



national film and video foundation
SOUTH AFRICA

NATIONAL FILM AND VIDEO FOUNDATION ANNUAL REPORT 2011

MORAL IMPERATIVE

It is a national imperative to create facilities for ordinary South Africans to bear influence in the expression of their own image, thereby deepening democracy and creating prosperity. The National Film and Video Foundation strives for this noble ideal.





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NATIONAL FILM AND VIDEO FOUNDATION

ANNUAL REPORT 2011

Ms M Ramagoshi
Chairperson: NFVF

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 2010 TO 31 MARCH 2011.





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1. FOREWORD BY THE MINISTER OF ARTS AND CULTURE PAUL MASHATILE

The National Film and Video Foundation (NFVF) continues to play an important role in supporting the growth and development of the local audiovisual industry.

The role of the NFVF is particularly significant in light of the reality that; as was noted by delegates at the Mzansi's Golden Economy Consultative Conference held in April this year, the film industry generates over R 5.5 billion in economic activity annually and employs an estimated 30 000 people.

It is therefore important that this industry continues to receive support as an integral part of the creative industries contribution to the national effort to grow the economy and create jobs.

In this regard we note with appreciation that the NFVF has managed to secure additional funding totalling R 130 Million for the next three years. The increased allocation will go a long way in contributing towards placing the film and video industry on a firm and sustainable growth path.

I will also strengthen efforts to place the industry at the center of ongoing efforts to grow the national economy and create more jobs.

As part of strengthening the capacity of the NFVF to deliver on its mandate this year we appointed a new Council for the NFVF.

I take this opportunity to thank Ms Charlotte Mampane, the former Chairperson of the NFVF Council and the outgoing NFVF Council who collectively did a sterling job as Council Members.



We are encouraged that for the period under review the previous NFVF Council approved more feature films and documentaries for development and production than at any time in the history of NFVF. A total of 26 projects were approved for production during this period.

We have no doubt that the newly appointed NFVF Council, led by Chairperson Ms. Mmabatho Ramagoshi, will take the work of the previous Council to a higher level.

The immediate task of the NFVF is to increase significantly content development and investment in the production of local films.

The NFVF also has a responsibility to ensure that its programmes and support initiatives reach all corners of the country, including rural communities and townships.



In this regard, we applaud the initiative by the NFVF to develop digital screens in township and rural areas for the exhibition of local content.

Through this initiative we are expanding access to filmed product for hitherto under-served communities with no cinemas or screening facilities.

This initiative will also contribute massively towards our strategic imperative of audience development, which is critical to the sustainability of the local film industry.

Coupled with this initiative is the need to ensure that South African filmed product find channels of export and distribution markets globally, to promote the South African culture and heritage to other parts of the world.

This we say because it is partly through Audiovisual productions that we can tell our own stories to ourselves and to the world.

Furthermore by telling our stories we can contribute towards national healing, promoting dialogue in our society and building a nation united in its diversity.

Indeed it is through film that we can also contribute to a better understanding and appreciation of our country and the world we live in.

We will continue to look up to the NFVF, as the custodian of film development in South Africa, to pay attention to these tasks.

Equally we will rely on partnership with the private sector to join hands with government and invest in the growth and development of the local film industry.

In forging these partnerships we must draw lessons from the successes of the public-private partnership that led to the establishment of the Cape Town Film studios, which is the first of its kind in our country.

More opportunities exist for these kinds of public-private partnerships for the growth and development of South Africa's Golden Economy and film production in particular.

Lastly, I would like to pay tribute to Mr. Eddie Mbalo who has been at the helm of the NFVF since its inception and steered the institution to the mature organization that it has now become.

We wish Mr. Mbalo well in all his endeavours.

Paul Mashatile

Minister of Arts and Culture

2. MESSAGE FROM CHAIRPERSON – MS M RAMAGOSHI

I am thankful for the confidence placed in me and my fellow Council members by the Honourable Minister Paul Mashatile. My appointment as the Chairperson of the National Film and Video Foundation Council comes at a critical stage when the National Treasury has imprinted its confidence in the institution by injecting R135 million into the film industry through the NFVF for the period 2011 – 2013, towards skills development and job creation. For us as the new Council, it is an exciting and challenging new journey to embark on. Before going into the detail, allow me to take this opportunity to pay homage to my predecessor Ms Charlotte Mampane for the sterling job she has done.

I also would like to pay tribute to the former NFVF CEO Eddie Mbalo for the exceptional job he has done over the past 10 years. Mr Mbalo has led the industry and the NFVF from its infancy stages up to where it is now. As Council we can only wish Eddie Mbalo all the success in his career endeavours.

Our greatest challenge is to achieve optimum transformation in order for the film sector to be one of the key streams of Domestic Product growth in the country. The implementation of Sectoral Information System (SIS) is the most important vehicle to help us achieve the desired results. This will require collaboration with all stakeholders that are involved in the sector: the broadcasters, distributors, exhibitors, producers and film commissions will play a critical role in the application and implementation of the programme. The implementation of SIS will also assist us as we contribute to the New Growth Path as desired by the office of Economic Development. The system will measure the sector performance and related economic and job multiplier effects. Through partnerships



with institutions of higher learning such as the Tshwane University of Technology (TUT) we envision a smooth collaboration as we continue with our research.

We will continue to position South Africa within the continent and the world as one of the key diplomatic enterprises which involves participating at international film festivals and markets, and carving a unique South African niche in the global film industry. It is therefore imperative that the NFVF perseveres in the efforts to position the country at key platforms including Cannes International Film Festival, Toronto International Film Festival, Fespaco and IFP amongst many others. We have seen phenomenal results through these platforms where our stories, our country and industry continue to be appreciated. Early this year a South African/Germany co-production **Life Above All** accomplished the top nine of the Oscar selections for Best Foreign Language Film.



During the year under review, the NFVF continued to successfully fulfil its mandate as set out by the section 3 of the NFVF Act, which includes promotion and development of the film and video industry; providing and encouraging the provision of opportunities for persons, especially from disadvantaged communities to get involved in the film industry; encouraging the development and distribution of local film and video products; and supporting the nurturing and development of access to the film and video industry.

In the 2010/2011 financial year the NFVF disbursed grants valued at R24,4 million. This was achieved through various initiatives including disbursement of grants for developing and producing feature films, short films, television series, documentaries and animation projects, providing bursaries to students, production grants, research projects, grants for festivals and the presence at international marketing platforms.

I am very proud that the NFVF continues in its commitment to comply with the national policy of skills development and harness skills in accordance with the legislative and regulatory framework. Through the various Sediba programmes the foundation has and continues to address the skills gap that was visible in the industry. The Sediba Skills Development Programme, Masters Programme, and Spark for narrative fiction programme are proving to be the key to harnessing the skills and addressing this gap identified through research. The Sediba International Financing Program for producers was launched as a direct result of the failure of many experienced local producers to close the financing on projects funded for production. By the end of the programme in 2010, four producers were invited to attend the London Production Finance Market, where, through the knowledge acquired by attending the programme, they were able to pitch their work to international financiers, sales agents, distributors and possible co-production partners.

We continue to be supportive of and encourage the participation of our local productions in the South African Film and Television awards, which are the premiere platform for South Africans to promote their projects. The Foundation, through local festivals including the Durban International Film Festival, Encounters Documentary Film Festival, Out In Africa Gay and Lesbian Film Festival, Tri-Continents Film Festival and Kwa Zulu Natal Africa Film Festival, also

ensured that the local industry continues to thrive and that our local stories not only reach the South African market but also receive international recognition.

The Council acknowledges partnerships and relationships formed with the NFVF in anticipation of the healthy growth of the film and video industry. The MOU signed with the South African Screen Federation (SASFED) will ensure the finalisation of the Value Charter, which highlights the moral imperative of the NFVF of creating facilities for ordinary South Africans to bear influence in the expression of their own images, thereby deepening the democracy and creating prosperity for all.

The Council is committed to continue on a good track record of good governance set by the previous Council and is proud that this year sees its 11th unqualified audit. The current Council has set as a top priority focus on low budget films to increase the volume of films produced by first time film makers and those that promote social cohesion, heritage and indigenous languages.

The following are the Council members appointed by the Honourable Paul Mashatile in April 2011:

Ms Mmabatho Ramagoshi (Chairperson)
 Ms Zama Mkosi (Deputy Chairperson)
 Ms Sandra Gordon
 Mr Mohau Mphomela
 Adv Rod Solomons
 Mr Sello Molefe
 Mr Paul Raleigh
 Mr Laurence Mitchell
 Adv Roshan Rai Dehal
 Dr Sethe Patricia Makhesha
 Ms Trish Downing
 Mr George Leolo
 Mr Avhasei Mukoma
 Ms Gcina Mhlophe-Bekker

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 – MR KE MBALO

PERSPECTIVE

My final exit report as incumbent Chief Executive Officer (CEO) and an Accounting Officer, occurs at the time when the (NFVF) Council is being inaugurated and when the Minister of Arts and Culture, Mr Paul Mashatile has spelled out the strategic thrust of the Department of Arts and Culture (DAC) in terms of:

MZANSI's GOLDEN ECONOMY – CONTRIBUTION OF ARTS, CULTURE AND HERITAGE TO THE NEW GROWTH PATH

In his 2011-2012 Budget vote speech, as part of capacity building, the Minister had this to say:

“... we have inaugurated Boards of our institutions; including the National Arts Council, the National Film and Video Foundation and the Nelson Mandela Museum”

It is in this context that the inaugural NFVF Fourth Council is situated. Speaking on behalf of the Executive and the Management of the NFVF, I once again salute and congratulate the members of this new Council. The Executive and Management do not doubt that working together with the new Council and all the stakeholders, the film and video sector can only contribute better to the socio-economic landscape of South Africa.

My only regret is that my departure as CEO of the NFVF happens at exactly the same time as the inauguration of the new Council, which creates a problem of not having a proper hand over, combined with anxiety that happens when there is a sudden change of guard at a leadership level. I hope that



the Department will in future ensure that there is no void in the governance structures of the Foundation.

Minister Mashatile, speaking at the DAC's Budget Vote, also said the following pertinent to the Film and Video Industry:

- The **film industry** generates over R5.5 billion in economic activity annually and employs an estimated 30 000 people.
- ... In the next three years, the Department will increase our investment in the production of local films.
- Speaking about the Consultative Conference, Delegates declared that: “The creative economy in South Africa has the potential to be a leading sector in generating economic growth, employment and trade as is the case in many advanced economies”

The NFVF is optimistic that the economic thrust as articulated in the “Mzansi's Golden Economy” can only bear testimony to the strategic directives that the NFVF has always stood for.



As the Fourth Councils takes office, it will be very important that it pronounces, in agreement with DAC, on how the NFVF, should carry out Section 4(g) of the NFVF Act of 1997 on the functions of the NFVF, which cites:

“Liaise with a member of the Executive Council of each province designated by the Premier of the Province in order to promote the film and video industry more effectively throughout the Republic of South Africa and ensure coordination in the distribution of funds at a National and Provincial Level”

Section 4(h) further states:

“make funds available to the members contemplated in paragraph (g) for such distribution as the Council may determine”

Having laid the ground and in keeping with the Principles of the going concern of the NFVF, I now hereby present the strategic thrusts of the NFVF over the tenure of the previous three Councils, highlighting their priorities and impact.

This also means that it becomes imperative that the new Council, develops its own Strategic Thrust in a manner that acknowledges the achievements of the last ten years whilst guiding new developments into the future.

COUNCIL	STRATEGIC THRUST	STRATEGIC PRIORITIES	KEY STRATEGIC INITIATIVES	STRATEGIC IMPACT
FIRST COUNCIL TENURE: 1999 - 2003 Indaba 2001	Establishment of the NFVF and favourable global positioning of South African Film Sector	<ul style="list-style-type: none"> • Institutional Set up • Film & Video Industry Configuration, Sector Configuration and model designs • National and International positioning of the SA Film Sector 	<ul style="list-style-type: none"> • Solicited the support of the EU to help position the RSA Film Sector favourably in the world • Formulation of the NFVF Value Charter as the rallying point across the sectors of society. • Identified, liaised and established film competencies in the provinces in terms of 4 (g) & (h) of the NFVF Act • Initiated the presentation of SA as film attraction and location of choice in the different global film platforms. • Mobilised for extra funding 	<ul style="list-style-type: none"> • Received an additional once off Parliamentary allocation of R35 Million over three years. • The Value Charter mobilised the film and video sector as the basis for the developmental discourse. • Some government spheres and departments initiated their own film competencies guided by the NFVF slogan “Film & Video Budget Line in every Provincial Growth & Development Programmes (PGDP) and IDP • The initiation of co-production treaties

5. ACCOUNTING OFFICER'S REPORT – MR KE MBALO

COUNCIL	STRATEGIC THRUST	STRATEGIC PRIORITIES	KEY STRATEGIC INITIATIVES	STRATEGIC IMPACT
SECOND COUNCIL TENURE: 2003 - 2007 Indaba 2005	Drive Rapid Growth	<ul style="list-style-type: none"> Persuade other government departments and spheres and institutions to allocate film budget lines, in line with the Micro-Economic Reform Cabinet decision of 2002. Intensify the NFVF Communication Strategy 	<ul style="list-style-type: none"> Strategic player in the formulation of the Inter-Departmental and Inter-institutional Content Industries Strategy. Revision of the Section 24F of the Treasury Regulations. Intensification of international representation of the film makers NFVF incubates the establishment of the Film Industry bodies 	<ul style="list-style-type: none"> Content Industries Strategy is approved by Cabinet in December 2003 "Yesterday" is nominated for an Oscar; "Tsotsi" wins an Oscar; "Hotel Rwanda" an SA/ Italian co-pro is nominated in 4 categories at the Oscars South Africa attracts more countries for co production treaties IDC's film fund is utilised to support more SA productions "Dreamworld Film City" is initiated and becomes a reality in the Western Cape. The Minister of Art & Culture, Dr. Pallo Jordan announces the film sector has "Come of Age" in parliament The NFVF intensifies cooperation with the DoC , the Dti and IDC
THIRD COUNCIL TENURE: 2007 - 2011 Indaba 2009	Consolidation of Gains	<ul style="list-style-type: none"> Bid at the Treasury for additional funding Establishment of the film Distribution Agency 	<ul style="list-style-type: none"> Bid at the Treasury for additional funding Establishment of the New Ventures division to initiate film distribution of local films by NFVF 	<ul style="list-style-type: none"> An additional allocation of R135 Million over 3 years to the NFVF by the Treasury.

