



ANNUAL REPORT 2009



national film and video foundation
SOUTH AFRICA

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 deepening democracy and creating prosperity. The National Film and Video Foundation strives for this noble ideal.



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Scenes from "SKIN"



NATIONAL FILM AND VIDEO FOUNDATION

ANNUAL REPORT 2009

T. C. Mampane
Chairperson

K.E. Mbalo
Chief Executive Officer

We hereby have the honour of submitting the annual report of the National Film and Video Foundation for the year 01 April 2008 to 31 March 2009.



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Images courtesy Moonlighting and DV8



1. Foreword by Minister of Arts and Culture Ms. Lulu Xingwana

This year marks the 10th anniversary of the NFVF, in pursuance of the mission of creating an environment that develops and promotes the South African Film and Video industry domestically and internationally. We are particularly proud and impressed by the sterling work the NFVF has done in ensuring that the South African film industry is put on the global map where it can stand head and shoulders with the best in the world. Sustained nominations and accolades for the South African film practitioners bear testimony to a job well done and calls for the intensification of the support of the industry. We believe the imminent signing of the co-production treaties with the Republic of Ireland, The Commonwealth of Australia, New Zealand and the French Republic will add into the arsenal of platforms from which South African film can thrive. My predecessor Dr. Z. Pallo Jordan remarked that: "South Africa has now risen from being a filmmaking destination to a film producing country. However, attention needs to be given to film distribution and exhibition. This can be addressed by Public Private Partnerships (PPPs) and we believe that co-production treaties lead towards that direction.

We are particularly pleased that the NFVF is prioritizing amongst others the development of sectoral information systems (SIS). Film is an evolving, diverse and dynamic industry, integrally linked and intertwined with the ever-changing global economy. Within this environment it is essential that we constantly question, examine and deepen our understanding of the industry to ensure that we meet the overall imperatives of Government and that of the Department of Arts and Culture's vision in the development and the preservation of the South African culture ensuring social cohesion and nation-building; thereby, fostering shared growth and job creation.





ABOVE: Behind the scenes "SKIN"
BELOW: Scenes from "SKIN"

SIS will gear the NFVF to move towards evidence-based information which is critical in defining public and private sector actions required to improve the economic fortunes of film and associated industries. It will further provide us with an objective and informative platform against which our interventions can be measured, monitored and improved. Accurate and pinpoint information in an environment where needs are competing, is instructive in decisively allocating resources where they are needed the most and where they will have the most impact.

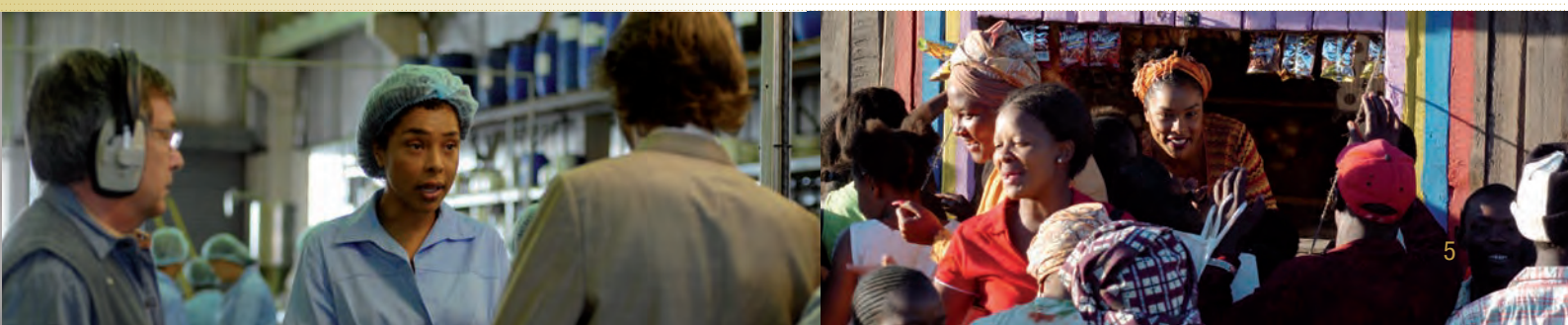
It's encouraging to note that the Sediba programs (NFVF's Skills Program) have started gaining a reputation for excellence, as evidenced by its successful collaboration with the South African Broadcasting Corporation (SABC) on the public broadcaster's mini-series. We believe the program will be aptly complemented by SIS, for Global competitiveness relies heavily on us being able to identify and tailor our skills strategy to cater for the demand-and-supply side in the industry. Relevant and accurate information will help us put in place mechanisms that are flexible, innovative and offer quick response time to the ever-changing global environment. It is critical to focus on skills in the film industry because successful and sustainable creative industry products and services in general, rely on a complex process of skills acquisition. This complexity occurs throughout the complex value chain from pre-production skills through distribution/exhibition and broadcasting skills.

Enterprise development in film and the creative industries generally, is intrinsically linked to the skills program. The development of enterprises is essential in creating empowerment, ownership, transformation and improves

competitiveness in the film industry. The NFVF has continued to develop local content, focusing on sustaining and growing local audiences and markets. They continue to develop local infrastructure that is geared at supporting the development of local content, for it is pivotal for market entry and penetration for the film industry that it starts from our immediate environment right through the global distribution channels. Ultimately, economic success in this industry is achieved when the skills development programme is congruent with the Enterprise Development Programme.

Finally, the prioritization of the SIS comes at the time when delivery has become urgent. It is important for government to understand in an informed way sector interdependence and interconnection in order to secure outcomes that support economic growth. In our quest of providing an enabling environment for film to thrive, provision of soft skills and enterprise development programmes, hard infrastructure and understanding cluster dynamics requires informed investments.

Ms. Lulu Xingwana, MP
Minister of Arts and Culture





2. Message from Chairperson Ms. Charlotte Mampane

On behalf of the Council of the National Film and Video Foundation (NFVF), I would like to congratulate and welcome the new Minister and Deputy Minister of Arts and Culture, Ms. Lulu Xingwana and Mr. Paul Mashatile. I would like to assure them that the Council of the NFVF and staff will provide all the necessary support in building our Arts and Culture sector and engage with them in developing a viable film industry.

In my previous year's report, I highlighted what the previous Council had identified as Turn Around Key Success Factors in the film sector that would assist us in achieving the "vision for South Africa to produce 15 – 20 films per year". One of the key highlights was the cross-cutting nature of the film industry within the three spheres of government as well as a number of government departments and institutions.

I am pleased to report that on the 2nd of September 2008, the NFVF initiated an Intergovernmental Relations Indaba in Tshwane, attended by national and provincial government departments, Provincial Film Commissions and other national institutions that have a direct impact on film issues. The Director-General (DG) of the Department of Trade and Industry (dti), Mr. Tshediso Matona gave a keynote address and said, "There is also a need to develop enterprise, identify entrepreneurs and find appropriate ways to work with them. Working with regulators is an added challenge as is the need to protect intellectual property. It goes without saying that skills development has to be top of mind. The dti can assist with these issues and has pledged its continued support".

We are grateful that the new Director-General of the Department of Arts and Culture (DAC), Mr. Themba Wakashe, was appointed during the year under review. On behalf of the Council, I congratulate the DG on his appointment. The Executive Committee of Council and NFVF Management met with Mr. Wakashe, and a number of challenges between the Department and the NFVF were raised. This meeting culminated in a two-day workshop



between the DAC and the NFVF, led by the DG and NFVF Senior Management where a number of issues including the long outstanding Service Level Agreement (SLA) between the NFVF and DAC were discussed. The DAC agreed that the SLA was vital and needs to be implemented.

One of the issues I raised in my previous report was the cost of compliance, which the Audit Committee found to be about “22% of NFVF’s operational budget”. In preparation for this report, we were surprised to learn that external audit fees have gone up by 35%, which emphasizes the need for a serious “review of the budget allocated 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 to tell our own stories”.

Whilst on the issue of compliance, the NFVF boasts a fully functional internal audit that has completed the following:

- Risk assessment workshop and risk register
- 3 year rolling internal audit plan
- 5 internal audits, including Supply Chain Management, Financial Discipline and Compliance reviews.

The NFVF has an effective and efficient audit committee, consisting of 2 Council members and 3 external members. All the members possess extensive film and financial experience.

The NFVF has also developed an effective Performance Management System that will assist the NFVF in monitoring and managing both employee and organisational performance.

The NFVF Council was disappointed with the enactment of the Cultural Laws Amendment Bill of

2008 because of its limited scope with regard to amending the NFVF Act. The Bill mainly dealt with the deletion of obsolete sections of the NFVF Act and the amendment of sections of the NFVF Act to ensure alignment with provisions of the Public Finance Management Act. Considering previous NFVF submissions and proposals, this was a missed opportunity to amend the NFVF Act in order to bring certainty and clarity to its generic objectives and functions.

Taking into account that the NFVF has not had any regulations since its inception, the development of such must be considered a vital tool in bringing clarity around a number of issues, such as definitions of terminology and provisions on the use of funds. The introduction of regulations will positively impact on how the NFVF carries out its legislative functions and objectives.

In addition, since the NFVF Act was enacted a number of major, revolutionary changes have taken place in the multimedia environment. These changes have been made possible by digital technologies which have brought about convergence of media platforms, changing the configuration of both distribution platforms and the categories of content production. As a result of convergence, the trend is to move away from technology specific to a service based industry structure. These changes have far reaching implications for the NFVF.

Firstly, the specific technology identity basis of the NFVF of “film” has left us lagging behind the technological progress. Unless this technology specific identity of the NFVF is changed, the institution itself is threatened to be a relic of past technologies.

Secondly, the concept of “Foundation” suggests a “Philanthropic Non-Governmental Organisation”.



This sense of the NFVF created by the concept of a foundation discounts the image of the NFVF as a state institution responsible for the transformation of the sector. We are hopeful that the new Minister and her Deputy will embrace these proposals and assist in ensuring that these amendments are incorporated into the Cultural Laws Amendment Bill of 2008.

On a different note, I am happy to report that on the Memorandum of Understanding signed with the Tshwane University of Technology, we will see collaboration particularly in the areas of research and the accreditation of NFVF developed training programmes. It is the Council's view that the link between the NFVF and institutions of higher learning is critical when reaching out to areas that historically have not had film as an activity.

Finally, towards the end of the financial year under review, the Council and Management went on a strategy workshop with the intention to develop the "2022 Long Range Strategy" with the sole aim of:

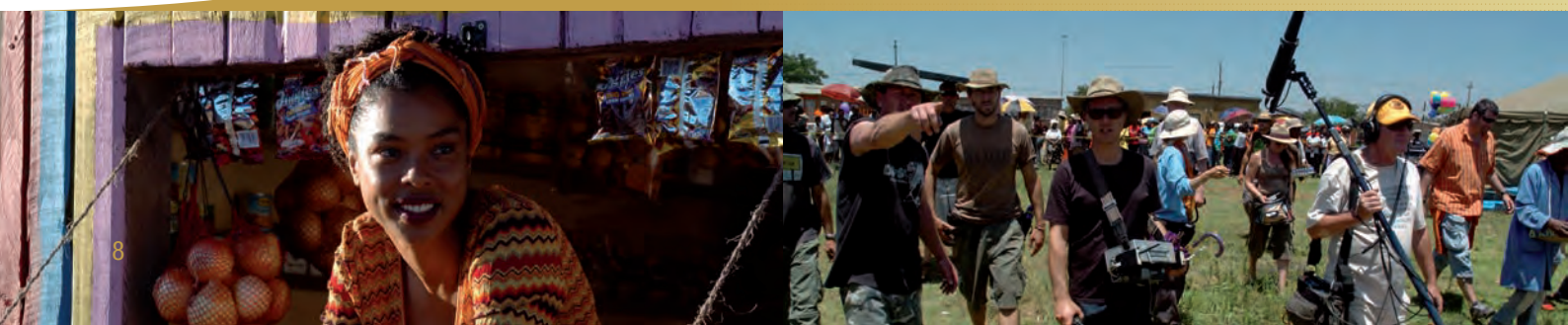
1. Charting a map of where the Film and Video Sector of the South African economy will be in 2022 and what institutional mechanisms will drive us to this ideal destination.
2. In order to chart the map to the future it is important to revisit the history of the NFVF and the sector. The structure and challenges that face the sector today are historically embedded knowledge that should be unravelled.
3. In as much as the history of the sector as articulated in the White Paper on Arts and Culture was the reason for the establishment of the National Film and Video Foundation, the fiscal

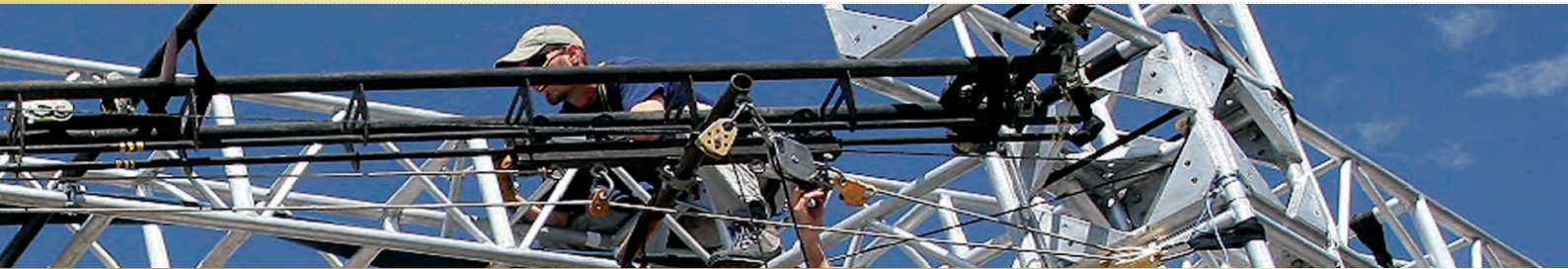
practice across the spheres and the departments of government are not totally aligned to address the historical challenges of the sector. There is no co-ordinated approach across the organs of the state and private sector to bring about sectoral development and growth.

4. With the history of the sector not well known, South Africa will be hard pressed to map and create a viable and competitive sector in the future or initiatives will remain episodic and inconsequential in the long term.
5. Highlight the interplay between transformational agency action, the structure and the dynamics of the sector as the basis for the development of a viable industry that will contribute to the socio-economic challenges that face South Africa.

In conclusion, I'd like to pay tribute on behalf of the Council, to former Minister, Dr. Pallo Jordan and former Deputy Minister, Ms. Ntombazana Botha who appointed the current Council and me as chairperson. We wish them all the best in their new roles in the service of the people of South Africa.

T.C. Mampane
Chairperson





ABOVE: Behind the scenes "SKIN"
BELOW: Scenes from "SKIN"

3. MISSION STATEMENT

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.

MISSION

To create an environment that develops and promotes the South African Film and Video industry domestically and internationally.

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 deepening democracy and creating prosperity. The National Film and Video Foundation strives for this noble ideal.

VALUES

Creativity
Freedom of expression
Entrepreneurship
Equitable redress





ABOVE: Behind the scenes “SKIN”

BELOW: Scenes from “SKIN”

4. LEGISLATIVE MANDATE

The National Film and Video Foundation (NFVF) is governed by the National Film and Video Foundation Act 73 of 1997 as amended by Cultural Laws Amendment Act 36 of 2001.

The mandate of the NFVF is:

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

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
- Capital formation, infrastructure and facilities development
- Human capital development, education and training
- Establishment of the trading entity in terms of paragraph 27 of the Cultural Laws Amendment Act 36 of 2001
- The NFVF empowerment, talent incubation and funding initiative
- Intergovernmental and stakeholder relations





5. ACCOUNTING OFFICER'S REPORT

Mr Eddie Mbalo
Chief Executive Officer

In 1999, the NFVF Act No. 73 of 1997 was promulgated which allowed for the establishment of the National Film and Video Foundation (NFVF). The first Council chaired by Mr Shan Moodley, was appointed by Dr. Ben Ngubane, Minister of the then Department of Arts, Culture, Science and Technology (DASCT). As we celebrate the 10th Anniversary of this important institution, and as I write this year's report for our stakeholders and parliament, it is important that as we reflect, we remind ourselves that there was a background and host of developments that led to the establishment of the NFVF.

