

ANNUAL REPORT  
2014

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# 20 YEARS

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# OF

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# FILMMAKING

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national film and video foundation  
SOUTH AFRICA

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an agency of the  
Department of Arts and Culture

**"IT IS A NATIONAL  
IMPERATIVE TO  
CREATE FACILITIES  
FOR ORDINARY SOUTH  
AFRICANS TO BEAR  
INFLUENCE IN THE  
EXPRESSION OF  
THEIR OWN IMAGE  
AND THEREBY DEEPEN  
DEMOCRACY AND  
CREATE PROSPERITY."**

1990

Nelson Mandela is released from prison

1993

*Out in Africa Film Festival* is launched, bringing margins to the centre

1994

South Africa goes to the polls for it's first free and fair elections

1997

3 December, the Office of the President proclaims the creation of the National Film and Video Foundation (NFVF) through Act no. 73 of 1997

1999

The NFVF is launched at *Sithengi*, the SA International Film Market in Cape Town

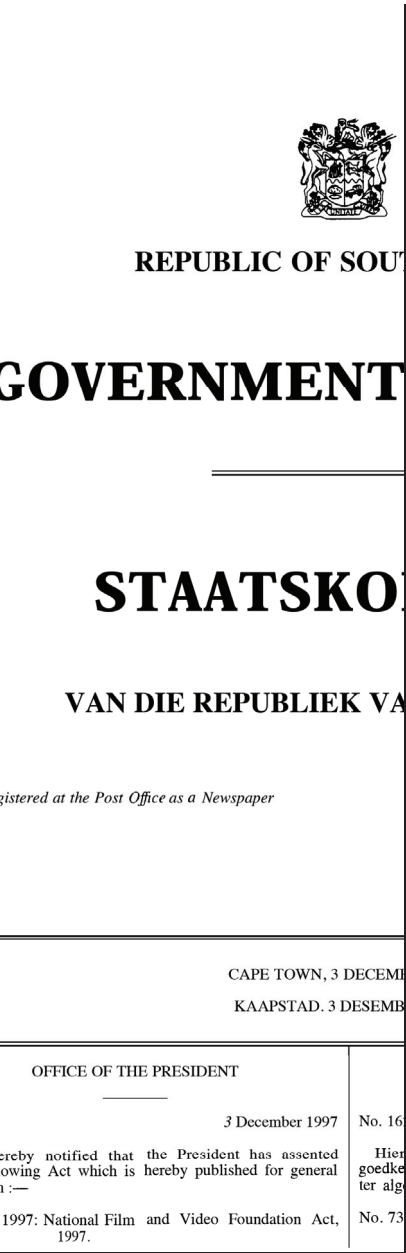
Encounters South African Documentary Festival first takes place. Its main objective is to develop the documentary industry in South Africa



POSTER:  
*Nelson Mandela: the myth and me* (2014)

POSTER:  
*Out in Africa 15* (2008)

POSTER:  
*Dont f\*\*\* with me I have 51 brothers and sisters* (2004)



COVER:  
*Government Gazette* Vol. 390



2002

The inception of the *TriContinental Human Rights Film Festival*

2005

*Wild-Talk in Africa* and wildlife academy first supported by NFVF. Introduces aspirant black filmmakers to wildlife filmmaking

2006

*Tsotsi* wins the 2005 Academy Award for Best Foreign Language Film and is nominated for the Golden Globe for Best Foreign Language Film

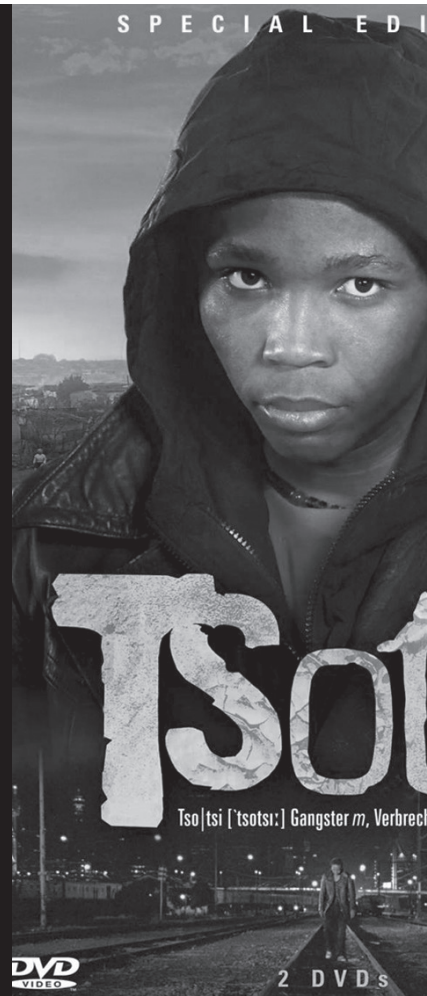
The SAFTA's are created. These pivotal TV and cinematic awards form part of the unique industry story that will inspire future generations

2007

*The Documentary Filmmakers Association (DFA)* is established to nurture and develop the interests of documentary filmmakers SA



COVER:  
TCff Brochure (2013)



POSTER:  
Tsotsi (2006)

Patrick (Surname) at  
SAFTA's 2014





## 2010

'MY TOWN' is a short documentary competition launched at Encounters by the DFA. It has now become 'MY HOOD'

## 2011

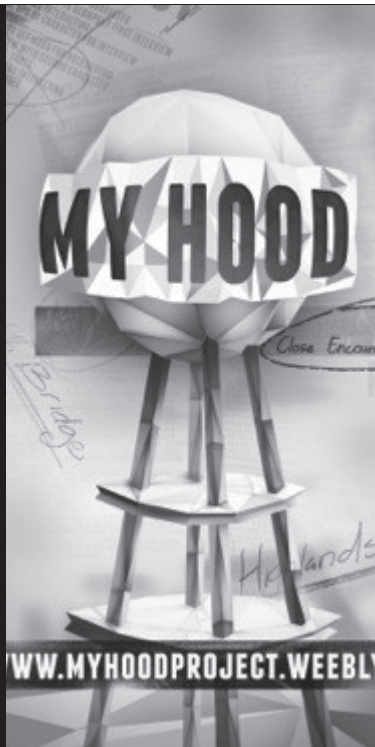
'Skoonheid' receives the Queer Palm award at Cannes

## 2013

'Zambezia' (funded by NFVF) is the highest grossing South African Film ever at \$35 million dollars internationally