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6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
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 	<ul style="list-style-type: none"> Development of an annual Research Plan in order to develop Key Performance Indicators (KPI'S) for the film sector Collecting industry research documents throughout the year To have a South African presence and build pavilions at targeted international festivals and markets throughout the year 	<ul style="list-style-type: none"> Published Research Documents and KPIs for the film sector Reliable information on the industry that is published and regularly updated on the website. Co-production information gathered throughout the year Mipcom –research platform: October 2010 AFCI – liaison platform: June 2010 Toronto / No Borders: September 2010 Cannes International Film Festival: May 2010 Participated at the FESPACO Pan African International Film Festival: February 2011 	<p>Target achieved: The 10 Year Film & Video Industry Review: Questionnaires were received and analysed. Findings and KPI's were sent out to all NFVF staff in March. The final draft is underway.</p> <p>Target achieved: The final Box Office Report for 2010 has been completed and published.</p> <p>Target achieved: Co-Production Report analysis has been completed. Publication will be in April 2011</p> <p>Target achieved: NFVF supported 2 filmmakers to attend Mipcom</p> <p>Target not achieved: No presence at AFCI due to budget cuts by Film Commissions</p> <p>Target achieved: NFVF led presence at Toronto Int.Film Festival and No Borders market and 3 producers supported</p> <p>Target achieved: NFVF led representation at Cannes in partnership with DTI and Brand South Africa</p> <p>Target achieved: NFVF led delegation to FESPACO in February 2011</p>



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<ul style="list-style-type: none"> Recognition platforms for South African talent and product Create demand for film product and stimulate the culture of film appreciation 	<ul style="list-style-type: none"> Peer recognition for talent and product annually Ongoing development of an Integrated marketing campaign 	<ul style="list-style-type: none"> Annual National Awards Development of the NFVF Corporate ID and Brand Identity Create Demand for Film product Ongoing stimulation of the culture of film appreciation and Cinema going 	<p>Target achieved: SAFTAS were held in February 2011</p> <p>Target achieved: Production of the Intergrated Marketing Campaign (IMC) document and an industry strategy</p> <p>Target achieved: Stakeholder information sharing session held at DIFF in July, in Cape Town during August and again in Johannesburg in November 2010</p> <p>Target achieved: Ongoing promotion of local cinema on media platforms, partnership with Orlando West High School in April, Randfontein Careers day during August 2010</p>
	<ul style="list-style-type: none"> Create awareness of SA Film Industry 	<ul style="list-style-type: none"> Launch Communications campaigns and tools throughout the year 	<p>Production of Communication and Marketing tools</p> <ul style="list-style-type: none"> IFSA - Online Film Catalogue Conference booklets NFVF Brochures Newsletters Departmental columns 	<p>Target achieved: Newsletter ongoing, website updated on a regular basis.</p> <ul style="list-style-type: none"> Conference booklets Film Catalogues NFVF brochures Newsletters Departmental columns <p>(NFVF Logo featured in all Marketing Materials Promotional Material)</p>
	<ul style="list-style-type: none"> Development of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> Fund new and existing audience development and distribution initiatives 	<ul style="list-style-type: none"> Growth and increased diversity in South African audiences that have access to and demand for local content. 	<p>Target achieved: Production of IMC document and an industry strategy</p>

6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<ul style="list-style-type: none"> Implementation of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> Continuous Partnerships with stakeholders within the arts and culture industry 	<ul style="list-style-type: none"> Partnership with Durban International Film Festival: July 2010 Partnership with Encounters festival: June 2010 Partnership with South African Film festival in Parliament: November 2010 Development of media relations and internal communication tools : <ul style="list-style-type: none"> Press liaison Media interviews Stakeholder meetings 	<p>Target achieved: Hosted a conference and workshops. Facilitation of communication and promotion of DIFF</p> <p>Target achieved: Participated in the Encounters Documentary Film Festival in Cape Town and JHB</p> <p>Target not achieved: Festival postponed by the Parliamentary Millennium Programme to 2011</p> <p>Target achieved: Ongoing media interviews on film industry and NFVF. Interaction with media and stakeholders to build & strengthen relations.</p>
	<ul style="list-style-type: none"> Local Distribution 	<ul style="list-style-type: none"> Acquire local titles for all rights and distribution deals to reserve distribution rights for the NFVF on an ongoing basis 	<ul style="list-style-type: none"> Titles are acquired and successfully exploited in all South African revenue streams with the returns being greater than the NFVF's distribution expenses on the title 	<p>Target achieved: Contracts signed for RETRIBUTION and BLITZPATROLIE to be the next 2 titles released by the NFVF.</p>
	<ul style="list-style-type: none"> International Sales & Co-Finance sourcing for NFVF funded projects 	<ul style="list-style-type: none"> Use of Sales Agency, distribution and financing contacts as well as international co-production forums to assist NFVF funded films in sourcing international finance partners on an ongoing basis 	<ul style="list-style-type: none"> Closing of finance plans as and when requested, enabling films to go into production 	<p>Target achieved: Cannes 2010 – sales event promoting the NFVF and South African line-up of films was held to attract partners to the table. OTELO BURNING, RETRIBUTION, SKEEM, 31 MILLION REASONS, ITALIAN CONSUL and HOW TO STEAL 2 MILLION have all completed production with great assistance from the NFVF.</p>



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
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 	<ul style="list-style-type: none"> Granting of bursary funding for 1st time entrants to the film Industry to gain a 4 year Film Degree 	<ul style="list-style-type: none"> 90% of final year bursary students graduated 90% graduated to the following year of study 	<p>Target not achieved Graduated: 82% Failed: 18%</p> <p>Target not achieved: Passed: 80% Failed: 15% Outstanding reports: 5%</p> <p>The pass rate was 10% below target. The department has a strategy in place to ensure that the target is met within two years (2013)</p>
	<ul style="list-style-type: none"> To create access and opportunities to previously disadvantaged individuals 	<ul style="list-style-type: none"> SEDIBA Spark training initiative (1.5 year programme) 	<ul style="list-style-type: none"> 5 grade A writer graduates 5 script editor graduates 	<p>Target achieved: 4 grade A Writers successfully completed Sediba during year 1. 5 Script Editors graduated. (It should be noted that 3 of the writers have received NFVF development funding)</p>
	<ul style="list-style-type: none"> To facilitate industry & public policy development. 	<ul style="list-style-type: none"> Support of other training programmes (e.g. Wildlife Film Academy) Review internal policies every 3 years 	<ul style="list-style-type: none"> 80% of learners successfully complete the training Approved updated policies <ul style="list-style-type: none"> Criteria for SA Film 	<p>Target exceeded: 100% of NFVF funded students have completed the Wild Life Film Academy successfully. (Selection criteria continues to be stringent)</p> <p>Target achieved: Criteria for SA Film: IPO comments were received in February 2011 after the proposed criteria was published for commentary in December 2010. The criteria has been revised by the internal task team. Plans for consultations are underway.</p>

6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<ul style="list-style-type: none"> Globally position SA at strategic International Markets and Festivals Film Maker Exposure Create demand for film product and stimulate the culture of film appreciation 	<ul style="list-style-type: none"> Ongoing influence of external Policy development To have a South African presence and build pavilions at targeted international festivals and Markets throughout the year Ongoing promotion of South Africa as a film making destination To promote Film makers talent and films continuously Ongoing development of an Integrated marketing campaign 	<ul style="list-style-type: none"> Public policy on the content industries Toronto/No Borders: September 2010 Cannes International Film Festival: May 2010 Partnership with the Provincial film commissions and Provincial governments Created partnerships with talent development initiatives <ul style="list-style-type: none"> Filmmart – Durban July 2010 No Borders Market September 2010 Ongoing development of the NFVF Corporate ID and Brand Identity 	<ul style="list-style-type: none"> Target not achieved: The DAC will publish NFVF Regulations in May 2011 subject to the outcome regarding way forward regarding the Cultural Laws Bill. Target achieved: NFVF led presence at Toronto Int.Film Festival and No Borders market and 3 producers supported Target achieved: NFVF led representation at Cannes in partnership with DTI and Brand South Africa Target achieved: Continuous interaction with commissions and provincial departments. Target achieved: Stakeholder information sharing session held at DIFF, participation at the “meet the experts” forum at Talent Campus and support for 3 producers to No Borders market Target achieved: Ongoing promotion of local cinema on media platforms; partnership with Orlando West High School and Randfontein Careers day in August 2010



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<ul style="list-style-type: none"> Create awareness of SA Film Industry Development of an Integrated Marketing Strategy Implementation of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> Ongoing communications campaigns and tools Fund new and existing audience development and distribution initiatives regularly Ongoing partnerships with stakeholders within the arts and culture industry Coordinated communication throughout the 	<ul style="list-style-type: none"> Streamlining of Corporate Identity and the production of Communication and Marketing tools <ul style="list-style-type: none"> IFSA Film Catalogue Conference booklet NFVF Brochures Newsletter Growth and increased diversity in South African audiences that have access to and demand for local content. Partnership with DIFF: July 2010 Partnership with Encounters festival: June 2010 Partnership with South African Film Festival in Parliament. Development of media relations and internal communication tools: <ul style="list-style-type: none"> Press Briefings Media interviews Stakeholder meetings 	<p>Target achieved: NFVF Logo featured in all Marketing and Promotional Material. Newsletter ongoing, website updated on a regular basis.</p> <ul style="list-style-type: none"> Conference booklets Film Catalogues NFVF brochures Buy advertising space <p>Target achieved: Production of IMC document and an industry strategy</p> <p>Target achieved: Hosted a conference and workshops. Facilitation of communication and promotion of DIFF</p> <p>Target achieved: Participated in the Encounters Documentary Film Festival in Cape Town and Johannesburg</p> <p>Target not achieved: Festival postponed by the Parliamentary Millennium Programme to 2011</p> <p>Target achieved: Meetings held with key Editors in chief from various newspapers to market the NFVF. Ongoing media interviews on film industry and NFVF. Interaction with media and stakeholders to build & strengthen relations.</p>

6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
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 and to promote South Africa as partner for co-production throughout the year 	<ul style="list-style-type: none"> 50% of feature films that are green lit are produced. 50% of documentaries that are green lit are produced. Signing co-operation agreements with industry stakeholders 	<p>Target exceeded: In 2010/11 NFVF approved 11 feature films for development and 7 for production, a hit rate above 65%. In addition 3 features were recommended for approval, but had to be put on hold for the new financial year. 2 features went into production.</p> <p>Target exceeded: NFVF approved 9 documentaries for development and 6 for production representing a hit rate above 60%. A total of 15 out of 26 projects greenlit for production went into production.</p> <p>Target achieved: MOU with SASFED signed in February 2011 and the first formal meeting with SASFED will be on the finalisation of the second edition of the Value Charter.</p> <p>Target not achieved: The DAC has agreed to prepare a motivation for the signing of the SLA(MOU) between NFVF and the Department.</p> <p>Target partially achieved: Draft SA/Argentina Film Agreement was received from the Embassy in January. The NFVF has commented on the draft and currently awaiting feedback.</p>



Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<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 • Demand Stimulation and Market development 	<ul style="list-style-type: none"> • To continuously promote South Africa as a film making destination • Development of an Integrated marketing campaign • Communications campaigns and tools throughout the year and the development of an Integrated Marketing Campaign • Ongoing partnerships with stakeholders within the arts and culture industry • Fund new & existing audience development & distribution initiatives 	<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 by: <ul style="list-style-type: none"> • Createing 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 • Establish a pilot site to digitally exhibit local and international films 	<p>Target achieved: NFVF led representation at Cannes and Toronto in partnership with DTI and Brand South Africa</p> <p>Target achieved: Continuous interaction with commissions and provincial departments.</p> <p>Target achieved: Press Releases sent on a regular basis to stakeholders. Newsletter ongoing, website updated on a regular basis with NFVF news and news from the industry. NFVF Logo featured in all Marketing Materials Promotional Material. Interaction with the public to promote the local cinema appreciation.</p> <p>Target achieved: <ul style="list-style-type: none"> • Conference booklets • Film Catalogues • NFVF brochures The second phase of the website in development.</p> <p>Target achieved: Funds received from DAC 1st Pilot site to be established at Kwa-Mashu. Research into other sites</p>

6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<ul style="list-style-type: none"> Development of an Integrated Marketing Strategy 	<ul style="list-style-type: none"> Coordinated communication throughout the year 	<ul style="list-style-type: none"> 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. Partnership with DIFF Partnership with Encounters festival Partnership with South African Film Festival in Parliament. Development of media relations and internal communication tools: <ul style="list-style-type: none"> Press Briefings Media interviews Stakeholder meetings 	<ul style="list-style-type: none"> Target achieved: Visible participation at local festivals and outreach programmes (DIFF, Encounters etc) Target achieved: Ongoing promotion of local cinema on media platforms; partnership with Orlando West High School and Randfontein Careers day in August 2010 Target achieved: Hosted a conference and workshops. Facilitation of communication and promotion of DIFF Target achieved: Participated in the Encounters Documentary Film Festival in Cape Town and Johannesburg Target not achieved: Festival postponed by the Parliamentary Millennium Programme to 2011 Target achieved: Ongoing media interviews on film industry and NFVF. Interaction with media and stakeholders to build & strengthen relations. Meetings with Chief Editors from various newspapers.