In 1987, the incumbent CEO, then a young filmmaker and activist, was part of a delegation to the ANC Conference in Amsterdam, the Netherlands, named "Culture in Another South Africa" (CASA). The conference expressed a strong need to establish cultural industries as a way of promoting freedom of expression and to redress the imbalances of our past whilst creating jobs. It was against this background that the promotion of the film sector through state intervention was conceived.

State intervention commenced in 1994, with the development of the White Paper on Arts and Culture. The White Paper stipulated policies and institutional mechanisms to democratize arts and culture in the democratic dispensation of South Africa. As part of the policy articulation, the White Paper gave directives for the establishment of a separate institution, which would develop film and cinema in the Republic of South Africa. In these policy processes the incumbent CEO was part of the representation of the





Film and Allied Workers' Organization (FAWO) and later Black Filmmakers Association (BFA) and the Independent Producers Organisation (IPO). The process culminated in the establishment of the NFVF and the appointment of the inaugural Council in 1999, including the incumbent CEO, the current Chairperson of the Audit Committee, Mr Glynn O'Leary and the late Dr Lionel Ngakane.

The first challenge that faced the NFVF was that there was no film and video sectoral information that would form the basis for the NFVF to carry out its mandate as per the NFVF Act.

To address this challenge a number of initiatives took place:

- The commissioning of Profile 2000 by Price Waterhouse Coopers, the state of the film industry study sponsored by the NFVF and DACST.
- The 2000 South Africa/European Union Symposium under the auspices of the DG, Dr. Rob Adams sponsored and attended by the EU.
- The 2001 Film Indaba, an industry forum where the appointment of the incumbent NFVF CEO was formally announced.
- The NFVF initiated a comprehensive idealization exercise involving the formulation of the strategy, a concomitant Cabinet Memo and the Value Charter as we know it today. These initiatives resulted in the once-off allocation of R35 Million to the NFVF specifically to develop feature films.
- In November of the same year, a presentation to the Technical Committee of the MINMEC took place to arrange for the ultimate presentation of the NFVF strategy to the MINMEC.

The second challenge that faced the NFVF occurred after the termination of DACST and the birth of the Department of Arts and Culture (DAC) as the parent Department for the NFVF. The transitional period allowed the NFVF to develop strategic partnerships with other government departments including the Department of Communications (DoC) and the Department of Trade and Industry (the dti). In 2003, the NFVF worked closely with the Department of Communications (DoC). This collaboration was guided by its mandate for local content development. The collaboration with the dti was guided by its mandate to promote film as an economic enterprise, as

opposed to film as culture, which is the mandate of the DAC. The inter collaboration resulted in the Content Industries Strategy which provided a framework for the Economic Incentive for Film and Television Productions. The incentive stimulated a number of positive consequences such as:

- The conception of the Film City in Cape Town.
- The Co-production Treaties, which, according to the dti under the Director-General Alistair Ruiters, would stimulate economic multiplier effects in the Transport, Warehousing and Packaging categories of the economy.
- The interest by politicians, as indicated by the MEC and later the Premier of the Western Cape, Mr. Ibrahim Rasool, to establish the national film portfolio which would diversify the film industry away from Gauteng.
- The establishment of the film production interest bearing financial instruments at the Independent Development Corporation (IDC)
- The NFVF positioned South Africa internationally, leveraging and promoting the Incentive Scheme to its global partners.

The third challenge that faced the NFVF: To build on the gains made in 2004, the NFVF developed and presented to the then Minister, Dr. Pallo Jordan, the Business Case to justify the increase in the capacity of the NFVF. The position of the Department of Arts and Culture (DAC) was that the NFVF should wait until every institution under the DAC had presented their business cases to respond to the opportunity that was presented by the Micro-economic Reform Strategy (MRS) that was approved by the National Cabinet in 2003. Instead, when the once off allocation of R35 Million was depleted, the DAC did not renew the allocation, despite the NFVF's business case motivation.

The fourth challenge that faced the NFVF: This concerned uninformed capital formation perspectives in terms of economics about the sector against the real challenge presented by the fragmentary structure of the sector. Instead of seeing the gains made as the basis for investing more into the film sector in order to arrive at an economic threshold to address fragmentation once and for all, the DAC adopted an adversarial position towards the institution which led to an almost total breakdown in relations that ultimately resulted in the NFVF approaching the Portfolio Committee for intervention.



Scenes from "IZULU LAMI"

The fifth and the continuing challenge that faces the NFVF: The policy and the legislative space in which the NFVF exists have changed radically. These changes could render the agency role of the NFVF irrelevant. Other factors that need immediate attention during the tenure of this Council are:

- The technologically specific mandate as connoted in the name "Film and Video Foundation". In the Digital Age, characterized by ICT convergence, this technologically specific identity poses serious constraints to the agency role of the NFVF.
- The meaning contained in the word "foundation" presents the NFVF as an NGO with no legislative authority.
- The NFVF should be positioned strongly with the private sector if it is to play a meaningful role in the media driven political economy. This can only happen if the NFVF has the appropriate capacity and potent instruments to carry out its mandate.

LEVERAGING THE ACHIEVEMENTS TO RISE UP TO THE CHALLENGES

The challenges presented above should not be seen to be overwhelming. Notwithstanding the constraints, the NFVF and the Sector have registered a number of achievements which should be leveraged in dealing with the challenges. I have already mentioned some. Here my intention is to reiterate some of the far reaching highlights:

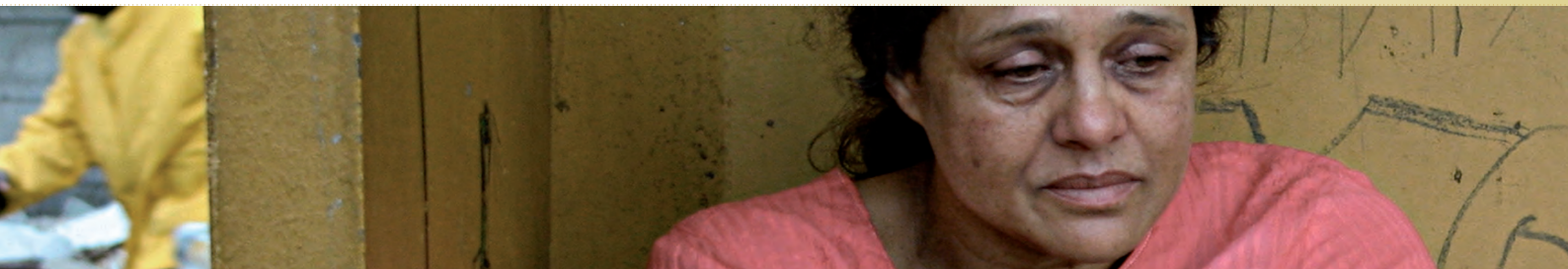
- The Indaba 2005, held every 4 years, adopted the Value Charter of the National Film and Video Foundation as the document that will have great impact on integrating the Sector.
- Section 41 of the Constitution as well as the concomitant Intergovernmental Relations Act provide some of the institutional artillery that should form the currency of the NFVF towards the mobilization of the spheres and the organs of the state involved in the film sector.
- The Co-production Treaties signed with Canada, Italy, Germany and the United Kingdom.
- The international recognition of our films through the Oscar award for "Tsotsi" and nominations for "Yesterday" and "Hotel Rwanda".

- Global rush for co-producing and using the RSA as a location of choice.
- IDC film unit with capitalization of more than R500m.
- dti Rebate incentive scheme with approximately R200m annual capitalisation.
- The establishment of Provincial Film Commissions and other initiatives.
- South Africa hosting about 150 filmmakers at the African Film Summit in 2006.

CHALLENGES OVER THE LAST TEN YEARS

The challenges for the NFVF over the last ten years since its establishment were:

- To address the fragmented and skewed industry structure.
 - The root cause of fragmentation was that no attempts were made in the past to harmonize the industry across the value chain. By and large, activities focused on production, with little distribution and consumption facilities.
 - The skew in the industry occurred along the history of the political economy of South Africa. During the Colonial Era, film promoted English culture. During the Apartheid Era film served the ideological ends of Afrikanerdom
- The paucity of information about the industry structure and its contribution to the socio-economic development of South Africa.
- The disbanding of the Department of Arts, Science and Technology (DACST) and failure by the DAC to capitalise on the gains that were achieved during the days of DACST.
- The adoption of the Content Industry Strategy by cabinet not followed up with programmes from the DAC as requested.
- Despite the realization by the Cabinet of the potential of the sector to contribute exponentially to economic growth and quality of life, capital diversions did not follow from the political convictions.
- Capital formation strategies were not informed by well calculated impact, based on clearly defined impact indicators.



Scenes from “SHIRLEY ADAMS”

THE NEW NFVF STRATEGIC THRUST

BUILDING ON THE STRATEGIC THRUST OF THE TWO PREVIOUS COUNCILS

Taking into consideration the strategic principle the NFVF as a **“Long Range Ongoing Concern”** the incumbent Council will build on the strategic thrust of the previous two Councils.

- The thrust of the first Council centred on *“strategy as a collective co-creation through learning enterprise.”*
- The second Council focused on *“Political Management and Advocacy.”*
- The strategic thrust of the incumbent Council is:
- *“The consolidation and rationalization of the gains made to date, together with taking the NFVF to the citizens, thus mobilizing society around the potency of moving images”*

CONSOLIDATION AND RATIONALISATION OF THE SECTOR

This thrust will be achieved through putting in place socio-economic indicators and measures of the sector in line with the following dimensions:

- The value chain according to the established Standard Industrial Classification (SIC) categories.
- The Convergence paradigm of the ICT sector.
- Investment and capitalization of the sector including supply side measures such as physical and social infrastructure, Human Capital, Accumulation of Inventories, to mention a few.

Value Chain: According to the SIC Value Chain for film, it straddles three sub categories of the economy: Hospitality, Transport, Warehousing and Communications. The full value of a film product is composed of the expenditure in all these categories. If any of these sub categories is not covered by planning and development, it will result in *fragmentation failures*.

In as much as the SIC straddles film in the three categories the following considerations should be noted:

- Hospitality has to do with film product consumption. For instance film consumption is regarded as part of entertainment, competing with restauranting and other forms of entertainment.

- Transport, Packaging, Warehousing and Communications, which is **Major Division 7** in terms of SIC, include fleet arrangements, road and traffic arrangements while shooting, storage of tapes and film stock and television transmission.
- The bulk of the work is in **Major Division 9**. Social Services.

TAKING THE NFVF TO THE CITIZENS

Film is the technological medium used to promote identities, the reproduction and the packaging of stories, and the preservation of moments of time and space. This function of film and video will form the basis for taking the NFVF to the citizens. The NFVF realises that the reason why most people do not have access to the film sector is the paucity of technical skills and the legal organisational styles that are alien to most people. E.g. how to start and run an incorporated business in terms of the Companies Act.

The NFVF will explore the emerging organisational legal forms that are friendly to most marginalised people such as the Co-operative Act to formalise the informal sector into SME's

Critical to taking the NFVF to the citizens is the demonstration of the power of film to create jobs, poverty alleviation and rural development in line with the priorities of the current government administration.

IMPROVING THE COMPETITIVENESS OF FILM MEDIA

The film media is the least competitive amongst other mediums and this is attributable to the elitist nature of the film industry. The consolidation of the film sector along the value chain and taking the NFVF to the citizens should improve the competitiveness of the film medium.

CO-ORDINATION OF STATE FILM INSTITUTIONS

Whilst we have spoken of film initiatives by various departments and spheres of government, it is clear that there is a lack of co-ordination of the institutional mechanisms due to concurrent competencies that characterise the cultural and economic sectors in South Africa. During the first ten years of the NFVF's life, the instruments to implement Section 41 of the Constitution



were not in place. Fortunately the Intergovernmental Relations Framework Act Number 13 of 2005 is now in place to promote integration, without infringing on the autonomies of the institutions. The implementation of this Act will be the NFVF's mainstay in forging collaboration among the state institutions and the formulation of a regulatory framework.

ALIGNMENT WITH THE LOCAL CONTENT STRATEGY

There are two areas of importance that the NFVF should align with in this regard:

- Indicator number 5 on **“number of locally produced films in a year”** as set out in Paragraph 3.9 on Local Content in the Proposal on South African Information Society Indicators.
- ICASA Regulations on Local Content.

LEGISLATIVE CHANGES

Since the NFVF Act was enacted, a number of major, revolutionary changes have taken place in the multimedia environment. These changes have been made possible by digital technologies. Digital technologies have brought about “Convergence” of media platforms, changing the configuration of distribution platforms and the categories of content production. As a result of Convergence the trend is to move away from technology specific to a service based industry structure. These changes have far reaching implications for the NFVF.

Firstly, the specific technology identity basis of the NFVF, - **“film”** – has lagged behind the technological progress. Unless this technology specific identity of the NFVF is changed, the institution itself is threatened to be a relic of past technologies.

Secondly, the concept of **“Foundation”** connotes a “philanthropic Non Governmental Organisation”. This sense of the NFVF created by the concept of a ‘foundation’ discounts the image of the NFVF as a state institution responsible for the transformation of the sector.

The NFVF Council has already initiated legislative amendments to address the issues raised in this paragraph.

The Cultural Institutions Amendment Bill has proposed a number of changes to the NFVF Act. These changes are

welcome. However, the changes will be more potent by including the recommendation made in this paragraph.

FISCAL MEASURES

The fiscus is the frontier where the forces of development confluence. Up to now, while the film sector has received political recognition for its contribution to socio-economic growth, this has not yielded adequate fiscal investment and capital diversions into the sector. Proper rationalisation of the sector and the political impetus that will result from broad citizen empowerment and participation will bring about the change of attitude to those powers that control the fiscus.

One fiscal measure that should receive attention is the readjustment of the NFVF MTEF structure, as well as funds allocation to the MTEF structure.

The change of the attitude by the decision makers and treasuries will result from intense advocacy by the NFVF and its alliances. Appropriate resources should be allocated to this cause.

ALIGNMENT AND MAKING A CONTRIBUTION TO THE NATIONAL PLAN

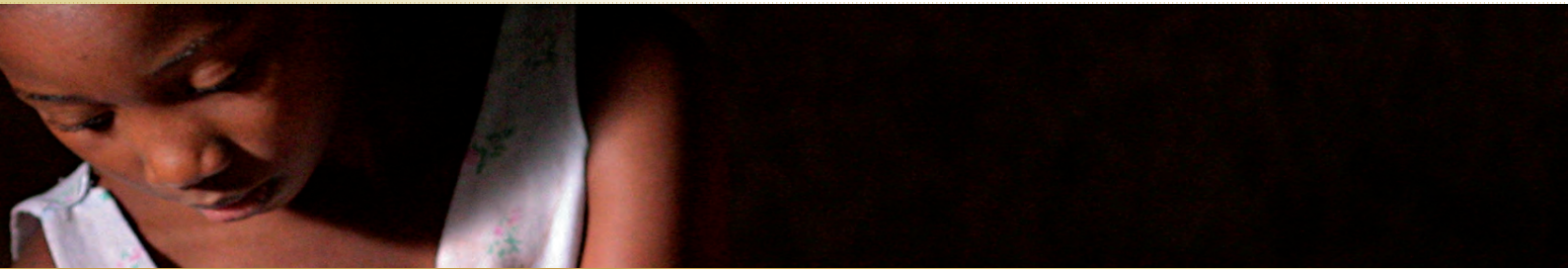
In the recent Government Structure that followed the 2009 General Elections, a National Planning Commission was set up. The NFVF hereby advocates for the need for the co-ordination of the state programmes across government spheres and departments within the Content and Cultural Industries Sector to comply with the objects of the new Planning Commission.