## 2014

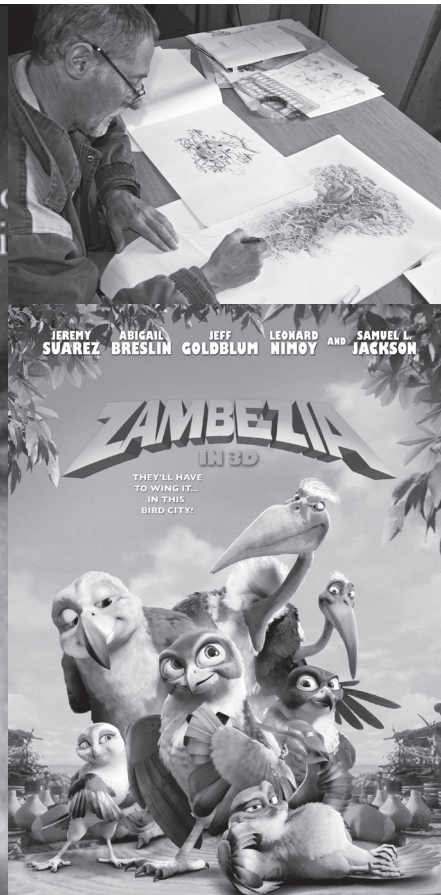
'Hard to Get' is the opening film at the Durban International Film Festival



POSTER:  
My Hood (2014)



POSTER:  
Skoonheid (2011)

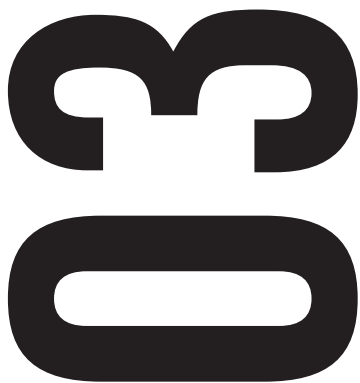


Alan Cameron, production  
designer, Zambezia

POSTER:  
Zambezia (2013)



Hard to Get (2014)



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# 2013/14

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# 2013/14

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**- NFVF IS CREATED**

1997

3 December, the Office of the President proclaims  
the creation of the National Film and Video Foundation  
through Act no. 73 of 1997



REPUBLIC OF SOUTH AFRICA

# GOVERNMENT GAZETTE

## STAATSKOERANT

VAN DIE REPUBLIEK VAN SUID-AFRIKA

*Registered at the Post Office as a Newspaper*

*As 'n Nuusblad by die Poskantoor Geregistreer*

VOL 390

CAPE TOWN, 3 DECEMBER 1997

No. 18489

KAAPSTAD, 3 DESEMBER 1997

### OFFICE OF THE PRESIDENT

No. 1629.

3 December 1997

It is hereby notified that the President has assented to the following Act which is hereby published for general information :—

No. 73 of 1997: National Film and Video Foundation Act, 1997.

### KANTOOR VAN DIE PRESIDENT

No. 1629.

3 Desember 1997

Hierby word bekend gemaak dat die President sy goedkeuring geheg het aan die onderstaande Wet wat hierby ter algemene inligting gepubliseer word:—

No. 73 van 1997: Wet op die Nasionale Stigting vir Rolprente en Video's, 1997.



1. GENERAL INFORMATION

REGISTERED NAME:	National Film and Video Foundation
REGISTRATION NUMBER (if applicable):	Act 73 of 1997
PHYSICAL ADDRESS:	87 Central Street Houghton 2198
POSTAL ADDRESS:	Private Bag X04 Northlands 2116
TELEPHONE NUMBER/S:	027 11 483 0880
FAX NUMBER:	027 11 483 0881
EMAIL ADDRESS:	info@nfvf.co.za
WEBSITE ADDRESS:	www.nfvf.co.za
EXTERNAL AUDITORS:	Auditor General
BANKERS:	First National Bank

## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>AGSA</b>	Auditor General of South Africa
<b>BBBEE</b>	Broad Based Black Economic Empowerment
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>DAC</b>	Department of Arts and Culture
<b>DFO</b>	Durban Film Office
<b>DIFF</b>	Durban International Film Festival
<b>DTI</b>	Department of Trade and Industry
<b>FESPACO</b>	Pan-African Film and Television Festival of Ouagadougou
<b>GDP</b>	Gross Domestic Product
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>MICT-SETA</b>	Media, Information and Communication Technologies – Sector Education and Training Authority
<b>MGE</b>	Mzansi Golden Economy
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NACISA</b>	National Cultural Industries Skills Academy of South Africa
<b>NFS</b>	National Film School
<b>NFVF</b>	National Film and Video Foundation
<b>P&amp;A</b>	Print and Advertising
<b>PD</b>	Previously Disadvantaged
<b>PDI</b>	Previously Disadvantaged Individual
<b>PFMA</b>	Public Finance Management Act
<b>SAFI</b>	South African Film Industry
<b>SAFTAS</b>	South African Film and Television Awards
<b>SCM</b>	Supply Chain Management
<b>SIFPP</b>	Sediba International Financing Programme for Producers
<b>SMME</b>	Small Medium and Micro Enterprises
<b>TR</b>	Treasury Regulations
<b>WGSA</b>	Writers' Guild of South Africa

### 3. FOREWORD BY THE CHAIRPERSON

**MS MMABATHO RAMAGOSHI**

**Chairperson of Council**

National Film and Video Foundation

31 July 2014



#### INTRODUCTION

Once again, it is with a great deal of pleasure to present this annual report to our stakeholders, summarising what the National Film and Video Foundation (NFVF) does, and outlining an overview of the performance of the NFVF and achievements of the year under review.

We remain focused on delivering on our mandate of growing and developing the South African film industry while affording opportunities to the previously marginalised and disadvantaged individuals to participate in the film industry.

Our mandate is well harmonised by our values of creativity, freedom of expression, entrepreneurship, equitable redress and collaboration.

#### STRATEGY AND PERFORMANCE OF THE ENTITY

We are satisfied that the NFVF in recent years has been successful in its strategies aimed at addressing the lack of opportunities in the film industry and created a market for local films both locally and abroad. We have been engaging extensively on strategy matters that required redirection and refocus.

The National Development Plan (NDP), the New Growth Path and the white paper on Arts and Culture serves as important economic development plans of the South African Government and have outlined the policy context of a developmental state and acknowledge the critical role of state-owned companies as agents of economic development. The NDP identifies the film industry as a powerful tool for promoting social cohesion and creating sustainable jobs

It is under this premise that the NFVF called for the 4th National Film Indaba, one of the biggest policy setting stakeholder engagements. The two-day forum deliberated and made recommendations to the four strategic pillars that were identified as central for taking the industry to another level. The four identified pillars were as follows:

- Human capital development and transformation
- Markets for South African content
- Infrastructure development
- Institutional framework and funding models

As the NFVF council we have confidence in the strategy the organisation is following and will continue to support the executive and management in the execution thereof.

For the year under review the South African cinema reeled in a revenue of more than R879 million, revealing a growing film industry and a higher demand for content from consumers. Local films have captured 11% of the market share, while our independent distributors bagged close to 3% of the total revenue in the market.