Scene from " Otelo Burning"

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
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 	<ul style="list-style-type: none"> Script development programmes initiated: SEDIBA intermediate (1.5 year programme) and assigned Script Editors to projects 	<ul style="list-style-type: none"> 50% of projects developed ready for production 	<p>Target exceeded: In 2010/11 NFVF approved 9 documentaries for development and 6 for production representing a hit rate above 60%. In the same period NFVF approved 11 features films for development and 7 for production suggesting a hit rate above 65%. In addition 3 feature were recommended for approval, but had to be put on hold for the new financial year.</p>
	<ul style="list-style-type: none"> To facilitate industry & public policy development. 	<ul style="list-style-type: none"> Adequately fund script development projects with recoupment conditions on 1st day of Principle Photography Hold consultative forums every 4th year 	<ul style="list-style-type: none"> 25% of project supported in development are green lit for production funding. (Note that Script Development is a 2 year process) Indaba Documents 	<p>This target has been exceeded by 100% meaning that we now have over 50% of projects supported in development being greenlit for production.</p> <p>Indaba 2009 Report has been completed and circulated to industry.</p>
	<ul style="list-style-type: none"> Create Exposure platforms 	<ul style="list-style-type: none"> To continuously promote South Africa as partner for co-production 	<ul style="list-style-type: none"> NFVF has partnership with DTI in promoting the incentive scheme 	<p>Target achieved: NFVF maintains useful and cordial relations with the DTI who have facilitated measures to grant the institution access to the Treasury</p>
	<ul style="list-style-type: none"> Film Maker Exposure 	<ul style="list-style-type: none"> To promote South Africa as a film making destination throughout the year To promote Film makers talent and films throughout the year 	<ul style="list-style-type: none"> Partnership with the Provincial film commissions and provincial governments Created partnerships with talent development initiatives <ul style="list-style-type: none"> Filmmart (Durban) No Borders 	<p>Target achieved: Created South African promotion at Cannes, with partnerships from DTI and International Marketing Council.</p> <p>Target achieved: Work with DIFF and the Durban office to promote Filmmart. Filmmaker support for No Borders market</p>

6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<ul style="list-style-type: none"> Create demand for film product and stimulate the culture of film appreciation Create awareness of SA Film Industry 	<ul style="list-style-type: none"> Ongoing Integrated marketing campaign Ongoing communications campaigns and tools 	<ul style="list-style-type: none"> 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 and production of Communication and Marketing tools <ul style="list-style-type: none"> IFSA- online Film Catalogue Conference booklet NFVF Brochures Newsletter 	<p>Target achieved: Production of IMC document and an industry strategy</p> <p>Target achieved: Stakeholder information sharing session held at the DIFF in July, in Cape Town during August and again in Johannesburg in November 2010</p> <p>Target achieved: Target the youth to promote the local film Participated at the Orlando West High talent day, workshop with the learners.</p> <p>Target achieved: Regular Newsletter, website updated on a regular basis. NFVF Logo featured in all Marketing Materials Promotional Material</p> <ul style="list-style-type: none"> Conference booklets Film Catalogues NFVF brochures
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 	<ul style="list-style-type: none"> Granting of bursary funding for 1st time entrants to the film Industry to gain a 4 year Film Degree 	<ul style="list-style-type: none"> 90% of final year bursary students graduated 90% graduated to the following year of study 	<p>Target not achieved Graduated: 82% Failed: 18%</p> <p>Target not achieved: Passed: 80% Failed: 15% Outstanding: 5%</p> <p>The pass rate was 10% below target. The department has a strategy in place to ensure that the target is met within two years (2013)</p>



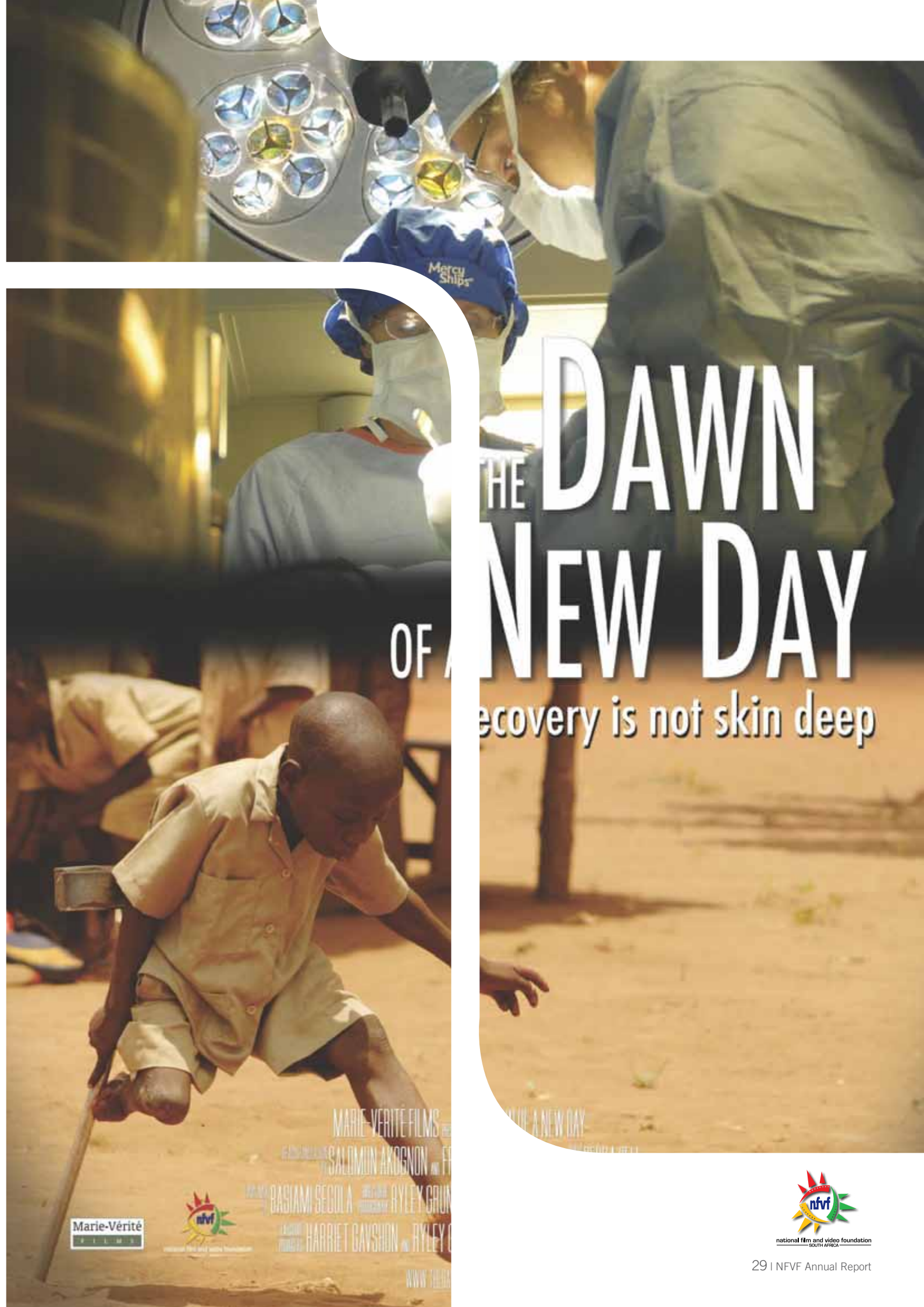
Scene from " State of Violence"

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
	<ul style="list-style-type: none"> Provide comprehensive accurate information on the film & video Sector 	<ul style="list-style-type: none"> Development of Sectoral Information Systems (SIS), Research Plan and Key Performance Indicators (KPI'S) for the film sector 	<ul style="list-style-type: none"> Sectoral Information System for the industry Published Research Documents Approved KPIs for the film sector 	<p>Target achieved: The first draft of the Specification document is complete. Interaction with DAC on possible funding for the project</p> <p>The final Cinema Box Office Report 2010 second term has been completed.</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 throughout the year 100% compliance with legislation 100% implementation of the reward system Maintenance of a risk register Effective internal audit function 	<p>Target achieved: Staff complement stable Performance Management System (PMS) fully implemented and monitored. Performance increases and staff training informed by the PMS.</p> <p>Target exceeded: Staff training and development programmes in place and monitored. 85% of staff attended training</p> <p>Target achieved: HR Policies were approved by the HR Committee held on 12 August 2010 and subsequently adopted by Council on 02 September 2010.</p> <p>Target achieved:</p> <ul style="list-style-type: none"> Risk Register approved in April 2010 by Audit Committee 3 year internal audit plan approved in April 2010 by Audit Committee Compliance review completed in September 2010 with no major findings.

6. PROGRAM PERFORMANCE REPORTS

Indicator (Mandate)	Key objective (what)	Strategy (how)	Output (result)	Progress / Variance
			<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"> • Audit of Pre-determined objectives completed in November 2010 with no major findings • FDR completed in January 2011 with no findings • Ongoing monitoring to ensure compliance • Quarterly reports to Council and DAC • Unqualified audit report for year ended 31 March 2010





THE DAWN OF A NEW DAY

recovery is not skin deep

MARIE-VERITÉ FILMS PRESENTS

STORY BY SALOMIN AKOONON

SCREENPLAY BY BASIAMI SECOLA

PRODUCED BY HARRIET GAVSHON

WWW.THEFILM

Marie-Vérité
FILMS



6.1 KEY PERFORMANCE INDICATORS FOR THE FILM SECTOR

The fragmented statistics relating to the sector makes it difficult to measure economic performance and therefore sector investment attractiveness. The NFVF continues to conduct research and to gather statistics to ensure that the economic contribution of film is properly weighted and captured. Relationships with the filmmakers, industry organisation, research and academic institutions are important to achieve this objective. The NFVF has signed cooperation agreements with Tshwane University of Technology (TUT) and University of Limpopo (UL) to enable collaboration on research with academic institutions.

To address the challenge of fragmented data, the NFVF continues to work on the development of Sectoral Information Systems (SIS) in order to accurately measure sector performance and the related economic and job multiplier effects. The NFVF, as part of its research mandate, continues to collect data that would ultimately populate the system.

10 YEAR REVIEW OF THE FILM AND VIDEO INDUSTRY IN SOUTH AFRICA

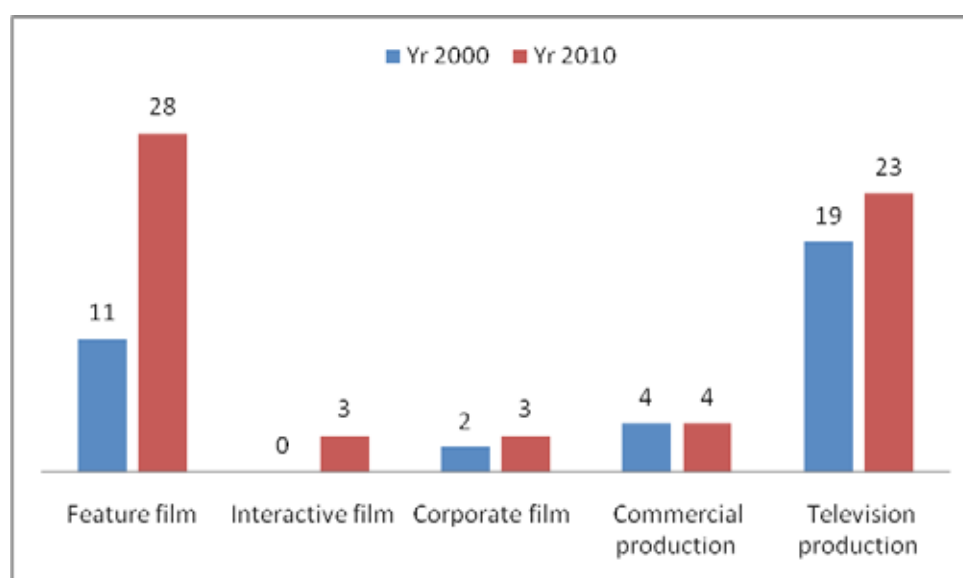
The 10 Year Review of the Film and Video Industry in South Africa (Industry Review) is a research collaboration between NFVF and Tshwane University of Technology (TUT), and emanates from an MOU that the two institutions signed in 2008. TUT as an academic institution played an advisory role providing research expertise and economic analysis. The collaboration also provides the NFVF with the opportunity to publish its research findings and also assisted in developing the skills of the NFVF staff, most importantly the researcher assistant and economic analyst.