CONCLUSION

The financial crisis at the national broadcaster, the SABC has had serious implications on the content industries as a whole and in particular on the NFVF. There is a meltdown in the production sector where those small to medium sized companies that are solely reliant on the public broadcaster for their survival are not able to continue operating and are threatened with closure. This has, in turn, led to a strain on resources that are available to the NFVF. Providing the NFVF with the necessary political, legislative and material resources represent the best support for mitigating this disaster while allowing the institution to fulfil its mandate of job creation and industry development.

6. PROGRAMME PERFORMANCE REPORTS

Indicator	Key Objective	Strategy	Output	Progress
3a – Develop and promote the film and video industry	<ul style="list-style-type: none"> Provide comprehensive accurate information on the film & video sector Globally position SA at strategic international markets and festivals Create demand for film product and stimulate the culture of film appreciation Create awareness of SA Film Industry 	<ul style="list-style-type: none"> Development of a Research Plan Develop Key Performance Indicators (KPI'S) for the film sector Collecting industry research documents To have a South African presence and build pavilions at targeted international festivals and markets Development of an integrated marketing campaign Launch communication campaigns and tools 	<ul style="list-style-type: none"> Published Research documents Approved KPIs for the film sector Reliable information on the industry that is published regularly updated and widely disseminated. Co-ordinated information gathering MipTv AFCI Cannes Mipcom Toronto – No Borders Fespaco Development of the NFVF Corporate ID and brand identity Create demand for film product Stimulate the culture of film appreciation and cinema going Streamlining of corporate identity Production of communication and marketing tools 	<p>We are working towards a research proposal for the Economic impact Study with Tshwane University of Technology (TUT).</p> <p>The top ten films are posted on the NFVF website weekly.</p> <p>Performance of South African Film Study Report is complete and will be posted on the new website once its running.</p> <ul style="list-style-type: none"> MipTv attendance and partnership with SABC and MNET AFCI attendance and partnership with GFC,CFC, DFO and the dti Cannes attendance Mipcom attendance and partnership with SABC and MNET Toronto – No Borders attendance FESPACO attendance and partnership with SABC and MNET <p>Production of IMC document</p> <p>Limpopo road show</p> <ul style="list-style-type: none"> Published 4 editions of IFSA



Scenes from "IZULU LAMI"

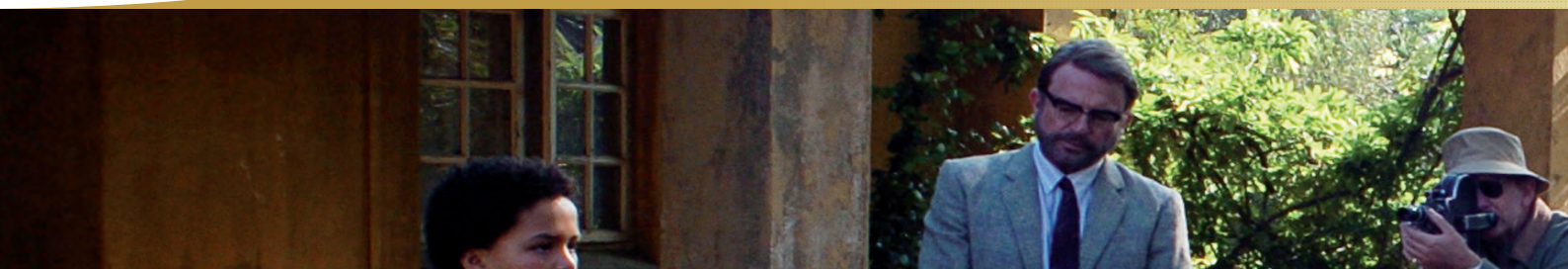
Indicator	Key Objective	Strategy	Output	Progress
	<ul style="list-style-type: none"> Development of an Integrated Marketing Strategy Implementation of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> Fund new and existing audience development and distributions initiatives Partnering with stakeholders within the arts and culture industry 	<ul style="list-style-type: none"> IFSA Film catalogue Conference booklet NFVF brochures Newsletter Upgrade o website Growth and increased diversity in South African audiences that have access to and demand for local content. Partnered with FPB – SABC Career Expo Participation at the Limpopo Arts Festival Partnership with arts and education project – Grahamstown National Schools Festival Participation at Macufe Partnership with DIFF Partnership with Apollo Film Festival Partnership with Encounters Festival Partnership with South African Film Festival in Parliament. Development of media relations and internal communication tools: Press briefings Media interviews Stakeholder meetings 	<ul style="list-style-type: none"> Conference booklets Film Catalogues NFVF brochures Newsletter ongoing NFVF logo featured in all marketing materials Promotional material Producers handbook Attend road shows NFVF participation on local film festivals Hosted information stand at the Expo No participation at Macufe Participated at DIFF as NFVF marketing, funding and training and granted funding Funded Apollo Partnered with Encounters with grant funding Funding and participating in the Parliament festival Media briefings with Johannesburg Press Club Cannes media briefing Cape Town stakeholder meeting at Cannes media briefing Ongoing media interviews on NFVF projects

Scenes from "SHIRLEY ADAMS"

Indicator	Key Objective	Strategy	Output	Progress
3b - Provide and encourage the provision of opportunities for persons especially from disadvantaged communities to get involved in the film and video industry	<ul style="list-style-type: none"> Development of professional practitioners in the film industry To create access and opportunities to previously disadvantaged individuals To facilitate industry & public policy development. Globally position SA at strategic International markets and festivals Create exposure platforms Film maker exposure 	<ul style="list-style-type: none"> Granting of bursary funding for entry level students SEDIBA Spark training initiative (1.5 year programme) Support of other training programmes (e.g. APTI) Review internal policies every 3 years To have a South African presence and build pavilions at targeted international festivals and markets To promote South Africa as partner for co-production To promote South Africa as a film making destination To promote film makers talent and films. 	<ul style="list-style-type: none"> 90% of final year bursary students graduated 90% graduated to the following year of study 5 grade A writer graduates 5 script editor graduates 80% of learners successfully complete the training Approved updated policies MipTv AFCI Cannes International Film Festival Mipcom Toronto FESPACO NFVF has partnership with dti .Launching the incentive scheme Partnership with the provincial film commissions and Partnership with the Filmmakers Guide Magazines 	<p>Final results for 2008 are being collated and will be finalised by 3 March 09</p> <p>Evaluation process is still ongoing until 27 February 2009. This is was due to final submissions required from the writers in December 2008 & Jan 2009. Final training report from Wildlife & APTI due end of Feb & March respectively</p> <p>Monitoring on the implementation of the funding criteria will commence on was April 2009.</p> <p>Co-production guidelines will take effect in 01 May 2009.</p> <p>The discussion document has been revised for the definition of South African film will be used to consult industry</p> <ul style="list-style-type: none"> MipTv attendance with SABC and MNET AFCI attendance with the GFC,CFC, DFO and the dti Cannes attendance Mipcom attendance with SABC and MNET Toronto attendance FESPACO attendance and partnered with SABC and MNET <p>Incentives schemes launched at AFCI and Cannes.</p> <p>Hosted LA Expo with DFO, GFC and CFC and also hosted Cannes pavilion</p> <p>Film makers support to attend</p> <ul style="list-style-type: none"> Producers Network Cinemart Talent Campus Swedish Film Week



Indicator	Key Objective	Strategy	Output	Progress
	<ul style="list-style-type: none"> • Create demand for film product and stimulate the culture of film appreciation 	<ul style="list-style-type: none"> • Development of an Integrated marketing campaign 	<ul style="list-style-type: none"> • Created partnerships with talent development initiatives • Strategic partner • Talent Campus • Cinemart • No Borders • Producers Network • Swedish Film Week 	
			<ul style="list-style-type: none"> • Development of the NFVF corporate ID and brand identity 	Development and implementation of IMC
			<ul style="list-style-type: none"> • Create demand for film product 	Promotional material
			<ul style="list-style-type: none"> • Stimulate the culture of film appreciation and cinema going 	Producers handbook
			<ul style="list-style-type: none"> • Streamlining of corporate identity 	
	<ul style="list-style-type: none"> • Create awareness of SA Film Industry 	<ul style="list-style-type: none"> • Launch communication campaigns and tools 	<ul style="list-style-type: none"> • Production of communication and Marketing tools • IFSA • Film catalogue • Conference booklet • NFVF brochures • Newsletter • Upgrade of website 	<ul style="list-style-type: none"> • Published 4 editions of IFSA • Conference booklets • Film catalogues • NFVF brochures
	<ul style="list-style-type: none"> • Development of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> • Fund new and existing audience development and distributions initiatives 	<ul style="list-style-type: none"> • Growth and increased diversity in South African audiences that have access to and demand for local content. 	Newsletter ongoing NFVF logo featured in all marketing materials
	<ul style="list-style-type: none"> • Implementation of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> • Partnering with stakeholders within the arts and culture industry 	<ul style="list-style-type: none"> • SABC Career Expo 	<ul style="list-style-type: none"> • Partnered with FPB at SABC Career Expo road shows
			<ul style="list-style-type: none"> • Participation at the Limpopo Arts Festival 	NFVF participation on local film festivals Hosted information stand at the Expo
			<ul style="list-style-type: none"> • Partnership with arts and education Project – Grahamstown National Schools Festival 	
			<ul style="list-style-type: none"> • Participation at Macufe 	No participation at Macufe



Indicator	Key Objective	Strategy	Output	Progress
		<ul style="list-style-type: none"> Coordinated communication 	<ul style="list-style-type: none"> Partnership with DIFF Partnership with Apollo Film Festival Partnership with Encounters Festival Partnership with South African Film Festival in Parliament through the Parliamentary Millennium Project Development of media relations and internal communication tools: Press briefings Media interviews Stakeholder meetings 	<p>Took part at DIFF as NFVF marketing, funding and Training and granted funding</p> <p>Funded Apollo</p> <p>Partnered with Encounters and granted funding</p> <p>Funding and participating in the Parliament Festival</p> <p>Media briefings with Johannesburg Press Club</p> <p>Cannes media briefing</p> <p>Cape Town stakeholder meeting at Cannes media briefing</p> <p>Ongoing media interviews on NFVF projects</p>
3c - Encourage the development and distribution of local film and video products	<ul style="list-style-type: none"> A South African film portfolio that mirrors our cultural diversity Provide comprehensive accurate information on the film & video Sector 	<ul style="list-style-type: none"> Production of specific genre films that reflect and develop a South African aesthetic including the production of indigenous language product. Building and maintaining relationships with industry stakeholders 	<ul style="list-style-type: none"> 50% of feature films that are green lit are produced. 50% of documentaries that are green lit are produced. Signing co-operation agreements with industry stakeholders 	<p>35% produced</p> <p>59% produced</p> <p>An official event is being planned for May 2009 at University of Limpopo and discussions for a programme of action are underway.</p> <p>TUT/NFVF 5 year programme of action has been finalised. We are working on a joint research proposal.</p> <p>NFVF is negotiating text for a MOU with National Centre for Film and Audiovisual Arts (Algeria) in anticipation of the signing of a cultural agreement between South Africa and Algeria</p> <p>Incentives schemes launched at AFCl and Cannes.</p>



Scenes from "SKIN"

Indicator	Key Objective	Strategy	Output	Progress
	<ul style="list-style-type: none"> • Create exposure platforms • Film maker exposure 	<ul style="list-style-type: none"> • To promote South Africa as partner for co-production • To promote South Africa as a film making destination • To promote Film makers talent and films. 	<ul style="list-style-type: none"> • NFVF has partnership with dti. Launching the incentive scheme • Partnership with the provincial film commissions and partnership with the Filmmakers Guide Magazines • Created partnerships with talent development initiatives <ul style="list-style-type: none"> • Strategic partner • Talent campus • Cinemart • Producers network • Swedish Film Week • Development of the NFVF corporate ID and brand identity • Create demand for film product • Stimulate the culture of film appreciation and cinema going • Streamlining of corporate identity • Production of communication and marketing tools <ul style="list-style-type: none"> • IFSA • Film catalogue • Conference booklet • NFVF brochures • Newsletter • Upgrade of website • To measure the direct impact of our programmes to industry revenue streams and contribution to the tax base 	<p>Hosted LA Expo with DFO, GFC and CFC and also hosted Cannes pavilion</p> <p>Film makers support to attend</p> <ul style="list-style-type: none"> • Producers network • Cinemart • Talent campus • Swedish Film Week <p>Promotional material Producers handbook</p> <p>Published editions of IFSA</p> <ul style="list-style-type: none"> • Conference booklets • Film catalogues • NFVF brochures <p>Newsletter ongoing NFVF logo featured in all marketing materials</p> <p>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.</p> <p>(Marketing company to be sourced to assist with the strategy and implementation plan for the IMC)</p>
	<ul style="list-style-type: none"> • Create demand for film product and stimulate the culture of film appreciation 	<ul style="list-style-type: none"> • Development of an integrated marketing campaign 		
	<ul style="list-style-type: none"> • Create awareness of SA film industry 	<ul style="list-style-type: none"> • Launch communication campaigns and tools 		
	<ul style="list-style-type: none"> • Demand stimulation and market development • Development of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> • Development of an integrated marketing campaign 		



Scenes from “SKIN”

Indicator	Key Objective	Strategy	Output	Progress
	<ul style="list-style-type: none"> Implementation of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> Establish a distribution and exhibition platform for local product Fund new & existing audience development & distribution initiatives Fund new and existing audience development and distributions initiatives Partnering with stakeholders within the arts and culture industry Co-ordinated communication 	<ul style="list-style-type: none"> Establish a pilot site in Soweto to digitally exhibit local and international films More & better quality audience development & distribution / exhibition initiatives Growth and increased diversity in South African audiences that have access to and demand for local content. Road shows Participation at the Limpopo Arts Festival Partnership with arts and education project – Grahamstown National Schools Festival Participation at Macufe Partnership with DIFF Partnership with Apollo Film Festival Partnership with Encounters Festival Partnership with South African Film Festival in Parliament. Development of media relations and internal communication tools: Press briefings Media interviews Stakeholder meetings 	<p>The IMC presentation to stakeholders will also galvanise support for the distribution of South African film.</p> <p>A consultant has been appointed to develop a business plan for the implementation of a pilot site.</p> <ul style="list-style-type: none"> Partnered with FPB at SABC Career Expo <p>NFVF participation on local film festivals</p> <p>Hosted information stand at the Expo</p> <p>No participation at Macufe</p> <p>Took part at DIFF as NFVF marketing, funding and training and granted funding</p> <p>Funded Apollo</p> <p>Partnered with Encounters and granted funding</p> <p>Funding and participating in the Parliament Festival</p> <p>Media briefings with Johannesburg Press Club</p> <p>Cannes media briefing</p> <p>Cape Town stakeholder meeting at Cannes media briefing</p> <p>Ongoing media interviews on NFVF projects</p>



