

2010

REFLECTING ON 10 YEARS OF THE NFVF



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NATIONAL FILM AND VIDEO FOUNDATION
ANNUAL REPORT 2010



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Ms C Mampane
Chairperson: NFVF

A handwritten signature in black ink, appearing to read 'KE Mbalo', written over a horizontal line.

Mr KE Mbalo
CEO: NFVF

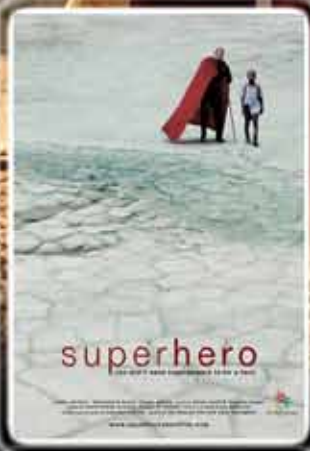
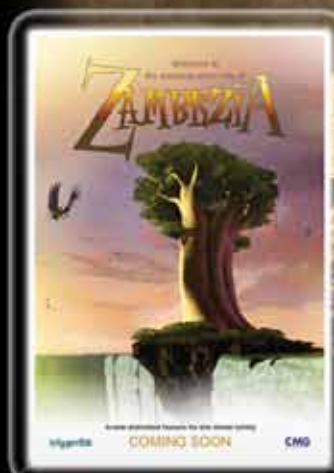
WE HEREBY HAVE THE HONOUR OF SUBMITTING THE ANNUAL REPORT OF THE NATIONAL FILM AND VIDEO FOUNDATION FOR THE YEAR 01 APRIL 2009 TO 31 MARCH 2010.



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1. FOREWORD BY MINISTER OF ARTS AND CULTURE MS. LULU XINGWANA

We are writing this foreword on the occasion of the NFVF's 10th anniversary. It is also the end of term for the NFVF's Council under the leadership of Ms. Charlotte Mampane. We take this opportunity to congratulate the outgoing Council and its management for a sterling job in reaching some critical milestones geared at the development of the South African Audiovisual Industry.

We note the successful launch of the South African Film and Television Awards (SAFTA) in 2005. The awards seek to appraise and honour excellence in the Film and Television Industry. In 2010 the SAFTA's were hosted successively for the fourth time, which augers well for the development of the Audiovisual industry in South Africa. SEDIBA, the NFVF's flagship skills development programme continues to do exploits in the Industry and has added a new dimension by introducing, in 2009, an Advanced International Financing programme directed at experienced producers in television drama and feature film products. We are hoping that this programme will soon be able to bear fruits. It is time South Africa produces a definitive movie.

It is within this anniversary that we have seen the signing of Co-production treaties with a number of Countries, starting with Canada in 1997, Italy in 2003, Germany in 2005 and the United Kingdom in 2007. We have recently signed two more Co-production Treaties with France and Australia and two are in the pipeline with New Zealand and Ireland. We are currently working on a first African Co-production Treaty with Algeria informed by the recent Presidential visit to Algeria. Co-production treaties are signed by national governments in order to promote and facilitate cultural exchanges and collaborations amongst audio visual industries, aiming to promote and nurture the local industry by defining the rules of engagement in the mobilisation of resources especially access to public funds. We urge the audiovisual industry to judiciously utilize these instruments to maximize the impact of the sector. Treaties alone do not produce films, but future dynamic interaction between producers creates possibilities of strong business relations.

In 2009 we saw the launch of the NFVF's New Ventures Division geared at distribution. Skin was the movie used as a pilot for this





division. Skin is a Co-production film between the United Kingdom and South Africa. We believe by strengthening different facets of our value chain will place us in the forefront of preserving our culture, creating decent work and sustainable livelihoods which remain our core focus. We hope that informed interventions will give rise to concrete platforms and frameworks that will aptly give expression to our strategic thrusts and put together mechanisms that would help us compete with the best in the world, develop audiences, foster appreciation for our home grown talent and strengthen enterprises within the sector. It is critical that we arrest the trend which has seen us as the top thirteen net importers in the world of filmed entertainment as alluded to in the NFVF's Business Case, by producing more local film products and securing more space for them locally.

We beseech the industry and the people of South Africa to jealously guard the independence of the NFVF and ensure that it carries out its mandate without fear or favour. We are resolute in ensuring that this sector contributes to the national imperatives of developing and promoting the arts, culture and heritage sectors in South Africa and mainstreaming its role in social development. To be a platform through which the development and promotion of the official languages of South Africa and the enhancement of the linguistic diversity of our country can be carried out; thereby, improving economic and other development opportunities for South African Cinema and the broader audiovisual industries.

Having reached the 10th anniversary milestone, it's opportune that we conduct an impact assessment that will look at a number of issues pertinent to the growth and development of the industry. We will primarily look at institutional blockages to the value chain efficiencies and where institutional failure is now and in the future, that is hampering growth and development. In completing the impact assessment of the NFVF we will further focus on establishing greater monitoring and evaluation, research, benchmarking and planning capabilities. We will revive our sectoral policy and strategy framework stated by

the Creative Industries Growth Strategy (CIGS) to inform spatial and nodal development path. It has become clear that the absence of a growth trajectory policy and strategy framework shapes inadequate leadership to institutional linkages and efficiency.

In conclusion as the Ministry of Arts and Culture, we believe that arts, culture and heritage are the cornerstone, the soul and the architect of our nation. Arts, culture and heritage have an important role to play in shaping our identity as a nation - a nation united in diversity, a nation that has overcome adversity and a nation founded on the noble principles of equality and human dignity for all. The challenge we face, going forward, is to continue highlighting the social, political and economic contribution of the cultural industries and ensure that it is given the prominence it deserves. This must go hand in hand with the development of concrete programmes which seek to elevate the role of the arts, culture and heritage as well as practitioners in this field.

As the Department of Arts and Culture, we have set ourselves the objective of continuing to engage with practitioners in this sector, including its luminaries. This we are doing with a view to ensure that this sector contributes to the national effort to build social cohesion and social justice. It is our hope that when we have fully engaged with the sector, a new vision will emerge that will set us on a course to success. This success must be underpinned by mechanisms that would help us to compete with the best in the world, to develop audiences, foster appreciation for our distinctly home grown talent and strengthen the audiovisual sector to mirror the true South African Culture.

Ms. Lulu Xingwana, MP

Minister of Arts and Culture





2. MESSAGE FROM CHAIRPERSON MS C MAMPANE

I am grateful for the opportunity granted me to serve on the Council of the National Film and Video Foundation (NFVF), an institution that is the product of our new democracy, tasked with the transformation of our content industries. I have had an opportunity to serve two terms on the council, the last three years as chairperson. When I was first appointed and after reading through the NFVF Act, going through Section 3, I realised that the drafters of the Act had the total transformation of the sector in mind rather than just a funding agency in establishing the NFVF. For ease of reference, the Objects of the Foundation are as follows:

- a) to develop and promote the film and video industry;
- b) to provide and encourage the provision of opportunities for persons, especially from disadvantaged communities to get involved in the film and video industry;
- c) to encourage the development and distribution of local film and video product;
- d) to support the nurturing and development of and access to the film and video industry; and
- e) in respect of the film and video industry, to address historical imbalances in the infrastructure and distribution of skills and resources

Section 3 a); b); d) and e), directly puts the NFVF in the forefront of transformation and bringing those previously marginalised by past government policies to the mainstream of the industry. As we reflect on the past ten Years and for me personally, the past six years, in particular my last three years as chairperson, we need to ask, how far have we gone in taking our industry to where the Act wants us to be? If there has been any movement forward, what are the obstacles and how do we all as a collective address these?

The Charter talks to the demands on the NFVF and the required societal impact which prescribe appropriate standing, structure and capacity.

The Value Charter has guided the Council, the blueprint developed by the inaugural council and subsequently adopted





by the two Councils I have served on and most importantly the Film Indaba in 2005. The Value Charter positions the NFVF as a mediator between the interest of the State, the Industry and the general South African public. The Charter talks to the demands on the NFVF and the required societal impact which prescribe appropriate standing, structure and capacity.

It illustrates the comparison between the current situation and the desired situation. The essence of the desired situation is that the inputs must produce the desired outcomes as green field effects, sufficient to create a societal impact threshold and critical mass. The NFVF business machinery currently operates on 25% of the budgetary allocation. To keep to this quota and yet produce the critical societal impact, the inputs must be increased. This increase in inputs can be achieved through the creation of synergy with the key role players across government and industry, with the NFVF as a broker. I am pleased to report that the relationship that has developed between the NFVF; the Department of Trade and Industry (the Dti); the Independent Development Corporation (IDC) and industry representative bodies, is testimony to this effort.

In all its business dealings, the NFVF Council and staff have been guided by another unique philosophy developed within the Value Charter - the Moral Imperative, which says, "It is a national imperative to create facilities for ordinary South Africans to bear influence in the expression of their own images, thereby deepen democracy and create prosperity. The National Film and Video Foundation strive for the realisation of this noble ideal." I believe the council, management and staff have all internalised this philosophy and it is reflected in the good standing the NFVF enjoys in the public eye and among other state institutions that impact on the content industries. My only regret is that, despite all the effort, we never managed to get the national cabinet to adopt the Value Charter as a programme for the development of our content industries. I would encourage the new council that will be appointed for the next term, to pursue

this initiative as it is key in addressing the "appropriate standing, structure and capacity" of the NFVF as envisaged by the charter.

We will be handing over to the new Council an institution with a track record both in the delivery of service but also of having handled the South African taxpayer finances well in line with the Public Finance Management Act (PFMA).

As a departing chairperson and as I hand over the reigns, I am happy to report that together with the incumbent council, we have continued with the noble tradition left by those who came before us of maintaining a set of unqualified audit reports of the past ten years. We will be handing over to the new Council an institution with a track record both in the delivery of service but also of having handled the South African taxpayer finances well in line with the Public Finance Management Act (PFMA).

The NFVF's Sediba Skills Development Programme incorporating Script Development and Producer's Programmes are beginning to have an impact in the film and television industry. The quality of scripts developed within the programme are capable of attracting investment to our sector as they are sought after by international financiers and sales agents. These programmes bear testimony to the findings of the study, "Investigation into the Feasibility of Establishing a National Film School – Towards a National Film Education and Training Strategy" conducted by the NFVF and funded by the Department of Arts and Culture (DAC). The study confirms a need for the establishment of a national film school to provide training that is transformative in order to achieve the objects of the Act as articulated above.

In my previous report, I touched on issues of compliance and wish to reiterate that:



- 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 boasts a fully functional internal audit that has completed the following:
 - Risk assessment workshop and risk register
 - 3 year rolling internal audit plan
 - 4 internal audits, including, Financial Discipline Review, Funding and Marketing audits.

“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”

My other regret is that the NFVF Council never had an opportunity to physically present its previous annual report to parliament. This lack of interaction denies the NFVF an opportunity to interact and account to parliament even if it is all good work that the institution has to communicate.

In the previous annual report, the NFVF CEO reported on the Council having taken into consideration the strategic principle of the NFVF as a “Long Range Ongoing Concern”. The Council having decided to build on the strategic thrust of the previous two Councils, it decided on a strategic thrust of “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 socioeconomic 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.

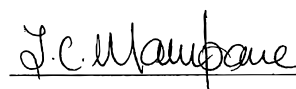
TAKING THE NFVF TO THE CITIZENS

Film is the 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 Cooperative 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.

I would like to conclude by thanking all my colleagues on the Council who have provided me with the support to lead this institution during our term of office. I would like to thank Dr Pallo Jordan and Ms Ntombazana Botha who appointed me chairperson and gave me an opportunity to work with some of the great minds in our industry. I would like to thank Minister Lulu Xingwana and Deputy Minister Paul Mashatile, who even though they came half way through the term of our office, nevertheless gave the desired attention to the work of the foundation. As far as I can remember, during my six years in the Council, we have never had so much interaction with the Minister of Arts and Culture as we have done with Minister Xingwana.



Ms. C Mampane
Chairperson





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



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.

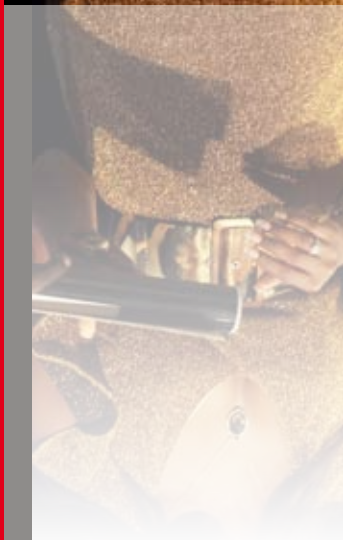
The mandate of the NFVF is:

- 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

As I sit to write this report, which is possibly the last as an incumbent CEO, I can't but think of the early days as a member of the inaugural Council of the NFVF. At the time, I was the Head of Current Affairs at the then fledgling first free-to-air commercial broadcaster ushered in by our new democracy. The NFVF as an institution was one of those transformative instruments in our media space that was a product of that new dispensation. I am thankful to our visionary leadership in the new South African dispensation for establishing the institutional base, the NFVF to enable us the lovers of cinema to develop, grow ourselves and to mentor young talent.

The inaugural council brought multidisciplinary skills ranging from hard core film and video skills, business skills, industry development and community participation, to name a few. The diverse backgrounds would ensure fair representation of various stakeholders and other interest groups. The challenge of equitable redress of the previously disadvantaged communities and individuals, the address of the structural imbalance throughout the value chain featured high on the agenda of the council. The thrust of the first Council centred on **“strategy as a collective co-creation through learning enterprise.”** I would like to thank the inaugural chairperson, Mr Shan Moodley, for his sterling work in guiding the NFVF through this particular period. As part of our celebration of the NFVF's 10 Years, we have installed an honours board, to recognise those Members of the Council and Executive Management who have served the institution with distinction. We hope this honour will be extended to all those who will continue into the future. I wish to acknowledge then Minister, Dr. Ben Ngubane and Deputy Minister, Mrs Bridget Mabandla for the groundbreaking contribution they made towards the development and growth of the cultural industries and the film sector.

The challenge of equitable redress of the previously disadvantaged communities and individuals, the address of the structural imbalance throughout the value chain featured high on the agenda of the council.





Dr Ben Ngubane's passion about the NFVF and its cause provided us with energy, faith and confidence to establish the NFVF to be one of the institutions that all South Africans would be proud of.

Through the **Cultural Industries Growth Strategy (CIGS)** they provided the Arts and Culture sector with a tool that would guide the development of our sectoral strategies. It was also during this period that a special 3 year allocation of R35million towards development of feature films, saw the highest volume of locally produced films that went to win top awards internationally in the post apartheid South Africa. Mrs Mabandla went on to become the Minister of Justice and Constitutional Development in the period 2004 - 2009.

Minister Brigitte Mabandla infused in us that unassuming mystical humble character, yet perceptive of substantive strategic issues that needed to be tackled by the NFVF and this sector. Her spirit is pervasive in our strategic documents, particularly our Value Charter. It was she who kept on reminding us to demystify the film media so that the citizenry of this country may not be intimidated by it.

I would like to acknowledge Dr Pallo Z Jordan who as Minister of Arts and Culture, from his first day in office took an active interest in the activities of the NFVF. It was reassuring that within the ministry, support for the film industry was to receive priority. Dr Jordan brought with him profound understanding of culture and the role of cultural industries in economic development and the realisation of national imperatives. Dr Jordan together with Mrs Buyelwa Sonjica who later became the Minister of Minerals and Energy, and Deputy Minister, Ms Ntombazana Botha had the responsibility of overseeing the separation of Science and Technology from the Department of Arts, Culture, Science and Technology into a fully-fledged Department of Arts and Culture. Dr Pallo Jordan also oversaw the appointment of the second Council of the NFVF with Mr Mfundu Vundla appointed as chairperson. The Council under Mr Vundla's leadership

focussed on the strategic thrust of "Political Management and Advocacy" on behalf of the industry.

Minister Sonjica's forthright approach, provided us with assurance that the NFVF continues to enjoy the political support at the highest levels in government.

It was during the term of Dr Pallo Jordan as Minister and Mr Vundla as chairperson that South Africa was honoured first with an Oscar nomination for Darrell Roodt's **Yesterday** and four nominations for Terry George's **Hotel Rwanda**. In the same year, **U'Carmen eKhayelitsha** by Mark Danford-May won the best film at the Berlin International Film Festival. This prompted Minister Jordan to declare to the South African parliament: "South African Film has Come of Age".