*“For the year under review the South African cinema reeled in a revenue of more than R879 million, revealing a growing film industry and a higher demand for content from consumers.”*

As an organisation that strives for excellence in infrastructure development, the NFVF must continuously assess and adapt its strategy to address changes in its operating environment and fulfil stakeholder and industry expectations. We enlisted the services of Babhuti Research Institute to identify potential sites for the establishment of a Film Hub in the provinces of Mpumalanga, Gauteng and the Eastern Cape. Three sites were identified in Gauteng, five sites in the Eastern Cape and a further three sites in Mpumalanga as possible pilot sites. Management will continue to study the recommendations and conduct feasibility studies in due course before committing to a final model for such infrastructure intervention.

In line with our mandate of promoting and facilitating liaison between individuals and institutions locally and internationally, for the 2013/14 financial year we have funded 53 filmmakers to various international film festivals such as the Cannes International Film Festival, Berlin International Film Festival, Rotterdam International Film festival, the Nigeria Film festival, the Kenyan Film Market and Rio content market.

It is important to further highlight some of the successes we as the organisation have achieved for leading the South African delegation and establishing a South African Pavilion in Cannes International Film Festival. They are as follows:

- “Khumba” was signed for distribution rights with France’s largest distribution company, Metropolitan
- “Blitz Patrollie” was signed by a sales and distribution agent, Picture Tree International
- The NFVF received the highest media coverage to the value of R9 796 095.56, excluding international media
- A memorandum of understanding (MOU) was signed between the NFVF and the Kenyan Film Commission
- A number of filmmakers signed on various projects
- 12 NFVF Funded Filmmakers were in attendance
- South African pavilion was visited by over 1 946 filmmakers from around the world doing business with

#### South African filmmakers

We had 155 SA delegates attending the festival, demonstrating hunger for growth and collaborations.

#### ACKNOWLEDGEMENTS

We are grateful to our Minister, Mr. Paul Mashatile, for his continued commitment and confidence in the NFVF. During the year, this has been displayed through supporting our strategic priorities and various initiatives which are fundamentally changing the film landscape. Similarly, we thank the Director-General and his team for their efforts and tireless support.

I would like to thank my fellow Council Members for the sterling job done over the past year and also during our term of Council as this is the end of the term of this Council. As we part ways after three years at the helm of this organisation, we can proudly look back and see the impact of the strategies we have put in place to develop and transform the industry. I would also like to thank the CEO, her management team and staff who have risen to the occasion, as the NFVF becomes an increasingly complex organisation, requiring new ways of doing business.

#### CONCLUSION

With the heightened expectations from the stakeholders and broader film community I wish to reiterate that we, at the NFVF, are alive with great enthusiasm and determination of seeing the promotion of social cohesion and the quality of life of many ordinary South African men and women improved.



## 4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

**MS ZAMA MKOSI**

**Chief Executive Officer**

National Film and Video Foundation

31 July 2014



### INTRODUCTION

The film industry globally is an industry in metamorphosis; the sector has evolved from being regarded as a form of escapism to an economic tool with vast potential to create jobs, contribute immensely to the Gross Domestic Product (GDP) and promote social cohesion. During the year under review The National Film and Video Foundation (NFVF) continues to be a tool for not only telling compelling South African stories but for job creation, skills development and enterprise development in the local film industry. This was achieved through partnership with a number of institutions operating in the film and television sector.

A review of the 2013/14 financial year reveals a challenging and rewarding year wherein bold and strategic decisions were taken and implemented. These decisions have undoubtedly contributed to the NFVF yielding positive results and maintaining an administration system that ensured productivity, quality and meeting the needs of the industry. I believe that the NFVF is in a position to continue to deliver on its legislative mandate and achieve its long term mission of developing and promoting a thriving South African film industry. I am grateful for the role and strategic interface our stakeholders play in supporting the industry and the NFVF council in contributing to the success of the entity.

### CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The NFVF continues to operate under a myriad of challenges and constraints. While we continue to lobby the private sector regarding the economic viability of the film industry there are still more challenges that we have to deal with. Creating a viable film industry that represents nation's aspirations and celebrates our diversity as encapsulated in our vision, is still one of the challenges we continue to pursue as an institution. Film viewing facilities are still concentrated in urban areas and major cities, and therefore deny a large percentage of a population access to filmed material. This is also one of the challenges we encounter as an organisation.

Intergovernmental relations still remain one of the hurdles we have to overcome as the institution. Whilst we have made big strides in the establishment of formal relationship through the co-operation agreements some of the NFVF's objectives require buy in and participation by other government departments and provincial structures who are also involved in the film value chain.



*“Creating a viable film industry that represents the nation’s aspirations and celebrates our diversity as encapsulated in our vision, is still one of the challenges we continue to pursue as an institution.”*

## ACHIEVEMENTS

Considering that the NFVF operates with a limited budget it is pleasing that we have made a meaningful contribution towards creating jobs and impacting on ordinary South Africans. A study on the impact assessment of the NFVF funding for the industry revealed the following:

- Compared to other international funding institutions the NFVF per capita spend is R1.15, much less than that of the Irish Film Board with a per capita spend of R48.99
- While the benchmarked countries have other funding institutions, the NFVF remains the only film funding institution which also has a developmental mandate attached to it.
- With the industry reporting a multiplier effect of 2.89, the NFVF funding has a multiplier effect of 2.62.
- The majority of respondents applauded the difference the NFVF is making in the industry as the funding is seen as a “golden key” to accessing other necessary funds.
- According to the study, the NFVF funding assists in:
  - o serving as a catalyst to acquire additional sources;
  - o ensuring the possibility for smaller third tier companies to compete;
  - o allowing for a level of transformation within the industry by supporting and encouraging the involvement of previously disadvantaged filmmakers;
  - o helping to grow the industry by providing more opportunities to produce and develop skills.

It is widely recognised that higher investment in education and skills development will enable the economy to grow faster and become more productive. In addition to the bursaries we have awarded to youth interested in studying film, we embarked on a partnership with MICT-SETA which secured additional funding for bursaries leading to exponential growth in the number of opportunities for tertiary training in film. Through our partnership with MICT-SETA we have also established a successful internship programme which gives

young people an opportunity to develop skills and empower themselves with the necessary workplace experience.

For the 2013/14 financial year we had a new organisational structure approved which has been fully implemented. With the new organisational structure came the new Performance Management System (PMS) which was fully rolled out and both employees and management have been central in the organisation delivering on its target. The system reviews training needs of employees and ensure execution. This has been instrumental in guaranteeing that talent is managed in a way that ensures that both the employer and employee value propositions are aligned.

Our quest to support black business has been strengthened through the slate programmes that encourage skills transfer through mentorship and internships. For the 2013/14 these companies completed the 2nd draft of their business plans and completed development scripts to allow them to commence production. The NFVF also introduced a documentary slate project during the 2013/14 financial year.