Indicator	Key Objective	Strategy	Output	Progress
3d - Support the nurturing and development of and access to the film and video industry	<ul style="list-style-type: none"> To improve the quality and commercial prospects of local productions To facilitate industry & public policy development. Create exposure platforms Film maker exposure Create demand for film product and stimulate the culture of film appreciation Create awareness of SA film industry 	<ul style="list-style-type: none"> Script development programmes initiated SEDIBA intermediate Assigned script editors to projects Adequately fund script dev projects with recoupment conditions on 1st day of PP Hold consultative forums every 4th year To promote South Africa as partner for co-production To promote South Africa as a film making destination To promote film makers talent and films. Development of an integrated marketing campaign Launch communication campaigns and tools 	<ul style="list-style-type: none"> 50% of projects developed ready for production 25% of project supported in development are green lit for production funding. (Note that script development is a 2 year process) Indaba documents NFVF has partnership with dti Launching the incentive scheme Partnership with the provincial film commissions and partnership with the Filmmakers Guide magazines Created partnerships with talent development initiatives <ul style="list-style-type: none"> Strategic partner Talent campus Cinemart No Borders Producers Network Swedish Film Week Development of the NFVF corporate ID and brand identity Create demand for film product Stimulate the culture of film appreciation and cinema going Streamlining of corporate Identity Production of communication and marketing tools 	<ul style="list-style-type: none"> 62% of projects developed are ready for production 15% of projects supported in development are greenlit for production funding. <p>We are preparing a discussion document and format for stakeholder consultation.</p> <p>Incentives schemes launched at AFCL and Cannes.</p> <p>Hosted LA Expo with DFO, GFC and CFC and also hosted Cannes pavilion</p> <p>Film makers support to attend</p> <ul style="list-style-type: none"> Producers Network Cinemart Talent Campus Swedish Film Week <p>Promotional material Producers Handbook</p> <ul style="list-style-type: none"> Published 4 editions of IFSA Conference booklets



Indicator	Key Objective	Strategy	Output	Progress
			<ul style="list-style-type: none"> • IFSA • Film catalogue • Conference booklet • NFVF brochures • Newsletter • Upgrade of website 	<ul style="list-style-type: none"> • Film catalogues • NFVF brochures <p>Newsletter ongoing NFVF logo featured in all marketing materials</p>
3e - Address historical imbalances in the infrastructure and distribution of skills and resources	<ul style="list-style-type: none"> • To create access and opportunities to previously disadvantaged individuals • Provide comprehensive accurate information on the film & video Sector 	<ul style="list-style-type: none"> • Granting of bursary funding for entry level students • Development of Sectoral Information Systems (SIS) • Development of a research plan • Develop Key Performance Indicators (KPI'S) for the film sector 	<ul style="list-style-type: none"> • 90% of final year bursary students graduated • 90% graduated to the following year of study • Sectoral information System for the industry • Published research documents • Approved KPIs for the film sector 	<p>Final results for 2008 are being collated and will be finalised by 3 March 09</p> <p>We are collecting documents at this stage until resources have been set aside for SIS implementation.</p> <p>Graduate absorption study has been published.</p> <p>Performance of South African films completed and will be posted in the new NFVF website</p> <p>Ten Year Review of co-production Project will be a chapter in the NFVF 10 year</p> <p>Policy & Research and Marketing met to discuss the strategy for consultation and form of Indaba 2009.</p>
Sound Leadership, Governance and Management	<ul style="list-style-type: none"> • To improve efficiency and effectiveness in the management of NFVF 	<ul style="list-style-type: none"> • Develop and implement HR Strategy throughout the following programmes: <ul style="list-style-type: none"> • Performance Management • Human Resources Development • Employee Wellness • Labour and Compliance • Reward 	<ul style="list-style-type: none"> • Highly motivated staff that supports the business • 100% implementation of the PMS • 80% of staff attend training • 100% compliance with legislation • 100% implementation of the reward system 	<ul style="list-style-type: none"> • HR strategy has been implemented • Full PMS to implemented in the new Financial year 2009/10 • Training is ongoing and will now be implemented according to the PDP (personal developmental plans) • Rewards are more equitable to the marker





Scenes from “IZULU LAMI”

Indicator	Key Objective	Strategy	Output	Progress
		<ul style="list-style-type: none"> Maintenance of efficient and effective financial and administrative system 	<ul style="list-style-type: none"> Maintenance of a risk register Effective internal audit function Effective procurement (SCM) systems Effective reporting mechanisms to Council, DAC and Treasury Unqualified audit report 	<ul style="list-style-type: none"> Ongoing monitoring of the labour legislation to ensure that we are complying and working relations are healthy. Approved 08/09 register. Workshop held in Feb 09 to update 2009/10 register. The register has been approved by the Audit Committee 5 audits completed: IT, Compliance, Performance Management, FDR and AG Follow up audit. 3 quotations obtained for procurement. Deviations approved at July, Oct, Dec and March council meetings Reports submitted: <ul style="list-style-type: none"> DAC quarterly progress report DAC draft strategy for MTEF April – Mar management accounts to exec management and council April 08 – March 09 management accounts completed; 5 internal audits completed, with no major issues.





Scenes from “IZULU LAMI”

6.1 PRODUCTION AND DEVELOPMENT

GENERAL INTRODUCTION

In the 2008/9 financial year the NFVF continued funding the development of narrative fiction and documentary scripts and the production of theatrical feature films as well as documentary films and shorts. A highlight of the year was the theatrical release of a number of films and their selection for entry into a number of film festivals. Among these was *Izulu Lami* (My Secret Sky) which premiered at the Dubai International Film Festival in December 2008 and has been selected as the opening film of the Durban International Film Festival 2009.

After a long and arduous development process the NFVF also finally signed off on the scripts in the short film contest where only three of the original eight films envisaged were selected for production. The stories, **Superhero**, **Father Christmas Doesn't Live Here** and **If Only You Knew** will bear proud testimony to the talent and tenacity of the teams which created these works and become a calling card for their future endeavours as filmmakers to be watched. **Superhero**, the first of the films to complete production was invited to the Durban International Film Festival.

These achievements are as a direct result of a much more hands-on approach by the NFVF during script development and production aimed at raising the bar on the quality of our story telling and the audience appeal of the work of SA filmmakers. This is an approach the NFVF will continue to engage, through the appointment of experienced script editors on feature film scripts which show great promise with compelling characters and a clearly worked out premise.

In 2008/9 the NFVF also raised the bar on its flagship training program, Sediba by tightening the selection criteria of writers eligible to enter the Spark program. The entry requirements for script editor training were also raised to include a tertiary qualification in

a related area of study which includes literature and journalism.

Over the past year the NFVF also started auditing the progress of funded projects and discovered a number of projects which had experienced no movement two years after their inception. Filmmakers were urged to provide well motivated reasons for such long delays or face the cancellation of their projects. The NFVF is considering the formulation of policy with respect to its commitment of funds to projects with a time bound life-cycle for each project to overcome this challenge.

6.1.1 SEDIBA

Over the past financial year Sediba has expanded its programme to include Spark for documentaries as a direct result of the many poorly formulated documentary proposals and scripts received by the NFVF. In its first cycle ten filmmakers were selected and tutored in the craft of writing a documentary proposal and script. Selection criteria for entry into this program will be streamlined with that for narrative fiction to prevent it simply becoming a testing ground for training, but a real intervention which results in growing the pool of competent documentary filmmakers.

The Spark for Narrative Fiction program expanded this year to include parallel training in Cape Town with the assistance of the Cape Film Commission. Two new mentors were appointed to head up the training and have reported good progress in spite of some drop outs.

The year under review also saw the first in-take of script editor trainees into the Spark Program in both Johannesburg and Cape Town with an eye on growing the pool of competent script editors in the country. The mentors have been greatly impressed



by the quality of the candidates and are confident about the prospects for fulfilling this aim. These candidates were selected on academic merit, ability to interact with writing teams and potential to grow under our guidance.

In 2008/9 the NFVF also launched the **Sediba Intermediate Script Development** Program under the catch phrase, Call to Adventure. This program was designed to consolidate the knowledge of those writers who successfully completed the **Spark for Narrative Fiction** program at the highest level. While the requirements for success in Spark was the delivery of a compelling first act of a screenplay, success in the Call to Adventure program requires the delivery of a compelling first draft screenplay. Lessons learnt in this first year of the program will be applied to a revamped program in year two as a result of the wider scope of academic and practical learning included in the development of the writer, the script editor and the project.

Each cycle of Spark involves the development of at least 10 projects as does each cycle of the Call to Adventure program. However, less than 50% of Spark candidates proceeded into the Call to Adventure program. This is both a function of the high standards of achievement required for success as well as the quality of the candidates selected for the programs. In 2009/10 the NFVF will re-launch the Sediba Masters program with which Sediba started in 2005 under Avea. This will mean some exciting new changes to the Intermediate Program.

In 2008 the NFVF also continued its collaboration with the SABC by running the SABC/Sediba development program which developed 10 mini-series for broadcast. At least ten writing teams, ten commissioning editors and ten script editors were trained during the development of these projects aimed at international audiences who will visit South Africa during 2010. These teams were ably assisted by Sediba trained editors and the Sediba project leaders, Alby James and Clarence Hamilton.

The Sediba programs have started gaining a reputation for excellence as a result of the previous round of collaboration with the SABC on the public broadcaster's mini-series. The majority of these programs achieved

audience ratings in the top 5 of the public broadcaster's schedule, a testimony to the quality of the work put in through Sediba. This has resulted in a number of film schools sending their lecturers to audit the courses with the aim of passing on their new knowledge to their students. One of these film schools have also requested that the Spark program be taught to their third year students, but financial constraints have delayed the inception of the program.

6.1.2 DOCUMENTARY PROJECTS FUNDED

Development:

- LADY AFRICA by Portia Rankoane
- MINE by Theresa Meyer
- THE FULL PONTE by Rehad Desai
- THE MANDELA PRESIDENCY by Enoch Sithole
- FATHERHOOD by Diliza Moabi
- THERE AND BACK by Jody Abrahams
- IN THE LINE OF FIRE by Belen Wilkinson
- BOPHUTHATSWANA SOCCER LEAGUE by Makhubalo Ikaneng

Production:

- A TRIBE APART by Ryan Fortune
- ARK OF MERCY by Ryley Olivier
- PATCHWORK GUILT by Alethea Lindsay
- WAR OF THE SILVER FEZ by Ann Roberts
- FREEDOM FIGHTER by Riaan Hendricks
- KING NAKI AND THE THUNDERING HOOVES by Miki Redellinghuys
- MY GRANDFATHER'S BONES by Vhahangwele Mulovhe
- PUNK IN AFRICA by Deon Maas
- DANZA FANCY by Martina Tonga
- DAWN OF A NEW DAY by Ryley Olivier
- QUEEN OF SONG - THE LEGEND OF MADHOSINI by Kali van Merwe
- REWIND by Liza Key
- THE WHITES ARE COMING! By Khalo Matabane
- MY BUM IS GENETIC by Vincent Moloi
- THE FULL PONTE (BATTLE FOR JOHANNESBURG) by Rehad Desai
- THE SINGING BARISTA by Sharon Farr
- ZIMBABWE: PAST THE POST ON A DEAD HORSE by Kevin Harris



6.1.3 FEATURES PROJECTS FUNDED

Development:

- SEVEN WARRIORS by Ntshavheni Wa-Luruli
- CROSSROADS by Rayda Jacobs
- IN THE SHADOW OF A SAINT by Akin Omotoso
- OSLO, MPUMALANGA by Tom Eaton
- THE TERROR CHANNEL by Dermot Judge
- A TIN OF PAINT by Paul Ian Johnson
- THE CHEMO CLUB by Thandi Brewer
- FOUR CORNERS by Hofmeyr Scholtz
- WHIPLASH by Tracey Farren
- THE CONSEQUENCE by Liz Bulle
- BLACK SOUTH EASTER by Carey McKenzie

Among the projects funded for development over the past year, **“A Tin of Paint”**, **“The Consequence”** and **“Black South Easter”** completed development with **“A Tin of Paint”** gaining international screenwriting accolades. The NFVF is also pleased with the adaptation of **“Whiplash”**, a novel by Sediba graduate, Traci Farren, which has been short-listed for the Sunday Times Fiction Prize. The adaptation of **“In The Shadow of A Saint”**, the story of Ken Sara Wiwa Snr, by his son represents the first real opportunity for the NFVF to engage with a non-South African story of such iconic importance to the African continent.

Production:

- HELL TRIP by Mukunda Dewil
- KHUMBA by Stuart Forrest
- THE ITALIAN CONSUL by Jeremy Nathan and M. Mazzarruto
- LIEWE HEKSIE by Isabelle Rorke
- JOLILE KA KHESA by Ramadan Suleman
- ONE LAST LOOK by Dan Jawitz
- AND THERE IN THE DUST by Brigid Olen
- STIFF by Robbie Thorpe
- ZAMBEZIA by Stuart Forrest

Of the projects approved for production funding, the NFVF is most excited by the prospects of **“Khumba”** and **“Zambezia”**, both animated features which have garnered considerable international attention. **“Khumba”** was developed through the NFVF/UK Film Council 25

Words or Less Competition held in 2007 and is only one of the two projects developed successfully out of the four winners. The same expectations are attached to **“Zambezia”**, which the company, Triggerfish, hope to produce back to back.

The NFVF is also excited at the prospect of being associated with the production of several genre films this year. There are two mixed genre psycho-thrillers, **“One Last Look”** and **“Helltrip”**, one comedy, **“Stiff”** and one political thriller, **“Jolile Ka Khesa”** - an adaptation of Julius Caesar for a democratic South Africa. The NFVF is also especially proud of **“There in the Dust”**, which promises to be a uniquely moving art house, stop motion film about one of the most devastatingly sad stories this country has witnessed. In 2001 South Africa was shattered by the brutal rape of a 9 month old child. This film combines live action and innovative animation techniques to deliver testimony to this atrocity and the environment in which it happened.

A number of short films were also funded in development and production.

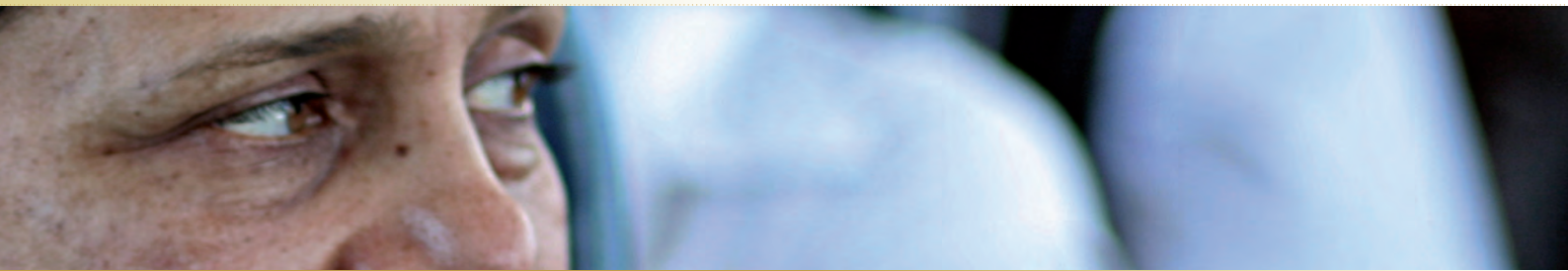
6.1.4 RECOUPMENT SCHEDULE

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	1 934 000
Grants allocated in 2009	5 309 000

Total Recoupable Grants	R 41 403 774
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6.1.5 SHORT FILM CONTEST

In 2007 the NFVF launched the Indigenous Language and Women Helmer's Short Film Contest. This contest came directly out of a realization that the applications the NFVF receives in its normal funding process, along with contests it has run in the past, highlighted a dearth in the number of black or female applicants that were granted development or production funding.



Scenes from "SHIRLEY ADAMS"

The short film contest was thus created as a platform to address this gap by providing black and female filmmaking talent with an opportunity to create a calling card with work of the highest standards. The NFVF intended that the filmmakers who won the 8 places in the contest would go on to direct their films and in this way announce their readiness to the industry that they were able to take on feature length directorial duties on a much more ambitious scale.