The study employed both qualitative and quantitative research methodologies and involved the consolidation of all the research that was done in the last 10 years. A questionnaire was designed with questions that required qualitative information as well as open ended questions. For instance, respondents were asked to list industry weaknesses and industry opportunities in the next 5 years. Used as an instrument for data collection, the questionnaire was sent to companies in the three provinces: Gauteng, Western Cape and Kwa-Zulu Natal. A sample of 50 film and video companies were selected based on their location, type of business and number of years in operation. The majority of these companies are small and medium enterprises. A total of 35 production companies completed the questionnaires. The full report will be released in June 2011.

Some of the findings of the Industry Review are:

- The global financial crisis and the financial crisis of the South African Broadcasting Corporation (SABC) impacted adversely on the film and video industry in South Africa.
- The industry depends mostly on government funding sources, their own investment as well as licensing fees to fund their productions.
- Feature films and television production received the best attention with respect to domestic content creation which might be due to government regulation on domestic content creation in the industry as well as the establishment of new firms.
- The reduction of the threshold of the Film and Television Production Incentive, the licensing of more broadcasters (new TV channels), availability of many funding sources as well as the availability of mobile, cheaper and high quality production equipment will impact positively on the industry.

Trends in domestic content creation.





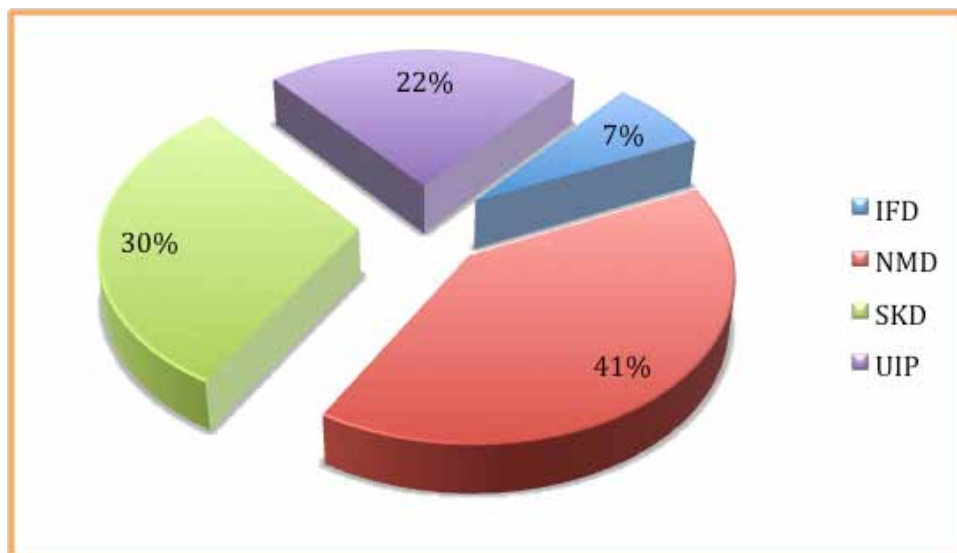
Scene from " State of Violence"

BOX OFFICE REPORT FOR 2010

The NFVF published 3 editions of the Box Office Report in 2010. The local industry has in recent years showed signs of positive growth in the number of films to hit the silver screen. The box office activity for the year 2010 also bears testimony to that fact, with an improved 23 domestic films screened between January and December in the exhibition market. The findings from the reports indicated the following trends and developments in the South African film industry which includes the following highlights:

- The highest grossing film in 2010 was a domestic South African feature – **Shucks Tshabalala's Survival Guide to South Africa** – which sold around R38 million in ticket sales and had attendances upwards of 1.3 million. Two other successful South African features include **Liefeling** (R13.3 million) and **Spud** (R16.7 million).
- Imported films made up for 89% of all features exhibited in 2010. Most of the films (64.2%) were from the USA, followed by the UK (6.4%), India (4.9%) and France (2%).
- The major distribution players are Indigenous Films (IFD), Nu Metro Entertainment (NMD), Ster Kinekor Entertainment (SKD) and United International Pictures (UIP).
- South African films held a box office share of 11% in terms of box office receipts in 2010, a huge improvement when compared to the 0.7% market share it held in 2007. Over the past ten years, 105 South African domestic films have been released on the cinema circuit and were characterised by an annualised growth rate of 28%, year on year.

Distributor Market Share in terms of Box Office revenue



6.2 DEMAND STIMULATION AND AUDIENCE DEVELOPMENT

One of NFVF's strategic thrusts as adopted in 2009 is to take the NFVF to the people and become more visible locally. In a bid to achieve this objective, the foundation has begun to consolidate gains of the past by increasing its visibility in projects we chose to continue to support and have selected new projects to participate in.

SOUTH AFRICAN FILM & TELEVISION AWARDS

The South African Film & Television Awards (SAFTAS) are the National awards aiming to:

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

An annual event, now in its 5th year and awarding over 65 practitioners and programmes with the prestigious award, the SAFTAS have grown to be respected as the highest grade of recognition within our industry.

This year the NFVF coordinated the SAFTAS programme; a process consisting of managing the entries, coordinating the judging processes and finally the hosting of the awards event held at the Madame Zingara Theatre of Dreams in Melrose Arch, Johannesburg.

LOCAL FILM FESTIVALS

Participation in and funding of local film festivals contributes to the NFVF's aim of developing audience appreciation of home-grown cinema and cinema in general. The NFVF in this financial year has been involved in:

- Durban International Film Festival
- Encounters Documentary Film Festival
- Out In Africa – Gay & Lesbian Film Festival
- Tri-Continents film festival – a festival dedicated to films addressing human rights issues
- People-to-People documentary film conference

31ST DURBAN INTERNATIONAL FILM FESTIVAL

South Africa's longest-running annual 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. The NFVF has been the primary partner of the Durban International Film Festival for a period 11 years.

With the aim of solidifying relationships and outlining the plans, objectives and entrenching the role of the NFVF as the national custodian of film, the NFVF hosted a briefing session for the industry to share information of NFVF programmes and to receive feedback on how the Foundation is perceived by its market.

Funding and project development are NFVF's core business areas and so a particular session was held to discuss issues with the industry at which funding initiatives were unpacked detailing issues such as criteria to receive funding. SEDIBA Training programmes run by the NFVF have enjoyed high success rates with the demand for participation increasing. DIFF gave the Foundation an opportunity to present these gains with presentations by graduates of the programmes who have gone on to be tutors of these programmes.

The festival year on year grows in popularity with an increase in audience attendance. The festival remains an important exhibition platform, audience development and training vehicle for the development of the film industry and a platform allowing the NFVF to maintain relations and engage with the industry as a whole.

ENCOUNTERS DOCUMENTARY FILM FESTIVAL

Held annually in Johannesburg and Cape Town over a period of 36 days, the festival showcases feature length and short documentaries from around the world as well as locally produced product. Of the 800 films that were submitted, a record and an indication of its reputation globally, the 135 films that were screened recorded that 50% of the films were locally produced films across Short and feature length documentary films.

Over the years, Encounters has successfully engaged in:

- Developing audiences for the documentary genre in South Africa
- Developing audiences more specifically for South African documentary films





Scene from "If you only knew"

- Ensuring and promoting a diversity of South African voices through considered programming and the selection of films
- Creating a democratic space where discussions and debates are held on current social, political and economical realities
- Encourage film literacy and critique that benefits all genres

OUT IN AFRICA – GAY & LESBIAN FILM FESTIVAL

The Moral Imperative speaks to expression of our images and the vision to equitable redress. The Out In Africa South African Gay & Lesbian Film Festival (OIA) was launched in 1994 to celebrate the inclusion, in the South Africa Constitution, of the clause prohibiting discrimination on the grounds of sexual orientation.

Through supporting this festival, the NFVF celebrates diversity in creative works and cinema that is not shy to showcase all lifestyles. Out In Africa is an annual festival of films produced by the Gay & Lesbian community on films whose topic's thread is heterosexual issues. The success of this festival is in its ability to counteract embedded homophobia by providing positive images of LGBTI people. The festival again gave the NFVF another platform to engage audiences on programmes and on the appreciation of film.

TRI-CONTINENTS AND PEOPLE TO PEOPLE FESTIVAL AND CONFERENCE

The festival's main objectives is to build audiences for socio-political film within a broader aim of fostering a human rights culture in South Africa with films selected from South Africa, South America and Australasia. With this focus, the event functions as a valued event for the appreciators of documentary film, the general public, NGO's, civil society activists and members of the film industry.

Run concurrently, the festival and conference gave the NFVF another opportunity to reach diverse audiences. Due to its popularity and demand from greater audiences, the festival expanded into Durban and Pretoria from the previous Cape Town and Johannesburg.

KWAZULU NATAL AFRICAN FILM FESTIVAL - KAFF

Formally known as the KwaMashu Film Festival, in its 7th year, the festival continues to be the only community based film festival that ensures access of quality films to the communities encouraging film appreciation and developing audiences in rural and township areas. The uniqueness of KAFF is its ability to screen quality films mostly made in South Africa, right in the heart of the community whilst giving opportunities to the aspirant filmmakers to screen their films and having the industry's best and experienced role-players within arm's reach.

The festival also attracts films from countries on the African continent such as Togo, Mali and Kenya, films that dignify and explore African experience, and more and more attracts Hollywood stars to interact with the local community.

The festival assists the NFVF to develop audiences in rural areas and areas that are otherwise underserved by the larger chains of exhibition. The festival has in recent years shown realistic provincial growth expanding audiences from KwaMashu in Durban to other parts of the province: Pietermaritzburg, Richards Bay, Stanger, Port Shepstone and Empangeni. The extended participation is also helped by the fact that KAFF runs satellite workshops prior to the festival in three areas: Empangeni, Port Shepstone and Pietermaritzburg. This has assisted KAFF to establish meaningful roots in key KZN communities.

OTHER

To address the need for increased localized interaction, the Foundation participated in projects not directly aligned to filmmaking but aligned to attracting more youth into the film sector.

- Orlando West High School Talent Day
- Greater Randfontein Career day

Dialogue with the industry assists NFVF to understand better its market and instil confidence in the sector it serves. To disseminate information and to engage in discourse with the industry, 3 platforms were created that brought NFVF closer to the market to present strategies, plans and projects. Held in Durban, Cape Town and Johannesburg, the outcomes of the sessions positioned the NFVF as the primary source of information on issues of film for the country.

6.3 PRODUCTION AND DEVELOPMENT OF CONTENT

FEATURE PROJECTS FUNDED

The NFVF continued to build on the successes of previous years with some key highlights that demonstrate this. **Stockholm/ Zululand**, from rigorous script development and mentoring through the producer's programme, has almost closed all its financing to begin production. The project also managed to attract a major Swedish co-producer and has secured agreement from the world famous pop group, ABBA, to reversion their music for the film.

The NFVF has supported two Africa First shorts, **Dirty Laundry** & **Umkhungo**, which are now completed. This is a decline from the previous year which saw three films completed as part of the short film contest as well as others funded on merit.

One of our short film winners from last year, Lev David, is the writer on, **31 Million Reasons**, for Rogue Star, which is currently in post-production. **Spud**, adapted from South Africa's best-seller by Donovan Marsh for Rogue Star, has been on circuit and performed tremendously well, achieving local box office returns of R17 million on a budget of R32 million.

Khumba, a winner of the 25 words or less contest run in conjunction with the erstwhile UK Film Council 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 2011.

Otelo Burning, scripted by James Whyllie, has completed raising its finance and has just completed its production with Sara Blecher of Cinga Films directing. It is being considered as a possible opening film for the 2011 Durban International Film Festival (DIFF). **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. **Retribution** a thriller starring Joe Mafela, written and directed by Mukunda Dewil is set for release by the NFVF in South Africa later this year. **State of Violence** by Khalo Matabane opened the Durban International Film Festival in 2010 and will be released on circuit later this year. This film was also invited to the Toronto International Film Festival and several smaller but important international festivals.

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. Of the five **Crossroads** has unfortunately been cancelled as the writer/director/producer found herself overwhelmed from

wearing so many hats. **Chemo Club**, **Stockholm- Zululand**, **Four Corners**, **Khabzela**, **Tin of Paint**, **Mama Afrika** and **The Consequences** are still raising finance.

The NFVF has also settled into its new role that looks at the commercial viability of certain titles it finances and, with distribution activities started with the release of **Skin**, has become much more hands on with film product. This integrated approach helps shepherd market driven product that it can take to its international contacts including:- sales agents, distributors, & co-financiers. The foundation will distribute **Retribution** in a similar manner in 2011.

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 recession 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.

The Battle for Johannesburg, a documentary feature by Uhuru Productions, is complete and has done its festival circuit. It was shown in DIFF 2010 amongst other festivals. **Five Roads to Freedom (We Did Overcome)**, **Playing the Enemy** and **Human Origins** are all documentaries that successfully completed their production. **Dear Mandela** produced by Neil Brandt will premiere at DIFF 2011. Two documentaries, **Sobukwe** and **The Stillnox Miracle**, have both been withdrawn by their producers.