## DISCONTINUED ACTIVITIES

As an organisation, we continually evaluate ourselves and programmes that we have embarked on and sometimes we are forced to discontinue such projects in order for us to be able to meet some of our mandated targets. The Short Film Contest is one of those discontinued projects, which was replaced by the Youth and Female Projects as we believe that the two projects provide more than ample opportunity for films to be made in a nurturing way that will enable the participants to launch feature film careers. The programme will now operate on a three-year basis to create a viable pipeline and our vision is that of ensuring that training and skills development has a long term outcome of increasing a pool of filmmakers and builds an environment that enables the previously marginalised to gain access to the industry and build sustainable careers.

Despite our achievements our challenge as a country and a government entity is to transform our gains into a sustainable economy for the poor and unemployed. Institutions such as the NFVF become critical in addressing the complex socio-economic and development challenges.

### **SUPPLY CHAIN MANAGEMENT AND GOVERNANCE**

The NFVF has mature governance processes geared at ensuring that it executes its mandate effectively and efficiently. The supply chain management process has been one of the instruments applied optimally. The Council and its committees, including the audit committee and the transformation committee, continued to ensure sound governance across the NFVF.

### **ACKNOWLEDGEMENTS AND APPRECIATION**

I wish to express my heartfelt thanks for the support I received from the Minister of Arts and Culture, Paul Mashatile. I extend my appreciation to the industry at large including various associations that operate within the film sector for their support and contribution to the industry.

I want to specifically thank the outgoing NFVF Council under the leadership of the Chairperson, Mmabatho Ramagoshi, for the continued support and confidence placed in me and the executive of the institution. I take this opportunity to express appreciation for the contribution they have made to the NFVF over the years and wish them well as they enter another phase of their contribution to the success of this country. It is an honour for me at this juncture to welcome the new members of the Council. I am looking forward to a fruitful journey with them, looking into the future and taking bold steps where necessary in order to see our beloved film industry growing to greater heights.

I extend my appreciation to the executive and all the NFVF employees who once again made it possible for NFVF to report improved financial and operational results for the year under review. I call upon you to make the 2014/15 financial year an even greater success. I urge all the NFVF family members to remain committed and passionate about their work, and continue to enjoy themselves as they execute their responsibilities with excellence.

A handwritten signature in black ink, appearing to read 'Paul Mashatile', with a large, stylized loop at the bottom.

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

### TO THE BEST OF MY KNOWLEDGE AND BELIEF, I CONFIRM THE FOLLOWING:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

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

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

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2014.

Yours faithfully



**MS ZAMA MKOSI**  
**Chief Executive Officer**  
 National Film and Video Foundation  
 31 July 2014



**MS MMABATHO RAMAGOSHI**  
**Chairperson of NFVF Council**  
 National Film and Video Foundation  
 31 July 2014

## 6. STRATEGIC OVERVIEW

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### 6.1 VISION

A viable film industry that represents the nation's aspirations and celebrates our diversity.

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### 6.2 MISSION

Collaborate with all stakeholders in supporting the development and promotion of a thriving South African film industry.

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### 6.3 VALUES

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

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### 6.4 STRATEGIC OUTCOME ORIENTATED GOALS

1. Increase training and development opportunities.
2. Develop appropriate policy interventions for the South African film industry.
3. Increase volume of films produced and ensure equitable access to the film industry.
4. Create awareness of film opportunities and access to film and video products among all South Africans.
5. Fulfil statutory and governance obligations of the NFVF as set out in relevant legislation.

## 7. LEGISLATIVE AND OTHER MANDATES

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

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

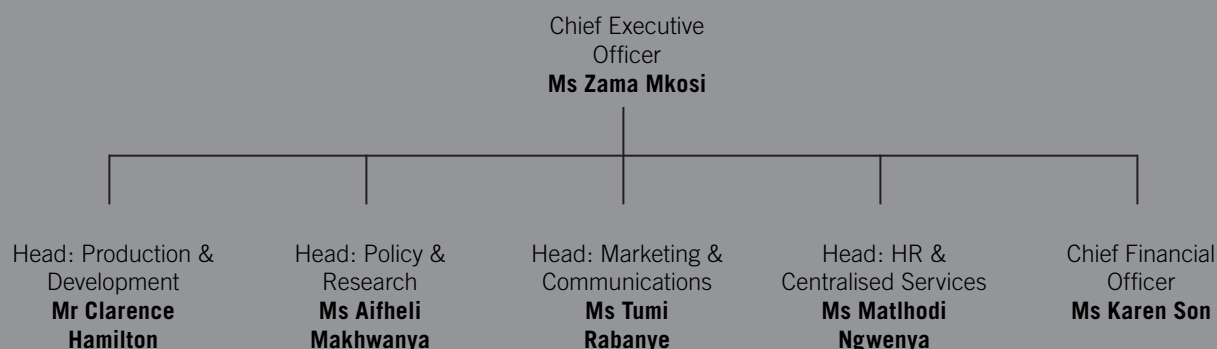
- To promote and develop the film and video industry
- To provide and encourage the provision of, opportunities for persons, especially from disadvantaged communities, to get involved in the film and video industry
- To encourage the development and distribution of local film and video products
- To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

## 8. ORGANISATIONAL STRUCTURE

### NFVF EXECUTIVE







**PART B**  
PERFORMANCE INFORMATION

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SPECIAL EDITION



OSCAR® 2006  
Bester fremdsprachiger Film



# Tsotsi

- TSOTSI

2005

South Africa's first Academy Award for Best Foreign Language Film in 2006. Tsotsi was also nominated for a Golden Globe for Best Foreign Language Film in 2006.

Tso|tsi ['tsotsi:] Gangster *m*, Verbrecher *m*, Bandenmitglied *n*



2 DVDs

ARTHAUS

# 1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

## STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2014

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

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

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the strategic and annual performance plan of the public entity for the financial year ended 31 March 2014.

The National Film and Video Foundation performance information for the year ended 31 March 2014 has been examined by the external auditors and their report is presented on page xx.

The performance information of the entity set out on page 22 to page 59 was approved by the board.



**MS ZAMA MKOSI**  
**Chief Executive Officer**  
 National Film and Video Foundation  
 31 July 2014

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## 2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 82 of the Report of the Auditors Report, published as Part E: Financial Information.

### 3. SITUATIONAL ANALYSIS



*Intern Graduation Ceremony 2013*



*Intern Graduation Ceremony 2013*

## 3.1 SERVICE DELIVERY ENVIRONMENT

In the period under review, young film graduates and women with at least two years of industry experience have continued to benefit from the Youth Filmmaker Project and the Female Filmmaker Project which were designed to address the NFVF's drive to transform the industry and create opportunities for PDIs. Ten women were able to develop and direct their films under the guidance of two very experienced female owned production companies and will soon see their work on the public broadcaster. Ten young graduates have also completed the development of their scripts under the guidance of an experienced production company. This cohort will commence production before the end of April to create work that will showcase their talent to the industry. The completed films from both initiatives will be utilised to promote the careers and showcase the talent of these filmmakers at various platforms locally and abroad.

