
EDDIE

(puzzled)  
What changes?

AIFHELI

The major changes in the criteria

(CONTINUED)



AIFHELI (cont'd)

relate to submission of audited financial records and the imposition of a time limit on the use of funds committed to projects by the NFVF.

EDDIE

And do we have council approval for these changes?

AIFHELI

The policy has been approved by the NFVF Council and will be effective in the 2008/09 financial year.

EDDIE

Of course, I was there. And what's happening on the co-production front?

He looks meaningfully at Terrence.

TERRENCE

With co-productions the NFVF is in the process of developing guidelines for South African producers. These will provide producers with guidance on treaty requirements, submission requirements for official co-production status and so on.

EDDIE

Why are we doing this?

TERRENCE

The guidelines seek to streamline the co-production certification process to make it more efficient.

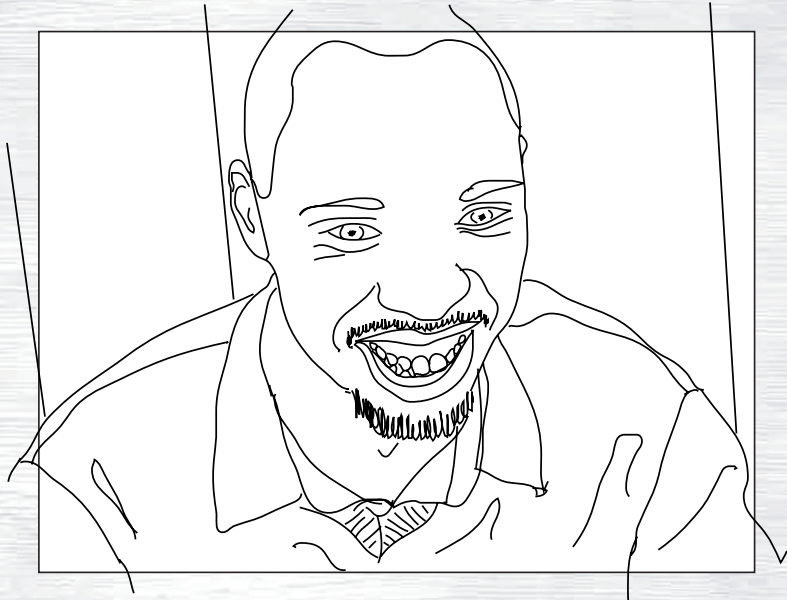
EDDIE

That's what I like to hear - making delivery work.

TERRENCE

The process is a consolidating of some administrative issues that have come up since the NFVF took over administration of co-production certification from DAC in 2004. The guidelines will be informed by international best practice from some of our co-production partners (United Kingdom, Canada and Australia). The policy development process will be completed in 2008/09.

(CONTINUED)



EDDIE

As long as we're not re-inventing  
the wheel.

They all laugh.

EDDIE

What else is happening in policy  
and research?

AIFHELI

The NFVF is in the process of drafting  
a discussion document on the definition  
of a South African film. The rationale  
is to develop regulations that will  
guide the following processes in the  
absence of such a definition in legislation:

Terrence jumps in and counts on his fingers as he lists the  
points.

TERRENCE

- \* Issuing of certificates of nationality  
by the NFVF - the certificates attests  
to the origin of a film for export or  
distribution in other countries; \*
- Selection for entry into the SAFTAS  
- the feature film category applies  
to local features and those features  
which qualify as national films by virtue  
of certification as official co-productions.
- \* Selection of projects for participation  
in local and international film festivals.

EDDIE

Are you going to mention the treaties?

AIFHELI

The SA/UK was the only bilateral  
co-production treaty signed in the  
2006/07 period.

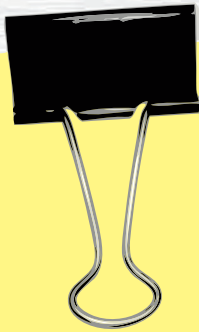
TERRENCE

The treaty negotiation process  
between South Africa and Ireland,  
New Zealand, Australia and France  
is ongoing.

AIFHELI

A number of meetings have been held  
by the DAC on SA/Australia (through  
the embassy) while a number of  
drafts have been exchanged in  
respect of all four treaties.

(CONTINUED)



## Research and Policy

Key objective	Strategy	Output	Service delivery indicator	Service delivery target or milestones	Progress / Correction action
To facilitate industry & public policy development by providing comprehensive accurate information on the film & video Sector	Development of Sectoral Information Systems (SIS), measures of aggregation and Key Performance Indicators (KPI'S) for the film sector	<ul style="list-style-type: none"><li>• Reliable information on the industry that is published regularly, updated and widely disseminated.</li><li>• Co-ordinated information gathering</li></ul>	<ul style="list-style-type: none"><li>• Funding is more targeted towards areas of greater need</li><li>• Reliable information is readily available</li></ul>	<ul style="list-style-type: none"><li>• Formal and widely accepted quantification of the industry.</li><li>• Well-informed public policy initiatives.</li><li>• Publication of research data that shows the full economic impact of film on the GDP</li></ul>	Various meetings have been held with industry and Stats-SA with respect to calculation of size and value of film industry. Survey is currently online for industry to complete.
Develop "film-friendly" policies	Develop a legislative framework that is investor-friendly and safe- guards the rights of South Africans	Greater investment in the local film economy	More jobs are created as a result of greater investment	20% of international films produced internationally are shot in SA	Develop "film-friendly" policies

HALATEDZI

We also have the ten year co-production review which consists of data collected from applications submitted for advance and final ruling certificates from 1997 to December 2007.

AIFHELI

The data collected was used to determine budgets, format of projects, percentage split of ownership between South African and foreign co-producers, number of projects per treaty and value of co-production projects under the review period.

HALATEDZI

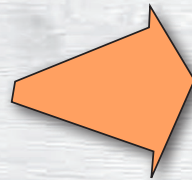
The final report will be released during the 2008/09 financial year.

Terrence scrambles through the folder in front of him and pulls out a spreadsheet and hands it to Eddie.

TERRENCE

The NFVF certified the following Co-productions in 2006/2007.

Close on the spreadsheet Eddie holds in his hand. DIRECTOR'S NOTE - refer to the insert on the next page for the actual co-production list.



EDDIE

Great to see it spelled out in such a simple chart.

TSIETSI


We've also got the Film School feasibility study.

Eddie's brows raise.

AIFHELI

We're going to say that the context of it came from Section 4(2) (e) of the National Film and Video Foundation Act (No. 73, 1997) which mandates the National Film and Video Foundation to "In conjunction with the Departments of Trade and Industry and of Education, investigate the viability of establishing a national film school."

(CONTINUED)



Countries	Title	Status
SA/Canada	The Flood	Final
SA/Canada	Jozi-H	Final
SA/Canada	Rough	Provisional
SA/ Canada	The Bang Bang Club	Provisional
SA/Germany	The 3 vestigators: Secret Terror Castle	Provisional
SA/Germany	Starship Troopers Marauders	Provisional
SA/Germany	Scorpion King: The Rise of the Akkadian	Provisional
SA/Germany	Albert Schweitzer	Provisional
SA/Italy	Les Deux Mondes (The Two Worlds)	Provisional
SA/UK	Skin	Provisional
SA/UK	Surviving Evil	Provisional

TSIETSI

The goal was A national education and training strategy for the South African film industry.

HALATEDZI

The deliverables included - \* Industry skills needs analysis (quantitative and qualitative); \* Education and training impact analysis; \* Best practice models for film education and training; \* Feasibility of the establishment of a national film school.

AIFHELI

The findings from the various consultations, (meetings, focus groups) with the industry have been consolidated in the report. The NFVF made a presentation to DAC in December 2007 on the provisional findings and the scope of the research.

HALATEDZI

A draft report has been compiled and the report will be completed in the 200/09 financial year. Further consultations with the DAC, the DTI and other stakeholders will be conducted prior to the release of the study.

EDDIE

Good stuff. I look forward to seeing it in the annual report.

Eddie makes for the door.

TSIETSI

Sorry sir - one other thing we wanted to add was about the audience research we did.

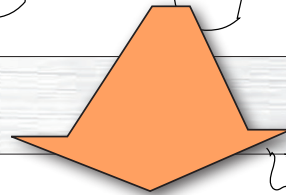
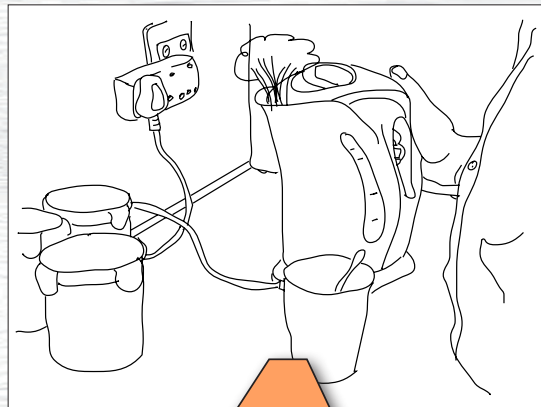
EDDIE

Oh yeah. Definitely needs to be in there. What details do you plan on including?

TSIETSI

We were going to say that during the research period of the National Film School Feasibility Study, most respondents indicated in the questionnaires that lack of

(CONTINUED)



TSIETSI (cont'd)

audience development was one of the major constraints to the development of the South African film industry.

HALATEDZI

Soweto was chosen as a site due to the large size of the population. The study aimed to ascertain viewing trends, attitudes towards local content and feasibility of a film screening facility.

TSIETSI

The goal - Potential of developing multiple screen digital cinema chain in Soweto. And the progress - The Audience Research Report was completed in December 2007.

Eddie is impressed. Aifheli beams proudly as she looks at her staff.

AIFHELI

That's it.

EDDIE

I love to see you guys working so well together. I wish people could see the synergy we have in this organization.

Eddie taps the door.

EDDIE

I'm off to get some tea.

He leaves a team that's well pleased as he exits and heads off down the corridor.

6 INT. KITCHEN - LATER

Steam rises from the kettle as Eddie finishes pouring. Next comes the sugar and the milk and finally the taste test when...

CHARMAINE, white, late 30's bursts in.

Eddie looks up just before he's able to take a sip.

CHARMAINE

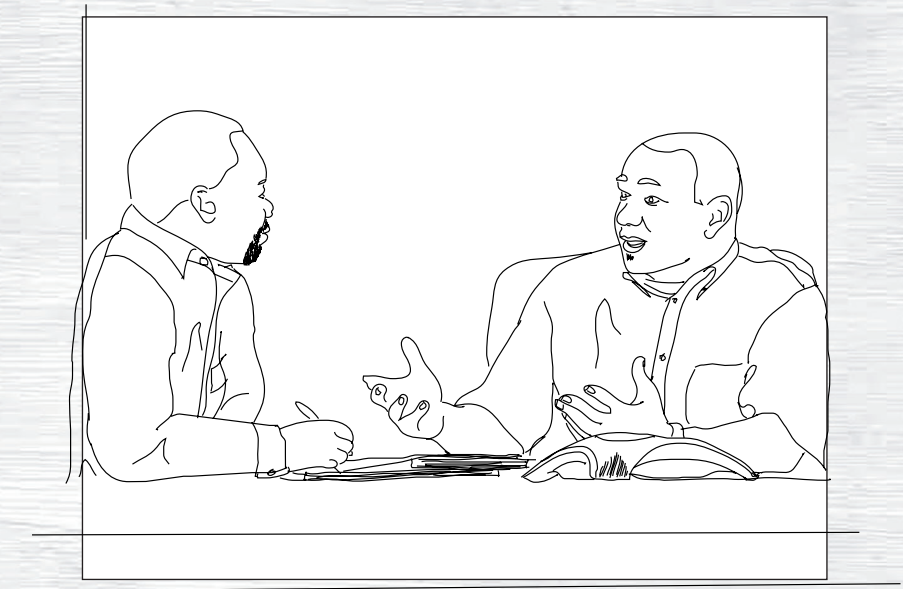
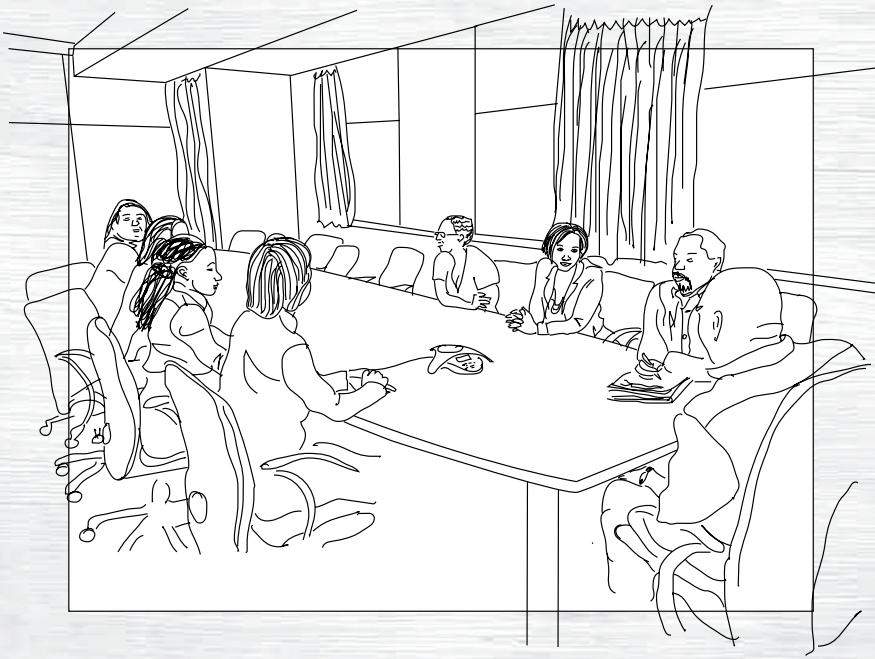
Marketing is waiting for you in the boardroom.