Below is a record of projects funded in development and production in the 2010/2011 financial year.

DOCUMENTARIES IN DEVELOPMENT:

AKASIA	Uhuru Productions
I Hate My Father	Kevin Harris Productions
Incacerated Knowledge	Be Phat Digital
New Mountains in the Desert	Mesa Films
Who's Liv Iz It?	Running Mate Productions
A Jewel in the Wild	Umbila Productions
Asihambi	Rzalutinary Concepts
The Life & Death of a Good Man	Kevin Harris Productions
At Your Service	Free Range Films





DOCUMENTARIES IN PRODUCTION:

Dear Mandela	Fireworx Productions
Human Origins	Aland Pictures
Rebirth	Xivumbeko Media
Umbilical Cords	Team Tarbaby

FEATURE PROJECTS IN DEVELOPMENT:

De Jong and the Rustlers	Razor Sharp
Keto & Riley	Triggerfish
Red White: The Bram Fischer Story	Public Nature Media
Sharpeville	Multilayer
Tree of Crows	Stealth Donkey Productions
The Adventures of Supermama	Googelplex Productions
Dora's Peace	Kosta Kolarytis

FEATURE PROJECTS GREENLIT FOR PRODUCTION:

Jimmy in Pink	Light & Dark Films
Khabzela	Bioscope Pictures
Four Corners	Giant Films
Stockholm/ Zululand	Fineline Pictures
Skeem	Light and Dark Films
How to Steal 2Million	DV8 and Morula Pictures
31 Million Reasons	Roguestar
Blitzpatrollie	De Prente
Crossroads	Riempie Productions

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	3 309 000
Grants allocated in 2010	3 700 000
Grants allocated in 2011	6 984 845
Total Recoupable Grants	R 50 088 619

CO PRODUCTION TREATIES AND CERTIFICATION

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.

The South African and French Republic Film Co-Production Treaty was signed by the then Minister of Arts and Culture, Minister Xingwana on 16 May 2010 at Cannes during the Cannes Film Festival and was ratified in October 2010. The NFVF in an effort to encourage South African producers to exploit this treaty sent out a call for applications to the industry in October 2010 via the website as well as radio interviews, to submit projects for official certification.

The South Africa/Australia Treaty was signed in Pretoria on 18 June 2010 by Minister Xingwana and the Australian Minister for Sport, Youth, Early Childhood Education and Childcare, the Hon Kate Ellis MP. The Australian High Commission in South Africa has indicated that the treaty is likely to be approved by Australia in late 2011. Further, a Joint Standing Committee on Treaties must assess the treaty and a parliamentary approval process. The DAC will continue with further liaison with the Australian High Commission until all the protocols have been complied with.

The NFVF received 23 co production applications during the period under review, 15 of which were for advance rulings while 8 were for final rulings.

6.3 PRODUCTION AND DEVELOPMENT OF CONTENT

COUNTRIES	TITLE	STATUS
SA/Canada	Winnie	Advance Ruling
SA/Germany	Hominid	Advance Ruling
SA/Germany	Women in Love	Advance Ruling
SA/Germany	Blue Crush 2	Advance Ruling
SA/United Kingdom	Dark Tide	Advance Ruling
SA/Germany	Wild At Heart 6	Advance Ruling
SA/Germany	Treasure Guard	Advance Ruling
SA/Germany	Outcasts	Advance Ruling
SA/Germany	Mission Crane	Advance Ruling
SA/United Kingdom	Judge Dredd	Advance Ruling
SA/Germany	Blue Crush 2	Advance Ruling
SA/Germany	Beaver Falls	Advance ruling
SA/Germany	Mr Bob	Advance Ruling
SA/France	Skoonheid	Advance Ruling
SA/Germany	Gettysburg	Advance Ruling
SA/Germany	Sniper	Final Ruling
SA/Germany	Chanda's Secret	Final Ruling
SA/Germany	Secret of Terror Castle	Final Ruling
SA/Germany	Bridal Dress	Final Ruling
SA/Germany	The Lost Boys	Final Ruling
SA/Germany	The Lost Future	Final Ruling
SA/Germany	Themba	Final Ruling
SA/United Kingdom	Africa United	Final Ruling

A co-production report has been generated out of all the above projects that were assessed. The following indicators are used to determine official treaty co-productions activities and benefits to the South African film industry and economy.

- Budgets;
- Level of South African investment;
- Sources of funding for South African financial contribution;
- Participation of South Africans (technical and creative personnel);
- Origin of stories; and
- Number of shoot days and filming locations in South Africa.

CERTIFICATES OF NATIONALITY

A certificate of nationality attests to the origin of a film for distribution purposes. 2 applications were received during the period under review:

Company	Project Name	Director	Producer
Spier Productions	Master Harold and the Boys	Lonny Price	Michael Auret/Zaheer Goodman-Bhyat
Videovision Entertainment	Mr Bones 2	Gray Hofmeyr	Anant Singh/ Helena Spring



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.

CANNES INTERNATIONAL FILM FESTIVAL

The Cannes International Film Festival is one of the world’s oldest and most prestigious film festivals. It is held annually (in May) at the Palais de Festival in Cannes, France. The NFVF facilitated and led South Africa’s presence at the festival in May 2010.

The Foundation hosted an SA Line Up event to present South African projects in order to raise awareness and possible finances. The targeted audience were sales agents, distributors, festival programmers, and territorial buyers.

Each year during Cannes, the NFVF and its respective partners host a networking event, whose main objective is to network, build and maintain relations. Through the DTI and IMC’s support, South Africa’s presence was consistent across all the events and marketing material produced.

Generally, all the objectives set were achieved and South Africa’s participation at the festival was well received. The sales event and networking event, which was also attended by Minister of Arts and Culture Ms Lulu Xingwana, stars of **Winnie**, Jennifer Hudson and Terrence Howard also generated much publicity from radio and print media.

TORONTO INTERNATIONAL FILM FESTIVAL

The biggest Film Festival and Market servicing the North American market, Toronto gives South African film and filmmakers another opportunity and the biggest opportunity to engage the ever increasing global market more especially focusing on the North American market place.

Toronto and No Borders along with a trip to LA were all completed in September and early October. These 3 locations helped spread the word about the 6 South African titles at Toronto in 2010. A wonderful collaboration was held between the DTI, IDC, GFO, the Consul General’s office in Canada and

the NFVF. The combined efforts saw the hosting of South Africa day which included a roundtable discussion with all the partners and strategic organisations. A success story case study of NFVF’s interaction at TIFF was the introduction of Steven Markowitz of Big World Pictures to a host of Sales companies, one of which came on board for his film **Viva Riva!** while in Toronto for the festival. This intervention assisted the producer in selling the film to the US, UK, & Australia. The other titles with South African participation at the festival included: **State Of Violence**, **Bang Bang Club**, **Africa United**, **The First Grader** and **Life Above All**.

FESPACO

Together with the Film and Publication Board (FPB), DAC, Centre for Creative Arts (Durban) and various South African filmmakers, the NFVF participated in the Pan African Film and Television Festival Ouagadougou (FESPACO); the African continent’s biggest and most renowned film festival. Having been around for almost 45 years the festival aims to bring together and showcase African films and those of the Diaspora to the global community. Held Bi-Annually, in Ouagadougou, Burkina Faso, the NFVF participated with the objectives of:

- Engaging with key industry role players on the continent
- Positioning South Africa as a co-production partner of choice for other African filmmakers
- Creating networking forums for South African delegates to generate a broad network of contacts on the continent
- Introducing up and coming producers to the international film arena more especially encouraging interaction with filmmakers from other African countries.

NFVF activities at FESPACO included a presentation of and continuous promotion of the Producer’s programme, in a bid to attract more filmmakers from the continent to participate in the programme.

EXTERNAL PARTICIPATION

3RD WORLD FESTIVAL ON BLACK ART – SENEGAL

Initiated by the late Senegalese President, Leopold Sedah Sengor in 1966 and followed up in Nigeria 1977 the festival aims to exhibit and celebrate Black art (Africa and the Diaspora).

South Africa showcased arts and crafts, literature, indigenous music dance and fashion, photography theatre and cinema. The Dept. of Arts & Culture called upon the NFVF to participate in the above mentioned festival in the film capacity supporting 3 filmmakers to attend and the supply of films for showcase.

83RD ANNUAL ACADEMY AWARDS – BEST FOREIGN LANGUAGE FILM AWARD

The National Film and Video Foundation is officially recognized by the Academy of Motion Pictures Arts and Sciences to make submissions on behalf on the South African film industry.

The adjudication process selected the feature film **Life Above All** as the South African film to be considered for the Best Foreign Language film at the Oscars in February 2011.

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 2009. 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 2 years 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.

Interventions with the IDC, DTI, Treasury and SARS have been made particularly in addressing a tax leakage issue within the model that makes its exploitation difficult. The NFVF has been encouraged by the level of interaction between the different government departments.

The NFVF successfully made a presentation to National Treasury in July 2010 wherein the NFVF requested additional funding for its programmes for the development and growth of the film industry. These programmes are in line with the NFVF's long term strategy, Value Charter and Business Case. The Business Case articulated a case of a much more realistic budget in line with the programmes identified by the NFVF. As a result of the presentation the NFVF's allocation has significantly increased by R135million over the MTEF period 2012-2014.

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.

STUDENT BURSARIES

The NFVF continues to provide bursaries and scholarships to emerging film talent to realise their career goals. During the year under review, the NFVF granted 44 bursaries to students studying film or television courses. These students were from a variety of tertiary institutions both in South Africa and abroad. There was a diverse range of disciplines that the beneficiaries were pursuing, namely: Producing, Directing, Script Writing, Cinematography, Animation, Visual Effects, and Sound Design, to name a few. The students funded were also at different levels of study, first year through to Masters Level. The demographics of the bursary recipients are as follows:

- Black Males – 50%
- Black Females – 32%
- White Males – 14%
- White Females – 4%

STUDENT OPEN DAY

Since 2006 the NFVF has been hosting an annual 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 were addressed by different working film and television producers and received words of inspiration from veteran journalist and author, Dr Don Mattera. The event attracts more than 200 learners and receives maximum publicity.





TRAINING INITIATIVES

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

- **Wildlife Film Academy**

In the wildlife filmmaking industry, there is not much representation from Previously Disadvantaged South Africans and thus it is imperative that every effort is made to inspire, train and equip young African filmmakers in the art of capturing the region's natural heritage on film. By increasing the pool of previously disadvantaged wildlife filmmakers, the Wildlife Film Academy aims to add another dimension to the way that wildlife films are made, and that is: South African students who complete the wildlife filmmaking course will be able to tell wildlife stories through their eyes and with perspectives that have been hugely under-represented in the past. The wider audience to which these stories will appeal will have great spin-offs for conservation in the country.

The NFVF deems it necessary to continue the support of this initiative because not only is it unique in the delivery of the programme but it continues to provide real opportunities for previously disadvantaged individuals, in particular the youth, to be in the mainstream of wildlife filmmaking.

The Wildlife Film Academy operates a globally unique one month wildlife filmmaking course. Its vision is to create a pool of talented, dynamic and innovative international and previously disadvantaged Southern African wildlife filmmakers who will showcase southern Africa's wildlife and conservation efforts. Through the innovative teaching of a holistic blend of technical, ecological and business skills, the Wildlife Film Academy's mission is to equip its learners with the knowledge of making innovative southern African wildlife films.

Students who complete a one month training course will have produced a 3 minute short film at the end of the course

- **Writers Guild of South Africa**

The Writers' Guild of South Africa (WGSA) is the only association in South Africa with the sole purpose of assisting, protecting and promoting scriptwriting in the local film, television and new media. Its predecessor was the South African Scriptwriters' Association (SASWA) which was placed under new management and hence the change of the organisation name.

The National Film & Video Foundation realised the importance of strengthening this organisation to ensure that writers' rights were protected in the wake of an unstable industry. To date, the Foundation has provided funding for the Guild to:

- Host workshops to educate industry about the legal framework that all writers are required to be acquainted with such as intellectual property, copy right, etc
- Provide free legal consultations to members with entertainment lawyers
- Upskill the administrator of the Guild ensuring that all writer queries are dealt with effectively and efficiently

SEDIBA SKILLS DEVELOPMENT PROGRAMME

This NFVF flagship training programme has developed a reputation for excellence in the wake of the successes achieved with the collaboration undertaken with the SABC in the development of its miniseries strand over the previous three years. The successes also have been evident in the quality of SABC dramas written by Sediba graduates in the past year such as the much acclaimed **Intersexions** and **Sokhulu & Partners**.

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. Script editors that have successfully completed the Sediba Programme are listed on the NFVF website. The exposure has resulted in them becoming inundated with script editing proposals as industry has realised the level of skill these script editors possess.

The Spark for Narrative Fiction program still holds sessions in Cape Town and Johannesburg respectively. Cape Town has completed its third cycle of workshops while Johannesburg is preparing for its seventh cycle. Eleven successful writing participants from both Cape Town and Johannesburg were selected to apply for the Masters program due to begin in September 2011. In Johannesburg, the seventh cycle of Spark will commence in June 2011.

The **Sediba Masters Program** replaced its predecessor, "Call to Adventure." The cycle finished in September 2010.