In the 2002 Annual Report, the then Minister Dr Ben Ngubane said, "The estimated size of the worldwide convergence market of entertainment and Information and Communication Technologies (ICT) is \$386 Billion, which translates roughly into R3,8 Trillion. South Africa's entertainment industry accounts for an insignificant share of 0.3 to 0.5 of this wealth."

The share of the South African entertainment industries mentioned above does not only indicate the insignificant position of our cultural industries in economic terms. It is also an indication of the state of our cultural identity position and stature in the world. The figures are by and large a reflection of our oppressive colonial and apartheid past when the majority of our people were systematically denied freedom of expression and action.

It is still the wish that the Value Charter is recognised as the blueprint for the development of the South African film sector.

Previous years' Annual Reports of the NFVF show that the Foundation has over the past years galvanised consensus



about the strategic direction for South Africa. The NFVF's Value Charter indicates the crosscutting strategic issues that require national attention. It is also true that during this period, a lot of what is articulated and the programmes developed out of the Value Charter have borne some successes. It is still my wish that the Value Charter is recognised as the blueprint for the development of the South African film sector.

In line with the strategic thrust initiated over the past years the NFVF's activities have focused on:

- **Investment:** Mobilise foreign and local investment
- **Assets:** To identify, continuously assess and appreciate the value of national resources - locations, talent, crew, facilities
- **Comparative Advantage in the Global Economy:** Maintain and strive to improve national niche and position in the global economy
- **Industry Restructuring:** Strive to integrate and optimise industrial base
- **Skills base:** Align the development of skills to the National Qualifications Framework
- **Institutional Structure:** Align the NFVF institutional structure to achieve national imperatives
- **Consumer Base:** To expand South African and international consumer base for local content
- **Community Mobilisation:** To mobilise social formations to bear influence on the sector. The NFVF shall solicit participation by unions, black economic empowerment groups, women's empowerment groups, youth structures, political parties, industry organisations and other associations.
- **Local market penetration:** Grow film market particularly within the previously disadvantaged communities

The NFVF and the Sector have registered a number of achievements, which are highlighted below:

- The adoption of the NFVF's Value Charter at the industry Indaba in 2005 as a document that will have great impact on integrating the Sector.
- The promotion and the utilization of Section 41 of the Constitution as well as the concomitant Intergovernmental Relations Act, that provided some of the institutional artillery, that formed the currency of the NFVF towards the mobilization of the spheres and

the organs of the state involved in the film sector.

- The promotion and utilisation of Co-production Treaties signed with Canada, Italy, Germany and the United Kingdom.
- The international recognition of South African 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.
- Industrial Development Corporation (IDC) media and motion picture unit with capitalization of more than R500m.
- Department of Trade and Industry (DTI) film and television production 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.
- The development of the successful Sediba Skills Development Programme, incorporating Sediba Script Development and the Sediba Producer's Programme.

STRATEGIC THRUST

Much progress has been made as the NFVF celebrates Ten Years of its existence. The NFVF has proved that even with limited resources significant impact has been achieved in terms of establishing a niche for the South African film industry in the global market. The past 10 years have seen an increased number of South African films and talent showcased and recognized at the most prestigious international film festivals and markets. South African filmmakers and the local industry are now acknowledged globally as viable partners for international productions and co-productions. The result has been a considerable increase in the levels of international and local investment in the sector, and improved levels of investor confidence.

The increased fiscal allocation into film is justified by the fact that the sector holds a huge potential to national prerogatives such as job creation, global cash and skills flows.





To maintain this momentum and to increase the economic impact of these investments, the levels of private and public sector investment will have to increase in the areas of infrastructure and skills development. The increased fiscal allocation into film is justified by the fact that the sector holds a huge potential to national prerogatives such as job creation, global cash and skills flows.

It is estimated that 25 feature films of an average of R 20 million each can produce 1 200 direct jobs, a further 4 000 indirect jobs in performing arts, extras, catering, accommodation, hospitality, leisure and car rental. This makes our sector one of the least cost job producers. It is also estimated that the economic multiplier is 2.4; meaning that for every R1 government spends on the film industry, there is a resultant turn over of R2.4 to the economy (GDP).

The collaboration by the NFVF, the Department of Arts and Culture, the Department of Communication and the Department of Trade and Industry, the South African Revenue Services to formulate the South African Content Industries Strategy must be commended for two reasons. Firstly, that the collaboration resulted in a strategy that the National Cabinet approved in December 2003. Secondly, the collaborative effort was a great lesson on intergovernmental collaboration. The Department of Trade and Industry went to introduce the South African Film and Television Production Incentive to promote foreign production in South Africa.

One of the challenges that faces South Africa and the NFVF is to address the problem of fragmentation within the film industry. Fragmentation impedes rapid implementation of initiatives. We have learned that effective collaboration can only happen when appropriate systems and processes are in place, and it takes time to create these. We hope that our efforts and the consensus that is established between stakeholders will facilitate rapid growth in the film industry.

The effective implementation of the above strategic initiatives also requires collaboration between government in all its spheres and critical departments. The following milestones took place with regard to collaboration with National Departments and institutions:

- Strategy workshops with DAC to formulate a framework for collaboration.
- Collaboration with the Department of Communications (DoC) and the South African Broadcasting Corporation (SABC) on the production and support of local content.
- Collaboration with the Department of Trade and Industry (DTI) and the Industrial Development Corporation (IDC) to develop appropriate financial and incentive instruments for the film industry.
- Collaboration with Trade and Investment South Africa towards a coordinated strategy to ensure that South African product and talent is optimally represented at key international events.
- Ongoing discussions with South African Tourism to develop a cohesive strategy between the two institutions on the marketing of the South African film sector.

I would like to thank the chairperson of Council, Mrs Charlotte Mampane and the Deputy Chairperson, Mr Monde Ngonyama for their nurturing and positive role they have played in supporting me and the management in building the NFVF to be an institution that we are all so proud of. I would like to thank the whole of Council for the constructive and positive engagement in the exercise of their fiduciary responsibilities.

I would like to convey my gratitude to the following Ministers and Deputy Minister's of Arts and Culture for their outstanding leadership, unstinting support and sound advice in building a legacy for the NFVF: Dr. B.S. Ngubane, Mrs Brigitte Mabandla, Mrs Buyelwa Sonjica, Dr Z Pallo Jordan, Ms Ntombazana Botha, Minister Lulama Xingwana and Deputy Minister Paul Mashatile.

I would also like to thank my colleagues for their support during my term of office as CEO and wish them well as they continue to guide the NFVF and industry into the future.

A thank you to all the industry players who continue to contribute to the transformation of the industry into a sector that we all desire.



6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	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 Recognition platforms for South African talent and product 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 Peer recognition for talent and product Development of an Integrated marketing campaign Launch Communications 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 Mipcom AFCI Toronto – No Borders Cannes National Awards 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 Film Catalogue Conference booklet NFVF Brochures Newsletter 	<ul style="list-style-type: none"> Co-production review has been completed. An Audience Research Study based on matric learners who watched Skin has been completed. A transmittal letter to accompany the report has been drafted. The Foreword has been included in the Report into the Investigation of Establishing a National Film School April 2009 October 09 April 2009 September 09 May 2009 Awards took place on 20th February 2010 Production of IMC document First meeting with stakeholders held in November 2009 Skin audience development roadshow Conference booklets Film Catalogues NFVF brochures Newsletter ongoing NFVF Logo featured in all Marketing Materials





Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	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"> Upgrade of Website Growth and increased diversity in South African audiences that have access to and demand for local content. Participation at Macufe Participation at Wild Talk 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>Promotional Material Producers handbook</p> <p>Attend Road shows</p> <p>No participation at Macufe</p> <p>Representation of NFVF by key staff</p> <p>Taking part at DIFF as NFVF marketing, Funding and Training</p> <p>Partnered with Encounters</p> <p>Parliament film festival was postponed to 2010</p> <p>Ongoing media interviews on NFVF projects, interaction with media and stakeholders to build & strengthen relations</p>



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	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 	<ul style="list-style-type: none"> Granting of bursary funding for entry level students SEDIBA Spark training initiative (1.5 year programme) 	<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 	<ul style="list-style-type: none"> 92% graduated 86% graduated to the following year of study. These figures exclude 4 students whom one has not completed his studies and three more where we haven't received final results despite contacting schools and students.. In the Spark 5 programme, 23 writers are currently being trained. The Johannesburg group completes in May and Cape Town group in August 2010. The Demographics are as follows: BM: 48% BF: 26% WM: 17% WF: 9% The Masters Programme began on 12 & 13 September 2009 and completes in August 2010. 5 writers were dismissed due to the delivery of work that was below standard. 2 writers requested to join the Spark programme and 5 writers withdrew from the programme for various reasons





Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
	<ul style="list-style-type: none"> To facilitate industry & public policy development. Globally position SA at strategic International Markets and Festivals Film Maker Exposure 	<ul style="list-style-type: none"> Support of other training programmes (eg 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 a film making destination 	<ul style="list-style-type: none"> 80% of learners successfully complete the training Approved updated policies Toronto/No Borders Cannes Partnership with the Provincial film commissions and Provincial governments 	<p>The current demographics are: BM: 21% BF: 47% WM: 11% WF: 21%</p> <ul style="list-style-type: none"> To date we are supporting the Wildlife Film Academy. Currently, 100% of their learners who are NFVF funded complete the training. We are also supporting the Writers Guild with mini conferences held every two months. <p>Several meetings were held with Bowman Gilfillan Inc started in January and February. A first draft has been drafted for internal discussion.</p> <p>NFVF participated on DOC's Local and Digital Content Development Strategy by submitting comments in October 2009</p> <p>Participated at Toronto 09 and No Borders co-production forum in NY</p> <p>Participated Cannes 09</p> <p>Hosted MIPCOM pavilion for SA producers attending the market</p>



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
	<ul style="list-style-type: none"> To promote Film makers talent and films. Create demand for film product and stimulate the culture of film appreciation Create awareness of SA Film Industry Development of an Integrated Marketing Strategy Implementation of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> To promote Film makers talent and films. Development of an Integrated marketing campaign Launch Communications campaigns and tools Fund new and existing audience development and distributions initiatives Partnering with stakeholders within the arts and culture industry 	<ul style="list-style-type: none"> Created partnerships with talent development initiatives Strategic Partner Talent Campus Cinemart No Borders Producers Network Development of the NFVF Corporate ID and Brand Identity Streamlining of Corporate Identity Production of Communication and Marketing tools IFSA Film Catalogue Conference booklet NFVF Brochures Newsletter Upgrade of Website Growth and increased diversity in South African audiences that have access to and demand for local content. Participation at Macufe Partnership with DIFF Partnership with Apollo film Festival Partnership with Encounters festival Partnership with South African Film festival in Parliament. 	<ul style="list-style-type: none"> Film makers support to attend Producers Networks No Border co-production forum PFM in London Promotional Material Producers handbook Conference booklets Film Catalogues NFVF brochures Newsletter ongoing NFVF Logo featured in all Marketing Materials No participation at Macufe Taking part at DIFF as NFVF marketing, Funding and Training Partnered with Encounters Parliament Film Festival was postponed to 2010





Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
		<ul style="list-style-type: none"> Coordinated communication 	<ul style="list-style-type: none"> Development of media relations and internal communication tools: Press Briefings Media interviews Stakeholder meetings 	<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 	<ul style="list-style-type: none"> 10 films developed have been greenlit for production. One, <i>Stiff</i> has been produced and is set for release by April. Another, <i>Zambezia</i>, is in production to be completed early 2011. The remainder are raising finance. 2 Films of of DV8 slate produced and delivered, Shirley Adams and Izulu Lami 10 documentaries greenlit for production 2009/10. 4 are in post production. 2 completed production and awaiting delivery. <p>The NFVF has been invited to accompany the DAC to France on an return visit after a visit by the French Delegation in 2009. Drafts 8 and 9 of the SA/France treat were exchanged during between the CNC and NFVF. Comments were received from the State</p>



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
	<ul style="list-style-type: none"> 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"> To promote South Africa as partner for co-production To promote South Africa as a film making destination Development of an Integrated marketing campaign Launch Communications campaigns and tools 	<ul style="list-style-type: none"> NFVF has partnership with Dti in promoting the incentive scheme Partnership with the Provincial film commissions and Provincial government 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 	<p>Law Advisers in March 2010.</p> <p>The Senior Officials Meeting between Algeria and South Africa scheduled for 15-18 January 2010 was cancelled by the DAC.</p> <p>Hosted MIPCOM pavillion for SA producers attending the market</p> <p>Promotional Material Producers handbook</p> <ul style="list-style-type: none"> Conference booklets Film Catalogues NFVF brochures <p>Newsletter ongoing NFVF Logo featured in all Marketing Materials</p>





Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
	<ul style="list-style-type: none"> Demand Stimulation and Market development Development of an Integrated Marketing Strategy Implementation of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> Development of an Integrated Marketing Campaign 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 	<ul style="list-style-type: none"> To measure the direct impact of our programmes to industry revenue streams and contribution to the tax base Establish a pilot site 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. Participation at Macufe Partnership with DIFF Partnership with Apollo film Festival Partnership with Encounters festival 	<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. (Marketing company to be sourced to assist with the strategy and implementation plan for the IMC)</p> <p>A consultant has been appointed to develop a business plan for the implementation of a pilot site.</p> <p>A presentation was made to the DAC regarding the establishment of the pilot site and the request for funding was made.</p> <p>No participation at Macufe</p> <p>Taking part at DIFF as NFVF marketing, Funding and Training</p> <p>Partnered with Encounters</p>



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
		<ul style="list-style-type: none"> Coordinated communication 	<ul style="list-style-type: none"> Partnership with South African Film festival in Parliament. Development of media relations and internal communication tools : Press Briefings Media interviews Stakeholder meetings 	<p>Parliament Film Festival postponed to 2010</p> <p>Ongoing media interviews on NFVF projects</p>
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 	<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 	<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 in promoting the incentive scheme 	<ul style="list-style-type: none"> 13 features and 8 documentaries developed. 6 features greenlit for production; 10 doccies greenlit for production and 5 in post production. 60% of features supported in development green lit for production funding. 30% of doccies supported in development greenlit for production funding. <p>The Indaba Report was compiled from the transcriptions and presentantions. The Draft has been sent to industry organisations</p> <p>Hosted MIPCOM pavillion for SA producers attending the market and also hosted Cannes pavillion</p>





Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
	<ul style="list-style-type: none"> 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"> To promote South Africa as a film making destination To promote Film makers talent and films. Development of an Integrated marketing campaign Launch Communications campaigns and tools 	<ul style="list-style-type: none"> Partnership with the Provincial film commissions and provincial governments Created partnerships with talent development initiatives Strategic Partner Talent Campus Cinemart No Borders Producers Network 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 	<p>Film makers support to attend</p> <ul style="list-style-type: none"> Producers Networks Sales Event in Cannes No Border co-production forum PFM in London <p>Promotional Material Producers handbook</p> <ul style="list-style-type: none"> Conference booklets Film Catalogues NFVF brochures <p>Newsletter ongoing NFVF Logo featured in all Marketing Materials</p>



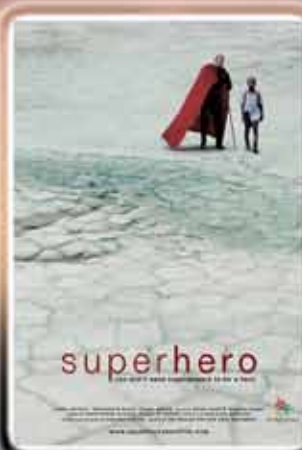
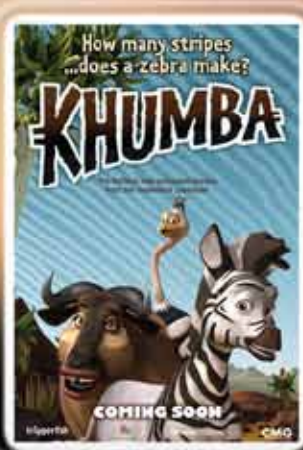
Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
3e - Address historical imbalances in the infrastructure and distribution of skills and resources	<ul style="list-style-type: none"> To create access and opportunities to previously disadvantaged individuals Provide comprehensive 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 	<ul style="list-style-type: none"> 92% graduated 86% graduated to the following year of study. <p>IT is assisting with the development of the Specification document for SIS.</p> <p>Meetings to discuss KPI's for the industry will be set up in the new financial year in may 2010.</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"> Implement and review HR Strategy throughout the following programmes: <ul style="list-style-type: none"> Performance Management Human Resources Development Employee Wellness Labour and Compliance Reward Maintenance of efficient and effective systems of financial, legislative and administrative controls 	<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 Maintenance of a risk register Effective internal audit function 	<ul style="list-style-type: none"> Performance Reviews for the period of January 2010 – March 2010 completed. Training as per PDP Annual policy review-policies to be sent to council for approval. Performance Increase effective 01 April 2010. Motivation approved HR and Council-Annual salary increases effective 01 04 2010 Risk Register for 2010 has been adopted by the audit committee 3 year internal audit plan adopted by audit committee Funding, marketing, follow up and FDR audits completed with no significant findings