EDDIE

(teasing)

Can a guy have a tea break around here?

(CONTINUED)



CHARMAINE

There's tea waiting for you in the meeting. The journalist from the weekly is already there.

7 INT. BOARDROOM - DAY

7

A young overly casual JOURNALIST dressed in head to toe khaki leans forward in his seat and addresses Eddie and the Marketing Team with a touch too much aggression.

JOURNALIST

On reading the previous Annual Reports, It would seem that the NFVF emphasises international film festivals. What are you doing for the local market?

EDDIE

The National Film and Video Foundation provides funding to national and provincial film festivals. These festivals operate independently with their own programmes and screenings and most of them have an outreach program.

JOURNALIST

Is that all the Festivals do?

EDDIE

The festivals conduct workshops, by bringing experienced filmmakers to their program. These filmmakers train members of the community who are interested in film and have gone through a selection process for their participation at the festival.

JOURNALIST

But aren't these fly by night operations?

EDDIE

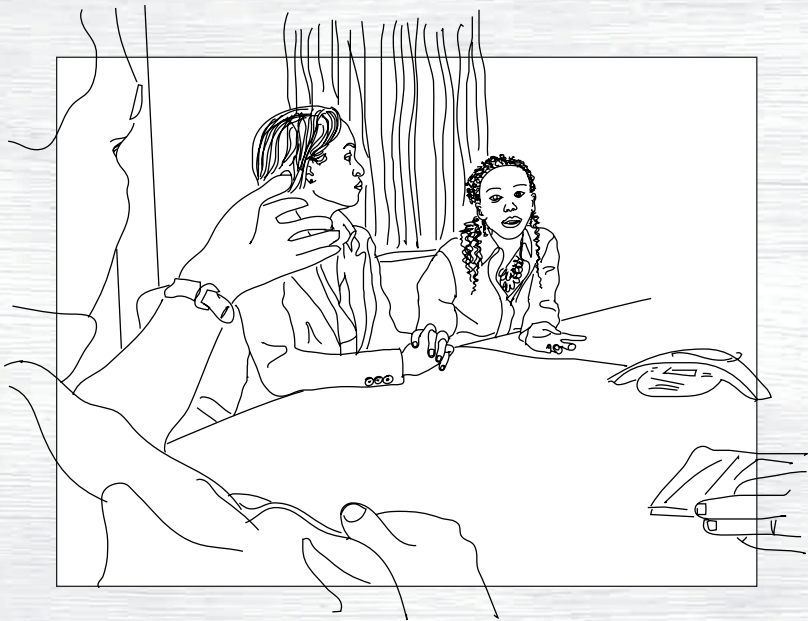
They are trained to produce a short film or a documentary. Most of these films are screened at the end of the festival. Some of the films produced on these programmes are screened on SABC television.

JOURNALIST

Where exactly are these festivals?

DELIWE, young and full of vigor, hesitantly chimes in with an answer.

(CONTINUED)



DELIWE

The national festivals that the NFVF funds are: The Durban International Film Festival, Durban, Kwa-Zulu Natal. The Durban International film festival in its 29th year continues to grow bigger. It had 336 screenings of 228 films in 2007.

JACKIE clears her throat. The entire staff turns. If the reaction from the marketing staff wasn't enough, the crisp business attire clearly states that she's their boss.

JACKIE

The festival had three principal strands: discussions and workshops to stimulate industry capacity, an outreach programme to service new or marginalized audiences and the celebration of cinematic excellence through the exhibition of films.

DELIWE

The festivals outreach programme takes the films to areas in which cinemas do not exist and ensures that the festival is accessible to people of all backgrounds.

She looks to Eddie who gives her an affirmation to continue with the answers.

DELIWE

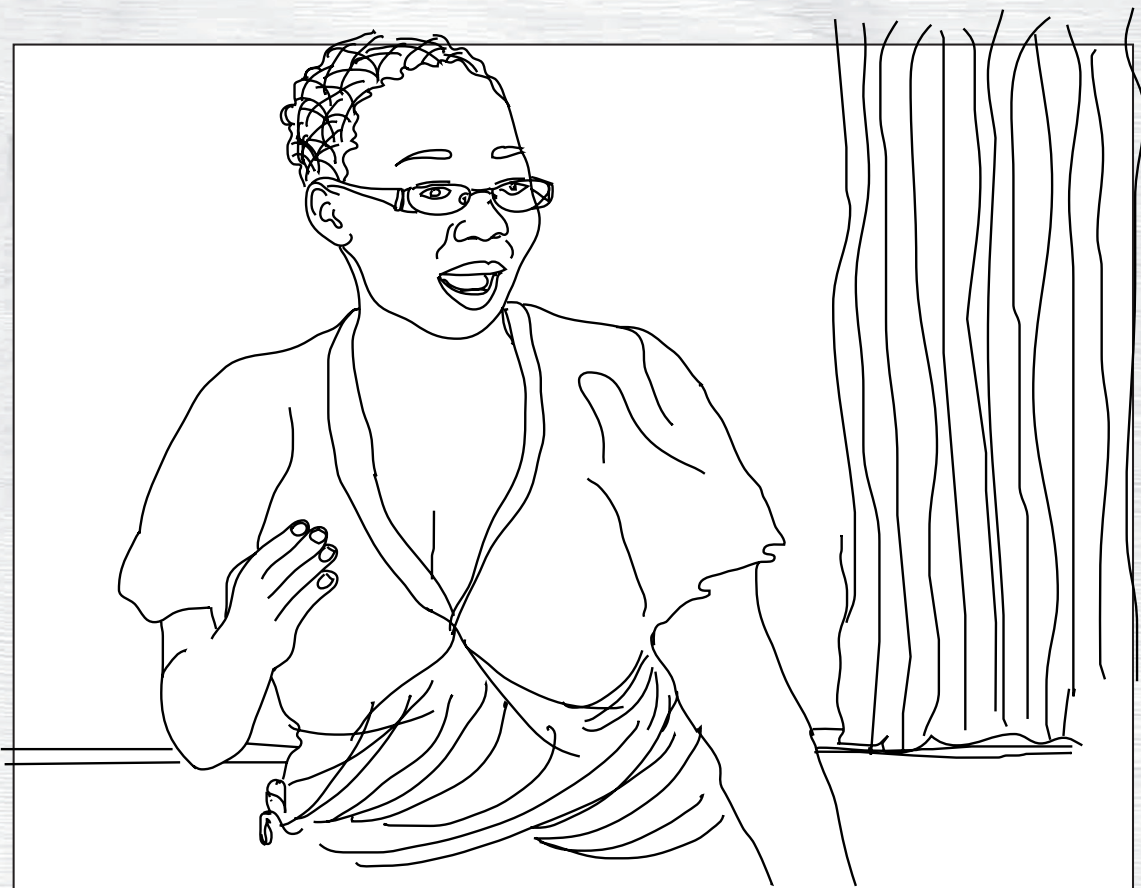
The Encounters documentary Festival takes place in Johannesburg Gauteng and Cape Town Western Cape. The festival promotes documentaries from all over the world with a special emphasis on South African made documentaries.

JACKIE

It also provides industry development and training opportunities through workshops and seminars. Industry practitioners and film students are actively encouraged to attend. The Encounters documentary festival continues to develop audiences through their Inreach and outreach programmes.

The answers are having an affect on the Journalist.

(CONTINUED)



JOURNALIST

That's impressive.

DELIWE

The other festivals are Wild Talk Africa, which is the only wildlife film festival in the country. It attracts all South African wildlife filmmakers from South Africa and invites international guests and experts in the area of wildlife.

JACKIE

We're also involved with the Tri continental Film Festival, Johannesburg, Gauteng and Cape Town, Western Cape. The Tri-continental film festival is a human rights festival that screens films on human rights issues.

Before the Journalist has finished writing down all the information another marketing staffer adds to the mountain of data. TSHEGOFATSO, yet another strong woman with definite opinions begins.

TSHEGOFATSO

We also have The Apollo Film Festival in a town called Victoria West in the Northern Cape. The festival is in a small town in the Karoo.

JOURNALIST

Really? Is that a wise use of resources?

EDDIE

You wanted to know how the NFVF contributes to audience development and film literacy. This is how.

(to Tshego)

Go on.

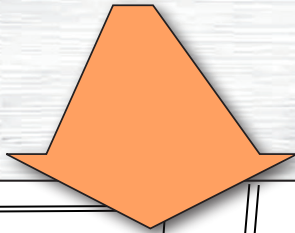
TSHEGOFATSO

At the North West Film Festival in Mafikeng, North West, eight young aspirant filmmakers were selected to participate in the training and development workshop which would culminate in the production of 2 short films and 2 documentaries.

DELIWE

The students were tutored by renowned South African filmmakers.

(CONTINUED)



DELIWE (cont'd)

The four films made were: De dress, Moremogolo, Scouting and Who is Who? The films were screened at the 5th Northwest Film Festival, and were ultimately screened on SABC television.

Scribble scribble scribble.

NAOMI, a young energetic lady chimes in

NAOMI

The Gay and Lesbian Film Festival takes place in Johannesburg, Gauteng. The NFVF supports this festival as it is the only festival that addresses gender and sexual orientation issues in South Africa and globally.

JACKIE

The films shown at their festivals help to fight the stereotypes around Lesbian, Gay, Bisexual, Transgender and Intersex individuals.

NAOMI

The Kwa Mashu Film Festival, Durban, is a community based film festival with an African focus. The hosted workshops on film appreciation in the township are a way of building new audiences for film.

DELIWE

Five day workshops on Art production, Editing, On-set-film etiquette and Story boarding, were hosted, with satellite centres at Kwa Mashu Christian Centre and Ntuzuma Community Hall.

TSHEGOFATSO

Finally the Soweto Arts Festival is hosted in Soweto Johannesburg, Gauteng, at the end of the year to coincide with the public holidays and end of year celebrations.

Jackie, proudly sums up, a smile tickling the corners of her mouth.

(CONTINUED)



JACKIE

The NFVF also has a special programme in Parliament. In partnership with the Parliamentary Millennium project the NFVF hosts a film festival in parliament where South African films are screened to parliamentarians and the parliamentary community.

JOURNALIST

(critically)

That sounds like really special treatment for people in power.

JACKIE

The screenings also have an in reach programme where students from schools in the province are brought in to view appropriate films in parliament and are then engaged in a facilitated debate on the subject of the film.

There's a clear change in the Journalists demeanor. Its as if everything he was thinking has been turned on its head.

JOURNALIST

So...? Why does the NFVF go to International Film Festivals and markets?

EDDIE

The NFVF continues to host South African stands and Pavilions at international festival that rank high on the international calendar in order to further position South Africa in the international arena. The NFVF also partners on specific co-production or training initiatives that take place within the festivals.

JOURNALIST

So who actually went to Cannes?

A lot of the staffers hands go up. Journalist turns specifically to Deliwe.

JOURNALIST

So what actually happens at Cannes?

DELIWE

Well this year the delegation was led by Deputy Minister M. Botha.

(CONTINUED)



TILT DOWN



DELIWE (cont'd)

The Ambassador of France Ms. N Sibanda-Thusi was also present at the festival. For the first time the South African delegation had more than 50 independent filmmakers attending the festival. The Industrial Development Corporation and Gauteng Film Commission were also part of the delegation.

JOURNALIST

Impressive! So what activities did the NFVF host?

DELIWE

Well we've got the Producer's Network. You see, the NFVF's partnerships with the Producer's Network enables four South African Producers to be in the spotlight on South Africa day. Producers get an opportunity to talk about their companies and the productions they are involved with. David Wicht, Philo Pieterse, and Mfundu Vundla were in the spotlight.

JOURNALIST

(sceptical)

But aren't these guys already empowered.

There's awkward laughter around the room.

JACKIE

That is why we also hosted the Binger Master Class Programme. Our partnership with Binger gave an opportunity to 3 student filmmakers attending the program. This was an opportunity given to entry level filmmakers to get exposure to the big film markets like Cannes.

JOURNALIST

How did you select these students?

JACKIE

The call was made for filmmakers to apply for this opportunity. 3 were short listed for the programme. Kagiso Lediga, Mpotseng Mdakane and Moroba Nkawe. They went through the Binger Master Class programme, which started on Sunday 20th May with a tour around the Palais.

(CONTINUED)



JOURNALIST

Mmm... Go on? What programs did the NFVF do?

DELIWE

The Department of Arts and Culture and the NFVF hosted a Networking function for 300 guests and invited a popular then Y-fm DJ Paul 'Rudeboy' Mnisi to play at the function.

JOURNALIST

You mean you partied?

DELIWE

This platform affords the South African delegation to invite their guests to come and enjoy what South Africa has offer. More importantly, they get to network and make new contacts.

JOURNALIST

So Cannes in May and LA in April. What were you doing in Los Angeles?