From among the 300 odd applicants the NFVF was confident that the most likely candidates to succeed were those filmmakers who had worked in television drama, documentary production and commercials. Unfortunately, this expectation was dashed when most of the experienced filmmakers submitted work of such poor quality, that the NFVF felt obliged to provide the opportunity to first time filmmakers with no or very limited experience. 12 candidates were short-listed and after an initial interaction 8 projects were chosen for further development.

Development in the case of these mostly first time filmmakers meant that the NFVF had to adapt its Spark Narrative program to assist the filmmakers in realizing their ideas and transforming them into compelling stories. 4 months of script development workshops were conducted with the assistance of one of Sediba's top script editors, Justine Loots.

At the end of this development process, 4 films were considered good enough to proceed to the next phase, which was a series of workshops in directing actors based on the Judith Weston approach and conducted by Akiedah Mohammed, an exciting new writer plying her trade mainly in television. These workshops were followed by a series of workshops for directing the camera, blocking a scene and preparing for production conducted by writer, director and film lecturer, Ntshaveni wa Luruli.

One filmmaker, who had directed a feature before, dropped out angered by the requirement to complete the additional training.

The workshop process began in February 2008 and production was finally completed in June 2009.

The 3 winning short films were:

- SUPERHERO written and directed by Hanneke Schutte,
- IF YOU ONLY YOU KNEW written and directed by Lev David & Clare Cassidy, and
- FATHER CHRISTMAS Written by Bongzi Ndaba and Sibongile Skosana and directed by Bhekumuzi Sibiya.

2009/2010 period will see the exploitation of these films and their festival runs.

6.1.6 SOUTH AFRICAN FILM DEVELOPMENT CORPORATION

Back in 2005 when the NFVF declared a "state of crisis" due to the lapse of its feature film fund from the Department of Arts and Culture, the NFVF began exploring other avenues for increasing its pool of funding. This exploration led directly to studying the amendment to the NFVF act which stated that:

"the Council may, subject to the approval of the Minister and the Minister of Trade and Industry, establish a separate legal entity for purposes of investing in film and video projects in accordance with the objects of this Act."

The above clause gave the NFVF enough confidence to bring on consultants to build a business case for a separate entity to look at the value chain and invest in all things film with a commercial mandate. This would leave the NFVF in its current form and its current funding pool to focus on its developmental mandate while the proposed new structure tentatively named The South African Film Development Corporation would focus entirely on projects with commercial potential.

The business case was completed and presented to the NFVF council to great fanfare. The next step was to present the business case to the DAC. The Director-General, Mr Themba Wakashe, praised the case and immediately called for a meeting with his equivalent at the Department of Trade and Industry and the CEO of the Industrial Development Corporation. The NFVF's been more than excited at his enthusiasm for the new initiative and is still eagerly awaiting an opportunity to present the case to all the parties.

6.1.7 CO-PRODUCTION FORUMS & SALES

The NFVF supports a select number of its projects as they do the rounds of co-production forums annually. These forums are set up to find co-production, financing and sales partners for projects. Some of the forums the NFVF has supported filmmakers to attend include, No Borders, Strategic Partners, Cinemart, & Mannheim Meetings to name a few.

One of the most notable forums of this past year was No Borders where 3 NFVF supported projects were presented. These projects were: “**AND THERE IN THE DUST**”, “**KAROO BOY**”, and “**KHUMBA**”.

The producers who represent the projects often have other projects that they can discuss with potential partners and the KHUMBA team was able to do that on one of their other projects, “**ZAMBEZIA**”. Being in New York and No Borders gave them the ability to close the financing on their film and bring on the final gap funding. Up to that point the project had pre-sold close to \$1 million, which enabled them to put their attention on their next project “**KHUMBA**”. “**KHUMBA**”, an animation feature film was one of our 25 words or less pitch contest winners in 2006 and has subsequently been completed and No Borders was its first public appearance in its attempt at raising its production budget. Subsequent to that trip, the NFVF funded the production of a promo that was presented in Cannes resulting in 6 territorial sales, putting it well on its way towards closing all of its financing. This team has developed an excellent relationship with a Los Angeles based sales Agent who post-No Borders put up a minimum guarantee against future sales indicating his confidence in the project and the producing team.

These co-production forums continue to be a great way for South African producers to meet money sources and buyers internationally. The challenge future producers face is to develop content that will attract buyers and partners at these international forums. “**Khumba**” and “**Zambezia**” were both animated projects with great promos showing the teams abilities. But the other projects had neither known international stars nor any known internationally recognizable helmers, thus making potential partners

want to wait to see a finished product before committing. This dichotomy is one of the biggest challenges local films face when trying to close their financing with significant international funding.

6.1.8 BURSARIES AND TRAINING

INTRODUCTION

Although the film & television industry, by its nature, is driven by both creative talent and skills, education and training are instrumental to the viability, growth and sustainability of the industry. Driven by these reasons, the goal of the NFVF is to stimulate training and development by making it more accessible for previously disadvantaged individuals and those with financial difficulties to enter the film & television industry. This we achieve by:

- Awarding over 60 bursaries annually to students who wish to pursue film & television related studies locally and abroad
- Funding industry professionals to attend specific skills development programmes locally and abroad, and by
- Financially supporting training providers who provide courses that address industry skills gaps or needs

BURSARIES

In the 2008 financial year, the NFVF granted 63 bursaries towards students studying film or television courses. These students were from a variety of tertiary institutions in South Africa and abroad (Canada). There was a diverse range of disciplines that the beneficiaries were pursuing, namely; Dramatic Arts, Producing, Directing, Script Writing, Animation, Visual Effects, Sound Design, just to name a few. The students funded were also at different levels of study, first year through to Masters Level. The demographics of the bursary recipients were as follows:

- Black Males – 50%
- Black Females – 36%
- White Males – 7 %
- White Females – 7 %

A professional Editor, Melissa Perry was also supported to attend a four week Editing Master class in the USA. Here



she worked with award winning editors/filmmakers who have enjoyed much success in Hollywood. The course assisted in enhancing her editing skills to an extent that after her return, she has been constantly inundated with editing work in the industry.

TRAINING

The year also saw the NFVF providing financial assistance to two training providers, namely:

1. ANIMATION PRODUCTION TRAINING INITIATIVE

Young interns with a passion for animation and storytelling are recruited to be part of this programme. Here they are trained by industry professionals, including international guests on the following modules:

- Modelling – Props, Environment, Sets
- Modelling – Character
- Rigging
- Lighting and Texturing
- Lay-out
- Animation
- Script Writing

In 2008, 10 interns were recruited. They applied all the theory to short films that have now been aired on SABC 1 whilst some are also targeted for mobile release.

2. WILDLIFE FILM ACADEMY

The NFVF is one of the key funders of the Wildlife Film Academy and Wildlife Africa, a wildlife film festival that takes place in Durban. The Wildlife Film Academy operates a globally unique one month wildlife filmmaking course, with the aim of training Previously Disadvantaged Individuals (PDI's) into this very successful genre of filmmaking. The course was developed by experienced and award-winning wildlife filmmakers and seeks to inspire and inform aspiring PDI filmmakers, providing a variety of skills essential to making original and appealing wildlife films.

In the wildlife filmmaking industry, there is virtually no representation from previously disadvantaged South

Africans and thus it is imperative that every effort is made to inspire, train and equip young African filmmakers in the art of capturing the region's natural heritage on film. By increasing the pool of previously disadvantaged wildlife filmmakers, the Wildlife Film Academy aims to add another dimension to the way that wildlife films are made - South African students who complete the wildlife filmmaking course will be able to tell wildlife stories through their eyes and with perspectives that have been hugely under-represented in the past. The wider audience to which these stories will appeal will have great spin-offs for conservation in the country.

After the course, the Wildlife Film Academy arranges internships for students to gain work experience, enabling them to flourish in the industry.

Twelve students from previously disadvantaged backgrounds were afforded the opportunity of receiving wildlife filmmaking training including the making of a 5 minute short wildlife film. After the one-month long training, the students were placed at various production houses to further their experience.

3. SEDIBA

Sediba is the flagship training program of the NFVF and is aimed at raising the quality of script-writing and script editing in the film and television industry as well as adding to the pool of black and indigenous language speakers working in this area of creative endeavour.

3.1 SPARK NARRATIVE FICTION

This program has undergone some changes in the year under review with workshops now running for 5 months instead of 4 months as it became clear that an additional weekend would benefit the learning and teaching.

In the year under review two cycles of workshops were held in Johannesburg and a new site was established in Cape Town with the assistance of the Cape Film Commission. In Johannesburg the workshops were led by Julie Hall and Thandi Brewer and in Cape Town by Dermot Judge and Loyiso Maqoma.



Another new development for Spark was the recruitment of new script editor trainees with a bias towards candidates who have an indigenous language as a mother tongue. The selection criteria were much more stringent than in previous rounds as candidates were required to have a tertiary qualification in film or a related field. Successful candidates will proceed to the intermediate program.

In this period Sediba trained 26 writers, 12 trainee script editors, 6 commissioning editors and 2 visiting lecturers from AFDA Johannesburg and Wits University. AFDA subsequently requested that the course be run for their third year film students, but financial constraints prevented this program from being rolled out.

3.2 SPARK FOR DOCUMENTARIES

As a direct result of the positive feedback from Spark for Narrative Fiction and being inundated with great ideas for documentaries, the NFVF launched Spark for documentaries in April 2008. The program was designed to enable candidates to understand how to conceptualise a story with a clear premise and logline, how to research their story and identify principal characters and then to write a proposal that would interest a funder or broadcaster.

In the year under review, 23 writers were trained under the tutelage of Kevin Harris and Ngaire Blankenberg over two cycles of workshops, lasting 4 months each.

3.3 SEDIBA INTERMEDIATE PROGRAM

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 for Narrative Fiction. This program is 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.

In the year under review 9 writers and 9 script editors were trained under the tutelage of Justine Loots, Margaret Loots and Palesa Shongwe. 3 black script editors from this group

have now been added to the list of NFVF approved script editors and published on the website. Successful writers can now apply for development or production funding from the NFVF.

3.4 SABC SEDIBA COLLABORATION

This program entered a second cycle after the successful conclusion of the first cycle. 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. Writing teams were selected on the basis of SABC Drama Content Hub briefs showing the greatest talent or potential for development.

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 the development of xenophobia in the country. This development and training program, like in year one, is training approximately 48 writers, script editors and commissioning editors to the intermediate level of Sediba training and was completed in October 2008 with production scheduled for 2009.

In the year under review, 20 writers, 8 trainee script editors, 8 script editors and 9 commissioning editors were trained.

IN THE PIPELINE

2009 will see some changes to these programs as we consolidate the successes and start realignment with the NFVF's long term strategic goals.



6.2 POLICY AND RESEARCH

6.2.1 DEFINITION OF A SOUTH AFRICAN FILM

There is no legislation or any set of rules or criteria in South Africa that defines what makes a film South African. As a result, the NFVF and the industry battles when the debate arises. In the context of certification of "South African" films, the NFVF from time to time receives applications for a certificate of nationality which is required when a film is exported attesting to its origin. The South African Film and Television Awards (SAFTAs) Feature Film category nomination is another challenge as well as the selection of South African projects for participation at various local and international festival competitions. It is necessary that all these processes fall within a framework that has been agreed to by all industry stakeholders. Therefore, the NFVF has compiled a discussion document which gives a detailed analysis of other instruments and international benchmarks which are used to solicit input from the industry on what makes a film South African. Consultations with stakeholders will be held over the next financial year.

6.2.2 CO-PRODUCTION GUIDELINES

South Africa has signed a number of co-production treaties. The NFVF administers the co-production certification process. The co-production guidelines seek to provide assistance to producers on how to comply with application and treaty requirements. The guidelines also provide an overview of effective treaty requirements. A discussion document comprised of an analysis of international best practices and a summary of treaty requirements signed by South Africa, is also being compiled.

6.2.3 CERTIFIED PROJECTS

A total of 11 applications were received for advance rulings (8 projects) and final rulings (3 projects) during this financial year. The details of the projects are as follows:

COUNTRIES	TITLE	STATUS
SA/Canada	Three Days to Jonestown	Final Ruling
SA/Germany	Star Ship Troopers Marauders	Final Ruling
SA/Germany	Scorpion King	Final Ruling
SA/Canada	The Bang Bang Club	Advance Ruling
SA/Italy	The Italian Consul	Advance Ruling
SA/Canada	Peter Pepper's Pet Spectacular	Advance Ruling
SA/UK	Promise Me	Advance Ruling
SA/Germany	Angel	Advance Ruling
SA/Germany	Bridal Dress	Advance Ruling
SA/Germany	The Ambassador	Advance Ruling
SA/Germany	Free Willy: South Africa	Advance Ruling



Intergovernmental Indaba

6.2.4 REGULATIONS

The NFVF Act provides for two types of regulations. Section 21(1) provides for regulations that may be prescribed by Council subject to the Minister's approval regarding the procedure of Council, meetings and code of conduct for council members and advisory panel. Section 21(2) provides for regulations that may be developed by the Minister which may be necessary in order to achieve the objectives of the NFVF Act. Since its establishment, the NFVF does not have any regulations in place. Regulations that will clarify vague definitions contained in the NFVF Act, procedural and administrative powers are urgently required. The regulations will also clarify definitions of terms in order to create distinct funding categories with different terms and conditions and to eliminate possible conflicts in interpretation. The NFVF is developing a proposal for the scope of the regulations and provisions that will be included therein.

6.2.4 NATIONAL FILM SCHOOL FEASIBILITY STUDY

Section 4(2)(e) of the NFVF Act mandates the National Film and Video Foundation to investigate the viability of establishing a national film school in conjunction with the Departments of Trade and Industry and of Education. As per the request of the Department of Arts and Culture, the NFVF has embarked on a study to develop a national education and training strategy for the South African film industry. The report entails an industry skills needs analysis (quantitative and qualitative), an impact analysis on education and training, best practice models for film education and training and the feasibility of the establishment of a national film school

The report has been presented to the Department of Arts and Culture and the Department of Trade and Industry, but, engagement with the Department of Education has still not materialised. A final round of meetings with the Research

Advisory Panellists has taken place, most notably the Human Science Research Council and Higher Education South Africa. The final report will be released once consultation with all relevant stakeholders has taken place.

6.2.5 GRADUATES ABSORPTION STUDY

The NFVF has disbursed bursaries to students since 2001. Students study a variety of film and video related degrees and other qualifications at various academic institutions. The study was an attempt to determine the rate at which the students are absorbed by the industry, in relation to their respective fields of study and how NFVF funded graduates are absorbed in the film industry post qualification. The scope of the study included indicators such as the employment status of NFVF funded graduates within the industry, reasons for unemployment, relevance of courses studied and the type of employment and remuneration. The study was completed and published in October 2008.

6.2.6 CO-OPERATION AGREEMENTS

According to sections 4(1)(g) and (l) of the NFVF Act respectively, the NFVF may enter into co-operation with any person in order to achieve its objectives. The establishment of such strategic relationships enhance the aims of the NFVF in training, funding, developing and growing the local industry with academic institutions and agencies responsible for spearheading film development and production.

During the year under review, the NFVF entered into three co-operation agreements with Tshwane University of Technology (TUT), the University of Limpopo. The co-operation agreements with TUT and UL are in the areas of research, education and training and accreditation of NFVF courses. The agreement with the University of Limpopo provides an opportunity for the NFVF to have a reach in the province. A five year plan, setting out a detailed programme and an implementation plan was finalised with TUT. A number of programmes were also undertaken during this period. A similar programme for the University of Limpopo will be developed in the next financial year.



6.3 MARKETING

STRATEGY

The overriding marketing strategy of the NFVF is to globally position itself and the South African film industry as a contributor and strong competitor in the global market place.

In this financial year, the marketing team has established new partnerships, stronger campaigns and activations and re-designed the way it does business.