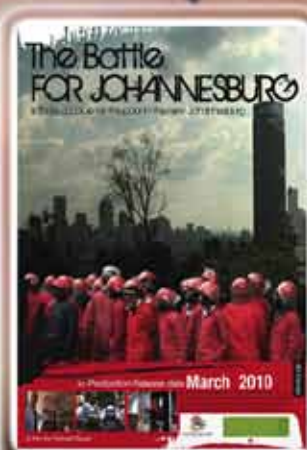




Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress
			<ul style="list-style-type: none"> Effective procurement (SCM) systems Effective reporting mechanisms to Council, DAC and Treasury Unqualified audit report 	<ul style="list-style-type: none"> Deviations approved by Council Quarterly reports submitted to DAC and Council and discussed by exec management Unqualified audit report received for year ended 31 March 2009







6.1 KEY PERFORMANCE INDICATORS FOR THE FILM SECTOR

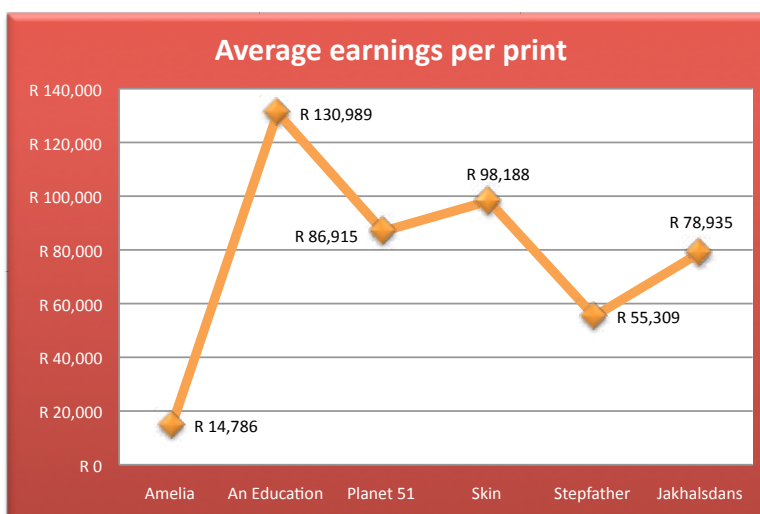
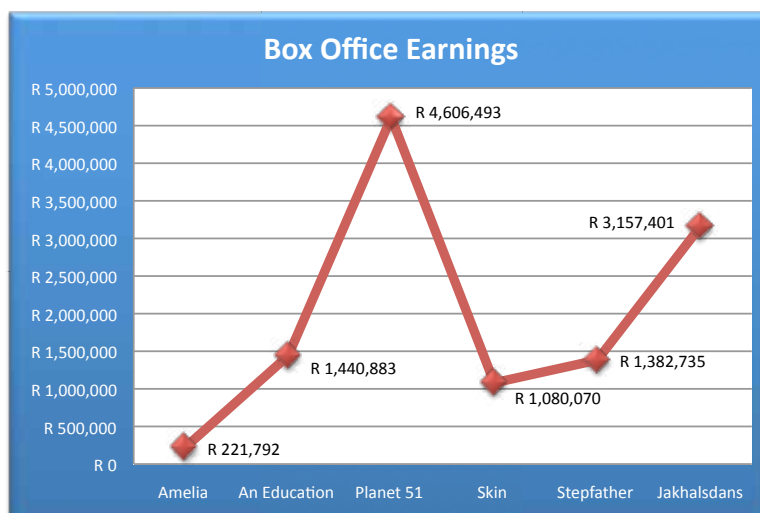
The NFVF is committed to the transformation of the film sector to be one of the main streams of GDP growth in South Africa. It is the NFVF's view that the macro policy framework must be informed by reliable measures of aggregation and Key Performance Indicators.

The fragmented statistics relating to the sector makes it difficult to measure economic performance and therefore sector investment attractiveness. To address these challenges the NFVF has promised to undertake the development of Sectoral Information Systems (SIS) in order to accurately measure sector performance and the related economic and job multiplier effects. This will be achieved through collaboration with Statistics South Africa, The South African Revenue Services, The Department of Trade & Industry, the Treasury and the Reserve Bank. Whilst work on the SIS had already begun in terms of constructing the system on paper, the unavailability of resources has delayed the actual construction of the network system that would ultimately receive data. The NFVF as part of its research mandate continues to collect data that would ultimately populate the system.

Since the establishment of the NFVF, information has been used to make certain strategic interventions. One such intervention was recently made in the field of local distribution. After interrogating the financial returns and audience attendance of local films, the NFVF discovered a trend that pegged the performance of such films as lower than expected. In an effort to address this underperformance the NFVF used the information gathered from

its internal market research to devise an intervention that would test the assumptions about lack of South African audience engagement with local content. This research gathered by the NFVF through its interaction with distributors, exhibitors and broadcasters helped the NFVF pilot the release of its inaugural title **Skin**. It was internal research on the value of publicity the NFVF was able to garner using innovative ideas and strategies that helped SKIN achieve four times its projected revenues.

- Average Budget for a South African film – R6million
- Average Return for a South African Film - >R1million
- Average marketing budget for a South African Film – R150,000





6.2 DEMAND STIMULATION AND AUDIENCE DEVELOPMENT

The Value Charter identifies the stimulation of demand for South African product and the growth of markets as an imperative in the development of South African audiences. The Value Charter says that “At a micro economic level, the need is to stimulate the culture of film appreciation and cinema going, which will ensure growth within the sector”. Central to the successful growth of the South African film and television industry is the increase in demand and growth of local audiences through increasing the volumes in production and therefore the margins whilst developing brand loyalty.

In order to achieve these objectives the NFVF embarked on the following activities:

6.2.1 SOUTH AFRICAN FILM AND TELEVISION AWARDS (SAFTA's)

The awards are a tactical intervention in line with the programme of Demand Stimulation and Audience Development by celebrating talent and creativity within the South African film and television industry. The NFVF initiated the introduction of a National Film and Television Awards, named the South African Film and Television Awards (SAFTA's) as a result of a mandate given to the NFVF by the broader industry. The SAFTA's were set up to recognise, reward and popularise local film and television content and talent. The intention was to give prestige to local content, which in turn would increase the popularity of its stars, thereby increasing demand and growing audiences.

SAFTA Objectives

The overall objectives of SAFTA as adopted by the South African Film and Television Awards committee are:

- To celebrate talent and creativity within the South African film and television industry.
- To encourage the development of new talent within the Film and Television industry.

- To promote film and television product that is of a high quality and demonstrates excellence in the South African industry.
- To encourage entrepreneurship within the South African Film and Television industry.

Since the launch of the SAFTA's in 2006 the number of entries has grown tremendously from 95 to the highest record of 220 entries in 2010. The high number of entries indicates the value the industry gives to the awards and that they have been accepted and embraced by South African audiences. Some of the comments made after the awards included:

Gugu Sibiya- Sowetan Entertainment Editor's *"The SAFTAS were well organised. The nominees and presenters were strategically seated at the front, which made life easy for everyone. Things just flowed and you could tell that people had rehearsed"*;

Drum Magazine *"They are Mzansi's answer to the Oscars, and while they may not be on the same scale as Tinseltown's prestigious event, the SAFTAS were certainly a great opportunity for our stars to dazzle on the red carpet"*;

Citizen's Sarah Cangle, *"I loved John Vlismas as the MC, especially when he arrived on stage in a pimped-out car. The on-stage taxi was good too, more realistic for putting its hazard lights on."*

Broadcast on SABC 2, the 2010 SAFTA's were averaged at 6.5 ARs /21.3% share against the 'All Adult market', totalling 1,6million viewers. The SAFTAS publicity was estimated at R8 million as per Monitoring SA reports.

6.2.2 NATIONAL FILM FESTIVALS

As part of its programme of reaching out and introducing film activity to outlying areas, the NFVF has identified key festivals to support. Since the demise of Sithengi Film and Television Market incorporating the Cape Town





World Cinema Festival, the NFVF identified the Durban International Film Festival (DIFF), which celebrated its 30th Anniversary in 2009, as the main South African international film festival. This meant that more resources would be channelled through this festival simultaneously elevating the status of the KwaZulu-Natal Province and the City of Durban as a film centre. Whilst DIFF became the main South African International Film Festival, the Encounters International Documentary Festival hosted in both Johannesburg and Cape Town became the main documentary film festival in South Africa. This assisted in consolidating the South African film programme in line with other programmes that take place internationally whilst rationalising and focussing the limited resources available.

The NFVF supports film festivals at a national level to fulfil the following objectives:

- To grow markets for South African cinema.
- To provide avenues for the distribution of South African film.
- To change the belief that local stories have low commercial value and appeal for local audiences.
- To increase the revenue streams coming into the industry and reverse the decline in cinema attendance
- To stimulate the culture of film appreciation, (especially of South African content) and cinema going.
- To provide a networking platform for South African film practitioners with international partners
- To allow for the provision of filmmaking workshops in the communities.
- To share information with the industry on NFVF programmes and projects.

All local festivals supported by the NFVF run outreach programmes which are aimed at audience development and exposing the South African public to local content.

Durban International Film Festival, Durban, KwaZulu - Natal

South Africa's longest-running film festival, the Durban International Film Festival (DIFF) has strengthened its position as one of the leading film festivals on the African continent and a vital event on the international film calendar. Operated by the University of KwaZulu-Natal, DIFF has three principal strands; the discussion

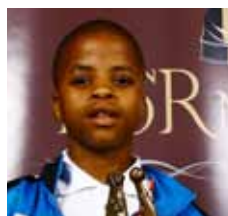
and workshop component to stimulate industry capacity; an outreach programme to service new or marginalised audiences; and, centrally, the celebration of cinematic excellence through the exhibition of films.

In 2009 attendance increased significantly at the 30th edition of the Durban International Film Festival. Attendance figures were up with over 22,471 at the 280 festival film screenings, representing almost 5,500 more than in 2008. Workshop and seminar attendances were also up with 1650 film enthusiasts attending 38 seminars and workshops, indicating a great level of interest in the creative and technical processes of filmmaking. The DIFF Outreach Programme screened films in 12 different communities, remaining a pioneer in taking film to areas in which cinemas do not exist therefore ensuring that film is accessible to all.

The then newly appointed Minister of Arts and Culture, Ms Lulu Xingwana visited the festival and commented: *"the festival has demonstrated excellence in audience development programmes and contribution to the training and development of filmmakers."* The strong concentration of South African content comprised 9 feature films, 23 documentaries, and 44 short films. The two NFVF funded films, **My Secret Sky (Izulu Lami)** by Madoda Ncayiyana, and **Sea Point Days**, directed by Francois Verster received special jury mentions at the festival. **Izulu Lami** was relevant and resonated with the target market as it was produced in Durban, with young first time actors chosen from Durban townships.

Encounters Documentary Festival, Johannesburg (Gauteng), Cape Town (Western Cape)

The NFVF has identified the Encounters International Documentary Festival as the premier documentary festival in South Africa. The festival's objective is to create a cinema going culture and appreciation of the documentary genre that is enhanced by the presence of renowned established filmmakers, structured Questions and Answer sessions, master classes and workshops. The festival is in line with NFVF programmes by holding sessions that foster the development of filmmakers and encourage film literacy and demystify the filmmaking process among audiences,. In 2009, 90 scheduled screenings took place over a period of seventeen days, with a total attendance of 10, 288.



KwaMashu Film Festival, Durban (KwaZulu-Natal)

The KwaMashu Film Festival held annually at the KwaMashu's Ekhaya Community Centre is one of the programmes that the NFVF encourages as it is reaching out to marginalised communities in South Africa's townships. The expanded edition of the festival saw outreach screenings and workshops taking place in Umlazi and Pietermaritzburg. **White Wedding**, directed by Jann Turner, is a South African film that tells the story of the down-to-earth Elvis (Kenneth Nkosi) who is about to be married. **White Wedding** is a sweet, witty film that shows there is a place for everyone in South Africa. The film which was screened at Umlazi attracted huge audiences, attributable to the presence of both leading actors, Rapulana Seiphemo and Kenneth Nkosi. The total audience attendance for KAFF 2009, which runs for 10 days, was 9400. A new feature of the KAFF 2009 was the programming of the New Directors' Short Films which attracted an audience from mainly emerging filmmakers in KZN. The 2009 festival managed to separate its long lasting film watching audience (children) and was able to introduce youth and adults to films.

Kwa Mashu has a strong relationship with the Durban International Film Festival, benefiting immensely from it's expertise and support.

Tri-Continental Film Festival, Johannesburg (Gauteng), Cape Town (Western Cape)

The Tri-Continental Film Festival representing films from Africa, Asia and South America focuses on human rights and socio political issues, making it unique on the South African film festival landscape. The festival recognizes that building a thriving film industry in South Africa goes hand in hand with building mass audiences for local produced content. The attendance numbers for 2009 were 6500, which is reasonable considering the genre of films being screened.

Outreach programmes are carried out in Brixton, Kliptown, Masikhane, Pretoria, Hillbrow, Auckland Park, Bloemfontein, Grahamstown, Port Elizabeth, Howick, Pietermaritzburg, Polokwane, Cape Town, Betty's Bay

Out In Africa

The NFVF continues its support for the Out in Africa, South African Gay and Lesbian Film Festival, whose mandate is to create a consciousness and instill pride in a minority marginalized group of the population, and tolerance, acceptance and respect by broader civil society for the rights of this community. This festival is the only platform that supports the Gay and Lesbian community. In the past years the festival was able to immerse the film makers in all aspects of filmmaking, script writing, production and making contacts for the future. The NFVF's involvement enables the festival to host workshops and training programmes.

Soweto Arts Festival

Soweto Arts Festival is a festival dedicated to film, centered on cinema, but also a celebration of arts, music and creativity. The Soweto Arts festival which celebrated more than six years of existence has dedicated a film festival that promotes locally and continentally produced films to the community at large. The festival has been a platform which the NFVF's vision of an industry that mirrors and represents the nation and also has values of creativity, freedom of expression and entrepreneurship. The festival also encourages and uses community centers around the township.

Apollo Film Festival

The Apollo Film Festival had historic references in that the Apollo Cinema is one of the oldest cinema theatres in South Africa and film interest has always been alive. The festival had a lot of nostalgic value for those attending and thus has always received favorable attendance. The NFVF has supported the festival because of its local initiative to promote film in the region. The festival was also a community managed project that looks to develop local skills before looking for outside assistance. The success of the festival had always been due to the community's involvement. The festival experienced administration and management challenges. The NFVF tried to intervene but the Apollo Development Association was not open to the intervention, hence the discontinuation of support for the festival.



Northwest Film Festival

The North west film festival was launched in the year 2002/2003. The NFVF commenced its support in 2004. The festival took place in Mafikeng with an Outreach programme spreading to other parts of the North West province. The films screened at the festival depicted various social issues that ordinary South African can relate to. These topical issues included HIV/AIDS, soccer, urban youth culture, homosexuality, race relations and heritage. In addition to the screenings the festival also organized various workshops and talks which were presented by industry stakeholders such as the NFVF, SABC and Women of the Sun.

Since 2008 the festival experienced administration and management challenges which resulted in the NFVF not receiving any kind of feedback from the festival organizers.

6.2.3 Skin – Audience Development

In an effort to directly contribute to an increase in local audiences and also address the structural failures in the distribution landscape, the NFVF embarked on an exercise to test out certain assumptions about local audiences and local films. **Skin**, directed by Anthony Fabian, follows Sandra's thirty-year old journey from rejection to acceptance, betrayal to reconciliation, as she struggles to define her place in a changing world - and triumphs against all odds.