DELIWE

The NFVF led the delegation to the Locations Expo, Santa Monica, LA. The locations expo is the platform for promoting South African locations and financial instruments for the production of film in the country.

JOURNALIST

But why doesn't SA Tourism do this?

DELIWE

Because the NFVF has specialist knowledge which allows it to partner with the South African Consulate in Los Angeles and South African provincial Film Commissions in hosting a South African stand.

JOURNALIST

So, what was special this time around?

DELIWE

In 2007 the NFVF programme included a tour of several Hollywood studios as a case study for the Expo Centre to explore the viability of locating studios within their

(CONTINUED)



DELIWE (cont'd)

facility. The Free State province visited AFCI on a fact finding mission to determine the feasibility of establishing a film commission in the province.

JOURNALIST

Who is this delegation you referring to?

DELIWE

The South African delegation included - Eddie Mbalo, Jackie Motsepe, & Deliwe Jolobe. Terry Tselane, Puisano Phatoli and Teboho Phiri came from the Gauteng Film Commission. And the Cape film Commission brought Laurence Mitchell, & Debra Bentham.

She looks up trying to remember more details.

DELIWE

Oh, and from the Durban Film Office we had Mandle Ndimande. From the Expo Centre came Andrew Mthembu and Craig Newman. And finally from the Free State Province came the Premier: Beatrice Marshoff, MEC Sport, Arts and Culture: E S Magashule, MEC Tourism, Environmental and Economic Affairs: Neo Masithela.

JOURNALIST

What exactly do you get out of this Locations Expo?

Jackie interjects.

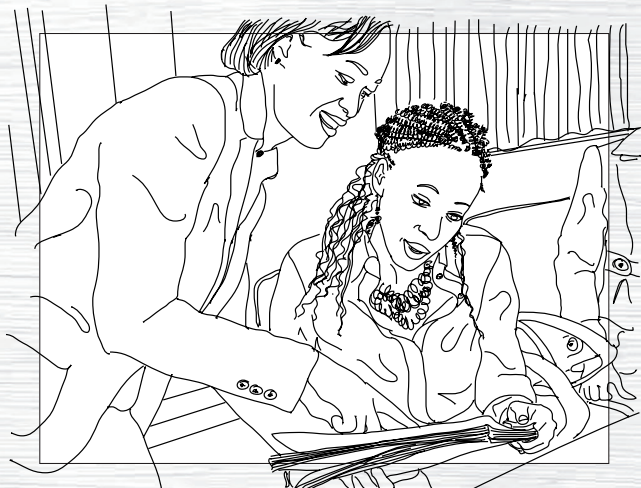
JACKIE

The South African stand won the first prize for the best stand, which means that the stand was informative with a good concept and a creative design. The South African Consulate General's office in LA assisted in setting up the studio visits for the delegation. The studios visited were Paramount Pictures, Warner Bros. and Universal Studios.

EDDIE

Seems a lot different than what you came in here expecting doesn't it?

(CONTINUED)



The Journalist hesitantly grins.

JOURNALIST

Just trying to keep you on your toes.

Eddie stands, the others follow. Hand shakes all around as Journalist exits.

Before anyone leaves, Eddie signals for the marketing staff to take a seat.

EDDIE

(puzzled)

I have this niggling feeling that we've missed something.

The others exchange similarly puzzled looks back and forth. Then Jackie brightens up.

JACKIE

Oh, yes. The NFVF and the SABC partnered for the first time at MIPTV after a successful partnership at MIPCOM in 2006. The pavilion was a platform for the South African delegation in MIPTV to promote South African television content.

EDDIE

Should we call the journalist back?

Eddie takes a seat while Jackie whispers to Deliwe who pulls out a stapled report from her files.

TSHEGOFATSO

It won't be necessary - because what he missed, we'll be sure to include in the annual report.

JACKIE

And we won't forget to mention that independent producers once more made use of the facilities at the pavilion. It provided a venue for semi-private meetings and private screenings with their clients and prospective future collaborators.

DELIWE

It's all in this report.

She hands it to Eddie who flips to the first page.

JACKIE

That's the section about the Sweden/South Africa film exchange

(CONTINUED)

*THE SECOND LEG OF THE SOUTH AFRICAN AND SWEDEN FILM WEEKS WAS HELD IN SOUTH AFRICA. SIX SWEDISH FILMS WERE SCREENED AT THE FESTIVAL IN JOHANNESBURG. THE TITLES WERE BLACK PIMPERNEL, ZOZO AND OFFSIDE, THE CHEF, THE PLANET AND HARRYS DAUGHTERS. THE ATTENDANCE AT THE SCREENINGS WAS VERY GOOD WITH 750 VIEWERS DURING THE FILM WEEK.*

*THE FILM WEEK WAS ACCOMPANIED BY A SERIES OF WORKSHOPS. TWO CO-PRODUCTION WORKSHOPS WERE HELD, ONE WAS FOR WOMEN FILMMAKERS, AND THE OTHER WORKSHOP WAS A PRODUCERS NETWORK SESSION. THERE WAS ALSO A DIGITAL FILM WORKSHOP.*

*TILT DOWN*

*THE DG OF CINEMA FOR ITALY MR BLANDINI ATTENDED THE 2006 EDITION OF THE CAPE TOWN WORLD CINEMA FESTIVAL (CTWCF); IT WAS HIS FIRST TIME IN SOUTH AFRICA. SOUTH AFRICA AND ITALY HAD RECENTLY SIGNED A CO-PRODUCTION TREATY IN (-----) AND DISCUSSIONS WERE HELD BETWEEN SOUTH AFRICA AND ITALY WITH REPRESENTATIVES OF THE DEPARTMENT OF ARTS AND CULTURE AND THE ITALIAN GOVERNMENT AS WELL AS ITALIAN FILMMAKERS. THE DISCUSSIONS WERE CENTRED ON IMPROVING CO-OPERATION ON THE TREATY BETWEEN THE TWO COUNTRIES AND ACTUALIZING CERTAIN PROGRAMMES THAT WILL STIMULATE CO-PRODUCTION BETWEEN THE TWO NATIONS.*

*TILT DOWN*

*THE MEETING CONCLUDED WITH MR. BLANDINI ANNOUNCING THAT HE WILL PROPOSE TO HIS GOVERNMENT THAT A SOUTH AFRICAN FILM WEEK BE HELD IN ITALY. IT WAS ALSO RESOLVED THAT THERE SHOULD BE A BETTER PRESENCE OF ITALIAN FILMMAKERS AND PRODUCERS AT PLATFORMS SUCH AS SITHENGI AS WELL AS MORE SOUTH AFRICAN FILMMAKERS AND PRODUCERS AT THE ROME AND VENICE INTERNATIONAL FILM FESTIVALS.*

*AS PER AGREEMENT THE SOUTH AFRICANS WERE INVITED TO THE ROME FILM FESTIVAL. THE SOUTH AFRICAN FILMMAKERS INVITED WERE ZOLA MASEKO, SECHABA MOROJELE AND IAN GABRIEL. THE DELEGATION WAS LED BY EDDIE MBALO AND JACKIE MOTSEPE FROM THE NFVF.*

JACKIE (cont'd)  
programme, established to  
strengthen the partnerships between  
National Film and Video Foundation  
and the Swedish Film Institute.

EDDIE  
(reading from the report)  
The programme was funded by  
Department of arts and Culture in  
South Africa and SIDA on behalf of  
the Swedish Government.

CLOSE ON the report to see the rest of it on screen:

Jackie notices the next heading on the report in Eddie's  
hand says TORONTO FILM FESTIVAL.

JACKIE  
Deliwe since you were the one  
representing NFVF at Toronto can  
you take us through what happened  
at the festival?

DELIWE  
The NFVF hosted a South African  
stand at the Toronto Film Festival  
for the first time. The stand was  
situated at the registration area  
of the festival. Marketing and  
promotional materials were handed  
out at the stand.

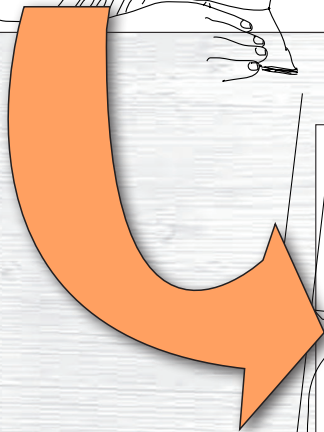
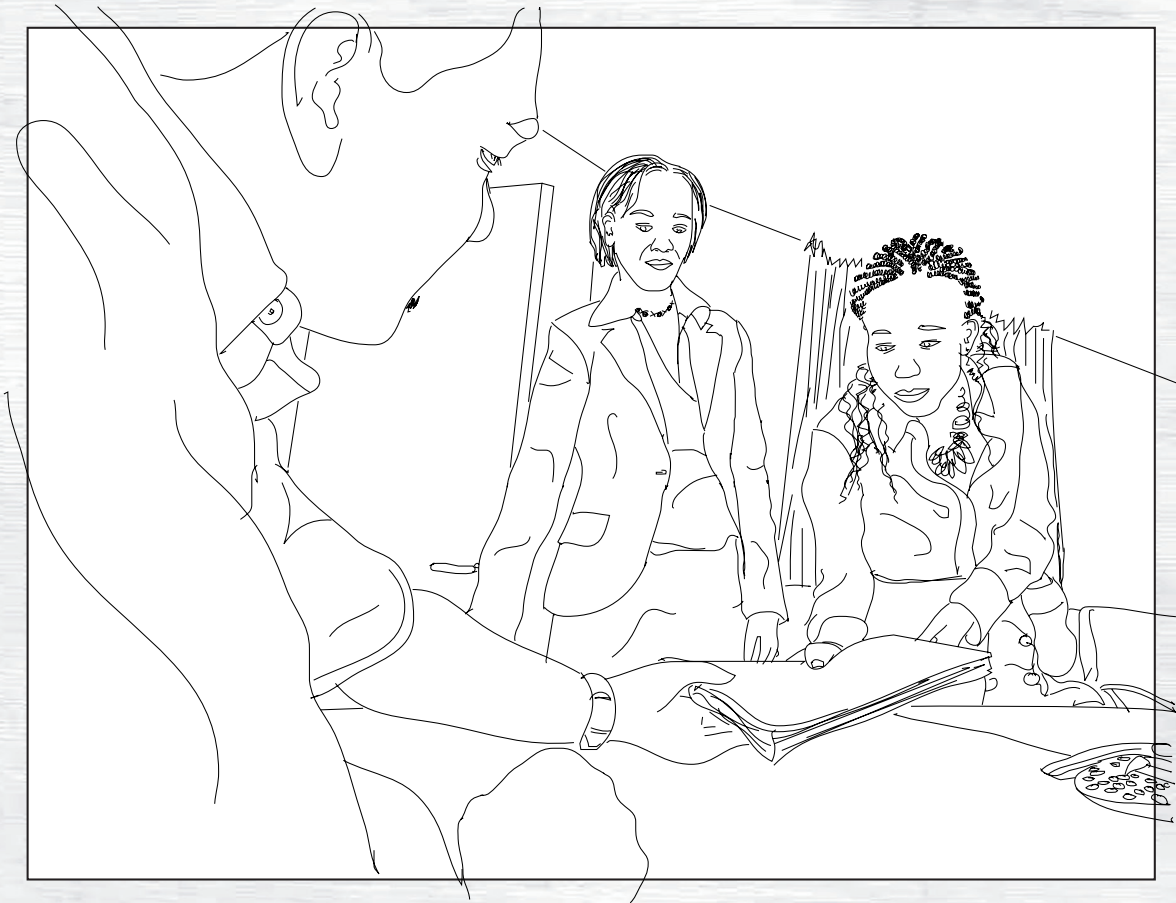
JACKIE  
What about the film?

DELIWE  
The film "The World Unseen", which  
was shot in South Africa with a  
South African writer/director and a  
South African co-producer, was  
officially selected by the  
festival. The South African  
Consulate General in Canada  
partnered with the NFVF in hosting  
a networking cocktail for the film.

JACKIE  
And No Borders?

DELIWE  
The NFVF partners with Independent  
Feature Project (IFP) taking a  
sponsorship which benefits the  
(MORE)

(CONTINUED)



DELIWE (cont'd)

South African filmmakers. This is a forum for the discovery of new projects in development. Three projects were accepted at No borders.

Eddie's enjoying seeing his staff so on the ball.

JACKIE

Tshego, take us through Rotterdam and Berlin.

Charmaine enters and waits for Eddie to signal her over. She whispers something in his ear before exiting again.

EDDIE

Okay, we've got to rap this up, We've got the next interview scheduled for now.

TSHEGOFATSO

Real quick. The Commandments project was officially selected by the Cinemart co-production market as part of the Rotterdam International Film Festival five feature length films and five 60 minute dramas participated at Cinemart.

EDDIE

What about the filmmakers?

TSHEGOFATSO

NFVF supported the filmmakers - Bridget Pickering, Kgomotso Matsunyane, Platon Trakoshis and David Max Brown.

JACKIE

And Berlin?

TSHEGOFATSO

The NFVF supported 4 filmmakers to attend the Berlin International Film festival. Kurt Orderson's Mission to Barbados, James Carroll's Pinky Pinky, and Vuyisa Bradley Yoko of Biko's Children, participated in the Talent Campus. Yunus Valy's "The Glow of White Women" was on the official

(MORE)

(CONTINUED)



TSHEGOFATSO (cont'd)  
programme in the 'Panorama section  
of the festival.