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 script editors from previously disadvantaged groups 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. Three of the projects have subsequently received NFVF Development Funding. Participants continue to find this process gruelling, frustrating yet rewarding as the programme provides them with a competitive edge to work anywhere in the world with the skills that they have attained.

In 2009/10 the NFVF launched the **Sediba International Financing Program for 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 2009/10, 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 this through a series of case studies provided by the lead facilitator who ran Renaissance Pictures, one of Europe's most successful sales companies. In the 2010/11 financial year, 45 producers were selected for the programme. The demographics were as follows:

- Black Male: 13%
- Black Female: 16%
- White Male: 27%
- White Female: 44%

A producers mentorship programme was introduced this year

to ensure that this programme can be delivered by local trainers in the near future, thereby, making it more cost effective. The NFVF continues to invite film lecturers to participate on its training programmes to ensure that the teachings are taken to the classrooms.

At the end of the programme, producers are invited to apply to the London Production Finance Market. The successful producers attend this market which is fully funded by the NFVF. This forum allows Producers to 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 producers was that the experience was life changing.

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.

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 2 years 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 realisation 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. Intergovernmental and Stakeholder relations 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.

TERMS OF ENGAGEMENT WITH SOUTH AFRICAN SCREEN FEDERATION

In an effort to pursue regular policy and strategy engagement between the NFVF and the South African Screen Federation (SASFED), it was agreed that terms of engagement (the agreement) were necessary to regulate the engagement process. To that end, the agreement establishes an engagement Forum to consult, debate, lobby and discuss various industry strategies developed by both parties. The NFVF is the custodian of film and video while SASFED is recognised by the industry as the voice of the industry.

It was agreed that the terms of engagement were crucial in order to define the following areas:

- Scope of engagement which defines areas of engagement;
- Nature and frequency of meetings to be held between the two Parties;
- Miscellaneous issues such as minuting, agenda setting and who should attend the meetings.

The agreement was finalised in November 2010 and signed in April 2011.

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.

During the year under review the NFVF has:

- Ensured financial compliance with the NFVF Act and the PFMA as well as financial and legal compliance with other statutory bodies (e.g. SARS)
- Ensured an efficient NFVF office that successfully meets the needs of its various stakeholders.
- Maintained an administration system that ensures the productivity and quality of the NFVF office
- Maintained an effective and efficient supply chain management system
- Obtained an unqualified audit report for the year ended 31 March 2011
- Identified and managed risks by holding an annual risk workshop which culminated in an annual internal audit plan and a risk register
- Ensured good corporate governance by 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

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 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. The NFVF with the assistance of attorneys drafted the SLA detailing the nature of the relationship between the NFVF and DAC by spelling each parties' duties and obligations in line with the functions of the NFVF as stated in the NFVF Act. The SLA also sets out administrative protocols to ensure that both parties fulfil their roles in terms of the agreement.

The agreement was generally welcomed even though the Department raised concerns about whether the agreement was really necessary despite a prior understanding that the agreement was necessary.

The Regulations provide a number of administrative issues important in the furtherance of NFVF objectives and functions. The drafting process had to retrospectively take into account the existing policies and procedures as well as the inclusions of provisions that could only be provided for in the regulations. The contents provided for in the regulations include provisions on:



Image from "Stokholm Zululand"

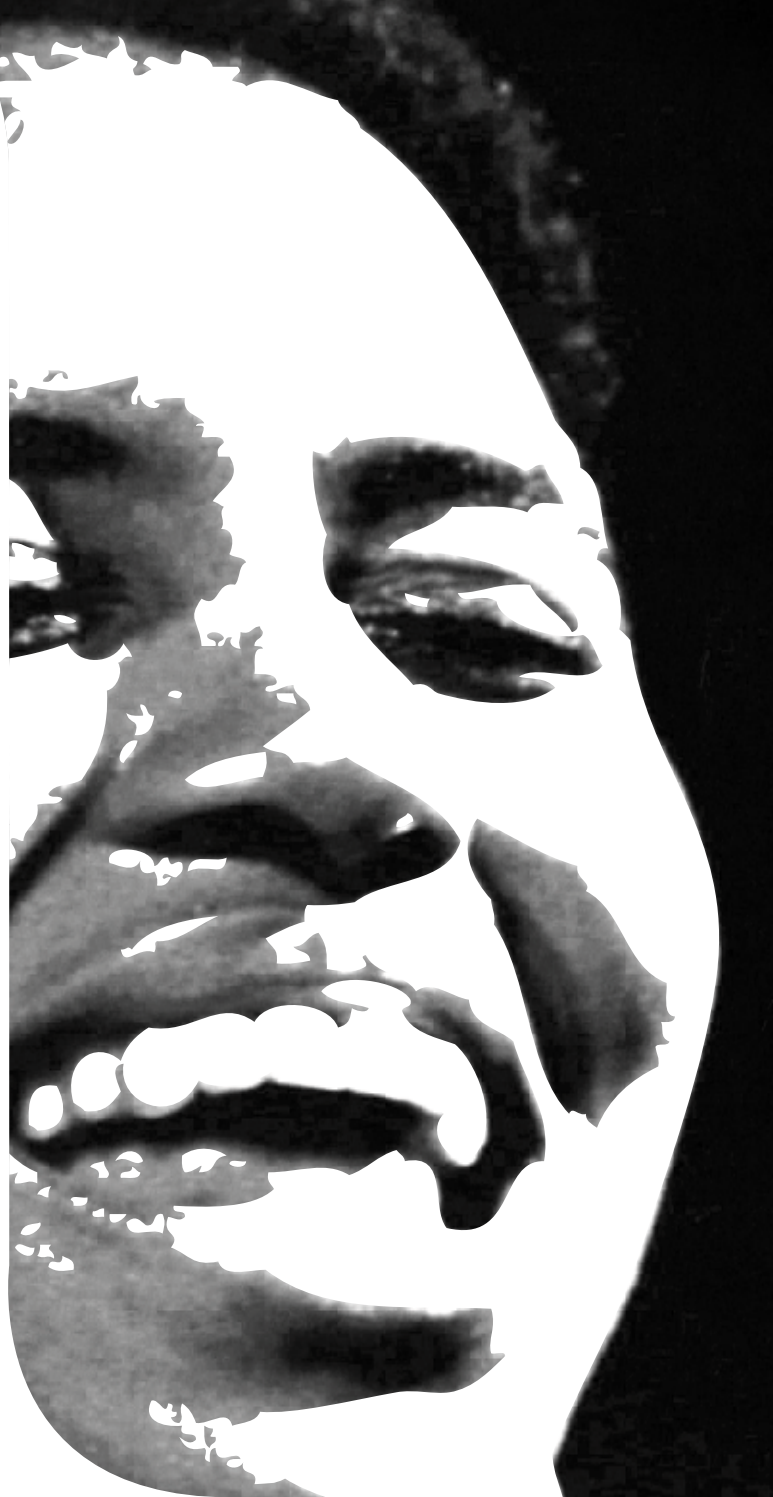
- Type of funding administered by the NFVF and qualification criteria;
- Terms and conditions applicable to grantees
- co-production administration;
- list of Council services for sale; and
- the relationship between the NFVF, government departments and the industry.

The Council of the NFVF approved the Regulations and the SLA in December 2010. A transmittal letter was sent to the DAC Audiovisual Unit to inform them of Council approval so that they can take over facilitation with their Legal Department to publish and solicit input on the regulations and to facilitate the signature of the SLA.



MAKEBA

FREEDOM IS NOT GIVEN, YOU MUST TAKE IT.



national film and video foundation
SOUTH AFRICA

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 2011, the NFVF's internal auditors, SizweNtsaluba, conducted the following internal audits:

- Audit of Pre-determined objectives
- Financial Discipline Review
- Compliance Audit
- 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 05th May 2010, 02nd September 2010, 02nd December 2010 and 31st January 2011.

In accordance with its charter, three audit committee meetings were held on the 14th April 2010, 21st July 2010 and 30th November 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 and that outlines future roles incumbents for key leadership positions and other mission critical positions.

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.

HUMAN RESOURCES DEVELOPMENT

The skills development process runs concurrently with the performance management and evaluation to ensure that the Personal Development Plans (PDP) are in line with the skills and competencies required by the NFVF and the steps taken to address the developmental gaps. In the year under review 40% of the staff has attended 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 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.

8. HUMAN RESOURCE MANAGEMENT

8.5 STAFF COMPLIMENT

The NFVF has a staff complement of 25, during the period under review (01 April 2010 – 31 March 2011), 1 employee resigned and 1 employee was appointed.

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	5	1	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	25	6	17	-	2
		24%	68%	0%	8%

9. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2011.

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, 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 (2010/2011), the committee met on 14th April 2010, 21st July 2010 and 30th November 2010.

NAMES OF MEMBERS

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;

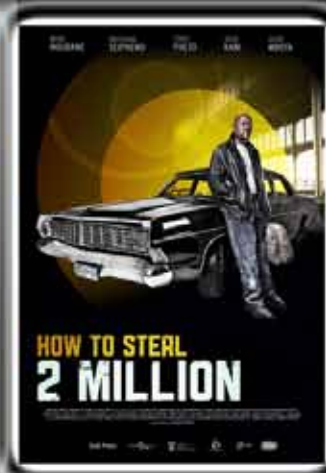
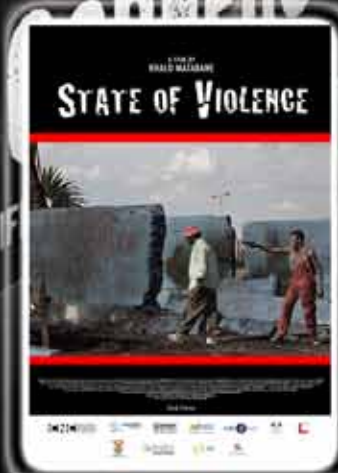
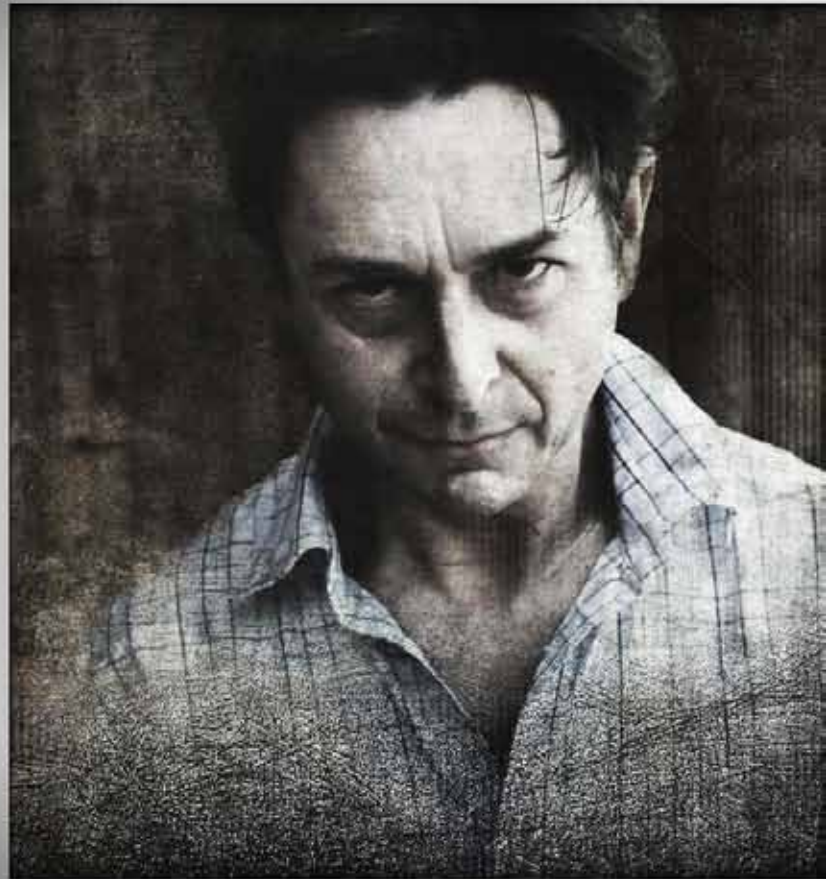
The committee is satisfied that these statements comply, in all material respects, with the requirements of the PFMA, 1999, as amended, and South African Statements of Generally Recognised Accounting Practice.