The film tells the story of Sandra Laing, a black woman born to white parents (Sam Neill, Alice Krige) who were unaware of their black ancestry. **Skin** is the first film to be officially distributed by the NFVF. The NFVF acquired all rights for **Skin** for South Africa and implemented a plan that involved leveraging the PR the NFVF had been consistently generating from its film activities. Through a host of innovative marketing, PR and sponsorship agreements the NFVF, in conjunction with the History Channel and Mail & Guardian, was able to drive audiences to see a particularly difficult film in the eyes of the other distributors in the country. The film was released on 11 prints and brought in over a R1million theatrically with per print averages equaling Disney's **The Tooth Fairy**. This exercise has made the industry re-think what is possible with regards to local titles as well as to what role the NFVF

can play in creating demand stimulation as it changed the perceptions on how local films are distributed and marketed.

Taking Skin to Previously Disadvantaged Communities

As part of making film accessible to previously marginalised communities and testing these communities response to South African 'political' stories, the NFVF also undertook an audience study aimed at achieving some of these objectives. The ownership of the rights to the distribution of **Skin** presented a rare opportunity to reach out to matric learners from these areas. For most of the participants bussed to the venues, it was their first experience to watch a film in a cinema.

The screenings were simultaneous across the various venues in Gauteng, Western Cape and KwaZulu Natal provinces on the 20th Anniversary of Nelson Mandela's release from prison, 11 February 2010. 450 fully sponsored matric learners participated from the following schools and questionnaires were distributed for completion after watching the screening:

- Fidelitas Secondary School, Soweto.
- Mabuya Secondary School, Daveyton.
- East Bank Secondary School, Alexandra.
- Bedfordview High School, Bedfordview.
- Solomon Mahlangu Secondary, Mamelodi.
- Hlanganani Secondary School, Soshanguve.
- J.G. Zuma Secondary School from KwaMashu and
- I.D Mkhize Focus School from Gugulethu.

Some of the learners commented that, ***"the movie was authentic and emotional, yet forms an important part of our history which needs to be told."*** Some felt that this movie must be used as part of their curriculum to reflect, ***"where we come from as a nation."***

The study confirms that there is an appreciation for local films and also that access to cinema facilities is still a challenge. The study found that most respondents watched films mainly on DVD and television.

The NFVF also used this as an activation of Taking Cinema to the Citizens, a strategic thrust that is part of the NFVF's 2025 Vision.





6.3 PRODUCTION AND DEVELOPMENT OF CONTENT

As the NFVF marks its 10th anniversary as an institution, it is instructive to look back at the impact of its work in the areas of script development, production and training. A number of significant achievements must be noted in respect of the key aims of the Value Charter in respect of the development and production of local content over this period. However, before we cast our eyes back that far, it is necessary first to point out some of the highlights of the 2009/10 financial year.

Feature Projects Funded

The NFVF continued to build on the successes of previous years with some key highlights that demonstrate this. **Shirley Adams** by Oliver Hermanus was screened to critical acclaim at Cannes in 2009 and went on to win best picture at DIFF in the same year with awards for both Direction and Best Actress. It subsequently also won Best Picture and Best Actress for Denise Newman in the SAFTA'S. Hermanus was selected for the 2010 Cannes director's residency program on the strength of this film and spent months in France learning from the best as he started work on his second film.

In 2009 the NFVF reported on the completion of the three short films from our indigenous language short film contest and this year we can report that one of them, **Father Christmas Doesn't Come Here**, directed by first-time director, Bheki Sibiyi won best narrative short at Tribeca, the New York International Film Festival hosted by actor Robert De Niro. Bheki Sibiyi, has been invited to numerous major international festivals on the back of this win, launching him onto the world stage as a director to watch.

Hanneke Schutte, director of **Superhero**, the second of the shorts from the Women Helmers competition, has also attracted festival attention internationally. She was invited to the Berlin International Film Festival with her film, where she was treated with the reverence reserved for great new talents. This followed hot on the heels of her achievement at the SAFTAs, where the film won best

short in 2009. In 2010 she is likely to direct her first feature, **Jimmy in Pink**, also scripted by her, which was one of the winners of the 25 words or less competition run in partnership with the UK Film Council in 2007.

One of our other short film winners, Lev David, completed development on his first feature script, **31 Million Reasons**, for Rogue Star, which is now considering directors to realize this heist story based on actual events set in Durban. **Spud**, adapted from South Africa's best-seller by Donovan Marsh for Rogue Star, which has a slate deal with the NFVF, is in post production after completing principal photography in May 2010.

Khumba, the second winner of the 25 words or less contest is in pre-production as a result of the serious attention being attracted by Triggerfish's work on **Zambezia**, their first 3D animation feature funded by the NFVF. With an international sales agent and presales in several markets for this work, **Khumba** will go into production once work on **Zambezia** has been completed in December 2010.

Otelo Burning, scripted by James Whyllie, has completed raising its finance and is set for production in July 2010 with Sara Blecher of Cinga Films directing. **Jozi**, a Video Vision project, which was funded under the working title, **Stiff**, has been out on the circuit and is now available on DVD.

Elsewhere in this annual report, we celebrate the success of the NFVF's first experiment with the distribution of **Skin**, which was also part of the Cannes line up in 2009. **The Battle for Johannesburg**, a documentary feature by Uhuru Productions, is complete and is now starting to work the festival circuit. The NFVF is confident that a number of the other projects taken to the inaugural Cannes sales event in 2009 will find the elements needed to close financing and go into production during 2010.

The year under review has also seen the full implementation of the NFVF's plan to appoint script editors to work on all the feature projects it funds for development. Five of the





eleven projects developed in this manner have now been completed and are raising finance. In next year's report we will provide feedback on the achievements of these filmmakers with their projects as we track the remaining six.

The NFVF has also taken on a new role that looks at the commercial viability of certain titles it finances and, with distribution activities started with the release of **Skin**, is becoming much more hands on with that product. This integrated approach helps shepherd market driven product that it can take to it's international contacts including: sales agents, distributors, & co-financiers.

Documentary Projects Funded

The NFVF remains committed to the development and production of documentary stories about South Africa in spite of the very small market available to this genre. The primary reason for this commitment is that it is a space that ensures filmmakers are able to express their deepest fears and their greatest hopes about our country, our past our present and our future.

The NFVF recognizes that the maximum amounts available for script development and production are woefully inadequate especially after the economic crisis and the financial crisis at the SABC brought a lot of hardship to many companies. It remains the commitment of the NFVF to lobby for an increase in fiscal allocations to the sector.

Below is a record of projects funded in development and production in the 2009/2010 financial year.

Documentaries in Development

The life and times of extraordinary Khotso Sethuntsa – Iphulo Media
On the Trail of the Basotho Pony – Up A Gum Tree Productions
City Body Continent: In Flux – Switch Media & Resonance Bazaar
Community House: The Spirit of the Citizen – Afro soul Productions
Villain or Victim – TANA BARU Productions
The Voice – Occasional Films cc
Instruments of God – Bonny Isaacs Films

The Black Countess from Bain Str – Margaret Follet
Traces of a Count from South Africa
Thousand Hugs Productions

Documentaries in Production

Documentary on Children in Filmmaking – Vuleka Productions
Imam & I – Tuba films
South African Cinema: A History – Moviworld (PTY) Ltd
The Stilnox Miracle – Angel Films/ Maya Media
Surfing Soweto – Cinga Productions
We did Overcome – Hambrook Communications

Feature Projects in Development

Mama Afrika – Miriam Makeba Film Project (Pty)
Westdene Dam – Noble pictures CC
Contenders Only – Coal Stove Pictures cc
FOKOPOLICEMAN – Willem Scholtz
My Zulu Wedding – Juju Pictures
One Day – Firebird Films
Seretse & Ruth – The Dream Furnace
The Shades – Red Pill Productions cc
Swart Gevaar – Xantium trading 441 (pty) Ltd
The Whale Caller – Black Roots Pictures
A Chameleon Called Gatiepie – Andre Scholtz
Do Unto Others – Stefan Blank
Mantwa – Lentsoe Serote
The Sharpeville Six – Junaid Ahmed
Walk Like an Italian – Genna Gardini

Feature Projects in Production

A Tin of Paint – Pistoleros Films
Lion Women – Moonlighting Films (Pty) Ltd
Chemo Club – Tunc Productions
Otelu Burning – Cinga Productions
Retribution – Krishna Smiles - Flowers Bloom

Short Films in Production

The Abyss Boys – TEN10 FILMS PTY LTD
Telegraph to the Sky – Teddy Sometimes Productions
Umkhungo – Mannequin Films

Over the past ten years between 2001 and 2010



the NFVF has funded the development of dozens of documentary and feature scripts as well the production of the projects which successfully emerged from the development process.

Documentaries funded for development:	108
Features funded for development:	97
Documentaries funded for production:	140
Features funded for production:	56

Recoupment Schedule

Total recoupable grants are as follows:

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
Grants allocated in 2010	8 469 393
Total Recoupable Grants	R 49 873 167

Co production treaties, guidelines and certification

With regard to the improvement of global competitiveness of the South African Film sector, the NFVF and the DAC has been proactive in formulating international cooperation agreements and co-production treaties. In 2004, the Minister of Arts and Culture delegated the responsibility of the management of Co-production Treaties to the NFVF as a way of ensuring smooth and efficient execution of these treaties, whilst the Minister retained the issuing of the final ruling on advice from the NFVF. Co production and distribution agreements have been identified as key to the production of local genre and content in the Value Charter.

Such agreements seek to stimulate sustainable transnational business developments and result in exports and investments in South Africa. The international relationships the NFVF is pursuing also assist in creating a market for South African product internationally. In pursuance of this goal, South Africa has signed co production treaties with Canada, Germany, Italy and the United Kingdom over the past 10 years. In the year under review, the NFVF jointly with the Department of Arts and

Culture negotiated the Film Co-production treaty with France and Australia. Rulings issued under these treaties include, amongst others:

- Ghost Son (SA-Italy)
- Jozi H (SA-Canada)
- Nyum-Nyum (SA-Italy)
- The Flood (SA-Canada)
- Stander (SA-Canada)
- The Bang Bang Club (SA-Canada)
- Skin (SA-United Kingdom)
- Starship Troopers (SA-Germany)
- Surviving Evil (SA-United Kingdom)
- The Italian Consul (SA-Italy)
- Bridal Dress (SA-Germany)

In May 2006, in anticipation of the signing of the treaty between South Africa and the United Kingdom, the NFVF and the UK film Council launched a very successful genre pitching contest, called **25 Words or Less** which has resulted in the production of a short film **Superhero** and the animated feature, **Khumba**.

As part of making the treaties accessible to South African filmmakers, the NFVF has developed Co production guidelines which are important for administrative purposes. The purpose of the co-production guidelines is to provide South African producers with a guide on treaty requirements, procedure and documentation required for co-production certification process.

The guidelines incorporate some administrative issues that would have developed since the signing. It provides amongst others for an appeal process regarding the outcome of the applications for official co-production status as well as encouraging producers to comply with Legal Deposit Act requirements. The guidelines and the amended application forms took effect on 1 September 2009 after approval by the NFVF Council.

The NFVF received 26 co production applications during 2009/10, 17 of which were for advance rulings while 9 were for final rulings.





COUNTRIES	TITLE	STATUS
SA/Canada	A Million Colours	Advance Ruling
SA/United Kingdom	Africa United	Advance Ruling
SA/Germany	The Runaway	Advance Ruling
SA/United Kingdom	Street Kids United	Advance Ruling
SA/Germany	Themba	Advance Ruling
SA/Canada	We Did Overcome	Advance Ruling
SA/Germany	The Lost Future	Advance Ruling
SA/Germany	Sniper: Reloaded	Advance Ruling
SA/Italy	The Italian Consul	Advance Ruling
SA/Germany	Death Race 3	Advance Ruling
SA/Germany	Chanda's Secret	Advance Ruling
SA/Germany	Smoke and Ochre	Advance Ruling
SA/Germany	Lost Boys 3	Advance Ruling
SA/United Kingdom	Heaven and Earth	Advance Ruling
SA/Germany	Atlantis	Advance Ruling
SA/Germany	Music Of Africa	Advance Ruling
SA/Canada	Caillou	Advance Ruling
SA/Canada	Crusoe	Final Ruling
SA/Germany	The Ambassador	Final Ruling
SA/Germany	Bridal Dress	Final Ruling
SA/Germany	Free Willy	Final Ruling
SA/Germany	Schweitzer	Final Ruling
SA/Germany	Angel/ Blood and Oil	Final Ruling
SA/Germany	Les Deux Mondes	Final Ruling
SA/United Kingdom	Surviving Evil	Final Ruling
SA/Canada	Rough/Diamond	Final Ruling





6.4 GLOBAL POSITIONING OF THE SOUTH AFRICAN FILM INDUSTRY

The Value Charter states that, “The production of local content must be publicised with a clear positioning strategy for the film sector. The South African film industry must move from a low volume and low margin base to a high volume and high margin base...” The positioning of South Africa within the continent and the world is a diplomatic enterprise that involves, hosting of and participation in international film festivals and carving a unique South African niche in the global film industry.

At the outset of the establishment of the NFVF it was clear that South African cinema and national film products had to carve out a unique niche in the global film industry. Key international festivals, markets and events were identified and then worked to create awareness about our stories, our industry and our landscape.

In the initial phase this involved targeting the six major international film festivals and markets – **The Berlin International Film Festival – Germany; Venice International Film Festival – Italy; Cannes International Film Festival – France; Toronto International Film Festival – Canada; Rotterdam Film Festival - Netherlands** and **Fespaco – Pan African Film Festival in Ouagadougou, Burkina Faso.**

South Africa has had great successes in Berlin with **U'Carmen eKhayelitsha** winning the Golden bear for the best film in 2004. The documentary series, **Project Ten**, celebrating Ten Years of South Africa's Democracy also received special attention at the Berlin festival. At the Toronto International Film Festival (TIFF), South Africa has also received a lot of goodwill beginning with the premier of **Promised Land** by Jason Xenopolis. Almost all internationally successful South African films have had their premiers at the TIFF through the relationship that has developed with the NFVF whereby the programmer for the festival would travel to South Africa to watch new films. The Toronto International Film Festival is generally known as an audience festival.

These forays were largely successful in creating a space where our films could be seen, critically appraised and

rewarded with appropriate recognition when deserving in a sea of intense competition. It could be said that, the success of South Africa at international level is linked to all the strides we have taken in positioning South Africa as a film making nation and with all the other instruments our government has developed to support the film industry, a film making destination.

6.4.1 Berlin Film Festival, Germany

There was a special focus on South Africa at the Berlin Film Festival in 2004. The NFVF enjoyed extensive media coverage with the CEO Eddie Mbalo being interviewed by ZDF television Morning Magazine and an Arts programme, Radio interview with RRB Radio, newspaper interview with the Taz a national daily, television interview with Arte, television interview with WDR and an interview with DWTV the satellite channel for Deutsche Welle.

- Project 10 premiered at the festival and all the producers, directors and executive producers for the first ten films attended the festival. The NFVF organised the Launch event, in an old palace in East Berlin.
- A delegation of South African film festival organisers from Sithengi, Durban Film Festival, Molweni Film Festival and the Apollo film festival attended a Deutsche Welle training workshop on festival management.
- Six South African filmmakers were part of the Talent Campus.

Country of My Skull had its world premiere at Berlin to high acclaim; Mr Mfundi Vundla, David Wicht and Menzi Ngubane, who stars in the film, attended the opening.

The NFVF contributed to the realisation of the coveted international film awards for **Drum, Zulu Love Letter, Max and Mona, Forgiveness, Story of an African Farm, uCarmen eKhayelitsha** and **Yesterday**. In 2005 **U-Carmen eKhayelitsha** won the Golden Bear Award in Berlin.



6.4.2 Toronto International Film Festival, Canada

The Toronto International Film Festival (TIFF) is a platform to expose South Africa films to the global market. The relationship with TIFF extends back to 2003 and is based on a solid foundation with the co-director of the festival, Cameron Bailey. Bailey was previously programmer of the Planet Africa section of the festival which focussed on films from the continent and the diaspora. Planet Africa was eventually abandoned as filmmakers believed that it marginalized their work. Now a much broader framework exists for such filmmakers to showcase their work under the World Cinema section.

In 2004, the festival showcased South African cinema to mark the tenth anniversary of our democratic dispensation. Among the films premiered during this showcase was **Drum** the feature film debut of Zola Maseko. That year saw a significant delegation of South African filmmakers and institutions making the rounds and celebrating our achievements.