8 INT. NFVF LOBBY - DAY

8

Charmaine greets CHRIS MARAIS, white mid-40's. He's got a  
journalists notepad and a pen behind his ear.

CHARMAINE  
Pleasure to meet you sir. I love  
your articles in The Times.

CHRIS  
Thanks! It's great to meet people  
who still read newspapers.

CHARMAINE  
Right this way. Mr. Eddie Mbalo is  
expecting you in the reception  
room.

Charmaine and Chris ascend the stairs.

CHRIS  
Has he been briefed on the  
interview?

CHARMAINE  
Yes, your assistant sent the  
questions through.

She uses her security tag to unlock the door and holds it  
open for Chris to enter.

9 INT. BOARDROOM RECEPTION AREA - DAY

9

The last of the marketing staff exit as Eddie rises from the  
couch area and moves to greet Chris. A hand shake followed  
by a quick touching of shoulders in a hug.

EDDIE  
Heita! Long time no see.

CHRIS  
Heita. Too long. You look good.

EDDIE  
Not so bad yourself. Big shot  
journalist.

More smiles as Eddie shows Chris his seat.

(CONTINUED)



CHRIS

Thanks for doing this interview. We've been wanting to do this article for a long time now, given all the success the film industry has been seeing.

EDDIE

Thanks for doing it. It's good for the public to see where their money is spent.

CHRIS

Should we jump right in?

EDDIE

By all means.

CHRIS

Can we start with the Corporate Governance principles and practices of the NFVF?

EDDIE

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").

CHRIS

Wow - you really now the acts.

Eddie grins.

EDDIE

In terms of section 6 of the 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 Act. The Chief

(MORE)

(CONTINUED)

## THE KING REPORT

The 2002 report (by the King Committee on Corporate Governance), which replaces the 1994 King Report, commences by outlining certain fundamentals relating to corporate governance. In keeping with 1994, and in contrast to many other reports on corporate governance, the Committee has gone well beyond financial and regulatory matters to focus on social, ethical and environmental issues in seeking an appropriate balance between the interests of shareowners and other stakeholders.

The purpose of the 1994 report was to promote the highest standards of corporate governance in South Africa. The 1994 report coincided with the profound social and political transformation at the time, and made recommendations specific to the context of South Africa. The 2002 report recognises that governance in any context reflects the value system of the society in which it operates. Accordingly, reference is made to certain “African Personality Fundamentals” documented by Shepherd Shonhiwa.

The report also supports the identification, in the CLSA Emerging Markets Review, of seven primary characteristics of good corporate governance, namely discipline, transparency, independence, accountability, responsibility, fairness and social responsibility.

Conforming to corporate governance standards results in constraints on management. Boards have to balance this with performance for financial success and the sustainability of the company's business.

One of the difficulties, and challenges, has been to provide sufficient empirical evidence that good corporate governance pays. In recent years, research has been developed which increasingly supports this proposition. In its Investor Opinion Survey published in June 2000, McKinsey & Co., working with Institutional Investors Inc., found that the value of good governance could be quantified and was significant.

The Code is a set of principles and does not purport to determine the detailed course of conduct of directors on any particular matter. Clearly, companies and their boards will be required to measure the principles set out in this Code against all other statutes, regulations and other authoritative directives regulating their conduct and operation with a view to applying not only the most applicable requirements but also to seek to adhere to the best available practice that may be relevant to the company in its particular circumstances.

The Code should be seen as a “living document” that may require to be updated from time to time by the King Committee to ensure the currency of its recommended principles of corporate practices and conduct.

### Application of Code

The Code applies in respect of financial years commencing on or after 1 March 2002, to the following entities:

- All companies with securities listed on the JSE,
- Banks, financial and insurance entities,
- Public sector enterprises and agencies that fall under the Public Finance Management Act and the Local Government: Municipal Finance Management Bill (still to be promulgated),
- All companies, in addition to those falling within the categories listed above, should give due consideration to the application of the Code insofar as the principles are applicable.

EDDIE (cont'd)

Executive Officer, management and staff exist to support the Council in executing its responsibilities.

CHRIS

How are you dealing with the governance issues facing the country?

EDDIE

Well, the NFVF recognises the significance of good governance in the public sector, which is crucial for effective public services and improved social outcomes.

CHRIS

How do you do this?

EDDIE

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.

CHRIS

Is this a function of executive management or does it go further?

EDDIE

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.

CHRIS

Is there some kind of ongoing analysis?

EDDIE

The Council and Management of the NFVF ensures that its processes and practices are reviewed on an

(MORE)

FOR  
REFERENCE

(CONTINUED)



EDDIE (cont'd)

ongoing basis in order to ensure adherence to good corporate governance practices, which are continually benchmarked against international best practice.

CHRIS

Fab. Love hearing a public sector entity can actually operate like this.

EDDIE

We're really proud of this. 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.

Chris scribbles a few more notes and looks up at Eddie. An exchange of knowing grins.

CHRIS

Did you prepare all those answers?

EDDIE

I've got a good staff.

CHRIS

(chuckles)

You always knew how to prepare. I don't have any other questions.

Eddie stands. Another shaking of hands and slapping of shoulders.

EDDIE

I can't wait to see the article. Thanks again.

CHRIS

My pleasure.

## Distribution and Marketing

Key objective	Strategy	Output	
Global positioning of SA film Industry	<ul style="list-style-type: none"> <li>• To have a South African presence at targeted international festivals and Markets</li> <li>• To promote South Africa as partner for co-production</li> <li>• To promote South Africa as a film making destination</li> </ul>	<ul style="list-style-type: none"> <li>• Create and provide platforms for support of South African product at international markets</li> <li>• Create and market South African financial instruments that support production</li> <li>• Market South Africa's locations in partnership with the provinces</li> </ul>	
Demand Stimulation and audience development	<ul style="list-style-type: none"> <li>• Development of an Integrated Marketing Campaign</li> <li>• Establish a distribution and exhibition platform for local product</li> <li>• Fund new &amp; existing audience development &amp; distribution initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• To measure the direct impact of our programmes to industry revenue streams and contribution to the tax base</li> <li>• Establish a pilot site in Soweto to digitally exhibit local and international films</li> <li>• More &amp; better quality audience development &amp; distribution / exhibition initiatives</li> </ul>	

	Service delivery indicator	Service delivery target or milestones	Progress
	<ul style="list-style-type: none"> <li>• Recognition of South Africa as film making nation</li> <li>• More South African films are co-produced with international partners</li> <li>• South Africans are employed and trained on international productions</li> </ul>	<ul style="list-style-type: none"> <li>• A number of awards received and South African product bought at these markets</li> <li>• South Africa is a preferred partner for co-production</li> <li>• The level of skills development is comparable to any around the world</li> </ul>	Postponement of IMC to April 2008, as budget reallocated to the SAFTA's.
	<ul style="list-style-type: none"> <li>• Growth &amp; increased diversity in South African audiences that have access to &amp; demand for local product</li> <li>• Increased access points to film including the negotiation of new technologies</li> <li>• Creating access to film by majority of South Africans including product in indigenous languages</li> </ul>	<ul style="list-style-type: none"> <li>• 20% increase in demand for South African product by South Africans by 2010</li> <li>• Establishment of exhibition outlets in previously under serviced areas</li> <li>• 20% increase in audiences able to access film / television products.</li> </ul>	Postponement of presentations to April 2008. One on one presentations to be scheduled with key stakeholders on the overall Integrated Marketing Campaign Strategy to get buy in and participation in key critical areas of the strategy. Buy in in the area of demand stimulation and audience development will be sought. ( Marketing company to be sourced to assist with the strategy and implementation plan



10 INT. MEETING ROOM - DAY

In the middle of a heated debate with pretty much everyone from the NFVF offices seated around the table. AZANIA is a new face we haven't seen before. She's in the hot seat.

CARLA, an energetic and bubbly woman starts off the discussion

CARLA

So why does the NFVF bother with the SAFTAS??? What relevance does it have to the NFVF's objectives?

AZANIA

The Value Charter, which is the guiding document of the NFVF, says under Global positioning of the SA film industry that, "The positioning of SA within the continent and the world is a diplomatic enterprise that involves participation in international initiatives and publicising SA for film and carving out a niche that the world will identify as "that is South African!". In this develops the need for the world, SA included, to also recognise its talent and so the Value charter makes provision for the "Creation of globally recognised stars"

TRUSTY, Jo'burg black kugel, speaks up.

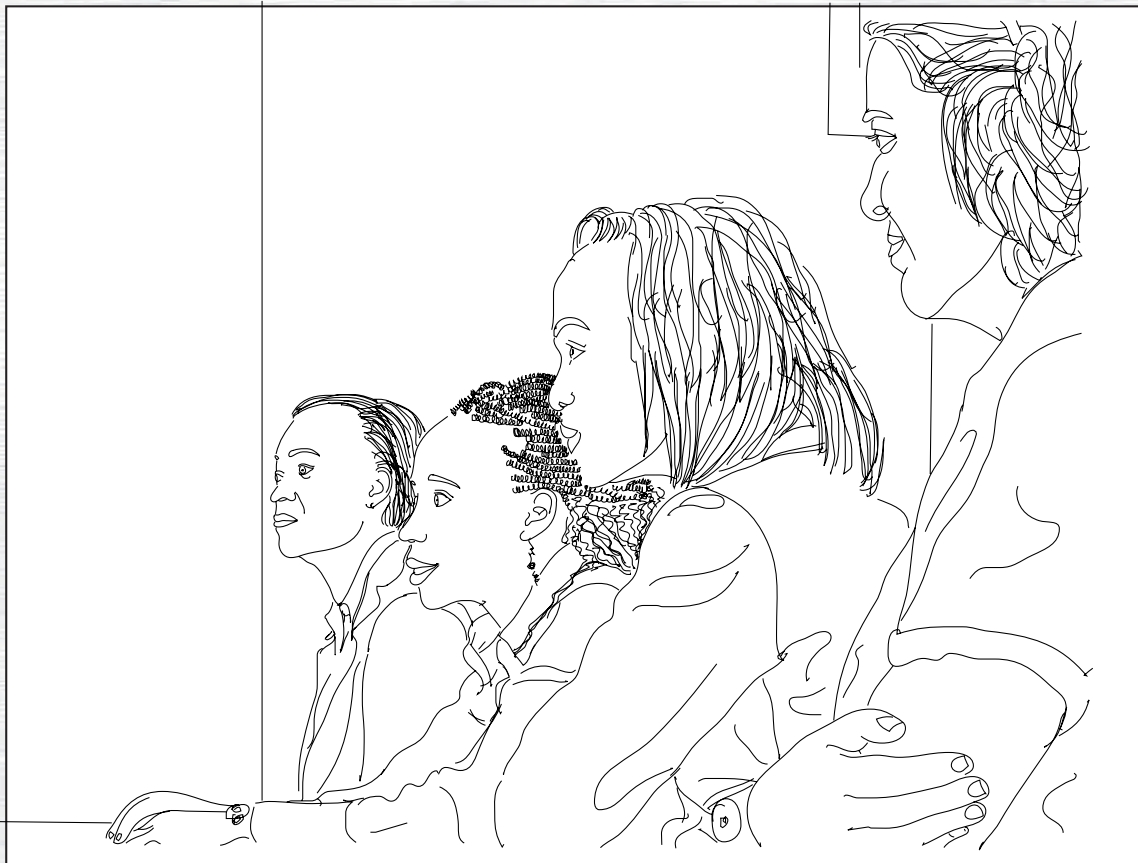
TRUSTY

Sorry to interrupt, but I'm new to the organisation and just wanted to know a bit more about the basis for the awards.

AZANIA

The, SAFTAS (South African Film and Television Awards), which bestows the GOLDERN HORN for highest achievement in a number of categories is a sub-brand of the National Film and Video Foundation (NFVF) and the envisaged SA Film & Television Academy which is still in development.

(CONTINUED)



TRUSTY

Just what does that mean?

AZANIA

The South African Film and Television Awards are produced under the auspices of the National Film and Video Foundation - with the mandate of the industry and will become a sub-brand of the South African Film and Television Academy, once this body commences to operate.

An exchange of looks around the table before Azania continues.

EDDIE

If I May?

(beat)

As a symbol of human and creative excellence, these awards fit the knowledge assets drive of the NFVF brand; to aid the development of the commercial enterprise and cultural body of South Africa's Film and Television offering.

RESHMA, clearly another numbers girl pipes up

RESHMA

The event in 2007 was great. I didn't attend the first one but can you tell us how the event went from your perspective?

AZANIA

SAFTAS 2007, held at the Gallagher Estates in Midrand Johannesburg, was broadcast live to viewers on SABC 2 on Saturday October 27th 2007. The event was a huge success which, like with the 2006 awards, came with valuable lessons that will only improve the future of the project.