One of the biggest challenges within the service delivery environment remains inter-governmental relations. Whilst the NFVF has made big strides in the establishment of formal relationships through co-operation agreements, some of the NFVF's objectives require buy in and participation by other government departments who are also involved in the film value chain.

The NFVF is also dependent on the DAC for any regulation or legislative intervention that only the department has locus stand to introduce government legislative and policy development process. As a result, some policy and legislative proposals for this financial year were not achieved.

## 3.2 ORGANISATIONAL ENVIRONMENT

The NFVF organisational structure approved in the 2013/14 financial year has been fully implemented. The process to implement the revised organisational structure is fully aligned with the NFVF operations. Central to the organisation's ability to deliver is the Performance Management System (PMS). The 360° performance management is fully rolled out and both employees and management have seen value of the enhanced PMS. Out of the performance review, training needs are identified and executed. This goes a long way in guaranteeing that talent is managed in a way that ensures that both employer and employee value propositions are aligned.

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## 3.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The main policy development has been the DAC's Draft White Paper on Arts, Culture and Heritage which was published in June 2013. The White Paper introduces structural changes that may impact on how the NFVF is funded and inclusion of new formats outside the traditional film and video ambit. To this end, the NFVF has investigated the establishment of a film fund and presented this to the DAC. The NFVF will be pursuing the second phase of the film fund establishment which will include the financing model and appropriate structure.

### SA FILM STRATEGY

The NFVF put together a discussion document to solicit input from the public through the forth Film Indaba hosted over two days from the 14-15 November 2013 from various stakeholders including the industry. Four strategic pillars have been identified which outline recommendations and action plans supported by various industry researches conducted by the NFVF.

### NFVF FUNDING CRITERIA 2013

The funding criteria has been updated to include detailed information on what the NFVF funds and the various terms and conditions that apply to the respective grants for development, production, training and bursaries as well as marketing and distribution.

### APPEALS PROCEDURE 2013

A number of changes have been made to ensure that the appeal process is efficient by reducing the turnaround time for adjudication of appeals and enforcement of appeal decisions.

### CRITERIA FOR SOUTH AFRICAN FILMS

The DAC and Department of Trade and Industry have agreed to support the implementation of the point system that is introduced by the policy to achieve transformation and ensuring that only qualifying films access local tax and production incentives.

### AMENDMENT OF NFVF ACT

The NFVF made a motivation for a name change in line with the proposal by the Department to make the NFVF a fully-fledged film commission. The Department has given a directive for a legislative overhaul to align the NFVF with various technological and regulatory developments, particularly the DAC white paper.

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## 3.4. STRATEGIC OUTCOME ORIENTED GOALS

### INCREASE TRAINING AND SKILLS DEVELOPMENT OPPORTUNITIES

The NFVF addresses the skills gap in the film industry by encouraging formal training within the sector through bursary funding for different levels of training, developing further education and training programmes and launching the careers of new entrants into the market.



In 2013/14, the NFVF exceeded its targets for bursaries, trainees in specialist programmes, short films developed and intern placements. In partnership with the MICT-SETA, the institution was also able to more than double its provision of bursaries, benefitting a range of talented young people who will be eligible to join the Youth Filmmaker Project on completion of their studies.

Sustainable black businesses are also supported through the support of the three slate programmes and skills transfer is encouraged through mentorships and internships. In 2013/14 these companies completed the second draft of their business plans and completed development of scripts to allow them to commence production in the case of one company and pre-production in the case of the other two.

A number of mentor producers are being groomed out of the participants of the Sediba Producers Programme which will allow emerging producers to have constant mentoring from local producers, enabling them to grow in their chosen field.

A documentary slate project was also launched in 2013/14 aimed at a company which is majority owned by PDIs. These individuals will get similar support to the beneficiaries of the fiction slates.

### **DEVELOP APPROPRIATE POLICY INTERVENTIONS FOR THE INDUSTRY**

Research is conducted to ensure that policy options and recommendations are appropriate to address gaps and bottlenecks that have been identified. In 2013/14, policies were reviewed beyond the approved plan. The two annual activity reports were compiled, analysed and published and two new research reports were conducted. Two further unanticipated reports were commissioned for the investigation into the establishment of a film hub and site identification for pilot sites for infrastructure development in 3 earmarked provinces.

### **INCREASE THE VOLUME OF FILMS PRODUCED AND EMPOWER ENTREPRENEURS FROM PDI COMMUNITIES TO ACCESS THE FILM INDUSTRY.**

The number of projects funded in production kept pace with the targets achieved in the previous financial year. The majority of funding accrued to black owned companies or PDIs.

The Youth and Female Filmmaker projects were reissued and awarded on a multiyear basis to aid in giving PDI filmmakers access to the film industry while developing the companies which supervise the nurturing of the talent.

### **CREATE AWARENESS OF FILM OPPORTUNITIES AND ACCESS TO LOCAL FILM AND VIDEO PRODUCTS AMONG ALL SOUTH AFRICANS**

Effectively promoting South African films and the South African film industry locally and globally is at the core of the NFVF's mandate. The means to deliver this is through quality investment involvement in various engagements including film festivals, youth focused roadshows, media relations initiatives, public film screenings and staging the SA Film & Television Awards. The SA Film and Television Awards is an important strategic project co-ordinated and primarily funded by the NFVF aimed at recognising the film industry value chain, it also forms a key device for stakeholder engagement and building more mainstream awareness of the local film opportunities. All of the above were driven by research and a tight marketing communications strategy, whose goal is to establish greater insight and focus on the activities moving forward.

### **FULFIL STATUTORY AND GOVERNANCE OBLIGATIONS OF THE NFVF AS SET OUT IN RELEVANT LEGISLATION**

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

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



## - INTERNS GRADUATION

2014

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4. PERFORMANCE INFORMATION BY PROGRAMME