The festival has, in the past few years hosted a gala presentation of South African films **Red Dust, Yesterday** and **Hotel Rwanda**. **Tsotsi** a film by Gavin Hood and one of the films supported by the NFVF, won the People's Choice Award at the Toronto Film Festival in 2005 and went on to become a South African entry into the Academy Awards –winning in the Best Foreign Language category in 2006. South Africa's 2005 Academy Award nominee **Yesterday**, a film directed by Darrel Roodt was nominated for the prestigious Emmy Award along with another NFVF funded documentary **The Lion's Trail** by Francois Vester, a film that traces the origins of a South Africa classic song "Mbube" which has been reversioned by many international artists including for the Disney musical, The Lion King.

At the 2009 edition of the festival, **Shirley Adams** by Oliver Hermanus was screened to intense audience enthusiasm and critical acclaim. The post-screening question and answer sessions between the director and the audience were warm and very receptive to this new young talent from our country. Because this is a festival driven by the loyalty and interest of the regular audiences which attend each year, it is an important launching pad for filmmakers interested in building an audience for their work in North America.

6.4.3 Venice Film Festival, Italy

In 2004, the Venice Film Festival invited four South African films to feature as part of the official festival programmes to mark South Africa's Ten Years of Democracy.

The South African Embassy in Italy and South African Tourism supported South Africa's presence at the festival. The South African Ambassador, Mr Lenin Shope worked very closely with the NFVF in order to achieve a major spotlight for South Africa at this event, through sponsorship for the two major events at the festival, ie a cocktail event to introduce South Africa's presence and a main event to celebrate South Africa's "Ten Years of Democracy".

As part of the celebrations, the festival invited South Africa's foremost animator, William Kentridge to design and produce the festival logo which is normally placed in the front of all films screened at the festival which ended with a title, South Africa 1994 - 2004.

6.4.4 Cannes International Film Festival, France

The Cannes International Film Festival is one of the world's oldest and most prestigious film festivals. It is held annually (usually in May) at the Palais de Festival in Cannes, France. South Africa has had a successful presence at the festival for the past 11 years. In 2009, the NFVF partnered with the Department of Trade and Industry (DTI) which paid for the pavillion space. One of the highlights for 2009, was the celebration of the 70 Years of the Avalon Group owned by former NFVF Council member and Safta's Life Time Achievement Award recipient, Mr Moosa Moosa. The occasion was attended by some of the most senior executives from the Hollywood studios who have worked with the Avalon Group throughout the years.

NFVF's Objectives at Cannes:

- To provide a business base and environment for South African delegates.
- To present the South African line up of projects in development or in production
- To promote South Africa as a filmmaking destination
- To position South Africa as a co-production partner of choice.
- To create networking forums for South African





delegates to generate a broad network of contacts in the international arena.

- To introduce up and coming producers to the international film arena.

10 years of attendance at the Cannes International Film Festival at a glance:

- In 2004, Zola Maseko's film **Drum** was officially screened during the Cannes Critics Week.
- In 2005 three South African Features and nine Shorts were screened under the official Cannes programme, and reports of successful sales were received. Sunu Gonera who presented his short film at this occasion went on to direct his first Hollywood film released in South Africa in 2008 called **Pride**. Another young filmmaker who presented a short film in 2005 is Sharlto Copley, the lead actor in the critically acclaimed sci-fi movie **District Nine**.
- In 2006, the NFVF sponsored two student filmmakers to attend, and the Minister of Arts and Culture, Dr Pallo Jordan signed a cultural agreement between South Africa and France.
- In 2007 South Africa was represented by 50 filmmakers, reaching the highest number of delegates.
- In 2008 the numbers of South African delegates increased, recording the highest number of delegates when South Africa celebrated its 10th years in 2009.
- In 2009, the NFVF, launched its first sales event at Cannes taking 19 projects, funded by the institution, to this major market place. Attendance by sales agents, distributors and possible co-production partners was modest but enthusiastic. Of the projects raising finance at the event, a number have achieved significant milestones. Among these was an international sales agreement with a minimum guarantee for **Otelo Burning** as well as offers for **One Last Look** and **The Consequences**. These three projects were also selected for No Borders in New York where some of the offers crystallized into deals.

The creation of marketing materials around the projects as well as an interactive presentation of those projects helped to focus the NFVF's activities at not only Cannes but all the festivals that followed. Projects included:

- **Skin** – Drama; Status – Completed; Director – Anthony Fabian
- **Shirley Adams**– Drama; Status – Completed ; Director – Oliver Hermanus
- **My Secret Sky** (Izulu Lami) – Drama; Status – Completed; Director – Madoda Ncayiya
- **Nothing But The Truth** – Drama; Status – Completed ; Director – John Kani
- **The Silver Fez** – Documentary ; Status – Completed ;Director – Lloyd Ross
- **Superhero** – Short Film; Status – Completed; Director – Hanneke Schutte
- **31 Million Reasons** – Feature Film ; Status – Raising Finance; Director- John Barker
- **Adrianne** – Comedy ; Status - Raising Finance; Director – Fred Abrahamse
- **And There In The Dust** – Feature Film; Status - Raising Finance; Director – Lara Foot Newton
- **Battle For Johannesburg** – Documentary; Status – Raising Finance; Director – Rehad Desai
- **The Consequence** – Horror; Status – Raising Finance; Director – Amanda Evans
- **SPUD** – Comedy; Status – Raising Finance; Director – Donovan Marsh
- **Khumba** – Animation; Status – Raising Finance; Director – Anthony Silverston
- **One Last Look** – Thriller; Status – Raising Finance; Director – Philip Roberts
- **Otello Burning** – Drama ; Status – Raising Finance; Director – Sara Blecher
- **In The Shadow Of Saint** – Drama; Status – In Development; Director – Akin Omotoso
- **Stiff** – Comedy; Status – In Production; Director – Craig Freimond
- **Zambezia** (2011) – Animation; Status – In Production; Director – Wayne Thornley

During the festival, it was also clear that the interest in South African stories and co-productions with South Africa had turned a corner. Sales agents were looking for distinctive work which differentiated itself uniquely from what was being produced elsewhere in the world. This may explain to a large extent the critical acclaim heaped on **Shirley Adams** and the subsequent director's residency awarded to him by the festival. The film is a tightly scripted, harrowing account of an unemployed mother's efforts to keep her recently paralysed son from giving up hope



and killing himself. The residency is a highly prestigious award which allows the filmmaker to live in France for a number of months working on their next project and being mentored by past Palm d’Orr winners.

This festival remains important for the NFVF not only because it regularly programmes South African films, but because filmmakers can do business with the rest of the world in one space. The pavilion has become both a business hub, where SA filmmakers can meet prospective sales agents, co-production partners and financiers, but also a social space where they can come to relax among familiar faces and voices after pounding the Croisette in the warm sun drumming up business for their companies.

The NFVF also hosts a Filmmakers Networking Session at the Pavilion. The aim of facilitating the Filmmakers Networking Session at the SA Pavilion is to encourage open and informal communication between South African filmmakers and foreign filmmakers.

The session worked extremely well and was well attended.

Each year during Cannes, the NFVF and its respective partners host a networking function. The main objective is to network, build and maintain relations. The event is ranked as one of the best events in Cannes and is attended by International buyers, sales agents and distributors. The event is a platform for South African filmmakers to establish connections with key industry players and in 2009, the networking event which was graced by the then South African Ambassador to France HE Dr. Konji Sebati.

6.4.5 Fespaco, Ouagadougou Burkina Faso,

This biannual festival remains of strategic importance to the NFVF for several reasons. It is the premier meeting place for African filmmakers on the continent and the diaspora. It celebrates African cinema and provides a space within which the challenges facing the continental industry can be addressed in an informed manner particularly because it reminds South African filmmakers of the massive advantages we have over our counterparts.

The 2008 edition of the festival saw South African film and television dramas do extremely well.

Whilst the NFVF had identified strategic film festivals to meet its broader objectives, over the years, the focus has narrowed to festivals which serve the strategic objectives of the NFVF on several grounds – they are ready markets for our products and provide a space within which deals can be made for the distribution, sale or co-production of our work. The result has been to give priority to the following: Fespaco, held in Burkina Faso every two years, Cannes, Toronto, IFP, held in New York and Hot Docs, held in Canada and IDFA. The entry into Hot Docs and IDFA is aimed to exploring the usefulness of these markets for distribution, sale or co-production of South African documentaries.

The attendance of certain co-production forums around the world has been a consistent intervention of the NFVF since the organizations inception. As mentioned above, there have been changes from time to time about which markets to attend, but what has remained intact has been how these platforms are used to position the South African film industry as well as its practitioners. Over the past year, the NFVF has taken on a much more hands on role with the raising of capital and interest in projects the NFVF is funding. Particular examples include the interventions at **No Borders** in New York which saw the attracting of one of Europe’s top sales companies coming on board a completely local film that is entirely in isiZulu with an all black local cast, but also boasts a first time female director at the helm. This kind of film would rarely attract financing or sales representation prior to completion because of its lack of “saleable” elements, but through the NFVF’s continued interaction with foreign partners at these international markets and festivals, the film was able to bring on, not only sales representation, but a financial contribution.

6.4.6 No Borders/Independent Feature Project (IFP), New York USA

This co-production forum is a key opportunity for South African filmmakers to raise finance for projects which may have “cross-over” potential, in other words, projects which, in spite of their South African setting, could break out to festival and or main stream audiences in the United States of America. What is unique about this forum is that projects are pre-selected by the organizers and prospective, sales



agents, producers and financiers arrange for meetings with the rights holders, the producers.

In 2009, the IFP organizers commended the South African projects for their strong commercial appeal. Among these projects were **Otelo Burning**, **One Last Look** and **The Consequences**, all of which were genre films with commercial potential for the South African box office. **The Consequences** broke IFP records for the most meetings requested with the filmmakers. During these meetings NFVF staff are available to assist the filmmakers to pitch their projects as well clarify any questions about the incentives and local funding issues.

Otelo Burning, picked up its international sales agent and distributor, Beta, during this forum. When filmmakers are not selling their work and raising finance, there are also a number of seminars and workshops. These are useful additional tools for filmmakers operating on the world stage raising cash on projects with no star attachments or any other bankable elements apart from a great script.

6.4.7 AFCI, Los Angeles USA

The Association of Film Commissioners International (AFCI), Locations Expo is an important platform for South Africa to profile itself as a film location, its facilities and talent to the Hollywood Film Industry. AFCI Locations Expo is also an important platform for the promotion of South Africa's incentives and locations.

The NFVF has since its inception hosted the South African pavilion in partnership with the provincial film commissions and the Department of Trade and Industry. The South African pavilion which won third prize for most creative pavilion at AFCI 2009 reflected what South Africa has to offer as a film location.

Since 2005 the South African stand had representatives from Gauteng and Western Cape Film Commissions and other Provinces including Mpumalanga, the Free State and the Eastern Cape. In 2007 the South African delegation was invited as part of the Media Exchange to tour Hollywood Studios and visit with senior executives. Through the NFVF intervention various films including: **Blood Diamonds**, **Hotel Rwanda**, **10000BC**, and **Invictus** were shot on location in South Africa.

6.4.8 MIPCOM / MIPTV, Cannes France

The NFVF's primary strategy has been to facilitate and host the presence of South African Broadcasters and producers at these annual television markets in Cannes, France. The secondary objective has been to establish a base for South African producers present at the market. These two objectives have previously been achieved in partnership with SABC and M-Net. The MIPTV and MIPCOM television markets are important platforms for the sale of television product and for the South Africa to promote and sell its television production content.

In 2009, the NFVF hosted the stand without support of both broadcasters. Because of the 2010 FIFA World Cup spotlight the stand was inundated with demand from international buyers enquiring about soccer related content. Through the collaboration with the broadcasters, we have witnessed an increasing interest in South African produced TV content, another sign that our level of production is on par with global standards.

6.4.9 IDFA, Amsterdam Holland

As part of the NFVF's strategy of attracting the attention of broadcasters, co-production partners and co-financiers to its slate of documentaries, the NFVF attended the International Documentary Film Festival of Amsterdam (IDFA). This festival, market and pitching forum is the premiere global event for documentaries.

In November 2009 the NFVF attended IDFA in order to research on how best to take advantage of the platform for South African projects. A number of meetings were held with sales agents specializing in documentaries and with commissioning editors from a host of countries.

These preliminary meetings are intended to blossom into relationships that will see future financing coming to the table for our non-fiction films.

The NFVF's strategy for next year will focus on supporting the attendance of filmmakers invited and officially selected to pitch at IDFA as well as the accompaniment of those filmmakers in order to help raise additional financing by showing a strong commitment from their national film development body.



6.4.10 International partnerships - Sweden/South Africa

In 2008, 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 discussion on various topics such as production and distribution.

The outcome of the visit to Sweden is 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.

Under the South African – Swedish MoU signed in 1999, and as an outcome of the South African Sweden Culture Partnership, the Swedish Film Institute hosted a successful “South African Film Week” in Stockholm, Sweden from 30 March – 7 April 2006.

The films screened were:

- **Conversations on Sunday afternoon** by Khalo Matabane
- **Zulu love letter** by Ramadan Suleman
- **Forgiveness** by Ian Gabriel
- **Drum** by Zola Maseko
- **U-Carmen e-Khayelitsha** by Mark Danford-May
- **Yesterday** by Darrel Roodt

6.4.11 International Awards

The years of consistent, visible and professional marketing of South Africa as a film destination are continuing to bear fruit, with SA film being selected for numerous international festivals.

The international industry sees South Africa as a serious partner. There is an increase in the number of South African producers and directors attending international markets and festivals, mostly assisted by the NFVF.

Since it's participation at festivals, the NFVF has represented the following films which went on to win numerous awards:

- **U-Carmen e-Khayelitsha** – Golden Bear – Berlin
- **Drum** – The Golden Stallion – Fespaco
- **Drum** – The Best Art Direction – Fespaco
- **Zulu Love Letter** – Best Actress - Fespaco
- **Zulu Love Letter** – European Union Prize - Fespaco
- **Max and Mona** – Best First Time Director (Feature) – Fespaco
- **Beat the Drum** – SIGNIS Prize – Fespaco
- **Beat the Drum** – Prize for Health and Security at Work – Fespaco
- **Beat the Drum** – City of Ouagadougou Prize – Fespaco





6.5 FINANCE AND FUNDING FOR THE SECTOR

In an effort to directly impact on the raising of capital the NFVF created the New Ventures division in the past year. This division can be likened to an innovation hub whose purpose is to find new ways of investing and developing commercially viable businesses in the film industry. An initiative of note over the past year has been the overseeing of an exhibition platform that would service the vastly underserved masses of South Africa. This initiative in particular has resulted in the creation of a business case that is now in search of proper funding to make the pilot site a reality.

A second initiative was embarked upon in collaboration with a filmmaking team that has designed an alternative financing structure called The South African Film Exchange (SAFE). The NFVF has actively been assisting this team in finding ways of making their model a reality. Interventions with the IDC, DTI, Treasury & SARS have been made particularly in addressing a tax leakage issue within the model that makes its exploitation difficult. The NFVF has been encouraged with the level of interaction between the different government departments.

6.6 TRAINING AND DEVELOPMENT FOR THE SECTOR

When the NFVF developed its Moral Imperative, one of the issues it had in mind, was the creation of facilities for ordinary South Africans to tell their own stories.

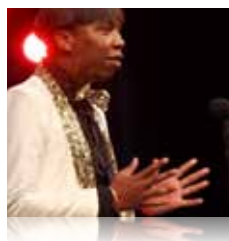
The strategic thrust was to create a route for ordinary people from the periphery into the mainstream of filmmaking. One of the key challenges was to identify critical skills gaps which have hindered the industry from producing films that could perform internationally while providing local audiences with engaging yet entertaining content. The NFVF has committed itself to comply with the national policy of skills development, and to the harnessing of skills in accordance with the legislative and regulatory framework. In line with this objective the NFVF has launched a number of scholarships and collaborated with various institutions.

In 2004, the NFVF launched the “Dr Lionel Ngakane Scholarship Fund” to encourage the continuation of his ideals by identifying and assisting emerging film talent to realise their career goals. The NFVF has committed R1 000 000 annually to the fund to provide bursaries and scholarships.

In 2003, a MoU was negotiated with Mulitchoice in partnership with the Department of Labour for the Vuka Awards. An Agency Agreement was signed between NFVF and Department Of Communications (DoC) for content development and skills development. In partnership with SABC1 and the Maurits Binger Film Institute and the DoC, 15 documentaries were produced under a mentorship programme, under the banner ‘Project 10 – Stories from a free South Africa’. All films were completed and have been distributed internationally and presented at numerous national and international festivals.