TRUSTY

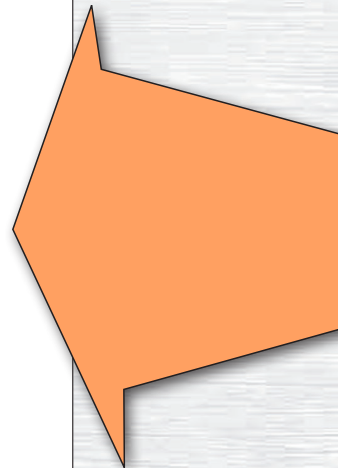
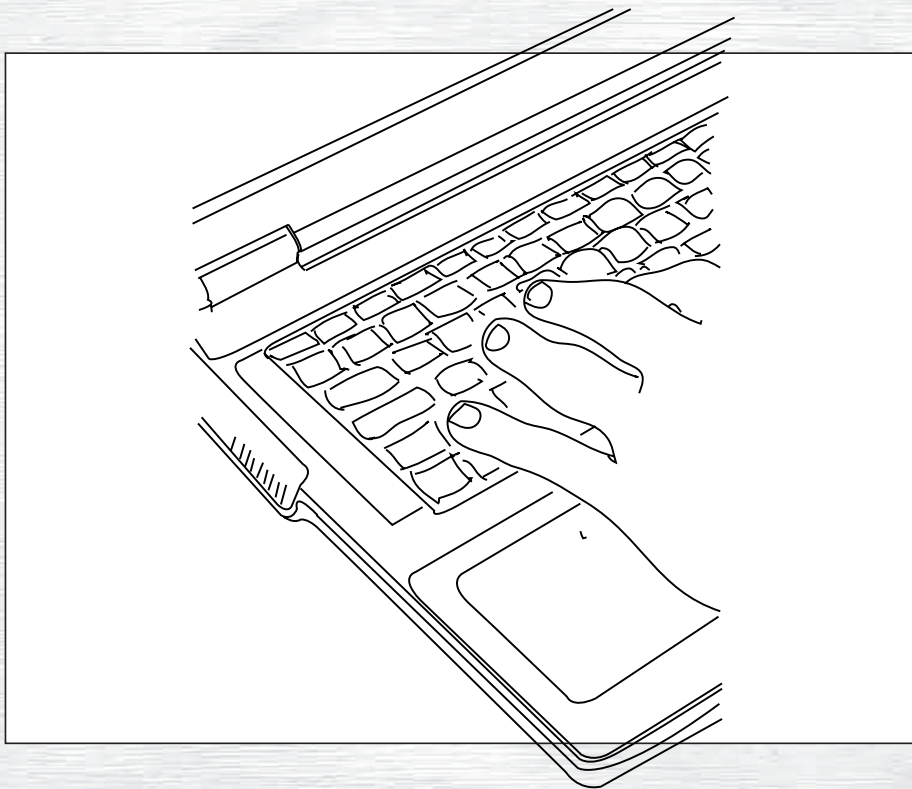
What do you mean?

AZANIA

The first awards ceremony marked a significant turning point in the

(MORE)

(CONTINUED)



AZANIA (cont'd)

history of the South African film industry, raising the creative and aesthetic bar, evoking a drive and desire within individuals to work toward the Golden Horn award.

CARLA

Do you mean that the film and television industry embraced the awards?

AZANIA

Yes. In 2007 the recipients of the awards, more especially those who won for the second time, expressed a deeper sense of pride and the industry at large made known their endorsement through commentary post the awards ceremony.

Azania clicks on her laptop and up pops a series of famous people photos from the event.

AZANIA

This year the event was graced with the presence of government officials, VIP guests from business and key officials and decision makers from the Film & TV industry. Our headline sponsors COMMED and gift sponsors LADINE Cosmetics made the event all the more inviting.

Now pictures of the actual stage show grace the big screen behind Azania.

AZANIA

The performances complemented the unique mix of cultures and talent South Africa boasts.

TRUSTY

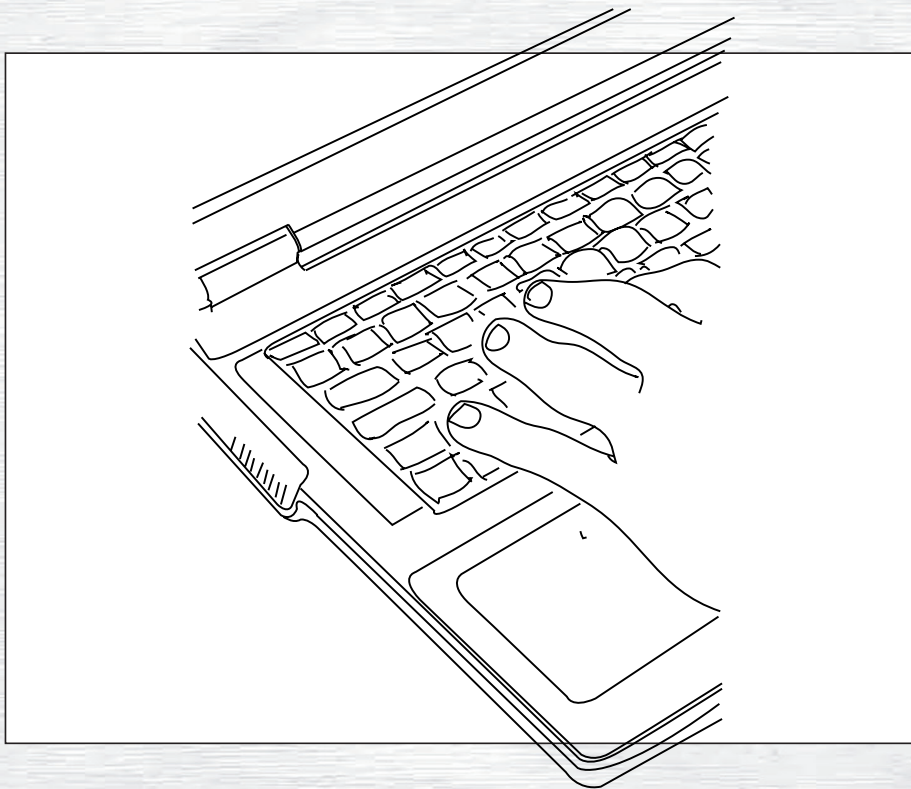
Who really excited you with their presence?

AZANIA

The famed HHP - Hip Hop Pantsula entertained the crowd with his fast paced lyrics. Karin Zoid delivered a hard hitting performance of Rock and Roll and then Abigail Khubeka gave a fiery performance of

(MORE)

(CONTINUED)



“Excellence” - The fact that SA has been winning awards in the various festivals shows that our work is regarded as being on par in some cases surpassing our counterparts around the world.

“Vibrancy” - The general output of the industry of Film & TV within our borders. Producers and crew are taking more and more risks in the work they produce which is largely working for them. It shows a sense of pushing limits and Vibrancy.

The industry is growing and has reached a plateau where it is ready to catapult itself into the future. Young talent is mushrooming and the industry is becoming more diverse.

“Finesse” - Attention to detail of the awards ceremony. The audience should be able to feel and witness Finesse at every level of the stage production.

AZANIA (cont'd)

Sophia-town jive favourites and hits from famous South African movies.

RESHMA

I really enjoyed that part of the show.

AZANIA

That's because Abigail's performance was accompanied by an on screen montage of classic South African films, such as Sarafina and Shaka Zulu, which put South Africa on the map.

TRUSTY

(excited)

The vibe was so good, even the most conservative of guests had to "jive". The evening was one of elegance inline with the overall theme of Elegance Vibrancy and Finesse.

Another stroke of the keys and the image behind Azania reads:

AZANIA

All who attended felt the awards were an improvement on the SAFTAS 2006. This was gratifying because our conscious intention is that every year must be better than the one before.

CLARENCE

Talk to us about the strategy.

JACKIE

The strategy developed by the NFVF in consultation with the SAFTA committee had the following objectives:

(CONTINUED)



- Put on a world class event
- Follow an awards process with integrity
- Ensure a rise in viewer ratings
- Raise awareness for the SAFTA's
- Enhanced trust from within the industry

*TILT DOWN*

- \* Better viewership ratings
- \* Heightened awareness from the general public
- \* Increased loyalty from the industry and be defended by the practitioners whom it serves to recognise

As Jackie lists the objectives, Azania makes them appear on her power point presentation.

We see:

JACKIE

SAFTAS 2007 was to do better than its predecessor. The base objectives of the project remained the same with new improvement objectives implemented, those being;

Again on the big screen appears:

CARLA

How did the SAFTAS do? Did anybody really watch it??

AZANIA

Well actually yes....and the general response was encouraging SAFTAS 2007 witnessed an almost doubling of viewership ratings from an average of 4.3 ARs to an average of 7.1 ARs. Awareness was measured through the response in public sms

AZANIA

voting for one of the categories 2007 witnessed an 18% rise in votes.

RESHMA

What about the industry? How committed is it?

AZANIA

The number of entries for the 16 months prior 2007 was proportionately greater than 2006, showing a keen interest in the awards.

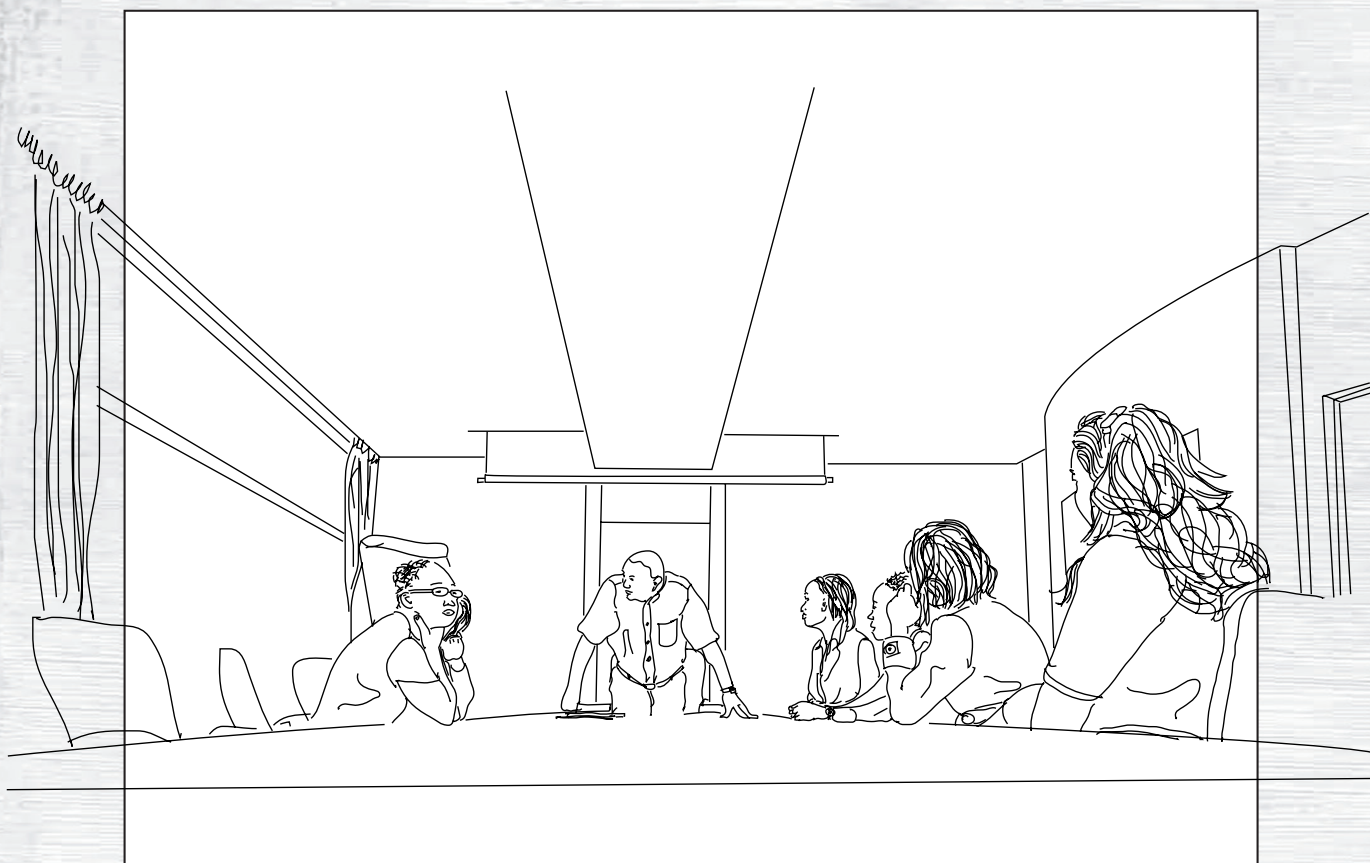
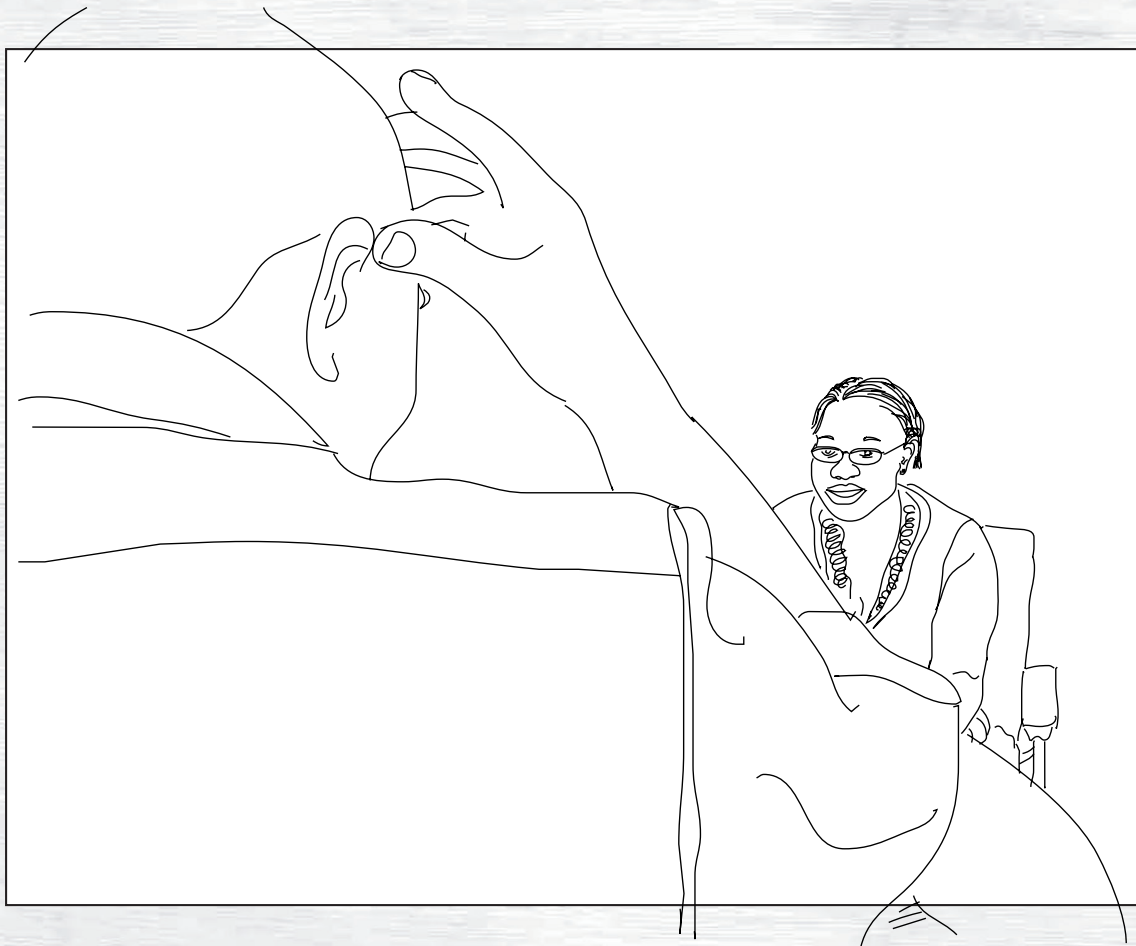
CARLA