GOALS

- To facilitate South Africa's presence on global platforms
- To facilitate the presence of filmmakers at international film festivals
- To facilitate and monitor grants made by NFVF to local festivals
- To position South Africa as a filmmaking destination

6.3.1 INTER-GOVERNMENTAL INDABA 2 SEPTEMBER 2008

The NFVF hosted the Inter-governmental Indaba. The purpose of which was to build co-operation on issues of the development of film and video as guided by Section 41 of the Constitution, on the principles of co-operative governance.

Government departments of Arts and Culture, Trade and Industry, Labour, Education, Foreign Affairs, Provincial and Local government, Communications and Home Affairs attended the Indaba. Also present were other state institutions like, the Industrial Development Corporation (IDC), the South African Broadcasting Corporation (SABC) and provincial film commissions.

The Film Indaba forums are a well established strategic discursive practice for the NFVF where role-players and stakeholders come together to interpret the statutory mandate of the NFVF, and co-create and co-formulate the film sector strategy and the NFVF strategic thrust. In this regard, the Film Indaba is a treasured asset that should be formalised, appreciated and be applied together with other asset artilleries to build the content industry sector, as the ICT convergence environment widens and deepens.

6.3.2 INTERNATIONAL PARTNERSHIPS

SWEDEN/SOUTH AFRICA EXCHANGE

The South African/Sweden three year exchange culminated in a series of seminars and exchanges between the Swedish Film Institute (SFI) and the NFVF. Film screenings were done in co-operation with Cinema Africa. South African filmmakers presented their productions with discussions on various topics such as production and distribution.

The outcome of the visit to Sweden was that the NFVF and the SFI will, in principle, collaborate on at least 3 projects; Digital distribution and exhibition in South African townships, a film in schools programme in South African schools, and an exchange of films between the Durban International Film Festival and the Gotenborg Film Festival.

6.3.3 INTERNATIONAL MARKETS AND FESTIVALS

The NFVF facilitates the South African presence at the following international markets and festivals:



- FESPACO – Pan African International Film Festival
- AFCI – Association of Film Commissions International
- MipTV/ MipCom – Television markets in Cannes, France
- Cannes International Film Festival

FESPACO

The 21st edition of the Pan African Film Festival was held in Ouagadougou, Burkina Faso from 28th February – 7th March 2009.

The NFVF led the South African delegation made up of the Department of arts & culture (DAC) officials, accompanied by Minister, Dr. Pallo Jordan, SABC executives, Mnet executives, the Gauteng Film Commission, Centre for Creative Arts (KZN), independent producers and filmmakers.

NFVF activities at FESPACO were to support the DAC's signing of a bilateral Arts and Culture agreement between the two countries, host a stand for the broadcasters and support all South African filmmakers during the festival. The honourable Minister signed the agreement on Monday, February 2nd 2009 as a follow up to the Department of Foreign Affairs lead bilateral talks in September 2008. The agreement serves to open channels of co-operation and dialogue in the fields of arts. The Ambassador Mr. D. Gantscho hosted the delegation during our stay.

South African productions on circuit were:

Feature Films:

- SKIN – Anthony Fabian

- IZULU LAMI (MY SECRET SKY) – Madoda Ncayiyana;
- NOTHING BUT THE TRUTH – John Kani,
- JERUSALEMA – Ralph Zimmerman,
- WHITE WEDDING- Jann Turner ;

TV Fiction:

- GUGU NO ANDILE – Minky Schlesinger,
- THE LAST SUPPER – Ritendra Naran;
- WHEN WE WERE BLACK – Khalo Matabane

Documentaries:

- COURTING JUSTICE – Jane Lipman,
- THE MANUSCRIPTS OF TIMBUKTU – Zola Maseko

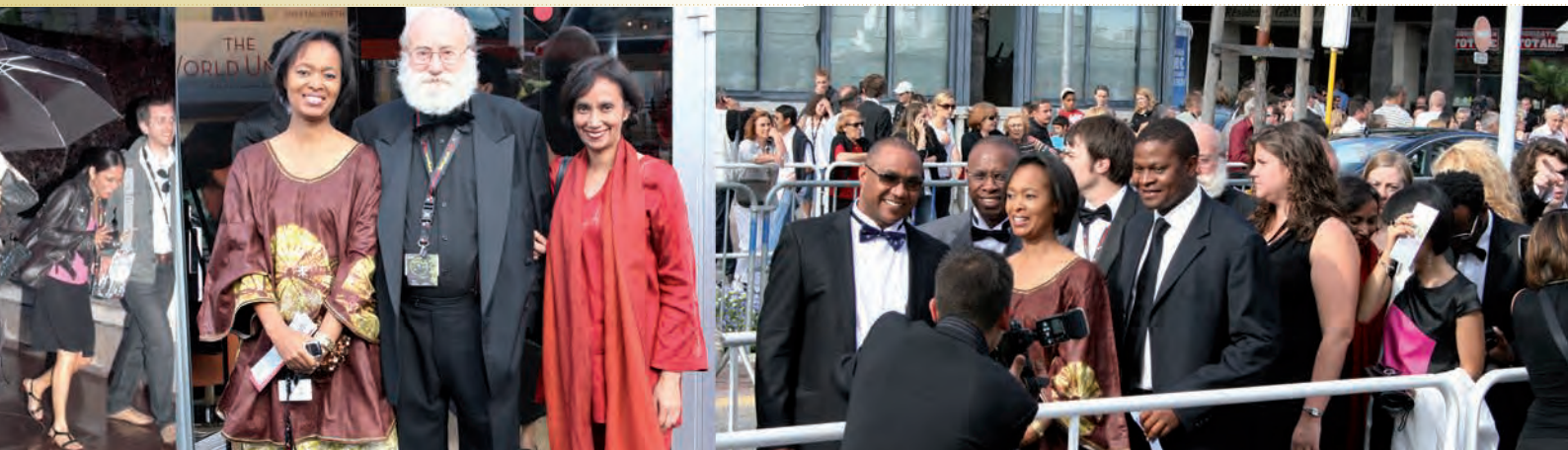
Of the above listed productions, South Africa won the following awards:

- NOTHING BUT THE TRUTH – Ousmane Sembene Peace Prize – Silver Stallion
- JERUSALEMA – Best Actor, Best Editing, Best Cinematography
- WHEN WE WERE BLACK – Best TV Series

AFCI - LOCATIONS EXPO AND SOUTH AFRICA TO HOLLYWOOD MEDIA EXCHANGE

The NFVF once more co-ordinated South Africa's participation at the AFCI - Association of Film Commissions International Locations Expo in Santa Monica. A platform at which the NFVF partnered with the dti, the Gauteng and Cape Town Film Commissions, and the Durban Film Office, to showcase South Africa as a filmmaking destination. The dti launched the new production incentive.





Cannes International
Film Festival 2008

The main elements of our presence were:

- South Africa's daily exhibition within the expo;
- A meeting facilitated by the NFVF for the dti to present the new production incentive to the Motion Picture Association of America;
- Media exchange meetings with Hollywood; engaging 18 entities who specialise in film and television production and distribution;
- A networking cocktail for independent producers and studio executives.

Promoting South Africa as a filmmaking destination is a key aspect of filming. We are very fortunate to have a world in one country. Location scouts are constantly looking for landscapes, city scapes, interiors, immediate exteriors and countrysides that are almost identical to commonly recognised structures and cityscapes, e.g. New York City, the French/Italian Alps, Miami Beach or 19th Century England. Southern Africa can cater for every location need and participation in this tradeshow promotes exactly these elements of our country.

South Africa won overall 2nd prize for the stand at the exhibition.

The NFVF and the South African Consulate hosted a networking function for our American partners and South African filmmakers in the USA.

MIPTV/MIPCOM

Our primary strategy was to facilitate and host the presence of South African broadcasters and producers at these annual television markets in Cannes, France. Our secondary objective

was to establish a base for South African producers present at the festival.

Both of these objectives were achieved with success. We hosted a truly South African pavilion at the markets. Under the South African banner together for the first time, the SABC and Mnet occupied space to conduct their business. Etv also used the stand for meetings. South African independent producers also utilised the stand as a base between meetings.

These television markets, alongside the newly formed DISCOP in Senegal are strategic platforms where all broadcasters go to buy and sell content. Independent producers also attend in order to sell their content for television broadcast.

Through the union with the broadcasters, we have witnessed an increasing interest in South African produced television content, another sign that our level of production is on par with global standards.

CANNES INTERNATIONAL FILM FESTIVAL

South Africa has had a presence at the Cannes International Film Festival for eleven years with the NFVF leading the delegation for the majority of those years. The festival is the largest showcase of films, globally. The NFVF hosted the national pavilion in partnership with the Department of Trade and Industry and the Gauteng Film Commission.

The NFVF marketing department developed a strategy for the festival entitled, "South Africa, Your Co-production Partner of Choice".





Intergovernmental Indaba

The main thrust of the strategy was to consolidate the gains of the last decade at the Cannes International Film Festival with the following objectives in mind:

- To celebrate the growth of the SA film industry;
- To provide a publication to explain and make accessible information on the A-Z of filmmaking in South Africa;
- To create promotional leverage and position the South African film industry in the global arena;
- To give the global community the opportunity to be fully conversant with filmmaking in South Africa.

The highlights employed to achieve the strategic objectives were:

- A conference themed “South Africa, Your Co-Production Partner of Choice”, in celebration of South Africa’s 11th year at the Cannes International Film Festival (1997 – 2008) at which the dti launched the film rebate scheme;
- South Africa on the Red Carpet;
- Producers Network – A spotlight on South Africa;
- South African networking event, at which we brought with us a truly South African DJ.

The marketing material to support these highlights were:

A conference document with extensive information on the South African film landscape in the areas of funding, macro-economic data on the growth of the sector, local content comparisons, a comprehensive film catalogue on all NFVF funded and supported films in all genres including Features, Documentaries, Shorts, Projects in Development, Project listings of all projects that have been approved and a Producer’s catalogue compiled with the assistance of SA film producers, offering full details and company profiles of all producers attending the festival, for purposes of co-production.

A brochure on co-producing with South Africa. A summary of all the financial instruments, incentives and opportunities for co-production. A generic brochure on the NFVF was also produced which gave information of all the functional areas of the organisation, its Vision, Mission and Moral Imperative.

These documents were well received at the Cannes International Film Festival. They all proved to be an invaluable tool for many visitors to the South African pavilion.

6.3.4 LOCAL FESTIVALS

ENCOUNTERS DOCUMENTARY FILM FESTIVAL

A festival with the defined focus on documentaries, celebrated its tenth year. The festival has grown exponentially by 800% with over 16 000 people in attendance and screening more than 53 documentaries in 27 days in Johannesburg and Cape Town. The festival has expanded to involve PDAs such as Diepkloof and Nyanga. The NFVF has been a principal funder and dedicated supporter of the event, increasing our visibility and interaction with the documentary genre.

OUT IN AFRICA SA GAY & LESBIAN FILM FESTIVAL

Our moral imperative stands in support of programmes that allow ordinary South Africans to bear influence on their own images. This festival foregrounds tolerance of all and so we again supported this film and documentary festival which is dedicated to the promotion of alternative lifestyles, addressing the low visibility of Lesbian, Gay, Bisexual, Transgender and Intersex individuals (LGBTIs) in South Africa. The festival opens platforms for dialogue on acceptance.

DURBAN INTERNATIONAL FILM FESTIVAL - DIFF

This year the festival celebrated its 29th year and it has grown in popularity and attendance annually. The festival reported its greatest support from the industry with over 200 South African and international filmmakers and industry professionals in attendance, the largest contingent ever. They expanded the training components to include filmmakers from other countries on our continent and had over 300 film screenings.

The NFVF facilitated a special screening on behalf of the Department of Arts and Culture of the documentary film “Bhambatha”. The Amakhosi of the Bhambatha clan were in attendance as well as representatives from the Bhambatha centenary committee, representatives from the national and provincial departments of Arts and Culture and representatives



from the office of the Premier. The screening was followed by a Q&A with the director.

KWAMASHU FILM FESTIVAL

Our commitment to developing local audiences extends into supporting festivals managed by local communities in the rural and township areas of our country. The KwaZulu-Natal African Film Festival, in its fifth year, reported success generally and expansion into the Pietermaritzburg region with total audiences reaching 10,560. The festival ran from 5 – 17 December 2008.

PARLIAMENTARY FILM FESTIVAL

Film is taken to Parliament through the Parliamentary Millennium Programme, giving the members of parliament a week long engagement on South African film product. Held annually, this third edition of the festival gave us the opportunity to make visible our output to the government. Filmmakers and films on circuit were:

- SKIN – (Producer) Genevieve Hofmeyer, (Actor) Tony Kgoroge and Sandra Laing
- SPIDERMAN AND ROMEO - Siffso Khanyile
- ZIMBABWE – Darryl Roodt
- JESUS AND THE GIANT – Akin Omotoso
- BRAM FICSHER STORY – Ilze Wilson
- MORE THAN JUST A GAME – Marcus Solomon & Sedgwick Issacs

APOLLO FILM FESTIVAL

The Apollo Film Festival is a local festival run by the community of Victoria West in the Northern Cape. The NFVF has been a funder since inception, eight years ago and has been the principal funder since 2004. Apollo is another example of successful audience development. The community has become enthusiastic, dedicated and actively involved in the film festival. This initiative results in economic opportunities and job creation.

A total of 47 films were presented; 9 features, 14 documentaries and 24 short films. The festival ran from the 2nd-5th October 2008.

6.3.5 SOUTH AFRICAN FILM AND TELEVISION AWARDS

The South African Film & Television Awards (SAFTA) is an annual celebration, awarding the best in film & television talent South Africa has to offer.

The 3rd Annual SAFTA ceremonies were held on Saturday, February 7th at the State Theatre in Tshwane. The main event was broadcast live on SABC 2. The objectives of the awards are to celebrate excellence, encourage entrepreneurship and the development of new talent, as well as profiling celebrated South African talent and product to national and International markets.

This year, over 75 practitioners, were awarded with the Golden Horn statuette. Lifetime Achievement awards went to Cynthia Shange for her life of outstanding performance and Carl Fischer for entrepreneurship and leadership within the industry.

PriceWaterHouse Coopers issued a certificate pronouncing the judging process of 2.5 months to be free and fair.

The awards are an industry programme developed and managed by the industry at large. The Awards Committee is made up of industry bodies; the Independent Producer's Organisation (IPO), The Producer's Alliance (TPA), the Performer's Management Association (PMA), the Black Film Makers Network (BFN), the broadcasters Mnet, SABC, eTV and the NFVF.

Attending this year's event were the nominees, nominated production houses and team members, the media, the broadcasters, national distributors, selected business persons and government officials.



6.3.6 COMMUNICATIONS

The NFVF makes use of three mediums to communicate to the broader community. Inside Film SA – IFSA is the official journal of the NFVF. Issued quarterly, the publication aims to profile and promote the South African film industry on both a local and international level. It was designed to create a viable and attractive medium for potential advertisers, work to uplift the work done by the industry and showcase the outputs. We have distributed the publication on 4 international platforms and all local festivals and markets. We also distribute to our partners in the public, private and diplomatic sectors.

The newsletters and the website are the online tools that the NFVF uses to communicate developments within the organisation and our immediate industry. The newsletter is issued bi-weekly and the website is live daily.

6.3.7 EDUCATION ROAD SHOWS

GRAHAMSTOWN

The “Arts in Education” National Schools Festival is held every year post the Grahamstown Arts Festival. In existence for 33 years, the aim of the festival is to expose grade twelve (12) students who are interested in a career in the arts, to the wide range of possibilities that are available. The festival is run by the Grahamstown Foundation. The NFVF participated for the first time to expose the pupils to careers in the film industry and to promote the NFVF’s bursary programme. The NFVF hosted an information stand where NFVF literature was disseminated and facilitated for filmmakers to give lectures at the festival.