The Memorandum of Understanding signed with MNET New Directions in 2003 provided the opportunity for the development of new talent. 4 short films and 1 documentary were produced during the time, and they are:

- **Music of the Violin** directed by Mickey Dube
- **The Tamat** directed by Munier Parker
- **Hopeville Mansions** directed by Sacha Clelland-Stokes
- **IDIA - The Ivorian Mask** directed by Lucky Moropane
- **Freedom is a personal Journey** directed by Akiedah Mohammed



6.6.1 Student Open day

Since 2006 the NFVF has been hosting an open day for all past and present NFVF funded bursary students. The aim of the open day is for students to be introduced to various stakeholders within the industry and to create a platform for them to network with fellow students.

The young filmmakers are addressed by different working film and television producers and received words of inspiration by veteran journalist and author, Dr Don Mattera. The event attracts more than 200 learners and receives maximum publicity.

6.6.2 Trevor Jones scholarship fund

In 2005 the NFVF, National Film and Television School (NFTS) in the United Kingdom and Dr Trevor Jones, a South African who left the country 30 years ago on a scholarship, launched a special scholarship, The Trevor Jones Scholarship Fund, designed to help talented young South African filmmakers study in the UK at the National Film and Television School.

After the launch of the scholarship, Dr Jones accepted an invitation by the producers of the biggest South African drama series *Jozi H*, to compose the music for the series. One of the Executive Producers on the series is the former NFVF chairperson, Mr Mfundu Vundla, and the series is a co-production between South Africa and Canada.

6.6.3 Arts in Education National Schools Festival, Grahamstown

NFVF participated at the Arts in Education National Schools Festival. This 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.

6.6.4 SABC Careers Fair

The Film and Publications Board (FPB) and the NFVF partnered at the SABC Career Fair held in Bellville, Cape Town. The objective was to interact with pupils of school going age before they make the decision as to which career direction they take after school. The NFVF distributed general information on the industry and specific information on the bursary scheme.

6.6.5 Sediba Skills Development Programme

This NFVF flagship training programme has started developing a reputation for excellence in the wake of the successes achieved with the collaboration undertaken with the SABC in the development of its mini series strand over the previous two years. This strand, particularly the adaptations under the **Shakespeare in Mzansi** rubric, have achieved commendable ratings and critical acclaim. **Death of a Queen** (an original adaptation of *Macbeth* set in Limpopo), scripted by Marina Bekker, won best mini series at the 2009 SAFTAS. This follows the success achieved in 2008 with **When We Were Black**, directed by Khalo Matabane and also developed through Sediba.

A number of the series developed in this way have been re-commissioned. Among them, **When We Were Black**, **Umtunzi we Ntaba**, **Society** and **Ubizo**, which is a great testament to the quality of the training provided through Sediba and the talent identified by the SABC to develop these projects.

Although pockets of resistance remain in the industry to the Sediba approach to script development, writers trained under the programme are finding it much easier to land writing work in television and the NFVF is entertaining more requests for direct entry into the program, rather than through the selection of candidates through applications for development funding presently being utilised.

Over the past financial year Sediba has continued its excellent work of training writers and script editors. The feedback from many participants has been that the experience is life-changing.

The Spark for Narrative Fiction program is now running like a well oiled machine with sessions in Cape Town





and Johannesburg. Cape Town is now on its second cycle of workshops while Johannesburg is preparing for its sixth cycle. Ten successful writing participants from the three previous cycles, one in Cape Town and two in Johannesburg, were selected to the Masters program. In Johannesburg, the sixth cycle will start in September 2010.

In 2009/10 the NFVF reviewed the **Sediba Intermediate Development** program and found it unable to achieve its goal of developing feature length scripts to 2nd draft polish within five months. The program, which was popularly known as the “Call to Adventure”, was revised and expanded to eleven months over one year and has been rechristened the **Sediba Masters Development** program.

Ten projects and writing teams were selected to the program to join ten script editors who had all successfully completed the Spark program. In this round of training only black script editor candidates were eligible. The NFVF is proud to announce that by the end of September 2010, six out of the ten script editors trained through Sediba over the past two years are likely to be recommended to commence work as professional script editors in the industry and on NFVF funded projects.

The NFVF also expects three out of the ten projects to achieve the goal of completing 2nd draft polishes of the scripts in the allotted time. Two other projects will require further development and one project will be advised to apply for development funding from the NFVF. Participants have found the going gruelling, frustrating and rewarding.

The result is that some had to be dropped and new projects and talents had to be brought on board to take advantage of the training and the Socratic group script development process.

In 2009/10 the NFVF launched the **International Financing Program for Advanced Producers** as a direct result of the failure of many experienced South African producers to close the financing on projects funded for production by the NFVF. The Department of Trade and Industry (DTI) had reported similar findings on applications for the Local Production Incentive scheme where projects failed to materialize after provisional certification for the rebate had been issued.

The result, at the DTI, was that millions in unclaimed funds had to be returned to the fiscus. In the case of the NFVF, the projects had to be written off and the funds returned to the production pot.

In the period under review, the NFVF appointed Angus Finney of the CAS Business Academy in London to design and mentor the programme with a specific focus on experienced producers who needed to understand the international market place for the financing of feature films. This programme provides an in depth look at what Sales Agents and distributor deals can and should be and does it through a series of case studies provided by the lead facilitator who ran Renaissance Pictures, one of Europe’s most successful sales companies.

The programme then selected, in consultation with Finney, 15 candidates including 4 SABC commissioning editors and film lecturers from three film schools or film departments at universities for the training. Only 8 of the candidates were practicing producers.

The aim was that by the end of the program in October 2009, the three best producers would have developed their projects and business plans sufficiently to be accepted into the London Film Finance Forum where the producers could pitch their work to international financiers, sales agents, distributors and possible co-production partners.

Like with the feedback on our other Sediba programs, the response from the first cohort of producers was that the experience was life changing. One producer gave up his day job and started his own company; another closed down their commercials company to concentrate on the development and production of feature films and the remainder got a sobering look at what it really means to produce feature films in South Africa. By October 2009, 4 producers and their projects were invited to attend the Finance Forum in London where they were able to pitch their work.

Two projects have seen almost immediate returns on their investment of R10,000, which is part of the subsidised fee the NFVF charges for this training. **Otelo Burning**, featured earlier in this report, has completed financing within less than a year of completing the development of the project. **Stockholm**, Zululand has completed a co-production





agreement with a Swedish producer which includes pre-sales with Scandinavian television networks and is slated for production with Swedish and South African principals in December 2010 or January 2011. **My Other Mother** has been able to complete script development and is continuing with the packaging of the project to help raise finance. **The Shades** has also completed script development and has now started packaging the project for international financing consideration.

News about the utility of the program spread so fast that the NFVF has been inundated with calls to start a similar program for emerging producers. The second edition of the program in 2010/11 will have an additional 2 days devoted solely to emerging producers. The NFVF has also opened the advanced program to producers from the rest of the African continent, but have found no takers. We will continue to explore this area of co-operation in the ongoing months.

6.7 ESTABLISHMENT OF THE TRADING ENTITY

The NFVF has overseen the development of business case as the grounds for the establishment of the Trading Entity as outlined in the Act. The plan has been reported on previously and has been the basis for many of the NFVF's activities in an effort to test out the assumptions laid out in that original business case. The success of the New Ventures division over the past year can be attributed largely to the plans laid out in the business case that was

developed for the entity. Sadly those plans are unable to be implemented until substantial funds from government are made available. Without those funds, the plan will only impact the thinking of the NFVF and not the overall direction of the industry. What is needed is a further R36million a year allocation for a 7-year period to truly launch the entity and have it become a self-sustaining driver within the industry.





6.8 INTERGOVERNMENTAL & STAKEHOLDER RELATIONS

The realization of all strategic initiatives requires ongoing collaboration and co-operation with a number of government departments, policy and legislation formulation institutions and other stakeholders. In order to ensure participation of stakeholders, the NFVF encourages the formation of, and working with film sector forums, associations, federations and relevant special interest groups.

Co operation agreements are an important tool for the NFVF to enter into formal cooperative relationships with local and international film institutions. During this financial year, the NFVF was able to engage with the industry through the Indaba, an important forum as well as to pursue collaboration with other institutions.

Intergovernmental and Stakeholder relation in the Value Charter is not only limited to establishing and maintaining relationships locally. In the global village, it is important to collaborate with institutions which play similar roles to that of the NFVF. In the past ten years, such relationships have opened doors for collaboration on funding of projects and training programmes.

6.8.1 Memorandum of Understanding with the National Centre of Cinema and Audiovisual of Algeria

The relationship between South Africa and Algeria is an important one from a historical and political context. Discussions on cooperation commenced when the Minister of Arts and Culture attended the African Union Ministers of Culture Conference hosted in Algeria in 2008. Since then, the Department of Arts and Culture in South Africa and Algeria worked towards a bilateral agreement on arts and culture and programme of cooperation (POA).

The POA included cooperation in the areas of heritage, performing arts and film. The agreement would become the activation for the film and audiovisual part of the cultural

agreement and would enable the NFVF and the National Centre for Film and Audiovisual Arts to collaborate in the areas of co production, festival programmes, distribution and exhibition and education and training.

6.8.2 African Film Summit

In 2006, the Department of Arts and Culture (DAC) and the National Film and Video Foundation in association with the Pan African Federation of Filmmakers (FEPACI), hosted the African Film Summit as well as the 7th General Congress of FEPACI, in Tshwane South Africa.

Over 250 audio visual and cinema practitioners from 42 countries met together with other stakeholders and partners, for what has been billed as an “astounding success”, and as “one of the most important events in the history of the African film industry”.

6.8.3 NFVF Film Indaba 2009

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.

The Indaba 2005, a gathering by stakeholders from the film sector was the culmination of the life cycle of the National Film and Video Foundation; mobilisation towards the adoption of the Value Charter – *and an opportunity for the people to be heard*.

Up until the indaba, the Charter had remained at the level of a value, vision and mission statement for the NFVF, and a document that the Parliamentary Portfolio Committee on



Arts and Culture had engaged with over a period of time. At this indaba, the Charter was adopted as a document that embodied a shared and dynamic vision for the film sector.

A programme for developing stakeholder relations between the NFVF and the various industry representative bodies was developed and Industry briefings presented as part of a national road show to present the NFVF's programmes to the industry stakeholders.

The theme of the Indaba 2009 was titled "Mapping the way towards 2025". This theme is informed by the realignment and review of the Value Charter which is informed by the updated NFVF strategy. The Indaba was held at Glenburn Lodge, Muldersdrift on 26 and 27 November 2009.

The Indaba was held at Glenburn Lodge, Muldersdrift on 26 and 27 November 2009.

The Second Edition of the Value Charter was the discussion document for Indaba 2009. The following topics for discussion are derived from the Mission Critical Initiatives:

- Policy Alignment, Intergovernmental and Stakeholder Relations
- Development and Growth of Markets
- Human Capital Development
- Making an Economic for the Industry
- Building a Sustainable Business

The discussions at the breakaway sessions included debates on the key performance Indicators for the industry, sustainable business models, the establishment of a National Film School to mention a few. Each breakaway session also made recommendations under the 5 topics.

Professor Mbulelo Mzamane facilitated the two day event. The Indaba was attended by 160 and 50 delegates on the respective two days. The delegates comprised of industry and government representatives, speakers as well as Council members.

6.8.4 Intergovernmental Finance Forum

An initiative was developed with the DTI, IDC, & SABC aimed at raising a substantial amount of financing over a series of 20 low-budget films. These films would be fully greenlit and driven by the above partners.

The past year has seen significant developments in this regard with multiple meetings between the partner organizations. 2010 should see the piloting of the first film in the model, which would entail the creation of the templating process including contracting, rights, distribution and sales.

6.8.5 Intergovernmental Indaba

The NFVF hosted the Intergovernmental Indaba in 2008, 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 cooperative 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 IDC, the SABC and provincial film commissions.

6.8.6 Media Relations

In 2009/10 the NFVF held meetings with various newspaper chief editors with the objective of solidifying relationships with the media and positioning the NFVF as a primary source of information on issues which pertains to film. Issues of policy and research, which have been overlooked by the media, were also addressed in the meetings, and the results are already visible with journalists paying attention to the NFVF.

The creation of good will, alliances and support from the media and stakeholders is critical for the success of all initiatives and policy formulation.



6.8.7 The Minister Meets The Industry

The NFVF supported the Minister of Arts and Culture Ms Lulu Xingwana's meeting with the film industry. The meeting was held on October 12th 2009 with the aim of bridging the gap between the DAC and the film sector. In her address the Minister called for the establishment of an industry task team to address concerns that were tabled before her. Some of the issues that were raised

by industry organisations such as SASFED, TVIEC and independent filmmakers included funding, transformation, regulations of the sector and job security. The outcome of the meeting was that the industry was asked to make written submissions that will assist in developing policies and addressing industry issues.

6.9 SOUND LEADERSHIP, GOVERNANCE AND MANAGEMENT

Governance

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

Over the past ten years the NFVF has successfully:

- Ensured financial compliance with the NFVF Act and the PFMA as well as financial and legal compliance with other statutory bodies (e.g. SARS)
- Ensured an efficient NFVF office that successfully meets the needs of its various stakeholders.
- Developed, implemented and maintained an administration system that ensures the productivity and quality of the NFVF office
- Developed, implemented and maintained an effective and efficient supply chain management system
- Obtained an unqualified audit report for the past 10 years

- Identified and managed risks by holding annual risk workshops which culminate in annual internal audit plans and a risk register
- Ensured good corporate governance by establishing committees including the audit committee, HR committee, and Exco etc. as well as having a fully functioning and efficient internal audit function.
- Ensured that the HR Policies and Procedures are in line with the legislature and best practice

Situational analysis

However, in as much as the NFVF has had many accomplishments and achievements in the past 10 years (as identified above), there are many challenges that still face the organisation:

- Changing nature of compliance, e.g., compliance is no longer limited to financial compliance, but also includes service delivery, performance, IT, security etc
- Due to limitation of NFVF's current budget, it is becoming increasingly difficult to stay within the 25% administration limit as prescribed by the NFVF Act.
- The NFVF's parliamentary allocation increases by a token percentage each year and has never been informed by any strategic process. The NFVF budget was actually decreased for the 2010/11 financial year.





- The reliance on IT as a business tool presents challenges on how tools and resources are incorporated and utilised as strategic business components and drivers while balancing cost and production

In spite of NFVF's budgetary constraints, the NFVF has made positive strides in service delivery, good governance and financial management. This has gained the NFVF good standing with its political principals (DAC) and other stakeholders including DTI, film commissions, broadcasters, industry players etc.

Whilst adhering to prescribed procedures, the NFVF prides itself on its efficient and transparent engagement with all its stakeholders, including industry players.

Service Level Agreement

The NFVF Act provides for very broad and general functions and objectives of the Foundation including provision on the relationship between the NFVF and the DAC. In the past 10 years, the relationship between the NFVF and the DAC has not been the easiest. The service level agreement (SLA) and the long overdue NFVF Regulations have been identified as two key interventions that can streamline governance, reporting and management objectives and enhance the relationship between the DAC and the NFVF. This will ultimately improve service delivery by the NFVF.

An SLA is a tool that can be used to clarify the roles and responsibilities of both the NFVF and DAC. The basis of the SLA is the NFVF Act. On the other hand, the NFVF Act provides for two types of regulations. Section 21(1) regulations are those that may be prescribed by Council subject to the Minister's approval regarding the procedure of Council meetings and code of conduct for members of council and advisory panel. Section 21(2) regulations are those that may be developed by the Minister which may be necessary in order to achieve the objectives of the NFVF Act.

In November 2008, DAC led by the Director General, Mr. Themba Wakashe held a two day workshop with NFVF Management. It was agreed that an SLA was important from a performance and reporting perspective. The SLA will include duties and obligations as mapped out in the NFVF Act and 3 year Strategy that is submitted to the DAC including contact persons for specific areas as well as communication protocols.

The NFVF regulations in progress are a mix of section 21 (1) and subsection (2) respectively. The provision includes the appointment of Council, funding, co-production administration, sale of NFVF services, relationship with government departments and cinema levies. The imposition of cinema levies is an important aspect that requires regulation.



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 2010, the NFVF's internal auditors, SizweNtsaluba, conducted the following internal audits:

- Marketing and Communications
- Financial Discipline Review
- Funding
- Auditor General and internal audit 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 3rd March 2010 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, presented and approved at the Audit Committee on the 14th April 2010.