Fascinating. But what did the industry say about the awards?

JACKIE

The post-mortem study for 2007 included a two month period of interviews with production companies in Johannesburg and Cape Town. These interviews brought about clarity and ideas for further improvement, showing a willingness by industry to participate further than submitting and obtaining an award.

(CONTINUED)



AIFHELI

You mentioned a committee- who are these people?

Eddie finally interjects.

EDDIE

In 2001 the NFVF funded the last Avanti award ceremony. After the event, the NFVF recommended that it be put on hold until a new model could be put forward for the staging of any new award event. The idea was that it is inclusive and allowed for broad participation by the industry.

AIFHELI

So, the NFVF was asked to initiate the new idea?

EDDIE

The NFVF was then given the mandate by industry to be the custodian of the industry awards and invited participation from as much of the industry as could have been represented at the time.

AIFHELI

That's a really long route to answering my question about who makes up the committee-

There is awkward laughter all around.

EDDIE

You have to know the context first.

AIFHELI

You're right, please go on.

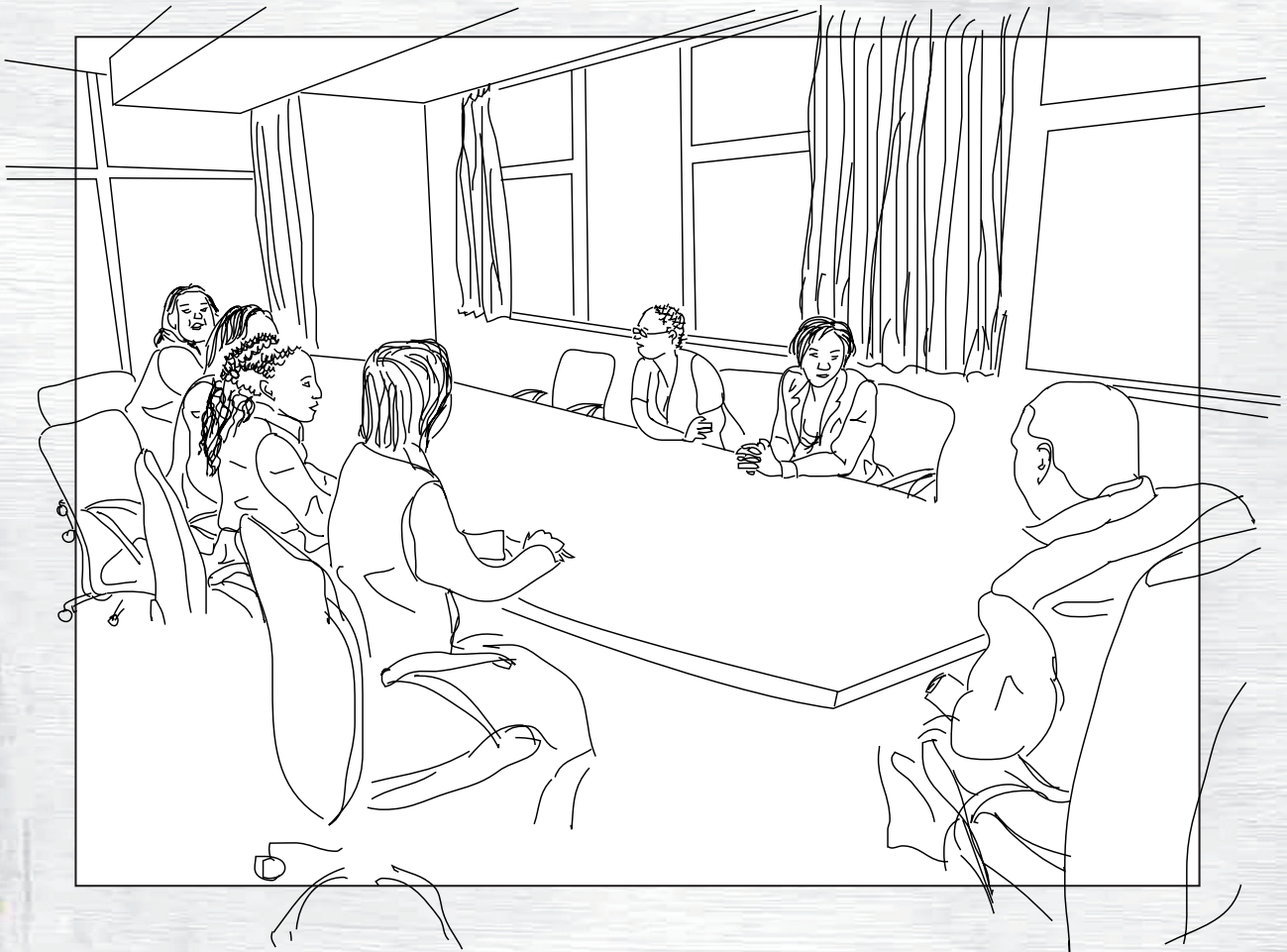
EDDIE

The committee is represented by broad spectrum of the industry. Represented bodies are: the broadcasters, the distributors and industry forums and associations. Initially, the members were: NFVF, SABC, MNet, IPO - Independent Producers Organisation, Ster Kinekor and Nu Metro.

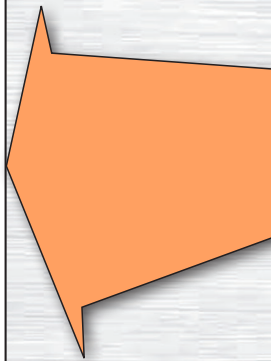
JACKIE

During 2007, it was felt that the industry had grown in representation and so it become necessary to enhance the committee.

(CONTINUED)



Mandla Langa: “The awards are not only a platform to highlight celebrated South African talent and product to national and international audiences and industries but also an opportunity to encourage entrepreneurship and the development of new talent and the skills pool within the industry. I am honoured to be part of a process that a large part of the credibility and integrity of the SAFTAS rests upon. To stimulate and maintain the inclusive participation of the local film and television industry in the SAFTAS, it is important to ensure that the SAFTA Awards judging process is smooth, credible and transparent.”



JACKIE (cont'd)

It has since been extended to include: BFN - Black Filmmaker's Network, SASFED - the SA Screen Federation, TPA- the Producers Alliance and ETV.

TERRENCE

I read that Mandla Langa, the famed writer, editor and businessman, was involved. How?

JACKIE

Yes, he was, as the overall judging chairperson of the jury.

AZANIA

The addition of the overall chairperson was to bring more independence to the jury.

JACKIE

Mandla Langa is a widely respected as a writer and poet, newspaper columnist and editor and businessman. His impressive professional history in media spans over two decades. He is currently Chairman of MultiChoice and its black economic empowerment initiative, Phuthuma Nathi. He is also the former Chairperson of Independent Communications Authority of South Africa (ICASA).

AZANIA hits a button on a laptop and a picture of Mandla and his comments about judging the SAFTAS comes up on screen.

AZANIA

As chair, Mandla engaged at various intervals when difficult issues arose among judging panels. His contributions gave the jurors great clarity on the topics discussed.

MATLHODI, all business, but with a smile lurking beneath, speaks up.

MATLHODI

The night was long with a lot of awards? Why so many?

AZANIA

There is a great deal to recognise.  
(fiddling with her laptop)  
A total of 79 awards were given to

(CONTINUED)



Award Categories Genres Feature film, Drama, Soapies, Comedy, Documentary, Wildlife, Talk shows, Game shows, Reality, Variety, Children & Youth, Factual Entertainment, News & Actuality. Sports programmes, Student Films, Magazine Shows.

Awards are across performance talent and technical/ craft ability, talent and skill.

AZANIA (cont'd)  
recipients throughout the night in  
all genres except Animation.

On the screen appears:

AZANIA  
In addition, Lifetime achievement  
awards were given to Moosa Moosa -  
for Entrepreneurship Mary Twala -  
for Performance Kevin Harris - for  
Independent producing.

She clicks the mouse one last time and on the screen comes  
the following title: THANK YOU

EDDIE  
Thanks - very informative.

The other staffers chime in with similar comments as they  
leave the meeting room.

LATER:

11 INT. HUMAN RESOURCES OFFICE - DAY

Matlhodi types vigorously on her keyboard.

As the letters create words on the screen, she reads them  
aloud.

MATLHODI  
Remuneration - The NFVF strives to  
remunerate employees at competitive  
government salary scales. In addition  
the NFVF has a provident fund incorporating  
group life and disability scheme for all  
employees as well as a comprehensive medical  
aid scheme.

She grabs a pencil and ticks off "Remuneration" on a notepad  
titled Human Resources report. She turns back to her  
computer.

MATLHODI  
Staff turnover - During the period  
under review (01 April 2007 - 31  
March 2008), 8 employees left the  
organization and 6 new employees  
were appointed.

She flips through a list of names and counts each one to  
make sure there are 8 on the list.

(CONTINUED)



## Human Resource Management

### Employment Equity and Workplace Diversity

The NFVF believes strives for equitable redress and embraces the spirit of the employment equity. As a result our employee profile reflects the commitment that the NFVF places on employment equity and workplace diversity. The table below indicates the NFVF's race and gender representivity.

OCCUPATION LEVEL	MALE			
	African	Coloured	Indian	White
Top Management	1			
Senior Management				
Professionally qualified, experienced specialists and mid-management	1	1	1	
Skilled technical and academically qualified workers, junior management, supervisors				
Semi-skilled and discretionary decision making				
Unskilled and defined decision making				
TOTAL: 19	2	1	1	0
	11%	5%	5%	0%

OCCUPATION LEVEL	FEMALE			
	African	Coloured	Indian	White
Top Management				
Senior Management	3	1		
Professionally qualified, experienced specialists and mid-management	2		1	
Skilled technical and academically qualified workers, junior management, supervisors	4			2
Semi-skilled and discretionary decision making	1			
Unskilled and defined decision making	1			
TOTAL: 19	11	1	1	2
	58%	5%	5%	11%

MATLHODI

Employment Equity and Workplace Diversity - The NFVF places a high priority on employment equity as part of its transformation agenda, and is continuously striving to meet its equity targets in terms of race and gender. The table below indicates the NFVF's race and gender representativity.

She picks up the phone and hits a speed dial button.

KAREN (O.S.)

Hello.

MATLHODI

Hi Karen. Just putting my report together for the annual report and was wondering if you could send me that Occupation Chart we were working on yesterday.

KAREN (O.S.)

Of course. You'll have it in 2 seconds.

MATLHODI

Thanks.

Before she even hangs up the phone her email chimes and up pops and chart with the Occupation levels, race and gender profiles of all the employees in the organisation.

DIRECTORS NOTE - Refer to inlay on the previous page for the actual chart.

MATLHODI

Perfect.

She cuts and pastes the chart and with a few clicks of the mouse and keyboards strokes, the printer comes to life and out comes a set of pages titled HUMAN RESOURCE MANAGEMENT REPORT.

A growing smile forms on her face as she peruses the document. She's clearly pleased with her work.