SABC CAREERS FAIR

The Film and Publications Board (FPB) and the NFVF partnered at the SABC Career Fair held in Cape Town, Bellville, 28th - 30th May, 2008.

The objective was to interact with pupils of school-going age before they make the decision as to which direction they take after school. We distributed general information on the industry and specific information on the bursary scheme.

NFVF / POLOKWANE ARTS FESTIVAL

We served as a participant and guide for the film sector of the Polokwane Arts Festival. A day was set aside for NFVF promotional activities.

FILM WEEKS AND FACILITATION

The NFVF was requested to make recommendations for film titles for several film festivals taking place in different parts of the world as follows:

- Cairo Film Festival 18th – 28th November 2008.
- Carthage Film Festival – 25th October – 1st November 2008.
- Moscow Film Week in conjunction with the South African embassy in Russia: 24th – 28th September.

WOMEN’S DAY – NORTH WEST PROVINCE.

The DAC requested the NFVF to assist in identifying titles and women filmmakers who could participate in a special screening programme as part of the national celebrations for Women’s Day in the North West Province. Filmmakers in attendance were:

- Linda Titus – IRON LADIES OF LIBERIA
- Xoliswa Sithole – SHOUTING SILENCE
- Bridgette Pickering- COURTING JUSTICE

6.3.8 THE OSCARS

The NFVF facilitated the South African nomination of “Jerusalema” for Best Foreign Language Film for the Oscars.



7. CORPORATE GOVERNANCE REPORT

BACKGROUND

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.

YEAR IN REVIEW

During the financial year ended 31 March 2009, the NFVF's internal auditors, SizweNtsaluba, conducted the following internal audits:

- Performance Information
- Supply Chain Management, Financial Discipline and Human Resources
- Compliance Review
- IT General Controls
- AG follow up review

No significant findings were reported on any of the above audits.

A Risk Assessment Workshop was also conducted with Audit Committee members and the executive management team on the 18th of February 2009 to review and update the NFVF risk register.

Based on the outcomes of the risk assessment, a 3-year Rolling Internal Audit Plan was drafted and presented to the Audit Committee on the 20th March 2009.

In accordance with the NFVF Act 73 of 1997, four Council meetings were held on the 17th of July 2008, 9th of October 2008, 11 December 2008 and 26 March 2009.

In accordance with its charter, three Audit Committee meetings were held on the 14th of July 2008, 21 November 2008 and 20th of March 2009.

A strategy session was held with Council members on the 28th and 29th of November 2008 to discuss the strategic way forward of the NFVF.



ABOVE: Behind the scenes "SKIN"
BELOW: Scenes from "SKIN"

8. HUMAN RESOURCE MANAGEMENT

8.1 HUMAN RESOURCES STRATEGY

The NFVF's Human Resources Strategy was developed to support the human capital needs of the organization that are necessary for the achievement of NFVF's strategic objectives. The NFVF's Human Resources Strategy therefore provides a proactive framework on how the NFVF addresses the human capital challenges faced by the organisation.

Driven by the NFVF's vision, the Human Resource Strategy seeks to achieve the following:

- Provide an environment that will help all employees to reach their full potential and to excel in all areas of activity;
- Demonstrate fairness, equality of opportunity and respect to everyone at all times;
- Maintain high ethical and professional standards at all times;
- Ensure that continuous improvement drives all areas of performance within the organisation;
- Allow innovation that questions accepted views and defend independence of thought;
- Facilitate the empowerment of others, encourage collaboration, teamwork and the eradicating of silos between employees and functional areas;
- Continuously celebrate and reward outstanding performance and success;
- Demonstrate integrity by being sensitive to customers' needs and handle all matters raised with the confidentiality it deserves. HR strives to use consistent and objective standards throughout its interaction with stakeholders.

The Human Resource Strategy, therefore, has implications over several areas: on the type of employees that the NFVF needs, decisions regarding remuneration of its employees, how performance is managed and excellence rewarded, skills development and retention, policies and procedures and internal communication.

8.2 PERFORMANCE MANAGEMENT

The success of the NFVF in delivering its operational and developmental goals depends largely on the effectiveness and efficiency with which its employees carry out their tasks. A Performance Management System is a key tool to monitor and manage employee and organisational performance.

The focal point of the NFVF's performance management framework is to give guidelines on how the NFVF evaluates individual employee performance and is also utilised to generate appropriate solutions and responses to the employee's developmental needs.

The performance management framework consists of the following;

- Performance management process;
- NFVF performance management system;
- Roles and responsibilities;
- Guidelines on how to deal with non-performance;
- Rewarding of exceptional performance;
- Dispute Resolution.





8.3 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 schemes for all employees as well as a comprehensive medical aid scheme.

8.4 STAFF TURNOVER

During the period under review (01 April 2008 – 31 March 2009), 3 employees left the organization and 5 new employees were appointed.

8.5 EMPLOYEE RELATIONS

Human Resources play an important role by providing counsel to employees in need by offering advice and

acting as a facilitator in order to resolve grievances in a proactive manner that promotes sound labour relations. This consultation and counselling service is growing with both staff and management continuously utilising it.

8.6 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 representivity:

OCCUPATION LEVEL	FILLED	BLACK		WHITE	
		M	F	M	F
Top Management	1	1	0	0	0
Senior Management	6	2	4	0	0
Middle management and experienced specialists	4	1	3	0	0
Junior Management / Supervisor and high level skilled	14	3	9	0	2
Lower level and semi-skilled/clerical	1	0	1	0	0
Very low skilled	1	0	1	0	0
TOTAL	25	7	18	0	2
		28%	72%	0%	8%





9. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2009.

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 (2008/2009), the committee met on 14 July 2008, 21 November 2008, and 20 March 2009.

NAME OF MEMBER

Mr Glynn O'Leary – External member (chairperson)
Mr Motsamai Karedi – 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 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 is satisfied that these statements comply, in all material respects, with the requirements of the PFMA, 1999, as amended, and South African Statements of Generally Accepted Accounting Practice.

G O'LEARY

Chairperson of the Audit Committee





ABOVE: Behind the scenes "SKIN"
BELOW: Scenes from "SKIN"

10. ANNUAL FINANCIAL STATEMENTS

NATIONAL FILM AND VIDEO FOUNDATION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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THE ANNUAL FINANCIAL STATEMENTS WERE APPROVED BY THE ACCOUNTING
AUTHORITY ON 31 MAY 2009 AND ARE SIGNED BY:

T.C. Mampane
Chairperson

K.E. Mbalo
Chief Executive Officer



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 2009

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 2009 and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 68.

The accounting authority's responsibility 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 National Treasury as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

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 read with *General Notice 616 of 2008*, issued in *Governemnt 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 about 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. 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 2009 and its financial performance and its 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 to the financial statements and in the manner required by the PFMA.

Basis of Accounting

8. Without qualifying my opinion, the public 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.



Other matters

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

Governance Framework

9. The governance principle that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below:

Key Governance Responsibilities

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 key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 55 of the PFMA).	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The entity had an audit committee in operation throughout the financial year.	✓	
	• The audit committee operates in accordance with approved written terms of reference.	✓	
	• 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.	✓	
7.	Internal audit		
	• The entity had an internal audit function in operation throughout the financial year.	✓	
	• The internal audit function operates in terms of an approved internal audit plan.	✓	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	✓	



12.	Powers and duties assigned are in place, as set out in section 56 of the PFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA resolutions have been substantially implemented.	n/a	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information	✓	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the National Film and Video Foundation against its mandate, predetermined objectives, outputs, indicators and targets. (Treasury Regulation 29.1/30.1).	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

11. I have reviewed the performance information as set out on pages 16 to 25.

The accounting authority's responsibility 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.

The Auditor-General's responsibility

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.

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
31 July 2009



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Behind the scenes "SKIN"

NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2009

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 2009.

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)

Mr M Ngonyama (Deputy Chairperson)

Ms. N Sowazi

Ms. A Lebethe

Mr M Rosin

Ms. S Gordon

Mr M Smit

Mr M Mphomela

Ms. N Bulbulia

Mr S Bhembe

Mr D Bensusan

Prof. P Ntuli

Adv. R Solomon

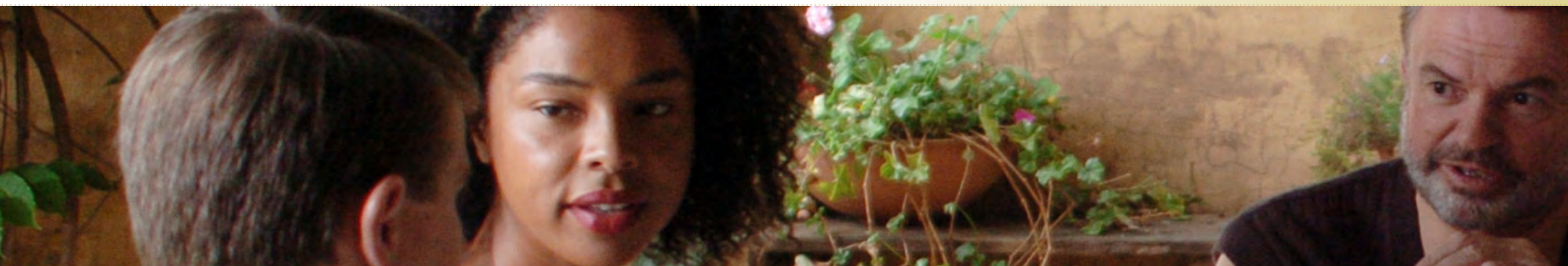
3. ORGANISATIONAL STRUCTURE

The organisation currently employs 22 permanent staff including the chief executive officer and 4 executive managers. 5 additional staff members were employed during the year, and 3 employees resigned.

REMUNERATION FOR THE YEAR

Non-executive directors : Council

Director	Amount	Number of Meetings			
		Council 5 meetings	Exco 3 meetings	HR 2 meetings	Other 2 meetings
Ms. C Mampane	R 34 000	4	3		1
Mr M Ngonyama	R 41 000	5	2		2
Ms. N Sowazi	R 18 000	3			1



Scenes from “SKIN”

Director	Amount	Number of Meetings			
Ms. A Lebethe	R 31 000	4		2	1
Mr M Rosin	R 14 000	1	3		
Ms. S Gordon	R 20 000	4			
Mr M Smit	R 25 000	4			1
Mr M Mphomela	R 30 000	5			1
Ms. N Bulbulia	R 5 000	1			
Mr S Bhembe	R 26 000	3	2		1
Mr D Bensusan	R 33 000	5		1	1
Prof. P Ntuli	R 29 000	3	1	2	1
Adv. R Solomon	R 30 000	5			1

Audit Committee

Audit Committee Member	Amount	Number of meetings attended (3 meetings)
Mr G O’Leary (Chairperson)	R 9 000	3
Mr C Mullin	R 6 000	2
Mr M Karedi	R 6 000	2
Ms. N Sowazi	R 6 000	2
Ms. N Bulbulia	R 6 000	2

Executive Management:

	Basic Salary	Bonus	Allowances	Contributions	Total
CEO	810 068	271 023	12 000	129 462	1 222 553
CFO	552 087	46 507	6 000	7 009	611 603
Head: Marketing (6 months)	285 043	30 597	6 000	25 283	346 923
Head: Policy and Research	312 272	28 278	4 000	68 658	413 208
Head: Human Resources	417 887	35 831	6 000	56 348	516 066

4. PRINCIPLE ACTIVITIES

The principle 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 509 424 (2008 deficit: R 1 298 555 as restated)



6. REVIEW OF OPERATIONS

REVENUE

Revenue comprises funding received from Government, sponsors and other stakeholders.

The increase in revenue is attributable to 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, MIPTV and Cannes.

OPERATING EXPENSES

3 staff members resigned and 5 new staff members were employed during the current financial year. The organisation hosted the third annual South African Film and Television Awards (SAFTA) in March 2009. The Foundation partnered with SABC and MNet to attend the MIPTV and MIPCOM markets in Cannes, France.

7. EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION 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:

Business address / domicile:

87 Central Street
Houghton
2198

Postal address:

Private Bag X04
Northlands
2116

Registered address:

87 Central Street
Houghton
2198



NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 R	2008 R
Revenue	5	49,256,928	43,267,208
Grant expense	6	(36,451,780)	(31,731,794)
Provision for loans recoverable	7	-	(1,500,000)
		12,805,148	10,035,414
Operating expenses	8	(14,251,990)	(12,170,918)
(Loss) from operations		(1,446,842)	(2,135,504)
Prior year adjustment	9	-	72,738
Investment income	10	937,418	764,211
Deficit for the year		(509,424)	(1,298,555)

NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2009

	Note	2009 R	2008 R
ASSETS			
Non Current Assets		1,021,972	1,176,032
Plant and equipment	2	825,412	979,472
Rental deposit		196,560	196,560
Current Assets		14,218,188	15,461,725
Cash and cash equivalents	14	9,033,516	9,019,842
Receivables	3	1,859,960	3,143,079
Prepayments		3,324,712	3,298,804
TOTAL ASSETS		15,240,160	16,637,757
LIABILITIES			
Accumulated surplus		1,910,158	2,419,582
Current Liabilities		13,330,002	14,218,175
Accounts payable	4.1	1,301,437	860,473
Provisions	4.2	12,028,565	12,494,903
Deferred income	4.3	-	862,799
TOTAL NET ASSETS		15,240,160	16,637,757



Scenes from "SKIN"

NATIONAL FILM AND VIDEO FOUNDATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 R	2008 R
Net cash flows used in operating activities		384,172	1,382,099
Cash received for grants		49,245,668	43,267,208
Interest income	10	937,418	764,211
Adjustment for write-off		11,259	-
Cash paid to employees, suppliers & projects		50,179,211	44,886,915
Cash generated from / (utilised in) operations	11	15,134	(855,494)
Changes in working capital	12	369,038	2,237,593
Net cash flows used in investing activities		(370,498)	(495,826)
Purchase of plant and equipment	13	(370,498)	(495,826)
Net increase in cash and cash equivalents		13,674	886,273
Cash and cash equivalents at the beginning of the year		9,019,842	8,133,569
Cash and cash equivalents at the end of the year	14	9,033,516	9,019,842



NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2009

	Accumulated Surplus	Total
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	(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 reported	442,861	442,861
Prior year adjustment	(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
Deficit for the year ended 31 March 2008 as previously reported	(1,371,293)	(1,371,293)
Prior year adjustment (Note 9)	72,738	72,738
Balance as at 31 March 2008 as restated	2,419,582	2,419,582
Deficit for the year ended 31 March 2009	(509,424)	(509,424)
Balance as at 31 March 2009	1,910,158	1,910,158



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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:

STANDARD OF GRAP

GRAP1 - Presentation of financial statements
GRAP2 - Cash flow statements
GRAP3 - Accounting policies, changes in accounting estimates and errors

REPLACED STATEMENT OF GAAP

AC101 - Presentation of financial statements
AC118 - Cash flow statements
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

STANDARD OF GRAP

Statement of financial performance
Statement of financial position
Statement of changes in net assets
Net assets
Surplus/deficit for the period
Accumulated surplus/deficit
Contribution from owners
Distribution to owners
Reporting date

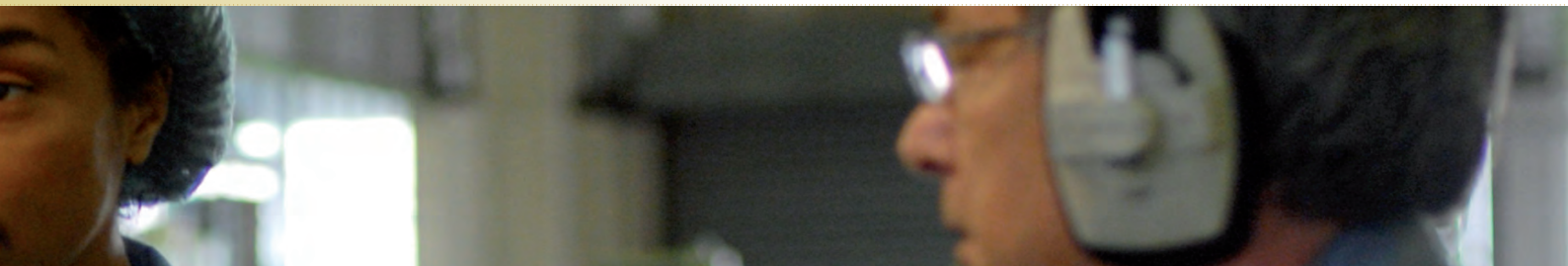
REPLACED STATEMENT OF GAAP

Income statement
Balance sheet
Statement of changes in equity
Equity
Profit/loss for the period
Retained earnings
Share capital
Dividends
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.



NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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 been 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

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 fittings	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 statement of financial position 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.



ABOVE: Behind the scenes "SKIN"
BELOW: Scenes from "SKIN"

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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 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 2009

2. Plant and Equipment

	R	R	R	R	R	R
	Computer hardware	Furniture & fittings	Computer software	Motor Vehicles	Office equipment	Total
Net book value at 1 April 2007	129,402	712,330	76,240	-	81,472	999,444
Additions	129,521	123,745	30,989	183,015	28,556	495,826
Write-offs	-	-	-	-	-	-
Depreciation	119,033	274,012	69,429	15,251	38,073	515,798
Net book value at 31 March 2008	139,890	562,063	37,800	167,764	71,955	979,472
Cost as at 31 March 2008	881,642	1,957,954	526,015	183,015	313,547	3,862,173
Accumulated Depreciation	741,752	1,395,891	488,215	15,251	241,592	2,882,701
Net book value at 31 March 2008	139,890	562,063	37,800	167,764	71,955	979,472

Net book value at 1 April 2008	139,890	562,063	37,800	167,764	71,955	979,472
Additions	307,994	25,117	-	-	37,387	370,498
Write-offs	11,259	-	-	-	-	11,259
Depreciation	131,814	280,835	34,061	36,603	29,986	513,299
Net book value at 31 March 2009	304,811	306,345	3,739	131,161	79,356	825,412
Cost as at 31 March 2009	1,189,636	1,983,071	526,015	183,015	350,934	4,232,671
Accumulated Depreciation	884,825	1,676,726	522,276	51,854	271,578	3,407,259
Net book value at 31 March 2009	304,811	306,345	3,739	131,161	79,356	825,412





NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

3.1 Receivables

	2009 R	2008 R
Sundry debtor - Loan to Short End Pictures	20,547	26,858
Discounted amount	16,858	23,457
Interest receivable	3,689	3,401
Sundry debtor - SABC: Sediba, Fespaco & MIPTV	323,992	2,855,563
Discounted amount	313,477	2,750,899
Interest receivable	10,515	104,664
Sundry debtor - Dreamworks	-	20,000
Discounted amount	-	19,799
Interest receivable	-	201
Sundry debtor - DAC	476,943	128,513
Discounted amount	471,957	122,198
Interest receivable	4,986	6,315
Sundry debtor - Dti	906,937	-
Discounted amount	906,937	-
Interest receivable	-	-
Sundry debtor - MNET	89,609	60,000
Discounted amount	88,045	59,396
Interest receivable	1,564	604
Sundry debtor - Film & Publications Board	41,006	52,145
Discounted amount	41,006	52,145
Interest receivable	-	-
Sundry debtor - T Mdhuli	926	-
Discounted amount	926	-
Interest receivable	-	-
Sundry debtor - Sithengi	-	-
Discounted amount	1,500,000	1,500,000
Less: Provision for bad debts	(1,500,000)	(1,500,000)
Total	1,859,960	3,143,079

A loan to Sithengi has been granted on the 11th of August 2006 of R5 000 000.00. As at 31 March 2009 an amount of R 1500 000.00 is still outstanding. A provision for the impairment of this debt was made at 31 March 2008.

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Debtors are discounted using an effective interest rate that is recognised on a time proportioned basis taking into account the principal outstanding as at 31 March 2009.

2009	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
Gross Accounts receivable	410,062	122,414	-	-	2,827,484	3,359,960
Allowance for impairment (Note 3.2)	-	-	-	-	(1,500,000)	(1,500,000)
Nett accounts receivable	410,062	122,414	-	-	1,327,484	1,859,960
2008						
Gross Accounts receivable	112,145	128,513	-	-	4,402,421	4,643,079
Allowance for impairment (Note 3.2)	-	-	-	-	(1,500,000)	(1,500,000)
Nett accounts receivable	112,145	128,513	-	-	2,902,421	3,143,079

3.2 Reconciliation of impairment of accounts receivable

Balance at the beginning of the year	-	-	-	-	1,500,000.00	1,500,000.00
Amounts utilised for write-offs	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-
Provision raised	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	1,500,000.00	1,500,000.00

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

4.1 Accounts payable

Sundry creditor - scholarship fund
Medical aid provision
Provident fund provision
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 2008
New grants issued (note 6)
Payments for the year
Closing Balance as at 31 March 2009

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

	2009 R	2008 R
	-	25,776
	37,045	32,097
	-	84,367
	165,769	176,273
	1,098,623	541,960
	1,301,437	860,473
	12,273,921	8,220,198
	36,451,780	31,731,794
	(36,937,269)	(27,678,071)
	11,788,432	12,273,921
	220,982	225,371
	(220,982)	(225,371)
	240,133	220,982
	240,133	220,982
	12,028,565	12,494,903
	753,449	957,871
	(753,449)	(204,422)
	-	753,449
	109,350	-
	-	109,350
	(109,350)	-
	-	109,350
	-	862,799



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

5. Revenue

	2009 R	2008 R
Department of Arts and Culture - annual allocation	37,895,000	36,651,000
Department of Arts and Culture - special projects	564,184	642,565
Department of Arts and Culture - Bambatha documentary	400,000	-
South African Broadcasting Corporation	7,173,787	4,579,963
South African Film and Television Awards (SAFTA) fees	69,851	158,650
Brand Neu Agency - SAFTA	-	326,819
Gauteng Film Office	428,795	45,117
Cape Film Commission	127,318	45,117
Durban Film Office	96,016	-
Department of Trade and Industry	634,000	446,659
Department of Communications - Ten Commandments	862,799	204,422
Film and Publications Board	210,000	-
Stitching Freeway Custody - Tsotsi recoupment	-	21,345
Teaching Screen Productions - "Uranium Road" recoupment	6,029	-
Back to the Wall - Licensing "Flowers of Revolution"	-	84,211
M-Net	745,301	60,000
Sale of SEDIBA books	1,000	1,340
Grant recovery from Ikho Productions	10,000	-
Rialto Film Week	11,557	-
Proceeds from insurance claim from stolen laptop	21,291	-
	49,256,928	43,267,208



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

		2009 R	2008 R
6.Grants expense			
Training & Bursaries		6,523,271	4,762,045
Script Development		2,007,191	1,649,124
Production		6,310,605	7,755,000
Research Projects		576,239	449,479
Distribution & Marketing		21,034,474	17,116,146
		36,451,780	31,731,794
7. Provision for loan recoverable			
Sithengi recoverable loan		-	1,500,000
8 .Operating expenses			
Included in the operating expenses are the following:			
Audit fees		269,772	265,370
Consulting services		810,624	498,043
Internal audit fees		578,193	457,700
Professional services - staff recruitment		101,947	-
Website expenses		130,484	40,343
Councillor's services			
Honorarium - council meetings	8.1	348,000	170,000
Depreciation		513,299	515,798
Computer hardware		131,814	119,033
Furniture & fittings		280,835	274,012
Computer software		34,061	69,429
Motor Vehicles		36,603	15,251
Office equipment		29,986	38,073
Panellist fees		160,200	118,564
Rent paid		1,437,698	1,193,833
Salaries and Wages		7,740,240	6,634,699
Salaries and wages - Executive Management	8.2	3,110,353	2,530,419
Salaries and wages - other staff		4,629,887	4,104,280
Travel and accommodation		350,434	379,630



Scenes from "SKIN"

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

8.1 Honorarium - council services

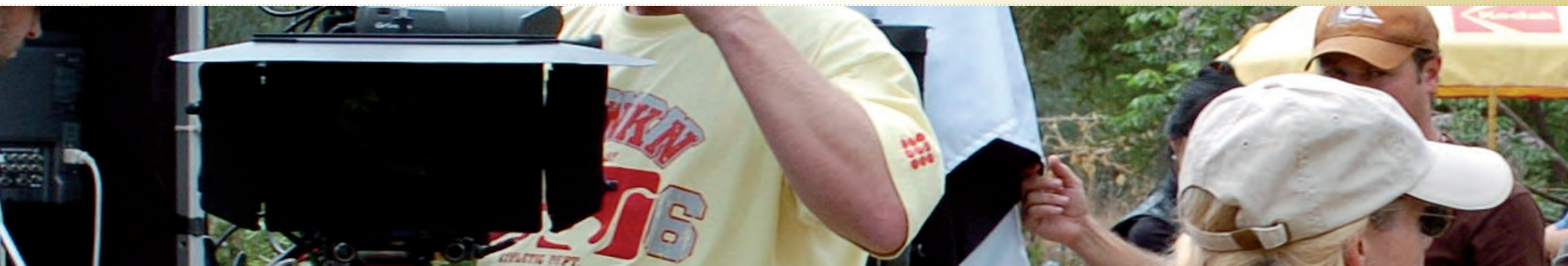
	2009 R	2008 R
Ms C Mampane	348,000	170,000
Mr M Rosin	34,000	20,000
Ms N Sowazi	14,000	20,000
Mr M Ngonyama	24,000	15,000
Ms A Lebethe	41,000	15,000
Ms S Gordon	31,000	10,000
Mr M Smit	20,000	5,000
Mr M Mphomela	25,000	10,000
Ms N Bulbulia	30,000	10,000
Mr S Bhembe	11,000	5,000
Mr D Bensusan	26,000	10,000
Prof P Ntuli	33,000	15,000
Adv. R Solomon	29,000	15,000
Mr M Vundla	30,000	10,000
Mr G O'Leary	-	5,000
	-	5,000

8.2 Executive Management Salaries - 2009

	Basic Salary	Bonus	Allowances	Contributions	Total
Chief Executive Officer	810,068	271,023	12,000	129,462	1,222,553
Chief Financial Officer	552,087	46,507	6,000	7,009	611,603
Head: Marketing (6 months)	285,043	30,597	6,000	25,283	346,923
Head: Policy & Research	312,272	28,278	4,000	68,658	413,208
Head: Human Resources	417,887	35,831	6,000	56,348	516,066
	2,377,357	412,236	34,000	286,760	3,110,353

Executive Management Salaries - 2008

	Basic Salary	Bonus	Allowances	Contributions	Total
Chief Executive Officer	747,969	63,081	12,000	107,859	930,909
Chief Financial Officer	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
	2,050,370	170,703	30,000	279,346	2,530,419



Behind the scenes "SKIN"

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

9. Prior year adjustment

1. A provident fund expense relating to March 2008 was only recognised during the year ended 31 March 2009 thereby understating expenses for the year ending 31 March 2008
2. The rental for April 2008 was recorded as an expense in March 2008 thereby overstating the expenses for year ending 31 March 2008.

These changes in treatment of expenditure has been accounted for retrospectively. The comparative statements for 2008 have therefore been restated to conform to this change in treatment. The effect of the change is:

	Accounts Payable	Prepayments	Accumulated Surplus
Opening balance as previously reported 31 March 2008	(823,853)	3,189,446	(2,346,844)
1. Adjustment for 2008 provident fund expense	(36,620)	-	36,620
2. Adjustment for 2008 rental expense prepaid	-	109,358	(109,358)
Restated opening balance at 31 March 2008	(860,473)	3,298,804	(2,419,582)

10. Investment income

	2009 R	2008 R
Interest income	937,418	764,211
Loan - Short End Pictures	3,689	3,401
Loan - DV8	136,867	-
Bank deposits	796,862	760,810

11. Cash generated from / (utilised in) operations

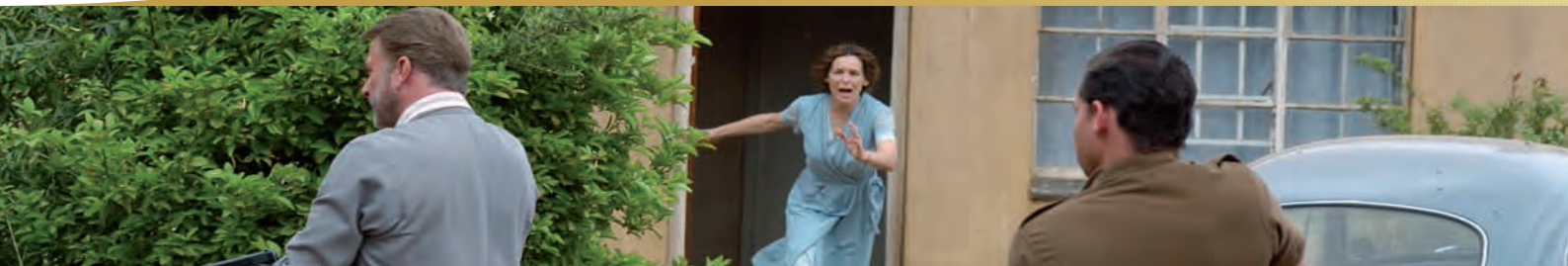
	2009 R	2008 R
Net operating (loss)	(1,446,842)	(2,135,503)
Interest received	937,418	764,211
Adjustment for write-off	11,259	-
Adjustment for depreciation	513,299	515,798



NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

	2009 R	2008 R
12.Changes in working capital	369,038	2,237,593
Decrease/(Increase)in debtors	1,257,211	(1,647,030)
(Decrease)/Increase in creditors	(888,173)	3,884,624
13.Purchase of plant and equipment	(370,498)	(495,826)
Furniture & Fittings	(25,117)	(123,746)
Office Equipment	(37,387)	(28,556)
Motor Vehicles	-	(183,015)
Computer Software	-	(30,988)
Computer Hardware	(307,994)	(129,521)
14.Cash and cash equivalents	9,033,516	9,019,842
First National Bank	466,253	97,388
Corporation for Public Deposits	8,565,263	8,920,454
Petty Cash	2,000	2,000
15. Lease arrangements		
15.1 Operating lease agreements		
At the statement of financial position date the organisation had outstanding commitments which relates to various operating leases and falls due as follows:		
Up to 1 year	2,193,586	1,241,670
1 to 5 years	10,185,316	542,088
	12,378,902	1,783,758



NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

Rental:

The building lease expired on 31 December 2008. The lease was renewed for a further 5 year term from 01 January 2009 - 31 December 2013

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

The lease for the period 1 January 2009 to 31 December 2009 was R138 860.00

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

National Samsung - PABX System

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

National Samsung - Equipment

This is a 60 month contract allowing for 15% escalation fee annually. This lease was entered into on 01 September 2008

Hydro Health Rentals

An operating lease is held with Hydro Health Rentals for the rental of water coolers for an amount R592.85 per month

The lease period is from May 2006 to May 2009 with an annual escalation of 7.5% annually

16. Material losses through criminal conduct

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

17. Irregular expenditure

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

18. Fruitless and wasteful expenditure

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

19. Related parties

	2009 R	2008 R
Amounts due by related parties		
Department of Arts and Culture	476,943	128,513
Amounts received from related parties		
Department of Arts and Culture	38,382,241	37,293,565

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

The NFVF Executive management only receive remuneration for salaries.

There are no further payments expedited to the above members.



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