In accordance with the NFVF Act 73 of 1997, four Council meetings were held on the 16th July 2009, 15th October 2009, 8th December 2009 and 25th February 2010.

In accordance with its charter, three audit committee meetings were held on the 14th July 2009, 24th November 2009 and 14th April 2010.

Human Resources Committee

The HR Committee is the sub-committee of the Council. The principal purpose of the committee is to assist Council in developing and determining HR Policies; review organisational structure and review annual salary increments and benefits.

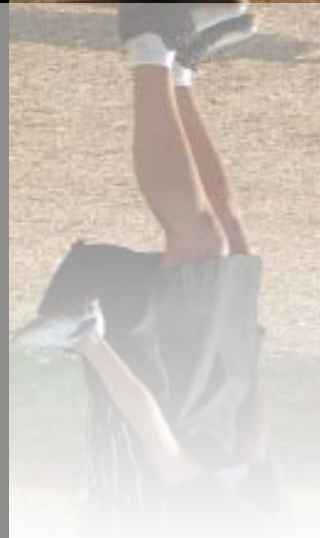
HR Committee Members and Attendance

The HR committee consists of 4 members. The committee is required to meet at least twice a year.

Name of Member

Mr. David Bensusan (Chairperson)
Prof. Pitika Ntuli - Council member
Ms. Sandra Gordon - Council member
Ms. Matlhodi Ngwenya – Ex-officio member





8. HUMAN RESOURCE MANAGEMENT

8.1 Human Resources Strategy

In line with the new strategic thrust of “consolidation and taking NFVF to the people” The HR strategy was revised to be in line with the NFVF strategic direction. The strategy focuses on the strategies below.

The strategy focused on the following Key areas:

- Organisational design
- Talent management
- Employee development
- Communications
- Employee Wellness
- Organisational culture
- Promoting The NFVF

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 TRAINING

The NFVF finds itself in a unique situation where the skills and knowledge required to deliver on the mandate are not readily available in the open labour market. It therefore becomes incumbent upon the organisation to develop these skills internally. This goes a long way in ensuring that the NFVF retains human capital and institutional memory. As a result, the following strategies were developed and implemented:

Talent Management

The purpose of the talent management strategy is to ensure operational continuity and sustainability of the NFVF through ensuring that the right people, with the right skills, are in the right role, at the right time therefore enabling successful business and Succession planning is an integral part of the talent management process that is completed on an annual basis that outlines future roles incumbents for key leadership positions and other mission critical positions.

Talent Management is a strategic driver and an annual business process in relation to strategic reviews, business planning, budget reviews and performance/reward reviews.

The primary objective of Talent Management is to build individual capability within the organisation in response to the organisational capability requirements associated with strategic and business goals.

Retention Policy

In the endeavour to ensure that skills are retained, the NFVF developed a retention policy. The policy sets out the basic principles according to which the organisation will attempt to retain and develop its valuable “human capital. The retention policy covers the following tactics and strategies: staff development; remuneration; personal life events; environment and infrastructure; workplace relations; communications and termination management.



Mentorship Programme

In line with the philosophy of promoting and developing human capital from within, a mentorship programme was developed. To date four individuals were successfully put on the programme which includes among others a Psychometric Assessment; Training Plan which includes both formal and informal training.

8.4 Remuneration

The HR committee took a resolution that salary increases will be based on the DPSA and performance management review scores. The NFVF is committed to the principle of equity in terms of remuneration. The NFVF strives to remunerate employees at competitive salary scales. In 2008 the organisation commissioned a salary survey in order to benchmark the salaries offered to employees. In addition the NFVF has a Provident Fund incorporating Group Life, Retirement Annuity and Disability Cover for all employees as well as a comprehensive Medical Aid scheme which were introduced in 2003.

In order to ensure transparency and inclusivity, the NFVF appointed a Management Committee whose sole responsibility is to monitor and make decisions regarding the management of the Provident Fund. The committee is made up of equal representation of management and staff.

8.5 Staff Compliment

During the period under review (01 April 2009 – 31 March 2010), 1 employee resigned and 5 new employees were appointed. In the last 10 years the NFVF staff grew from a staff compliment of 11 to the present staff compliment of 26.

In the last decade, the organisational structure also saw major transformation from having three departments to 6. This saw the NFVF having a flatter structure, allowing the organisation to maximize on the expertise and skills that existed within.

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	-	-	-
Senior Management	6	2	4	-	-
Middle management and experienced specialists	4	1	3	-	-
Junior Management / Supervisor and high level skilled	13	3	8	-	2
Lower level and semi-skilled/clerical	1	-	1	-	-
Very low skilled	1	-	1	-	-
TOTAL	26	7	17	-	2
		27%	65%	0%	8%



9. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2010.

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 (2009/2010), the committee met on 14th July 2009, 24th November 2009 and 14th April 2010.

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:

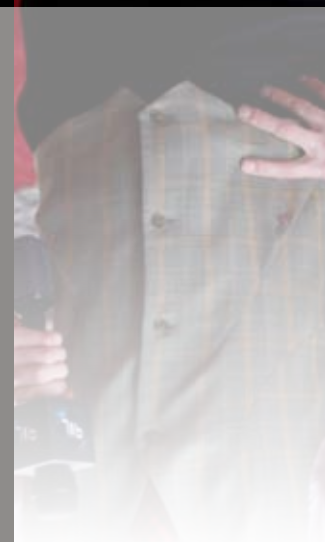
- reviewed and discussed the audited annual financial statements of the NFVF to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's management letter and management's response thereto;

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 Recognised Accounting Practice.

G O'LEARY

Chairperson of the Audit Committee





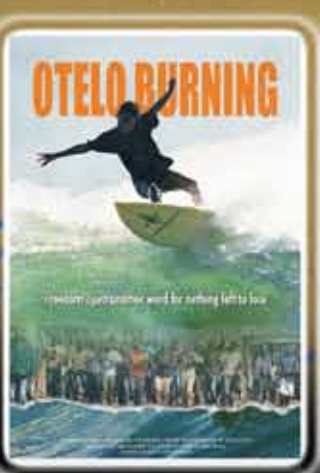
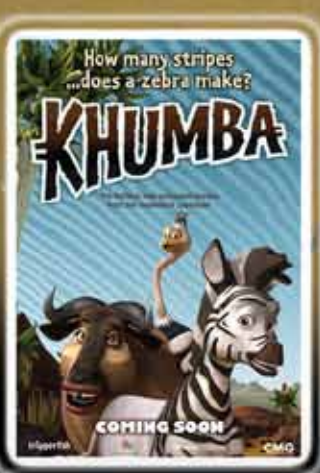
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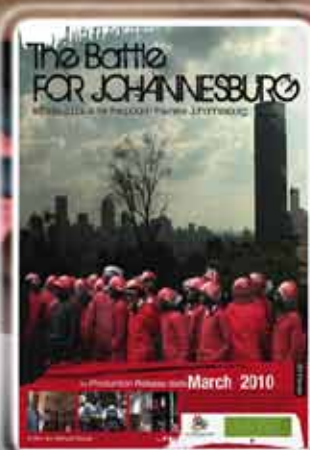
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10. ANNUAL FINANCIAL STATEMENTS

NATIONAL FILM AND VIDEO FOUNDATION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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Report of the Auditor-General	66 - 67
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Statement of Financial Performance	73
Statement of Change in Net Assets	74
Cash Flow Statement	75
Notes to the Annual Financial Statements	76 - 92

The annual financial statements set out on page 68 to 92 were approved by the Accounting

Authority on 31 May 2010 and are signed by:

Ms. C Mampone
Chairperson
NFVF

Mr. K.E. Mbalo
Chief Executive Officer
NFVF





REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE NATIONAL FILM AND VIDEO FOUNDATION FOR THE YEAR ENDED 31 MARCH 2010

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

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 2010, and the statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, as set out on pages 68 to 92.

ACCOUNTING AUTHORITY'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999)(PFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR-GENERAL'S RESPONSIBILITY

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 32758 of 27 November 2009. 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.

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.

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



OPINION

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 2010, and its financial performance and its cash flows for the year then ended in accordance with the SA Standards of GRAP, and in the manner required by the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and General notice 1570 of 2009, issued in Government Gazette No. 32758 of 27 November 2009 I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

FINDINGS

Predetermined objectives

No matters to report.

Compliance with laws and regulations

No matters to report

INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

Leadership

No matters to report.

Financial and performance management

No matters to report.

Governance

No matters to report.

Auditor-General

Johannesburg
22 July 2010



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

Auditing 10 build public confidence





NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2010

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 2010.

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

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

Council member Ms A Lebethe resigned on 11 August 2009





3 ORGANISATIONAL STRUCTURE

The organisation currently employs 26 permanent staff including the chief executive officer and 6 executive managers. 5 additional staff members were employed during the year, and 1 employee resigned.

REMUNERATION FOR THE YEAR

Non-executive directors' Council

Council Member	Amount	Number of Meetings attended		
		Council 4 meetings	Exco 0 meetings	HR 1 meeting
Ms C Mampane(Chairperson)	R 15 000	3		
Mr M Ngonyama	R 20 000	4		
Ms N Sowazi	R 5 000	1		
Mr M Rosin	R 20 000	4		
Ms S Gordon	R 23 000	4		1
Mr M Smit	R 15 000	3		
Mr M Mphomela	R 20 000	4		
Ms N Bulbulia	R 15 000	3		
Mr S Bhembe	R 10 000	2		
Mr D Bensusan	R 23 000	4		1
Prof P Ntuli	R 23 000	4		1
Adv R Solomon	R 20 000	4		

Audit Committee

Audit Committee member	Amount	No of meetings attended	
		Audit 2 Meetings	Other 1 Meeting
Mr G O'Leary (Chairperson)	R 9 000	2	1
Mr C Mullin	R 6 000	2	
Mr M Karedi	R 3 000	1	
Ms N Sowazi	R 3 000	1	1
Ms N Bulbulia	R 6 000	1	



NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2010

Executive Management:

	Basic Salary	Bonus	Allowances	Contributions	Total
CEO	916 605	76 384	12 000	127 678	1 132 667
CFO	623 803	51 984	6 000	-	681 787
Head: Marketing	395 059	29 596	6 000	47 663	478 318
Head: Policy & Research	429 256	35 771	6 000	52 349	523 376
Head: Human Resources	459 443	39 952	6 000	61 389	566 783
Head: New Ventures	471 372	39 281	6 000	19 368	536 021
Head: Production & Development	456 645	38 054	6 000	45 664	546 363

4 GOING CONCERN

The Council and Management of the Foundation are of the opinion that the organisation will continue as a going concern in the foreseeable future.

5 PRINCIPAL ACTIVITIES

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

6 OPERATING RESULTS

The deficit of the organisation for the year was R 359 179 (2009 deficit: R 509 424)

7 REVIEW OF OPERATIONS

Revenue

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

The decrease in revenue is attributable to a decrease in funds received from various sponsors for the support of initiatives such as the South African Film and Television Awards (SAFTA), MIPTV, MIPCOM and Cannes.

Operating expenses

1 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 February 2010.

The Foundation partnered with SABC and M-Net to attend the MIPTV markets in Cannes, France and also partnered with the Department of Trade and Industry to attend the Cannes Film Festival in Cannes France.





8 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.

9 AUDITORS

The Office of the Auditor General will continue in accordance with section 58(1)(a) of the PFMA

10 ADDRESSES

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

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



STATEMENT OF FINANCIAL POSITION

NATIONAL FILM AND VIDEO FOUNDATION STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	2010 Actual R	2010 Budget R	2009 Actual R	2009 Budget R
ASSETS					
Non Current Assets		1,974,431	1,135,560	1,021,972	958,560
Plant and equipment	3	1,718,773	939,000	825,412	762,000
Intangible assets	4	59,098	-	-	-
Rental deposit		196,560	196,560	196,560	196,560
Current Assets		15,333,361	13,669,440	14,218,188	12,096,440
Cash and cash equivalents	13	12,469,266	9,866,000	9,033,516	7,793,000
Trade and other receivables	5	1,429,279	3,803,440	1,859,960	4,303,440
Prepayments		1,434,816	-	3,324,712	-
TOTAL ASSETS		17,307,792	14,805,000	15,240,160	13,055,000
LIABILITIES					
Accumulated surplus		1,550,979	346,513	1,910,158	2,355,000
Current Liabilities		15,756,813	14,458,487	13,330,002	10,700,000
Trade and other payables	6.1	651,318	950,000	1,135,668	400,000
Operating lease liability	15.2	583,527	-	165,769	-
Provisions	6.2	14,521,968	13,508,487	12,028,565	10,300,000
Deferred income	6.3	-	-	-	-
TOTAL NET ASSETS		17,307,792	14,805,000	15,240,160	13,055,000



NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
31 MARCH 2010

	Note	2010 Actual R	2010 Budget R	2009 Actual R	2009 Budget R
Revenue	7	42,952,752	39,236,000	49,256,928	40,095,000
Grant expense	8	(28,535,866)	(26,092,000)	(36,451,780)	(27,680,000)
Gross profit		14,416,886	13,144,000	12,805,148	12,415,000
Operating expenses	9	(15,581,771)	(15,427,645)	(14,251,990)	(13,108,000)
Deficit from operations		(1,164,885)	(2,283,645)	(1,446,842)	(693,000)
Investment income	10	805,706	720,000	937,418	720,000
(Deficit) / surplus for the year		(359,179)	(1,563,645)	(509,424)	27,000



NATIONAL FILM AND VIDEO FOUNDATION STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2010

	Accumulated surplus R	Total R
Balance as at 31 March 2008 (Restated)	2,419,582	2,419,582
Deficit for the year	(509,424)	(509,424)
Balance as at 31 March 2009	1,910,158	1,910,158
Deficit for the year	(359,179)	(359,179)
Balance as at 31 March 2010	1,550,979	1,550,979



NATIONAL FILM AND VIDEO FOUNDATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 Actual R	2010 Budget R	2009 Actual R	2009 Budget R
Cash flows from operating activities					
Cash generated from / (utilised in) operations	11	4,054,672	2,610,842	(553,246)	(1,627,000)
Interest income	10	805,706	720,000	937,418	720,000
		4,860,377	3,330,842	384,172	(907,000)
Cash flows used in investing activities					
Purchase of plant and equipment	12	(1,359,713)	(1,257,842)	(370,498)	(319,000)
Purchase of intangible assets	4	(65,664)	-	-	-
Proceeds on disposal of plant and equipment	7	750	-	-	-
		(1,424,627)	(1,257,842)	(370,498)	(319,000)
Increase / (decrease) in cash and cash equivalents		3,435,750	2,073,000	13,674	(1,226,000)
Cash and cash equivalents at the beginning of the year		9,033,516	7,793,000	9,019,842	9,019,000
Cash and cash equivalents at the end of the year	13	12,469,266	9,866,000	9,033,516	7,793,000

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. Basis of preparation

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

2. Summary of significant accounting policies

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

2.1 Significant accounting estimates and judgements

In preparing the annual financial statements, management has made estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant estimates and judgements include:

Estimates

Provisions

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

Plant and equipment

Management has made certain estimates with regards to the determination of estimated useful lives and residual values of items of property, plant and equipment.

Judgements

Leases

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

2.2 Revenue

Revenue is recognised when it is probable that future economic benefits will flow to the foundation and when the amount can be measured reliably. Revenue is measured at the fair value of the consideration received.

Revenue comprises of income from the Department of Arts and Culture (DAC), the Department of Trade & Industry (Dti), and other sources.

Government grants

Government grants received by the foundation relates to financial support that the foundation receives as a public entity in order to carry out its mandate. All government grants are recognised in the statement of financial performance for the year to which they relate.



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.

Interest Income

Interest income is recognised as part of investment income using the effective interest method.

2.3 Plant and equipment

Plant and equipment are shown at cost less accumulated depreciation and accumulated impairment. Costs include costs incurred initially to acquire or construct an item of plant and equipment and cost incurred subsequently to add to, replace part of, or service it.

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

Computer hardware	33.33%	p.a
Furniture and fittings	10% - 16.67%	p.a
Computer software	50.00%	p.a
Office equipment	16.67%	p.a
Motor vehicles	20.00%	p.a

The residual values, useful lives and depreciation methods are reviewed at the end of each financial year and adjusted if appropriate. Any change resulting from the review is treated as a change in accounting estimate. Depreciation commences when the asset is available for use. Valuations to plant and equipment are performed bi-annually to ensure that the fair value does not differ materially from its carrying amount.