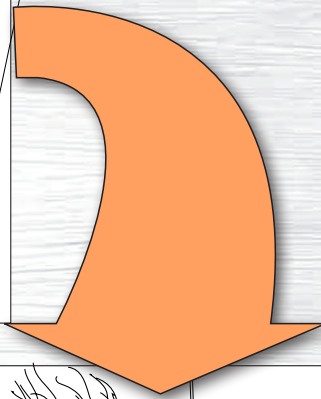
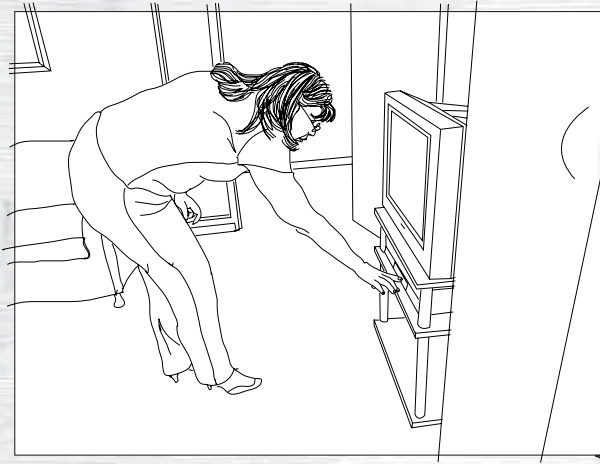
She stands and heads out the door.

CUT TO:

12 INT. KAREN'S OFFICE - LATER

Reshma and Karen huddled over the computer screen putting the finishing touches on a report.

(CONTINUED)



KAREN

We're almost finished. I just have to put the following text in.

CLOSE ON the screen: ANNUAL FINANCIAL STATEMENTS -  
Karen types a few commands on the keyboard.

They finish reading the report and look up from the screen.

RESHMA

Are we done?

At that exact moment a knock on the door.

Karen and Reshma look up to see Matlhodi. They motion for her to come in.

MATLHODI

Are you waiting for this?

KAREN

Is that the HR report?

Matlhodi confirms and hands it over.

Karen and Reshma study the document and look up.

KAREN

Now we're done.

Relief all around.

RESHMA

I'll paste in the financial pages and it's off to the printer.

KAREN

Great. We can get back to funding films and developing the industry now.

RESHMA

Yes mam.

The ladies exit as Karen heads to her DVD player. She hits play and on the screen we see...

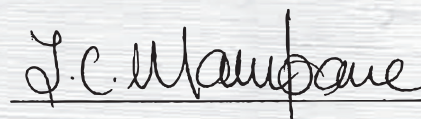
THE NATIONAL FILM AND VIDEO FOUNDATION OF SOUTH AFRICA  
presents...

FADE OUT.

**NATIONAL FILM AND VIDEO FOUNDATION  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2008**

<b>CONTENTS</b>	<b>Page</b>
Report of the Auditor-General	123 - 125
Accounting Authority Report	126 - 127
Statement of Financial Performance	128
Statement of Financial Position	129
Statement of change in net assets	130
Cash flow statement	131
Notes to the financial statements	134 - 141

The annual financial statements were approved by the Accounting Authority on 31 May 2008 and are signed by:

  
**Ms. C Mampane**  
Chairperson  
NFVF

  
**Mr. K.E. Mbalo**  
Chief Executive Officer  
NFVF

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE NATIONAL FILM AND VIDEO FOUNDATION FOR THE YEAR ENDED 31 MARCH 2008

123

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the accompanying financial statements of the National Film and Video Foundation which comprise the statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 123 to 141.

### Responsibility of the accounting authority for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

### Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

**6. An audit also includes evaluating the:**

- appropriateness of accounting policies used
- reasonableness of accounting estimates made by management
- overall presentation of the financial statements.

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

**Basis of accounting**

8. The entity's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements.

**Opinion**

9. 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 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the PFMA.

**OTHER MATTER**

Without qualifying my audit opinion, I draw attention to the following matter that relate to my responsibilities in the audit of the financial statements:

**Matters of governance**

10. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
<b>Audit committee</b>		
• The entity had an audit committee in operation throughout the financial year.	X	
• The audit committee operates in accordance with approved, written terms of reference.	X	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8.	X	
<b>Internal audit</b>		
• The entity had an internal audit function in operation throughout the financial year.	X	
• The internal audit function operates in terms of an approved internal audit plan.	X	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.	X	
<b>Other matters of governance</b>		
The annual financial statements were submitted for audit as per the legislated deadlines (section 55 of the PFMA).	X	

Matter of governance	Yes	No
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.	X	
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	X	
The prior year's external audit recommendations have been substantially implemented.	X	

## OTHER REPORTING RESPONSIBILITIES

### REPORT ON PERFORMANCE INFORMATION

11. I have reviewed the performance information as set out on pages 123 to 141.

### Responsibility of the accounting authority for the performance information

12. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

### Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.
14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

### Audit findings (performance information)

15. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

### APPRECIATION

16. The assistance rendered by the staff of the National Film and Video Foundation during the audit is sincerely appreciated.



AUDITOR-GENERAL  
Johannesburg  
29 July 2008



A U D I T O R - G E N E R A L

# NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2008

## 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 2008.

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, 1999, as amended, (PFMA).

The council act as the accounting authority of the NFVF, in terms of the PFMA.

## 2 DIRECTORS OF THE ENTITY

### Executive director:

Mr KE Mbalo (Chief Executive Officer)

### Non-executive directors (council):

Ms C Mampane (Chairperson)

Ms N Sowazi

Ms A Lebethe

Mr M Rosin

Mr M Ngonyama

Ms S Gordon

Mr M Smit

Mr M Mphomela

Ms N Bulbulia

Mr S Bhembé

Mr D Bensusan

Prof P Ntuli

Mr R Solomon

Mr M Vundla

Mr M Dearham

Ms K Heyns

Ms J Mistry

Mr G O'Leary

## 3 ORGANISATIONAL STRUCTURE

The organisation currently employs 22 permanent staff including the chief executive officer and 4 executive managers. 6 additional staff members were employed during the year, and 8 employees resigned.

### REMUNERATION FOR THE YEAR

#### Non-executive directors (council):

Director	Amount	No of Meetings attended			
		Council	Exco	Audit	HR
Ms C Mampane (Chairperson)	R23 000	4	1	1	
Ms N Sowazi	R18 000	3		1	
Ms A Lebethe	R13 000	2			1
Mr M Rosin	R26 000	4	1	2	
Mr M Ngonyama	R15 000	3	1		
Ms S Gordon	R 5 000	1			
Mr M Smit	R10 000	2			
Mr M Mphomela	R10 000	2			
Ms N Bulbulia	R11 000	1		2	
Mr S Bhembé	R10 000	2	1		
Mr D Bensusan	R15 000	3			
Prof P Ntuli	R18 000	3			1
Mr R Solomon	R10 000	2			
Mr M Vundla	R 5 000	1			
Mr G O'Leary	R11 000	1		2	

# NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2008

127

## Executive Management:

	Basic Salary	Bonus	Allowances	Contributions	Total
CEO	747 969	63 081	12 000	107 859	930 909
CFO	513 042	42 754	6 000	57 883	619 679
Head: Marketing	424 542	35 670	6 000	60 947	527 159
Head: Policy & Research	263 409	29 198	4 500	39 419	336 526
Head: Human Resources	101 408	-	1 500	13 238	116 146

## 4 PRINCIPAL ACTIVITIES

The principal activities of the organisation during the year comprise 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.

## 5 OPERATING RESULTS

The deficit of the organisation for the year was R 1 371 292 (2007 surplus: R 153 145 )

## 6 REVIEW OF OPERATIONS

### Revenue

Revenue comprises of funding received from Government  
The increase in revenue is attributable an increase in the allocation received from the Department of Arts and Culture as well as funds received from various sponsors for the support of initiatives such as the South African Film and Television Awards (SAFTA), the Swedish Film Week and MIPTV and Cannes.

### Operating expenses

8 staff members resigned and 6 new staff members were employed during the current financial year.

The organisation conducted a feasibility study on the establishment of a National Film School.

The organisation hosted the second annual South African Film and Television Awards (SAFTA) in October 2007.

## 7 EVENTS SUBSEQUENT TO BALANCE DATE

The Accounting Authority is not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the organisation or the results of its operations.

## 8 ADDRESSES

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

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

NATIONAL FILM AND VIDEO FOUNDATION  
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED  
31 MARCH 2008

	Note	2008 R	2007 R
Revenue	5	43,267,208	42,997,415
Grant expense	6	(31,731,794)	(32,256,365)
Provision for loans recoverable	7	(1,500,000)	-
		10,035,414	10,741,050
Operating expenses	8	(12,170,917)	(10,930,318)
(Loss) from operations		(2,135,503)	(189,268)
Investment income	9	764,211	342,414
Deficit/Surplus for the year		(1,371,292)	153,146

NATIONAL FILM AND VIDEO FOUNDATION  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2008

129

	Note	2008 R	2007 R
<b>ASSETS</b>			
Non Current Assets		1,176,032	1,216,004
Plant and equipment	2	979,472	999,444
Rental deposit		196,560	216,560
Current Assets		15,352,367	12,799,064
Cash and cash equivalents	13	9,019,842	8,133,569
Receivables	3	3,143,079	3,296,724
Prepayments		3,189,446	1,368,771
<b>TOTAL ASSETS</b>		<b>16,528,399</b>	<b>14,015,068</b>
<b>LIABILITIES</b>			
Accumulated surplus		2,346,844	3,718,137
Current Liabilities		14,181,555	10,296,931
Accounts payable	4.1	823,853	893,491
Provisions	4.2	12,494,903	8,445,569
Deferred income	4.3	862,799	957,871
<b>TOTAL NET ASSETS</b>		<b>16,528,399</b>	<b>14,015,068</b>

**NATIONAL FILM AND VIDEO FOUNDATION**  
**STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH**  
**2008**

	<b>Accumulated Surplus</b>	<b>Total</b>
Balance as at 01 April 2001	1,667,971	1,667,971
Surplus for the year ended 31 March 2002	397,091	397,091
Balance as at 31 March 2002	2,065,062	2,065,062
Surplus for the year ended 31 March 2003	386,803	386,803
Balance as at 31 March 2003	2,451,865	2,451,865
Surplus for the year ended 31 March 2004 as previously reported	650,724	650,724
Prior year adjustment (note8)	(43,444)	(43,444)
Balance as at 31 March 2004 as restated	3,059,145	3,059,145
Surplus for the year ended 31 March 2005 as previously repoted	442,861	442,861
Prior year adjustment (note8)	(154,118)	(154,118)
Balance as at 31 March 2005 as restated	3,347,888	3,347,888
Surplus for the year ended 31 March 2006	217,103	217,103
Balance as at 31 March 2006	3,564,991	3,564,991
Surplus for the year ended 31 March 2007	153,146	153,146
Balance as at 31 March 2007	3,718,137	3,718,137
Loss for the year ended 31 March 2008	(1,371,293)	(1,371,293)
<b>Balance as at 31 March 2008</b>	<b>2,346,844</b>	<b>2,346,844</b>

**NATIONAL FILM AND VIDEO FOUNDATION**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008**

131

	Note	2008 R	2007 R
<b>Net cash flows used in operating activities</b>		1,382,100	(3,896,160)
Cash received for grants		43,267,208	42,997,415
Interest income		764,211	342,414
Cash paid to employees, suppliers & projects		44,886,915	43,072,632
Cash generated from operations	10	(855,494)	717,148
Changes in working capital	11	2,237,593	(4,613,309)
<b>Net cash flows used in investing activities</b>		(495,827)	(249,070)
Purchase of plant and equipment	12	(495,827)	(249,070)
<b>Net (decrease) / increase in cash and cash equivalents</b>		886,273	(4,145,230)
Cash and cash equivalents at the beginning of the year		8,133,569	12,278,799
<b>Cash and cash equivalents at the end of the year</b>	13	9,019,842	8,133,569

## **1. Accounting Policies**

### **Basis of Preparation**

The annual financial statements of the Foundation have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice, including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statements as follows:

<b>Standard of GRAP</b>	<b>Replaced Statement of GAAP</b>
GRAP1 - Presentation of financial statements	AC101 - Presentation of financial statements
GRAP2 - Cash flow statements	AC118 - Cash flow statements
GRAP3 - Accounting policies, changes in accounting estimates and errors	AC103 - Accounting policies, changes in accounting estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP1,2 and 3 has resulted in the following significant changes in the presentation of the financial statements:

#### **1. Terminology differences**

<b>Standard of GRAP</b>	<b>Replaced Statement of GAAP</b>
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit for the period	Profit/loss for the period
Accumulated surplus/deficit	Retained earnings
Contribution from owners	Share capital
Distribution to owners	Dividends
Reporting date	Balance sheet date

2. The cash flow statement can only be prepared in accordance with the direct method

3. Specific information such as:

- (a) receivables from non-exchange transactions, including taxes and transfers;
  - (b) taxes and transfers payable;
  - (c) trade and other payables from non-exchange transactions;
- must be presented separately on the statement of financial position

4. the amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11 -15 of GRAP 1 has not been implemented as the budget reporting standard has not developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure would not affect fair presentation.

### 1.1 Income

Gross revenue comprises of funding from the Department of Arts and Culture (DAC), the Department of Trade & Industry (Dti), South African Broadcasting Corporation (SABC).