4.1. PROGRAMME 1: TRAINING AND SKILLS DEVELOPMENT

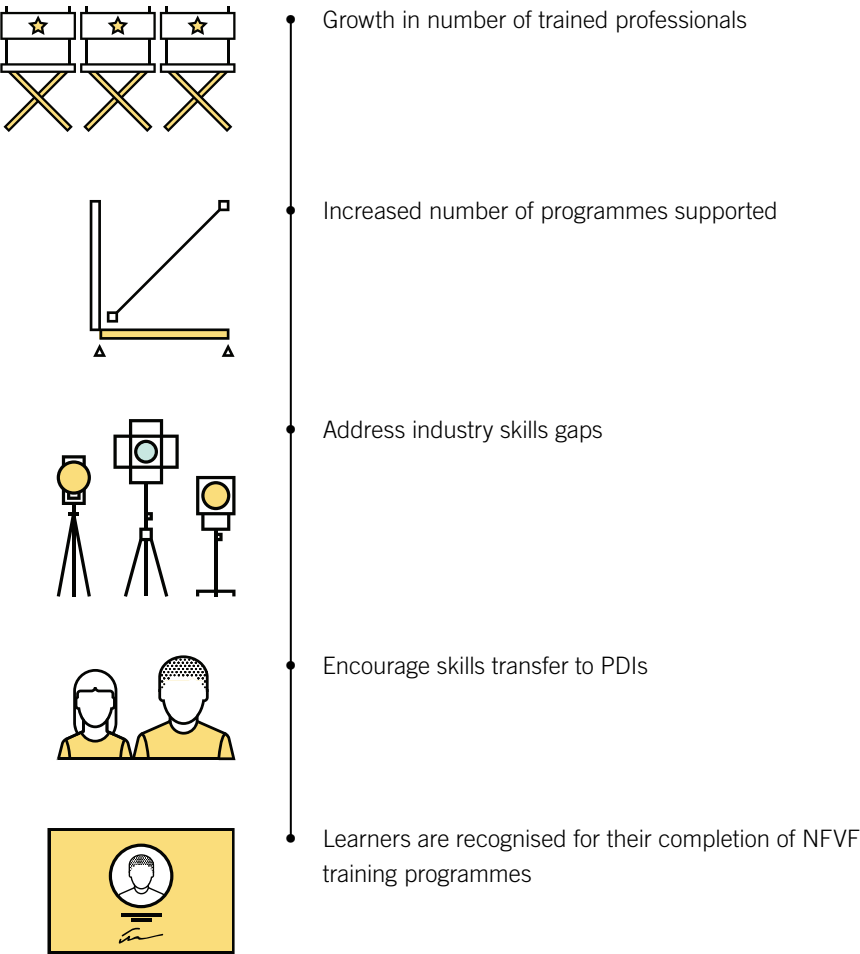
PROGRAMME DESCRIPTION

Purpose of programme

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

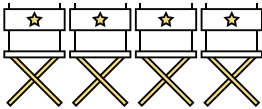
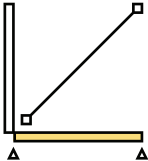
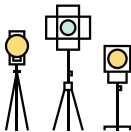


The NFVF continues to commit itself to comply with the national policy of skills development and ensure that the industry benefits from resources available to up-skill itself and build sustainable production companies that can contribute to the eradication of unemployment in the sector. The NFVF is also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

Strategic objectives related to training and skills development:





## PROGRAMME PERFORMANCE REPORT

	STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013
	Growth in number of trained professionals	Number of bursaries awarded for various elements of film and video studies	<b>59</b> bursaries awarded
	Increased number of programmes supported	Number of specialists upskilled through the support of programmes	<b>40</b> writers <b>13</b> trainee script editors <b>18</b> writers and trainee script editors (Spark and Masters Scriptwriting programme)
			<b>21</b> producers
			<b>4</b> Engagement Fora hosted
	Address Industry skills gaps	Support organisations that offer training in specific gap areas	
	Encourage skills transfer to PDI's	Workplace skills plans developed by production companies	<b>20</b> interns placed: 4 at Quizzical Pictures, 10 at SABC & 6 at NFVF
	Learners are recognised for their completion of NFVF training programmes	Sediba Scriptwriting Programme to be accredited	

PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
<b>60</b> bursaries awarded	<b>116</b>	<b>56</b> more bursaries awarded	Partnership with MICT-SETA resulted in this almost doubling the number of beneficiaries
<b>3</b> scriptwriting workshops	<b>3</b> workshops were held and 40 writers were trained in Spark; 8 script editors and 17 writers were trained in Masters	None	N/A
<b>1</b> producing workshop	The producing workshop was held and <b>20</b> producers attended- 5 advanced and 15 emerging	None	N/A
Directing handbook	A call for training providers was sent to industry. Four proposals were received		A new strategy was implemented as devising NFVF's own training manual was not feasible as there are currently no unit standards available from the South African Qualifications Authority that would have met the desired training
<b>4</b> Engagement Fora	<b>4</b> Engagement Fora hosted	None	N/A
<b>2</b> Training companies funded annually	<b>3</b> Training companies funded	<b>1</b> additional training company supported	Not all projects applied for the maximum allocation, hence more companies could be supported
<b>10</b> interns placed annually	<b>30</b> interns have been placed	<b>20</b> more than the target	Additional interns placed in line with the agreement signed with the MICT-SETA
Accreditation of Sediba Spark and Masters Programme	Appointment of Service Provider to assist NFVF in accrediting of programmes	The initial recommended service provider had to be withdrawn and hence a new process to find a replacement service provider had to be undertaken	Consultant has submitted a project plan to ensure that targets are met in 2014/15 financial year

SIGNIFICANT ACHIEVEMENTS

The training and skills development programme performed well overall, after doubling the planned number of bursaries awarded to tertiary institutions. This was largely due to the partnership with the MICT-SETA which secured additional funding for bursaries leading to exponential growth in the number of opportunities for tertiary training in film. Added support to the training programmes of a variety of institutions means the talent pool for the film industry is growing and the NFVF is fulfilling its objective of increasing these training opportunities. The development of short films for new entrants into the film industry provides first-time filmmakers much sought after experience and also ensures that the levels of local content are increasing as per the NFVF’s mandate.

The NFVF entered into a partnership with a programme called “Film Market Access” which gives filmmakers that have been in the industry for more than two years and filmmakers that are fairly new to the industry exposure at international festival platforms.

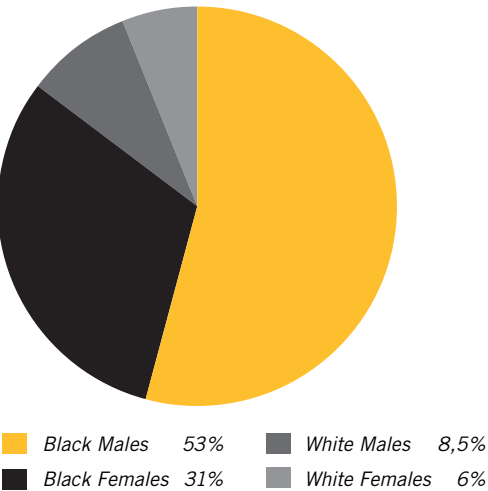
This programme gives the filmmakers increased access to mentors, producers and buyers, and provides an opportunity for them to begin creating valuable international relationships for current and future film projects.

KEY PROGRAMME OUTPUTS

Bursaries and scholarships

National bursaries and international scholarships remain one of the key interventions in supporting emerging talent within the industry. During the year under review, the NFVF granted 116 bursaries to students studying film or television courses. These students were from a variety of tertiary institutions both in South Africa and abroad. There was a diverse range of disciplines that the beneficiaries were pursuing including: Producing, Directing, Script Writing, Cinematography, Animation, Visual Effects, and Sound Design. The students funded were also at different levels of study — from first year through to Masters Level.