All gains or losses arising on the disposal of scrapping of plant and equipment are recognised in the statement of financial performance in the period of disposal or scrapping. Repairs and maintenance are charges to the statement of financial performance when the expenditure is incurred.

2.4 Intangible assets

Intangible assets are identifiable assets without physical substance. No intangible asset is recognised arising from research. The foundation's intangible assets are shown at cost less accumulated amortisation. Intangible assets are amortised over its estimated useful life, using the straight line method and is calculated to reduce the original costs to the expected residual values over the estimated useful lives.

The amortisation rates are as follows:

Intangible assets	10.00%	p.a
-------------------	--------	-----

The amortisation period and the amortisation method for intangible assets are reviewed bi-annually. Useful lives and residual values are assessed bi-annually.



2.5 Non-current assets

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

2.6 Financial instruments

A financial instrument is defined as a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial assets and financial liabilities are recognised on the statement of financial position when the foundation becomes a party to the contractual provisions of the instrument. Financial instruments recognised on the statement of financial position include trade and other receivables, cash and cash equivalents, trade and other payables

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method less any impairment. Impairment is determined on a specific basis, whereby each asset is individually assessed for impairment indicators.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and deposits held at banks. Cash and cash equivalents are initially and subsequently measured at amortised cost.

Trade and other payables

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

Impairment of financial instruments

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

Derecognition of financial instruments

Financial assets

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

Financial liabilities

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

Off-setting of financial instruments

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



2.7 Provisions

Provisions were raised and management determined an estimate based on the information available. A provision is a liability of uncertain timing or amount. Provisions are recognised when the foundation 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.

Additional disclosure of these estimates of provisions are included in note 6.2 to the annual financial statements.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Contingent assets and contingent liabilities are not recognised as provisions as they do not comply with the recognition criteria.

2.8 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).

2.9 Comparative figures

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

2.10 Presentation currency

Amounts in the annual financial statements are presented and disclosed in South African Rand, and are rounded to the nearest South African rand.

2.11 Employee Benefits

Short-term employee benefits are recognised during the period in which the employee renders the related service. The foundation operates a defined retirement contribution plan for its employees and is not liable for any actuarial losses sustained by the fund. Accordingly, no provision has been made for any such losses and contributions paid are expensed.

2.12 Related Parties

All related party transaction that are entered into by the foundation are disclosed in the annual financial statements

2.13 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.

2.14 Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease asset or liability. This liability is not discounted. Additional disclosure of operating leases is included in note 15 of the annual financial statements.



2.15 Impairment of assets

The foundation assesses at each statement of financial performance date whether there is any indication that an asset may be impaired. If any such indication exists, the foundation estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the statement of financial performance. Any impairment loss of a revalued asset is treated as a revaluation decrease. An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

3. 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 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

	R	R	R	R	R	R
	Computer hardware	Furniture & fittings	Computer software	Motor Vehicles	Office equipment	Total
Net book value at 1 April 2009	304,811	306,345	3,739	131,161	79,356	825,412
Additions	108,964	198,539	194,388	-	4,988	506,879
Work-in-progress	-	852,834	-	-	-	852,834
Write-offs	-	-	-	-	-	-
Depreciation	200,184	118,227	84,734	36,603	26,604	466,352
Net book value at 31 March 2010	213,591	1,239,491	113,393	94,558	57,740	1,718,773

Cost as at 31 March 2010	525,482	3,034,444	720,403	183,015	355,922	4,819,266
Accumulated depreciation	311,891	1,794,953	607,010	88,457	298,182	3,100,493
Net book value at 31 March 2010	213,591	1,239,491	113,393	94,558	57,740	1,718,773

There were no impairment to plant and equipment during the year (2009:Nil).



4. Intangible assets

Net book value at the beginning of the year

Additions

Write-offs / impairment

Amortisation

Net book value at the end of the year

2010 R	2009 R
-	-
65,664	-
-	-
6,566	-
59,098	-

Reconciliation

Cost as at the beginning of the year

Accumulated amortisation

Net book value at the end of the year

65,664	-
6,566	-
59,098	-

There were no impairment to intangible assets during the year (2009:Nil).



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2010

5. Trade and other receivables

	2010 R	2009 R
Short End Pictures	-	20,547
SABC: Sediba, Fespaco , MIPTV & SAFTA	1,200,000	323,992
Staff loans	7,340	926
DAC	211,774	476,943
DTI	-	906,937
MNET	-	89,609
Film & Publications Board	10,165	41,006
Sithengi	-	-
Initial recognition	-	1,500,000
Less: Impairment of receivables balance	-	(1,500,000)
	1,429,279	1,859,960

A loan to Sithengi has been granted on the 11th of August 2006 of R5 000 000.00. A provision for the impairment of this debt was made at 31 March 2008. The loan was written off in March 2010.

Disclosed as part of trade receivables is an impairment of trade receivables of R0 (2009: R1 500 000).

	R	R	R	R	R	R
	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
2010						
Gross trade receivables	17,505	-	1,200,000	-	1,711,774	2,929,279
Write-off of trade receivables	-	-	-	-	(1,500,000)	(1,500,000)
Nett trade receivables	17,505	-	1,200,000	-	211,774	1,429,279
2009						
Gross trade receivables	410,062	122,414	-	-	2,827,484	3,359,960
Impairment of trade receivables	-	-	-	-	(1,500,000)	(1,500,000)
Nett trade receivables	410,062	122,414	-	-	1,327,484	1,859,960



6.1 Trade and other payables

	2010 R	2009 R
Medical aid accrual	61,937	37,045
Provident fund accrual	87,571	-
Cashbook accruals	501,810	1,098,623
	651,318	1,135,668

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

6.2 Provisions

6.2.1 Provision for grants issued by NFVF

Opening balance as at 01 April 2009

	2010 R	2009 R
New grants issued (note 7)	28,535,866	36,451,780
Payments made during the year	(26,056,443)	(36,937,269)
Closing balance as at 31 March 2010	14,267,855	11,788,432

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

6.2.2 Provision for leave pay

Opening balance as at 01 April 2009

	2010 R	2009 R
Utilised during the year	(240,133)	(220,982)
Originated during the year	254,113	240,133
Closing balance as at 31 March 2010	254,113	240,133

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

Total provisions

14,521,968	12,028,565
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NATIONAL FILM AND VIDEO FOUNDATION
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31 MARCH 2010

6.3 Deferred income

Department of Communications

Opening balance as at 01 April 2009

Utilised during the year

Closing balance as at 31 March 2010

Department of Arts and Culture

Opening balance as at 01 April 2009

Utilised during the year

Closing balance as at 31 March 2010

Total deferred income

2010 R	2009 R
-	753,449
-	(753,449)
-	-
-	109,350
-	(109,350)
-	-
-	-





7. Revenue

	2010 R	2009 R
Department of Arts and Culture - annual allocation	39,136,000	37,895,000
Department of Arts and Culture - special projects	-	564,184
Department of Arts and Culture - Bambatha documentary	-	400,000
Department of Trade and Industry	750,000	634,000
Department of Communications - Ten Commandments	-	862,799
South African Broadcasting Corporation	1,575,000	7,173,787
M-Net	350,000	745,301
South African Film and Television Awards (SAFTA) fees	6,609	69,851
Gauteng Film Office	164,000	428,795
Cape Film Commission	114,000	127,318
Durban Film Office	114,000	96,016
Film and Publications Board	9,500	210,000
Avalon	75,775	-
The Callsheet	5,318	-
Stitching Freeway Custody - Tsotsi recoupment	4,405	-
Teaching Screen Productions - "Uranium Road" recoupment	-	6,029
Triggerfish Animation- ZAMBEZIA	100,000	-
Rogue Star - SPUD	250,000	-
NEXT Entertainment	133,031	-
Ikamva (Golf Day)	26,625	-
Mercury Media	2,000	-
Producers Programme participants	134,394	-
Profit on the sale of plant and equipment	750	21,291
Sale of SEDIBA books	1,346	1,000
Grant recovery from Ikho Productions	-	10,000
Rialto Film Week	-	11,557
	42,952,752	49,256,928

8. Grants expense

	2010 R	2009 R
Training & bursaries	4,483,572	6,523,271
Script development	1,900,122	2,007,191
Production	6,859,009	6,310,605
Research projects	540,255	576,239
Distribution & marketing	14,752,908	21,034,474
	28,535,866	36,451,780



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2010

9. Operating expenses

Included in the operating expenses are the following:

		2010 R	2009 R
Audit fees		287,235	269,772
Consulting services		669,303	810,624
Internal audit fees		470,106	578,193
Professional services - staff recruitment		40,897	101,947
Website expenses		158,300	130,484
Councillor's services			
Honorarium - council meetings	21.1	200,000	348,000
Depreciation on plant and equipment and intangible assets	19	472,918	513,299
Computer hardware		200,184	131,814
Furniture & fittings		118,227	280,835
Computer software		84,734	34,061
Intangible assets		6,566	-
Motor vehicles		36,603	36,603
Office equipment		26,604	29,986
Panelist fees		152,250	160,200
Rent paid		2,319,455	1,437,698
Salaries and wages		9,254,368	7,740,240
Salaries and wages - executive management	21.2	4,465,316	3,110,353
Salaries and wages - other staff		4,789,052	4,629,887
Travel and accommodation		246,851	350,434





10. Investment income

Interest income
Loan - Short end pictures
Loan - DV8
Bank deposits

2010 R	2009 R
805,706	937,418
-	3,689
-	136,867
805,706	796,862

11. Cash generated from / (utilised in) operations

Deficit for the year
Interest income

Adjustments for:

Write-off of plant and equipment
Profit on the sale of plant and equipment
Depreciation and amortisation on plant and equipment and intangible assets
Increase / (decrease) in operating lease
Increase / (decrease) in provisions

Changes in working capital:

Decrease in trade and other receivables
(Decrease) in trade and other creditors

2010 R	2009 R
4,054,672	(553,246)
(359,179)	(509,424)
(805,706)	(937,418)
-	11,259
(750)	-
472,918	513,299
417,758	(10,504)
2,493,403	(466,338)
2,320,577	1,257,211
(484,350)	(411,331)

12. Purchase of plant and equipment

Furniture & fittings
Office equipment
Computer software
Computer hardware

2010 R	2009 R
(1,359,713)	(370,498)
(1,051,373)	(25,117)
(4,988)	(37,387)
(194,388)	-
(108,964)	(307,994)

13. Cash and cash equivalents

First National Bank
Corporation for Public Deposits
Petty cash

2010 R	2009 R
12,469,266	9,033,516
312,240	466,253
12,155,026	8,565,263
2,000	2,000

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



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2010

14. Reconciliation of budget with statement of financial performance

Net deficit per statement of financial performance

Adjusted for

Increase in revenue

Timing differences

Net deficit per approved budget

2010 R	2009 R
(359,179)	-
(3,802,457)	-
2,597,992	-
(1,563,645)	-

2010 R	2009 R
2,423,905	2,193,586
7,761,411	10,185,316
10,185,316	12,378,902

15. Lease arrangements

15.1 Operating lease commitments

At the statement of financial position date the foundation had outstanding commitments which relates to various operating leases and falls due as follows:

Up to 1 year

2 to 5 years

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 expense for the year ended 31 March 2010 is R 2 319 455.

National Samsung - PABX System

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

The lease expense for the year ended 31 March 2010 is R 82 527.

National Samsung - Equipment

This is a 60 month contract allowing for 15% escalation fee annually. This lease was entered into on 01 September 2008. The lease expense for the year ended 31 March 2010 is R 208 176

15.2 Operating lease liability

2010 R	2009 R
583,527	165,769

16. Material losses through criminal conduct

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

2010 R	2009 R
-	-





17. Irregular expenditure

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

2010 R	2009 R
-	-
-	-

18. Fruitless and wasteful expenditure

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

2010 R	2009 R
-	-
-	-

19. Change in accounting estimate

The useful life and residual values of plant and equipment were reviewed at 31 March 2010 by an independent valuator.

Included in depreciation is a change in accounting estimate amounting to R89 350.

This decrease in depreciation resulted from the valuation done on furniture and fittings.

The effect of the adjustment is as follows:

Dr Accumulated depreciation on plant and equipment
Cr Depreciation on plant and equipment

2010 R	2009 R
89,350	-
(89,350)	-

20. Related parties

During the year, the foundation entered into a related party transaction with the Department of Arts and Culture.

Amounts due by related parties

Department of Arts and Culture

Amounts received from related parties

Department of Arts and Culture

2010 R	2009 R
211,774	476,943
39,136,000	38,382,241

All balances are unsecured, interest free, with no fixed terms of repayment and are recorded at fair values.

Council members including sub-committees i.e. Audit, Human Resources and Exco only receive honorariums for meetings attended. Executive management is defined as employees who have the ability to direct and control the operations of the foundation. The NFVF Executive management only receive remuneration for salaries. No loans have been advanced to the Executive management during the financial year. There are no further payments expedited to these members.



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
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21. Disclosure of remuneration

21.1 Non Executive Honorarium - council services

	2010 R	2009 R
	200,000	348,000
Ms C Mampane	15,000	34,000
Mr M Rosin	20,000	14,000
Ms N Sowazi	5,000	24,000
Mr M Ngonyama	20,000	41,000
Ms A Lebethe	-	31,000
Ms S Gordon	20,000	20,000
Mr M Smit	15,000	25,000
Mr M Mphomela	20,000	30,000
Ms N Bulbulia	15,000	11,000
Mr S Bhembe	10,000	26,000
Mr D Bensusan	20,000	33,000
Prof P Ntuli	20,000	29,000
Adv R Solomon	20,000	30,000

21.2 Executive management salaries - 2010

	R Basic Salary	R Bonus	R Allowances	R Contributions	R Total
Chief Executive Officer	916,605	76,384	12,000	127,678	1,132,667
Chief Financial Officer	623,803	51,984	6,000	-	681,787
Head: Marketing	395,059	29,596	6,000	47,663	478,318
Head: Policy & Research	429,256	35,771	6,000	52,349	523,376
Head: Human Resources	459,443	39,952	6,000	61,389	566,784
Head: New Ventures	471,372	39,281	6,000	19,368	536,021
Head: Production and Development	456,645	38,054	6,000	45,664	546,363
	3,752,183	311,022	48,000	354,111	4,465,316

Executive management salaries - 2009

	R Basic Salary	R Bonus	R Allowances	R Contributions	R 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



22. Financial instruments

As at 31 March 2010, the carrying values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their fair values due to the short term maturities of these assets and liabilities as disclosed below.

Financial assets

Cash and cash equivalents	Carrying value	12,469,266	9,033,516
	Fair value	12,469,266	9,033,516
Trade and other receivables	Carrying amount	2,864,095	5,184,672
	Fair value	2,864,095	5,184,672

Financial liabilities

Trade and other payables	Carrying value	651,318	1,135,668
	Fair value	651,318	1,135,668
Operating lease liability	Carrying value	583,527	165,769
	Fair value	583,527	165,769

23. Financial risk management objectives and policies

The main business risks faced by the foundation in respect of its principal non-derivative financial instruments are interest rate risk and liquidity risk. Management reviews and agree controls for managing these risks.

23.1 Interest rate risk

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

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

	2010 R	2009 R
Within 1 year	12,469,266	9,033,516
1 to 5 years	-	-
	12,469,266	9,033,516

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

	2010 R	2009 R
Increase in interest rate of 1%	113,243	72,518
Decrease in interest rate of 0.5%	(56,709)	(35,757)



NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

23.2 Liquidity risk

The foundation's risk to liquidity is a result of the funds available to cover future commitments. The foundation manages liquidity risk through ongoing review of future commitments. Cash flow forecasts are prepared regularly. The table below summarises the maturity profile of the foundation's financial liabilities as at 31 March 2010.

	R	R	R	R	R
	Less than 3 months	3 -12 months	91-120 days	1 - 5 years	Total
2010					
Trade and other payables	-	-	-	-	-
Operating lease liability	-	-	-	583,527	583,527
Financial liability	-	-	-	583,527	583,527
2009					
Trade and other payables	-	-	-	-	-
Operating lease liability	-	-	-	165,769	165,769
Financial liability	-	-	-	165,769	165,769

24. World Cup Expenditure

Purchase of other world cup apparel
Soccer T-shirts

Quantity

26

2010
R

13,520

2009
R

-

Total world cup expenditure

13,520

-

**Tickets acquired after year-end
(30 June 2010)**

-

-

-

Total

-

-