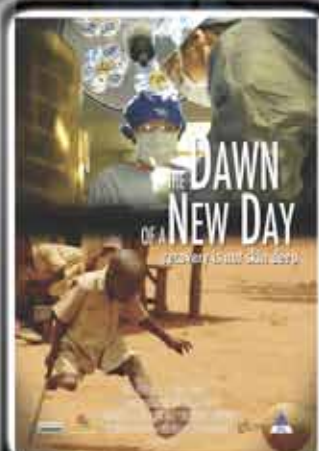
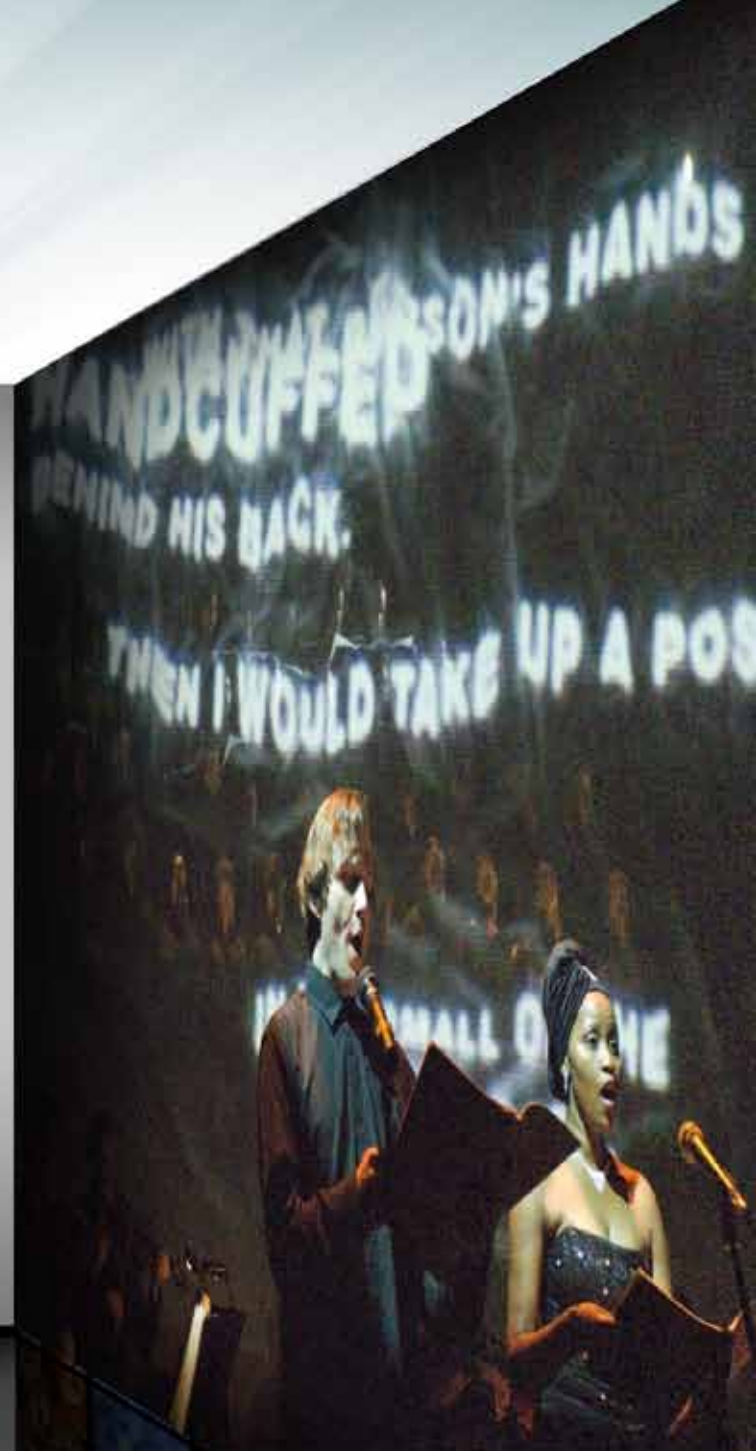
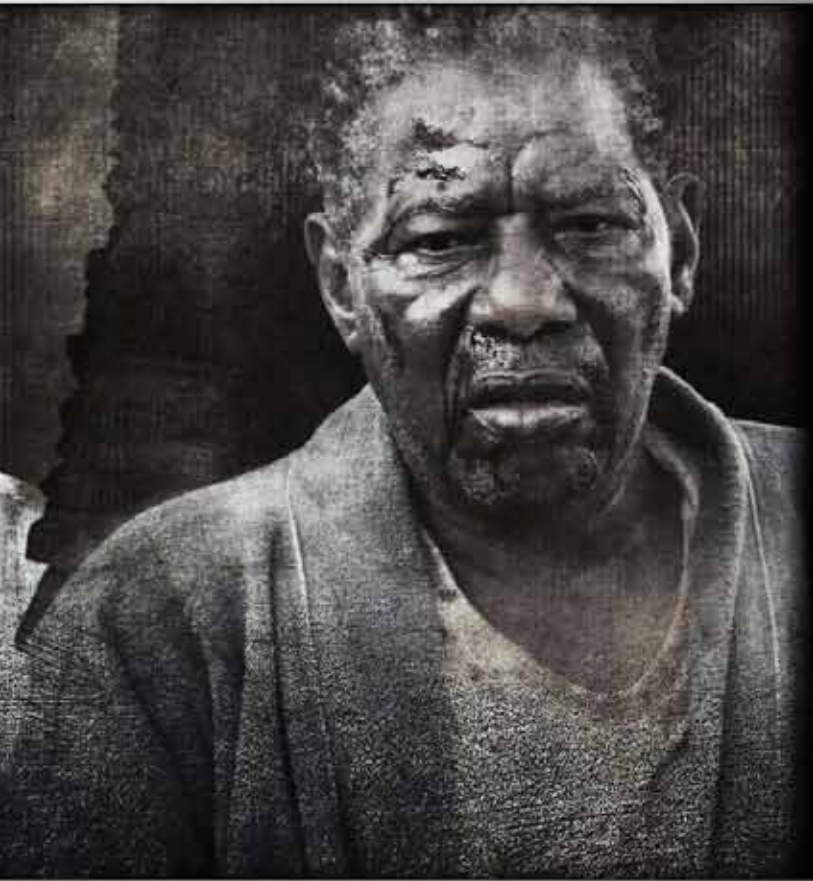
AUDIT REPORT

The Auditor-General Report states: 'Council did not establish an audit committee for the entire financial year...' The Audit Committee notes that there was only a two month period (February – March 2011) during which the NFVF had no audit committee due to the late appointment of the NFVF Council.

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Chairperson of the Audit Committee





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A FILM BY DARA KELL & CHRISTOPHER NIZZA



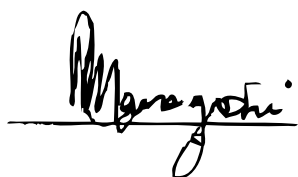
10. ANNUAL FINANCIAL STATEMENTS

NATIONAL FILM AND VIDEO FOUNDATION

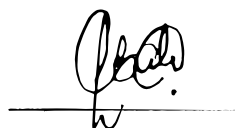
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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Statement of Financial Performance	59
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Cash Flow Statement	61
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The annual financial statements set out on pages 54 to 78 were approved by the Accounting Authority on 31 May 2011 and are signed by:



Ms Mmabatho Ramagoshi
Chairperson
NFVF



Mr. K.E. Mbalo
Chief Executive Officer
NFVF

REPORT OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the accompanying financial statements of the National Film and Video Foundation, which comprise the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 78.

ACCOUNTING AUTHORITY'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Film and Video Foundation as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 16 to 28 and material non-compliance with laws and regulations applicable to the entity.

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

Predetermined objectives

9. There were no material findings on the annual performance report.

Compliance with laws and regulations Audit committee

10. Council did not establish an audit committee as a sub-committee as required by Treasury Regulations 27.1.1 for the entire financial year which meant that the audit committee did not exist and did not review the entity's internal control system and compliance with legal and regulatory provisions as per the requirement of TR 3.1.10(a) and (f) during the period of their non existence.

INTERNAL CONTROL

11. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the findings on compliance with laws and regulations included in this report.

Governance

12. Due to the Council not being appointed timely the audit committee did not exist and were not effective for the entire financial year to promote accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment, including financial and performance reporting and compliance with laws and regulations.

Auditor-General

Johannesburg
28 July 2011



**AUDITOR-GENERAL
SOUTH AFRICA**

Auditing to build public confidence



national film and video foundation
SOUTH AFRICA

ACCOUNTING AUTHORITY REPORT

NATIONAL FILM AND VIDEO FOUNDATION

ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2011

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 2011.

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 acts 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 Solomons

3. ORGANISATIONAL STRUCTURE

The organisation currently employs 27 permanent staff including the chief executive officer and 6 executive managers. 1 additional staff member was 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 1 meeting	HR 2 meetings
Ms C Mampane(Chairperson)	R 15 000	3	1	
Mr M Ngonyama	R 20 000	4	1	
Ms N Sowazi	R 15 000	3		
Mr M Rosin	R 20 000	4	1	
Ms S Gordon	R 15 000	3		2
Mr M Smit	R 20 000	4		
Mr M Mphomela	R 20 000	4		
Ms N Bulbulia	R 20 000	4		
Mr S Bhembé	R 15 000	3		
Mr D Bensusan	R 20 000	4		2
Prof P Ntuli	R 10 000	2		2
Adv R Solomon	R 20 000	4		

Audit Committee

Audit Committee member	Amount	No of meetings attended	
		Audit 3 Meetings	Other 0 Meeting
Mr G O'Leary (Chairperson)	R 9 000	3	
Mr C Mullin	R 9 000	3	
Mr M Karedi	R 9 000	3	
Ms N Sowazi	R 6 000	2	
Ms N Bulbulia	R 6 000	2	

Executive Management:

	Basic Salary	Bonus	Allowances	Contributions	Total
CEO	974 342	405 980	12 000	142 063	1 534 395
CFO	683 534	56 961	6 000	-	746 495
Head: Marketing	422 291	37 592	6 000	57 056	522 939
Head: Policy & Research	469 177	39 097	6 000	54 926	569 200
Head: Human Resources	524 004	43 667	6 000	70 489	644 160
Head: New Ventures	436 415	47 278	5 000	61 084	549 777
Head: Production & Development's	499 113	41 593	6 000	49 911	596 616

ACCOUNTING AUTHORITY REPORT

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 surplus / (deficit) of the organisation for the year was R 40 136 (2010 deficit: R 359 179)

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), MIPCOM and Cannes.

Operating expenses

1 staff member resigned and 1 new staff member was employed during the current financial year.

The organisation hosted the fifth annual South African Film and Television Awards (SAFTA) in February 2011. The Foundation 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:

BUSINESS ADDRESS / DOMICILE:	POSTAL ADDRESS:	REGISTERED ADDRESS:
87 Central Street Houghton 2198	Private Bag X04 Northlands 2116	87 Central Street Houghton 2198

A FILM BY SARA BLECHER

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national film and video foundation
SOUTH AFRICA

NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	2011 Actual R	2011 Budget R	2010 Actual R	2010 Budget R
ASSETS					
Non Current Assets		1,953,449	2,699,560	1,974,431	1,135,560
Plant and equipment	3	1,523,513	2,203,000	1,718,773	939,000
Intangible assets	4	233,376	300,000	59,098	-
Rental deposit		196,560	196,560	196,560	196,560
Current Assets		26,126,698	13,832,000	15,519,614	13,669,440
Cash and cash equivalents	14	23,715,566	11,832,000	12,469,266	9,866,000
Trade and other receivables	5	1,212,590	2,000,000	1,429,279	3,803,440
Operating Lease asset	16.2	-	-	186,253	-
Prepayments		1,198,542	-	1,434,816	-
TOTAL ASSETS		28,080,147	16,531,560	17,494,045	14,805,000
LIABILITIES					
Accumulated surplus		1,591,114	1,579,000	1,550,979	346,513
Current Liabilities		18,873,113	8,753,560	15,173,286	7,704,244
Trade and other payables	6.1	1,596,601	554,560	651,318	950,000
Operating lease liability	16.2	70,242	-	-	-
Provisions	6.2	7,206,270	6,199,000	14,521,968	13,508,48
Payments received in advance	7	10,000,000	2,000,000	-	-
Non-Current Liabilities		7,615,920	6,199,000	769,780	6,754,244
Provisions	6.2	6,916,382	6,199,000	-	-
Operating lease liability	16.2	699,538	-	769,780	-
TOTAL NET ASSETS		28,080,147	16,531,560	17,494,045	14,805,000

NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 Actual R	2011 Budget R	2010 Actual R	2010 Budget R
Revenue	8	40,938,112	39,359,000	42,952,752	39,236,000
Grant expense	9	(24,466,331)	(23,364,000)	(28,535,866)	(26,092,000)
Gross profit		16,471,781	15,995,000	14,416,886	13,144,000
Operating expenses	10	(17,103,678)	(16,687,315)	(15,581,771)	(15,427,645)
Deficit from operations		(631,897)	(692,315)	(1,164,885)	(2,283,645)
Investment income	11	672,032	720,000	805,706	720,000
Surplus/(Deficit) for the year		40,135	27,685	(359,179)	(1,563,645)

NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2011

	Accumulated surplus R	Total R
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
Surplus for the year	40,135	40,135
Balance as at 31 March 2011	1,591,114	1,591,114

NATIONAL FILM AND VIDEO FOUNDATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 Actual R	2011 Budget R	2010 Actual R	2010 Budget R
Cash flows from operating activities					
Cash generated from / (utilised in) operations	12	11,190,236	2,291,000	4,054,672	2,610,842
Interest income	11	672,032	720,000	805,706	720,000
		11,862,268	3,011,000	4,860,378	3,330,842
Cash flows used in investing activities					
Purchase of plant and equipment	13	(442,167)	(750,000)	(1,359,713)	(1,257,842)
Purchase of intangible assets	4	(183,386)	(300,000)	(65,664)	-
Proceeds on disposal of plant and equipment	8	9,585	5,000	750	-
		(615,968)	(1,045,000)	(1,424,627)	(1,257,842)
Increase / (decrease) in cash and cash equivalents		11,246,300	1,966,000	3,435,751	2,073,000
Cash and cash equivalents at the beginning of the year		12,469,266	9,866,000	9,033,516	7,793,000
Cash and cash equivalents at the end of the year	14	23,715,566	11,832,000	12,469,267	9,866,000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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

1.1 Standards of GRAP approved but not yet effective

The following GRAP Standards were issued but not yet effective at the reporting date:

- GRAP 23: Revenue from non-exchange transactions
- GRAP 24: Presentation of budget information
- GRAP 25: Employee benefits
- GRAP 26: Impairment of cash generating assets
- GRAP 104: Financial Instruments
- GRAP 105: Transfers of functions

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 leases 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.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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

Payments received in advance

Government grants are recorded as payments received in advance when they are received.
The liability will be discharged and revenue recognised as the conditions of the agreement is satisfied.