The demographics of the bursary recipients were as follows:



TRAINING PROVIDERS

In the period under review the NFVF funded three training initiatives.

The Media Workshop

This is an accredited training programme offering film training to forty learners primarily from historically disadvantaged backgrounds in all areas of filmmaking. The end products are films aimed for airing on Bay TV, a community television broadcaster. Training takes place in Port Elizabeth.

Business Model Canvas

This is a collaboration between the Documentary Filmmakers’ Association and the Canadian Film Centre Lab. The programme aims to offer training to trainers in the areas of business skills, new media and marketing. These are areas where South African filmmakers still find a challenge. The concept is designed to help filmmakers identify challenges, weaknesses and possible solutions particularly in the development, production and distribution of factual content.

Big Fish School of Digital Filmmaking

This programme trains learners at NQF 5: National Certificate in Film and Television Production. The aim is to prepare previously disadvantaged individuals to become part of the ever growing audio visual industry as a result of the digital explosion which needs well trained, job-ready people for the ever increasing job opportunities for production content.

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The production and development department expanded its human resources to manage the increased demand for funding and other services the NFVF provides. The key area is in the accreditation of the Sediba programmes which was delayed by the late appointment of a service provider with the necessary expertise to assist the institution in accrediting all its training programmes under the Sediba flagship. Better planning will allow the NFVF to systematically have each of the programmes fully accredited as per the project plan agreed to with the service provider.

The roll out of Documentary Spark training was delayed by an arduous process of compiling a handbook prior to the commencement of teaching and learning. The NFVF had to go through several different service providers to compile the handbook and is now satisfied that a solid foundation exists for teaching. The difficulty with compiling this handbook impacted on the commissioning of the Sediba Director’s Handbook as the NFVF was reluctant to repeat the experience which involved long delays. This was exacerbated by the fact that unit standards for directing film or television drama hardly exist. The Foundation has instead sent out a call for proposals to tertiary institutions to provide training

in directing that meets the needs of the industry and the standards set in our Sediba programmes. The new financial year will commence with the appointment of the best service provider and directing training will commence with the same passion and commitment as the other Sediba programmes.

The department has also embarked on a programme of hosting four engagement fora per year based on industry needs to provide the industry with a platform for much needed dialogue and collaboration. Some of the topics covered as a means of educating and empowering filmmakers have been distribution, audience awareness and festival navigation.

### CHANGES TO PLANNED TARGETS

With the launch of the Youth and Female Filmmaker Projects, the NFVF decided to cancel the short film contest as these two projects provide more than ample opportunity for short films to be made in a nurturing environment with a view to launch feature film careers. The NFVF will continue funding short film projects in development and production when they meet the criteria. However the funds allocated to the short film contest have now been moved to the newly launched documentary slate.

The documentary slate, like the fiction slate, is premised on building sustainable production companies operating within this sphere. The beneficiaries will be expected to complete the Sediba Producer's Programme to develop their understanding of the documentary film business and to start drafting a business plan for their company over the next three years. They will also be closely monitored and mentored with a long-term view to the sustainability of the company.

The Youth and Female filmmaker project will now operate on a three-year basis to create a viable pipeline for the new filmmakers to work towards a full length feature. It is a critical move in the NFVF's vision of ensuring that the training and skills development programme has a long term outcome of increasing the number of filmmakers and creating an environment where previously disadvantaged filmmakers are able to access the industry and be sustainable in their careers.

LINKING PERFORMANCE WITH BUDGETS				2012/2013			2013/2014		
PROGRAMME/ACTIVITY/ OBJECTIVE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE			
(R million)	R'000	R'000	R'000	R'000	R'000	R'000			
Growth in number of trained professionals	4 800	5 625	(825)	3 500	9 352	(5 852)			
Increased number of programmes supported	4 000	3 598	402	6 200	6 576	(376)			
Address Industry skills gaps	1 000	805	198	1 500	1 073	427			
Encourage skills transfer to PDIs	200	398	(198)	200	2 196	(1996)			
Learners are recognised for their completion of NFVF training programmes	0	0	0	150	0	150			
Total	10 000	10 426	(426)	11 550	19 197	(7 647)			

*The variance between actual and budget expenditure was sourced from a partnership agreement with the MICT-SETA for the provision of bursaries and for the internship programme*





## - ECONOMIC BASELINE STUDY LAUNCH

2005

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FILM INDUSTRY  
ECONOMIC BASELINE  
STUDY

YENZKE BAZA



## 4.2. PROGRAMME 2: POLICY AND RESEARCH

### PROGRAMME DESCRIPTION

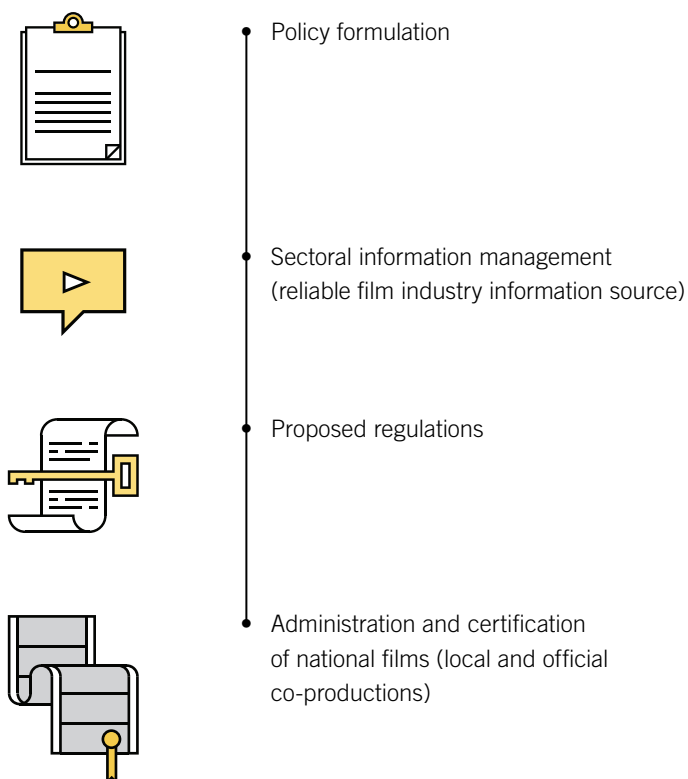
#### *Purpose of programme*

Research projects undertaken and subsequent policy interventions are critical to ensure that the film industry contributes to government imperatives such as job creation and enterprise development. The concomitant creation of a business environment that enables sufficient production activity levels and regular employment is critical employment. It is also critical to ensure that an enabling regulatory environment is created and maintained.