### 1.2 Government grants

All government grants are accounted for on an accrual basis, in the income statement for the year to which they relate

#### 1.2.1 Deferred income

Government grants are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the period necessary to match the grants with the related costs which they are intended to compensate

### 1.3 Fixed assets and depreciation

Fixed assets are shown at cost less accumulated depreciation. Fixed assets are depreciated on the straight line method at rates which are estimated to write off each asset over its useful life.

The depreciation rates are as follows:

Computer hardware	33.33% p.a
Furniture and fillings	16.67% p.a
Computer software	50.00% p.a
Office equipment	16.67% p.a
Motor Vehicles	20.00% p.a

### 1.4 Financial Instruments

Financial assets and financial liabilities are recognised on the balance sheet when the organisation becomes a party to the contractual provisions of the instrument. Financial instruments are measured at transaction cost.

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis from observable current market transactions.

### 1.5 Provisions

Provisions are recognised when the organisation 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.

Contracts reflect a set of milestones and payment is only made if milestones are met.

### 1.6 Taxation

No provision has been made for income tax as the Foundation is exempted in terms of section 10(1)(cA)(1) of the Income Tax Act, 1962 (Act No.58 of 1962).

### 1.7 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 1.8 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, or
- Any provincial legislation providing for procurement procedures in that provincial government.

Fruitless and wasteful expenditure means expenditure that was made in vain and would 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.

### 1.9 Leasing

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

### 1.10 Significant Judgements

During the period under review, there were no significant judgments against the organisation.

**NATIONAL FILM AND VIDEO FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

**2. Plant and Equipment**

	R	R	
	Computer Hardware	Furniture & Fittings	
Net book value at 1 April 2006	128,186	972,109	
Additions	115,267	39,018	
Write-offs	-	-	
Depreciation	114,051	298,797	
<b>Net book value at 31 March 2007</b>	<b>129,402</b>	<b>712,330</b>	
Cost as at 31 March 2007	752,121	1,834,210	
Accumulated Depreciation	622,719	1,121,880	
<b>Net book value at 31 March 2007</b>	<b>129,402</b>	<b>712,330</b>	

	R	R	
	Computer Hardware	Furniture & Fittings	
Net book value at 1 April 2007	129,402	712,330	
Additions	129,521	123,745	
Write-offs	-	-	
Depreciation	119,033	274,012	
<b>Net book value at 31 March 2008</b>	<b>139,890</b>	<b>562,063</b>	
Cost as at 31 March 2008	881,642	1,957,954	
Accumulated Depreciation	741,752	1,395,891	
<b>Net book value at 31 March 2008</b>	<b>139,890</b>	<b>562,063</b>	

No adjustments have been made to comparative figures

**3.1 Receivables**

Sundry debtor - Loan to Short End Pictures

Discounted amount

Interest receivable

Sundry debtor - SABC: SAFTA Awards & MIPCOM

Discounted amount

Interest receivable

Sundry debtor - Dreamworks

Discounted amount

Interest receivable

Sundry debtor - DAC

Discounted amount

Interest receivable

Sundry debtor - MNET

Discounted amount

Interest receivable

Sundry debtor - Film & Publications Board

Discounted amount

Interest receivable

Sundry debtor - Sithengi

Discounted amount

Interest receivable

Less: Provision for bad debts

Total

Loan to Short End Pictures was in respect of bridging finance for the film "SSQ - Soweto String Quartet". Interest is payable at 14.50%. The loan was repayable on 31 July 2007.

	R	R	R	R
	Computer Software	Motor Vehicles	Office Equipment	Total
	104,576	-	109,506	1,314,377
	77,686	-	17,099	249,070
	-	-	-	-
	106,022	-	45,133	564,003
	<b>76,240</b>	<b>-</b>	<b>81,472</b>	<b>999,444</b>
	495,025	-	284,991	3,366,347
	418,785	-	203,519	2,366,903
	<b>76,240</b>	<b>-</b>	<b>81,472</b>	<b>999,444</b>

	R	R	R	R
	Computer Software	Motor Vehicles	Office Equipment	Total
	76,240	-	81,472	999,444
	30,989	183,015	28,556	495,826
	-	-	-	-
	69,429	15,251	38,073	515,798
	<b>37,800</b>	<b>167,764</b>	<b>71,955</b>	<b>979,472</b>
	526,015	183,015	313,547	3,862,173
	488,215	15,251	241,592	2,882,701
	<b>37,800</b>	<b>167,764</b>	<b>71,955</b>	<b>979,472</b>

2008 R	2007 R
26,858	23,457
23,457	22,634
3,401	823
2,855,563	1,773,267
2,750,899	1,720,640
104,664	52,627
20,000	-
19,799	-
201	-
128,513	-
122,198	-
6,315	-
60,000	-
59,396	-
604	-
52,145	-
52,145	-
-	-
-	1,500,000
1,500,000	1,447,364
-	52,637
	(1,500,000)
3,143,079	3,296,724

**NATIONAL FILM AND VIDEO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

A loan to Sithengi has been granted on the 11th of August 2006 of R5 000 000.00. As at 31 March 2008 an amount of R 1500 000.00 is still outstanding

<b>2008</b>	<b>1-30 days</b>	<b>31-60 days</b>	
Gross Accounts receivable	112,145	128,513	
Allowance for impairment (Note 3.2)			
<b>Nett accounts receivable</b>	<b>112,145</b>	<b>128,513</b>	
<b>2007</b>			
Gross Accounts receivable	1,390,916	-	
<b>Nett accounts receivable</b>	<b>1,390,916</b>	<b>-</b>	

**3.2 Reconciliation of impairment of accounts receivable**

Balance at the beginning of the year	-	-
Amounts utilised for write-offs	-	-
Reversal of impairments	-	-
Provision raised	-	-
Balance at the end of the year	-	-

**4.1 Accounts payable**

Sundry creditor - scholarship fund  
 Medical aid provision  
 Provident fund provision  
 Salary provision - N Nkonyeni  
 Operating lease  
 Cashbook accruals

**Total accounts payable**

**4.2 Provisions**

**4.2.1 Provision for grants issued by NFVF**

Opening Balance as at 01 April 2007  
 New grants issued (note 6)  
 Payments for the year  
 Closing Balance as at 31 March 2008

The Foundation issues grants in the following categories: training and bursaries; research and script development; production and distribution and marketing.

**4.2.2 Provision for leave payment**

Opening carrying amount  
 Utilised during the year  
 Provision for the year  
 Closing carrying amount

**Total provisions**

**4.3 Deferred income**

Department of Communications  
 Opening Balance  
 Utilised during the year  
 Closing Balance

Department of Arts and Culture  
 Opening Balance  
 Received during the year  
 Utilised during the year  
 Closing Balance

**Total deferred income**

	61-90 days	91-120 days	120+ days	Total
			4,402,421	4,643,079
			(1,500,000)	(1,500,000)
	-	-	2,902,421	3,143,079
	382,351		1,523,457	3,296,724
	382,351	-	3,296,724	3,296,724

-	-	-	-
-	-	-	-
-	-	-	-
-	-	1,500,000.00	1,500,000.00
-	-	1,500,000.00	1,500,000.00

2008 R	2007 R
25,776	102,422
32,097	37,359
47,747	59,478
-	14,185
176,273	276,881
541,960	403,166
823,853	893,491
8,220,198	7,824,068
31,731,794	32,256,365
(27,678,071)	(31,860,235)
12,273,921	8,220,198
225,371	140,512
(225,371)	(140,512)
220,982	225,371
220,982	225,371
12,494,903	8,445,569
957,871	957,871
(204,422)	-
753,449	957,871
-	1,350,000
109,350	-
-	(1,350,000)
109,350	-
862,799	957,871

**NATIONAL FILM AND VIDEO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>5. Revenue</b>		
Department of Arts and Culture - annual allocation	36,651,000	34,086,000
Department of Arts and Culture - special projects	642,565	1,350,000
Department of Arts and Culture - Swedish film week	-	427,500
Department of Arts and Culture - Bambatha documentary	-	400,000
Industrial Development Corporation	-	350,000
South African Broadcasting Corporation	4,579,963	5,261,069
South African Film and Television Awards (SAFTA) fees	158,650	68,506
Brand Neu Agency - SAFTA	326,819	316,800
Gauteng Film Office	45,117	200,000
Cape Film Commission	45,117	-
Department of Trade and Industry	446,659	377,217
Department of Communications - Ten Commandments	204,422	-
Stitching Freeway Custody - Tsotsi recoupment	21,345	119,297
Back to the Wall - Licensing "Flowers of Revolution"	84,211	-
M-Net - SAFTA	60,000	-
Sale of SEBIBA books	1,340	-
Avea refund	-	41,027
	<b>43,267,208</b>	<b>42,997,415</b>
<b>6.Grants expense</b>		
Training & Bursaries	4,762,045	5,354,453
Script Development	1,649,124	2,496,081
Production	7,755,000	5,551,700
Research Projects	449,479	463,529
Distribution & Marketing	17,116,146	18,390,602
	<b>31,731,794</b>	<b>32,256,365</b>

**7. Provision for loan recoverable**

Sithengi recoverable loan	1,500,000	-
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**8 .Operating expenses**

Included in the operating expenses are the following:

Audit fees		265,370	140,137
Consulting services		498,043	592,700
Internal audit fees		457,700	92,454
Professional services - Human Resources		-	92,340
Professional services - Other		-	394,761
Website expenses		40,343	13,145
Councillor's services			
Honorarium - council meetings	8.1	170,000	112,000
Depreciation		515,796	564,003
Computer hardware		119,031	114,051
Furniture & fittings		274,012	298,798
Computer software		69,429	106,021
Motor Vehicles		15,251	-
Office equipment		38,073	45,133
Panellist fees		118,564	99,400
Rent paid		1,193,833	1,081,873
Salaries and wages - CEO		930,909	890,726
Salaries and wages - CFO		619,679	574,106
Salaries and wages - Head: Human Resources		116,146	-
Salaries and wages - Head: Marketing & Public Affairs		527,159	496,397
Salaries and wages - Head: Policy & Research		336,526	379,017
Salaries and wages - other staff		4,067,660	4,202,269
Travel and accommodation		379,630	270,097

**8.1 Honorarium - council services**

	170,000	112,000
Ms C Mampane	20,000	8,000
Mr M Rosin	20,000	21,000
Ms N Sowazi	15,000	8,000
Mr M Ngonyama	15,000	-
Ms A Lebethe	10,000	-
Ms S Gordon	5,000	-
Mr M Smit	10,000	-
Mr M Mphomela	10,000	-
Ms N Bulbulia	5,000	-
Mr S Bhembe	10,000	-
Mr D Bensusan	15,000	-
Prof P Ntuli	15,000	-
Mr R Solomon	10,000	-
Mr M Vundla	5,000	13,000
Mr M Dearham	-	15,000
Ms K Heyns	-	10,000
Ms J Mistry	-	16,000
Mr G O'Leary	5,000	21,000

**NATIONAL FILM AND VIDEO FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

	<b>2008</b>	<b>2007</b>
	<b>R</b>	<b>R</b>
<b>9. Investment income</b>		
Interest income	764,211	342,414
Loan - Short End Pictures	3,401	5,796
Bank deposits	760,810	336,618
<b>10. Cash generated from operations</b>	<b>(855,494)</b>	<b>717,148</b>
Net operating (loss)	(2,135,503)	(189,268)
Interest received	764,211	342,414
Adjustment for depreciation	515,798	564,003
<b>11. Changes in working capital</b>	<b>2,237,593</b>	<b>(4,613,309)</b>
(Increase)/decrease in debtors	(1,647,030)	(4,084,383)
Increase/(Decrease) in creditors	3,884,624	(528,926)
<b>12. Purchase of plant and equipment</b>	<b>(495,827)</b>	<b>(249,070)</b>
Furniture & Fittings	(123,746)	(39,018)
Office Equipment	(28,556)	(17,099)
Motor Vehicles	(183,015)	-
Computer Software	(30,989)	(77,686)
Computer Hardware	(129,521)	(115,267)
<b>13. Cash and cash equivalents</b>	<b>9,019,842</b>	<b>8,133,569</b>
First National Bank	97,388	1,901,812
Corporation for Public Deposits	8,920,454	6,229,757
Petty cash	2,000	2,000
<b>14. Operating lease arrangements</b>		
At the balance sheet date the organisation had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	1,241,670	1,040,923
1 to 5 years	542,088	962,737
	<b>1,783,758</b>	<b>2,003,660</b>

Nashua - Office Equipment.

This is a 36 month contract allowing for 15% escalation fee annually.

National Samsung - PABX System

This is a 60 month contract allowing for 15% escalation fee annually.

Rental:

87 Central Properties allows for an annual escalation of 10% per annum

The lease for the period 1 January 2007 to 31 December 2007 was R87 207.12

The lease for the period 1 January 2008 to 31 December 2008 was R95 927.83

**15. Material losses through criminal conduct**

The organisation incurred no material losses through criminal conduct during the financial year under review.

**16. Irregular expenditure**

The organisation incurred no irregular expenditure during the financial year under review.

**17. Fruitless and wasteful expenditure**

The organisation incurred no fruitless and wasteful expenditure during the financial year under review.

**18. Related parties**

Loans to related parties

Sithengi	-	5,000,000
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DAC	128,513	
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Amounts received by related parties

Department of Arts and Culture	37,293,565	36,263,500
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Amounts funded to related parties

Sithengi	-	1,200,000
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**national film and video foundation**  
SOUTH AFRICA

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