Prepayments

Prepayments are payments made for festivals in order to secure orders placed and receive discounted rates.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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.

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.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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 transactions 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 16 of the annual financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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 the 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 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

	R	R	R	R	R	R
	Computer hardware	Furniture & fittings	Computer software	Motor Vehicles	Office equipment	Total
Net book value at 1 April 2010	213,591	1,239,491	113,393	94,558	57,740	1,718,773
Additions	214,849	173,234	54,084	-	-	442,167
Work-in-progress	-	-	-	-	-	-
Write-offs	-	-	-	64,056	-	64,056
Depreciation	216,811	194,914	116,469	30,502	14,675	573,371
Net book value at 31 March 2011	211,628	1,217,811	51,008	-	43,065	1,523,513

Cost as at 31 March 2011	728,718	3,089,923	774,487	118,959	355,922	5,068,010
Accumulated depreciation	517,090	1,872,112	723,479	118,959	312,857	3,544,497
Net book value at 31 March 2011	211,628	1,217,811	51,008	-	43,065	1,523,513

There were no impairments to plant and equipment during the year (2010:Nil).

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

4. Intangible assets

	2011 R	2010 R
Net book value at the beginning of the year	59,098	-
Additions	30,495	65,664
Work-in-progress	152,891	-
Amortisation	9,108	6,566
Net book value at the end of the year	233,376	59,098
Reconciliation		
Cost as at the beginning of the year	249,050	65,664
Accumulated amortisation	15,674	6,566
Net book value at the end of the year	233,376	59,098

There were no impairments to intangible assets during the year (2010:Nil).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

5. Trade and other receivables

	2011 R	2010 R
SABC: SAFTA	1,200,000	1,200,000
Staff loans	-	7,340
DAC	-	211,774
Film & Publications Board	12,590	10,165
	1,212,590	1,429,279

	R	R	R	R	R	R
	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
2011						
Gross trade receivables	-	-	12,590	-	1,200,000	1,212,590
Write-off of trade receivables	-	-	-	-	-	-
Nett trade receivables	-	-	12,590	-	1,200,000	1,212,590
2010						
Gross trade receivables	17,505	-	1,200,000	-	1,711,774	2,929,279
Impairment of trade receivables	-	-	-	-	(1,500,000)	(1,500,000)
Nett trade receivables	17,505	-	1,200,000	-	211,774	1,429,279

6.1 Trade and other payables

	2011 R	2010 R
Medical aid accrual	-	61,937
Provident fund accrual	1,867	87,571
Cashbook accruals	1,594,734	501,810
	1,596,601	651,318

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

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

6.2 Provisions

6.2.1 Provision for grants issued by NFVF

Opening balance as at 01 April 2010

New grants issued (note 9)

Payments made during the year

Closing balance as at 31 March 2011

Current

Non-current

2011 R	2010 R
14,267,855	11,788,432
24,466,331	28,535,866
(24,901,422)	(26,056,443)
13,832,764	14,267,855
6,916,382	14,267,855
6,916,382	-

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

Management determined estimates based on calculations of current and non-current portions.

6.2.2 Provision for leave pay

Opening balance as at 01 April 2010

Utilised during the year

Originated during the year

Closing balance as at 31 March 2011

2011 R	2010 R
254,113	240,133
(254,113)	(240,133)
289,888	254,113
289,888	254,113

A provision for leave is recognised for leave due 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

14,122,652	14,521,968
------------	------------

7. Payments received in advance

Department of Arts and Culture

Opening balance as at 01 April 2010

Received during the year

Utilised during the year

Closing balance as at 31 March 2011

2011 R	2010 R
-	-
10,000,000	-
-	-
10,000,000	-
10,000,000	-

Total payments received in advance

The funds received relate to the installation of digital equipment for community viewing as well and upgrading of facilities in under-served areas. The funds were received close to year end 31 March 2011 and the project will only commence in the new financial year 2011/2012. We anticipate that the project will be finalised by 31 March 2012.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
8. Revenue		
Department of Arts and Culture - annual allocation	38,859,000	39,136,000
Department of Trade and Industry	600,000	750,000
South African Broadcasting Corporation	-	1,575,000
M-Net	260,000	350,000
South African Film and Television Awards (SAFTA) fees	-	6,609
Gauteng Film Office	-	164,000
Cape Film Commission	-	114,000
Durban Film Office	-	114,000
Film and Publication Board	-	9,500
Avalon	-	75,775
The Callsheet	6,869	5,318
Cape Town Film Studios	16,219	-
International Marketing Council	570,000	-
Fireworx Media	8,000	-
Future Shorts Ltd	1,949	-
Mapp Seta	10,395	-
Pinnacle Films	3,000	-
Stitching Freeway Custody - Tsotsi recoupment	-	4,405
Teaching Screen Productions - "Uranium Road" recoupment	9,245	-
Videovision Entertainment - "Yesterday" recoupment	108,336	-
Triggerfish Animation- ZAMBEZIA	-	100,000
Rogue Star - SPUD	-	250,000
NEXT Entertainment - SKIN	107,551	133,031
Ikamva (Golf Day)	-	26,625
Mercury Media	-	2,000
UIP - SKIN	224,609	-
Producers Programme participants	143,353	134,394
Profit on the sale of plant and equipment	3,640	750
Profit on the sale of motor vehicles	5,945	-
Sale of SEDIBA books	-	1,346
	40,938,112	42,952,752

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

9. Grants expense

	2011 R	2010 R
Training & bursaries	4,211,700	4,483,572
Script development	1,460,992	1,900,122
Production	8,692,211	6,859,009
Research projects	767,517	540,255
Distribution & marketing	9,333,911	14,752,908
	24,466,331	28,535,866

10. Operating expenses

Included in the operating expenses are the following:

Audit fees		478,402	287,235
Consulting services		568,994	669,303
Internal audit fees		440,080	470,106
Professional services - staff recruitment		16,099	40,897
Website expenses		112,815	158,300
Councillor's services			
Honorarium - council meetings	21.1	210,000	200,000
Depreciation on plant and equipment and intangible assets	19	582,479	472,918
Computer hardware		216,811	200,184
Furniture & fittings		194,914	118,227
Computer software		116,469	84,734
Intangible assets		9,108	6,566
Motor vehicles		30,502	36,603
Office equipment		14,675	26,604
Panelist fees		187,700	152,250
Rent paid		2,319,455	2,319,455
Salaries and wages		10,370,497	9,254,368
Salaries and wages - executive management	21.2	5,163,583	4,465,316
Salaries and wages - other staff		5,206,914	4,789,052
Travel and accommodation		338,698	246,851

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

11. Investment income

Interest income - Bank Deposits

12. Cash generated from / (utilised in) operations

Surplus/(Deficit for the year)

Interest income

Adjustments for:

Profit on the sale of plant and equipment

Write-offs

Depreciation and amortisation on plant and equipment and intangible assets

Increase in operating lease

Increase / (decrease) in provisions

Changes in working capital:

Decrease in trade and other receivables

Increase / (decrease) in trade and other creditors

13. Purchase of plant and equipment

Furniture & fittings

Office equipment

Computer software

Computer hardware

14. Cash and cash equivalents

First National Bank

Corporation for Public Deposits

Petty cash

2011 R	2010 R
672,032	805,706
2011 R	2010 R
11,190,236	4,054,672
40,135	(359,179)
(672,032)	(805,706)
(9,585)	(750)
64,056	
582,479	472,918
186,253	417,758
(399,316)	2,493,403
452,963	2,320,578
10,945,283	(484,350)
2011 R	2010 R
(442,167)	(1,359,713)
(173,234)	(1,051,373)
-	(4,988)
(54,084)	(194,388)
(214,849)	(108,964)
2011 R	2010 R
23,715,566	12,469,266
898,211	312,240
22,815,355	12,155,026
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 2011

15. Reconciliation of budget with statement of financial performance

Net surplus/(deficit) per statement of financial performance

Adjusted for

Increase in revenue

Timing differences

Net deficit per approved budget

2011 R	2010 R
40,135	(359,179)
(1,531,144)	(3,802,457)
1,518,694	2,597,992
27,685	(1,563,644)

16. Lease arrangements

16.1 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

2011 R	2010 R
2,680,401	2,423,905
5,081,011	7,761,411
7,761,412	10,185,316

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 2011 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 2011 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 2011 is R 208 176

16.2 Operating lease liability

2011 R	2010 R
769,781	583,527

17. Material losses through criminal conduct

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

2011 R	2010 R
-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

18. Irregular expenditure

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

19. Fruitless and wasteful expenditure

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

20. Change in accounting estimate

Plant and equipment

The useful life and residual values of plant and equipment were reviewed at 31 March 2011 by an independent valuator. Included in depreciation is a change in accounting estimate amounting to R111 002. This decrease in depreciation resulted from the valuation done on furniture and fittings. The effect of the adjustment is as follows:

	2011 R	2010 R
Dr Accumulated depreciation on plant and equipment	21,652	89,350
Cr Depreciation on plant and equipment	(21,652)	(89,350)
Provisions		
Current	6,916,382	14,267,855
Non-current	6,916,382	-

Grants are paid based on milestones and it is not always possible for grants to be expensed by year end. An exercise was completed to establish the trend of the past years. Management determined estimates based on the calculation of current and non-current portions. Management will in future base the current and non-current portions on estimated calculations.

21. 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

	2011 R	2010 R
Department of Arts and Culture	-	-
Department of Arts and Culture	48,859,000	39,136,000

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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.

	2011 R	2010 R
22. Disclosure of remuneration		
22.1 Non Executive Honorarium - council services	210,000	200,000
Ms C Mampane	15,000	15,000
Mr M Rosin	20,000	20,000
Ms N Sowazi	15,000	5,000
Mr M Ngonyama	20,000	20,000
Ms S Gordon	15,000	20,000
Mr M Smit	20,000	15,000
Mr M Mphomela	20,000	20,000
Ms N Bulbulia	20,000	15,000
Mr S Bhembé	15,000	10,000
Mr D Bensusan	20,000	20,000
Prof P Ntuli	10,000	20,000
Adv R Solomons	20,000	20,000

22.2 Executive management salaries - 2011

	R Basic Salary	R Bonus	R Allowances	R Contributions	R Total
Chief Executive Officer	974,352	405,980	12,000	142,063	1,534,395
Chief Financial Officer	683,534	56,961	6,000	-	746,495
Head: Marketing	422,291	37,592	6,000	57,056	522,939
Head: Policy & Research	469,177	39,097	6,000	54,926	569,200
Head: Human Resources	524,005	43,667	6,000	70,489	644,160
Head: New Ventures	436,415	47,278	5,000	61,084	549,777
Head: Production and Development	499,113	41,593	6,000	49,911	596,616
	4,008,885	672,169	47,000	435,529	5,163,583

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	R	R	R	R	R
Executive management salaries - 2010					
	Basic Salary	Bonus	Allowances	Contributions	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
	<u>3,752,183</u>	<u>311,022</u>	<u>48,000</u>	<u>354,111</u>	<u>4,465,316</u>

23. Financial instruments

As at 31 March 2011, 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	23,715,566	12,469,266
	Fair value	23,715,566	12,469,266
Trade and other receivables	Carrying value	2,411,132	2,864,095
	Fair value	2,411,132	2,864,095

Financial liabilities

Trade and other payables	Carrying value	1,596,601	651,318
	Fair value	1,596,601	651,318
Operating lease liability	Carrying value	769,780	583,527
	Fair value	769,780	583,527

2011

2010

R

R

24. 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

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

24.1 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:

	2011 R	2010 R
Within 1 year	23,715,566	12,469,266
1 to 5 years	-	-
	23,715,566	12,469,266

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.

	2011 R	2010 R
Increase in interest rate of 1%	130,822	113,243
Decrease in interest rate of 0.5 %	(46,839)	(56,709)

24.2 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 2011.

	R	R	R	R	R
	Less than 3 months	3 - 12 months	91-120 days	1 - 5 years	Total
2011					
Trade and other payables	-	-	-	-	-
Operating lease liability	-	-	-	769,781	769,781
Financial liability	-	-	-	769,781	769,781
2010					
Trade and other payables	-	-	-	-	-
Operating lease liability	-	-	-	583,527	583,527
Financial liability	-	-	-	583,527	583,527

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

25. World Cup Expenditure

	Quantity	2011 R	2010 R
Purchase of other world cup apparel			
Soccer T-shirts	26	-	13,520
Total world cup expenditure		-	13,520
Tickets acquired for world cup soccer	-	-	-
Total		-	-





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