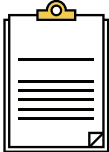


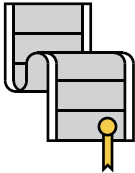
The Policy and Research Programme is tasked with providing the NFVF with comprehensive and accurate information by conducting research on the film and video industry in order to make policy recommendations to the NFVF Council. Research conducted also provides critical information and key performance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

The programme also ensures that internal and external policies are drafted to make sure the NFVF is able to deliver on its various objectives. The Unit also administers film certification for the eight film co-production treaties signed by South Africa and issues certificates of nationality for distribution as well as for the purpose of section 12(O) of the Income Tax Act tax allowance.

#### *Strategic objectives related to policy and research:*



POLICY AND RESEARCH

	STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013
	Industry research conducted and published	Implementation of approved research plan	<b>3</b> research programmes developed (in addition to annual activity reports)
	Provide reliable & accurate industry information	Phase one of information management system developed	Target altered
	Appropriate internal and external policies for the industry	Internal and external policies approved and implemented	
	Certification of national films	No of films certified as National Films	

PLANNED TARGET	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
<b>4</b> Research publications per annum	<b>6</b> research programmes were conducted	<b>2</b> additional studies were commissioned in support of DAC objectives	Research was critical to advise the DAC on the establishment of a film fund as well as the identification of pilot sites for infrastructure development
SIS in place by year end 2015	Phase 1 has been developed and integrated IT service provider appointed.	None	N/A
Annual approval of <b>3</b> policies by Council.	<b>4</b> policies approved by Council	<b>1</b> additional internal policy	The Department contributed to the revisions in the HR Manual & Procedure as well as the Finance Policies Manual
Certify all qualifying films depending on applications received	A total of <b>24</b> applications were received and certified: advance ruling – 8; final ruling – 9; and certificates of nationality – 7		

SIGNIFICANT ACHIEVEMENTS

Stakeholder buy in from the DAC and Department of Trade and Industry is a significant development that will allow the adoption of the Criteria for South African films as a tool for transformation and yardstick for qualifying local and official co-productions for film tax and production incentives.

The 4th National Film Indaba hosted by the NFVF in November is the biggest policy setting stakeholder engagement forum held every four years. Stakeholders made recommendations based on two days of deliberations and policy presentations from key players within the sector. Four strategic pillars identified will ensure that there is headway in the following areas:

- Human Capital Development and Transformation;
- Markets for South African Content;
- Infrastructure Development;
- Institutional Frameworks and Funding Models.

The Impact Assessment of NFVF Funding, the first of its kind has found that the funding from the NFVF is considered as a golden key by beneficiaries. There was a lot of positive feedback with regard to current NFVF training initiatives such as SEDIBA. There are also concrete recommendations for the NFVF to improve its efficiency. The multiplier effect for NFVF funding is also close to the industry multiplier of 2.86 in the NFVF Economic Baseline Study (2012).

Recommendations based on commissioned research to investigate the establishment of a South African film fund have been presented by NFVF to the DAC. The NFVF has advised the Ministry on the type of fund, its set up and administration, potential investment areas, appetite and return expectations analysis.

KEY PROGRAMME OUTPUTS

Box office report

2013 has been a competitive year for the South African films at the box office and internationally. We saw some very successful releases for films such as “Schuks! Your Country Needs You” and “Mandela: Long Walk to Freedom” at the same time giving local audiences real choices on genre between homegrown comedy and a true story of the life of South African icon, former President Mandela.

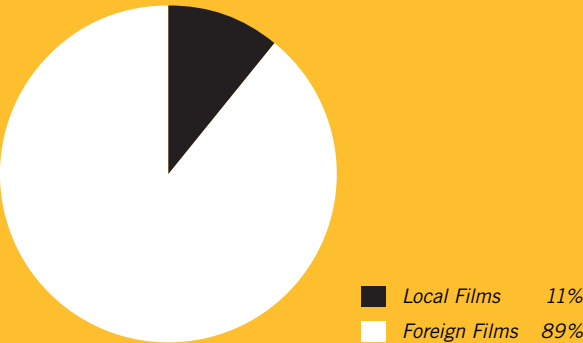
South Africa has generated revenues of more than R879 million in 2013 for the 204 films shown at box office. This is due to a growing film industry and higher demand from consumers. Locally-produced films have increased from 19 in 2012 to 25 in 2013 generating revenues of over R98 million and putting SA’s market share at 11%, while foreign films altogether generated over R780 million with makert share of 89%

TABLE1: SOUTH AFRICA AND FOREIGN FILMS, BOX OFFICE BY YEAR

Year	SA Films Release	% Growth	Foreign Films Release	% Growth	Total
2010	R86 267 523	0	R686 720 985	0	R772 988 508
2011	R37 502 656	-57	R771 336 206	12	R808 838 862
2012	R82 661 462	120	R703 224 782	-9	R785 886 244
2013	R98 395 304	19	R780 691 626	11	R879 086 930

Source: NFVF database

FIGURE 1: MARKET SHARE BY BOX OFFICE



Of the 204 films that were screened at box office, 33 of them were 3D films which accounted for 41% of the box office revenue, and the remaining 59% was standard format. “Khumba” an SA animated film was also part of the 33 3D films released and earned more than R8.5 million.

The biggest distributors dominating the exhibition chain are Ster Kinekor Distributors (SKD) with a larger share of films distributed (83) generating box office revenues of more than 38.5%, followed by Nu Metro Distributors (NMD) distributing (76) films and taking 35.7% of box office revenues.

**TABLE 2: MARKET SHARE BY DISTRIBUTOR**

Distributor	Number of Films	Gross Box Office (ZAR)	Market Share by Box Office
Avalon	2	R227 151	0.03%
CB	4	R9 935 066	1.13%
IFD	6	R24 157 702	2.75%
Nu Metro	76	R314 418 596	35.77%
Ster Kinekor	83	R338 791 154	38.54%
UIP	33	R191 557 261	21.79%
<b>Total</b>	<b>204</b>	<b>R879 086 930</b>	<b>100.00%</b>

Source: NFVF database

South Africa continues to be a prime film location, offering a combination of solid film infrastructure and attractive financial incentives. Thus 2013 has been a success for South Africa with most of local production performing quite well at box office.

## GRADUATE ABSORPTION STUDY

The NFVF conducted the Graduate Absorption Study to understand the current state of graduate absorption within the South African Film Industry. The report presents in-depth information on the experience of graduates within the film industry, understand their perception of opportunities available to them within the industry, challenges encountered in the labour market, and understand the extent to which film schools prepare students for the workplace. Based on the data collected it was also possible to see level of employment, type of employment, and institution types.

## KEY FINDINGS OF THE GRADUATE ABSORPTION STUDY:

- While most South African graduates experience unemployment, the majority of surveyed film graduates were able to find employment with 69.2% of graduates absorbed by the film industry;
  - Transformation remains a challenge in the local film industry; the film industry is still white and male dominated. Graduates who did not fit this profile believed that they were discriminated against on the basis of race and gender. Other graduates felt discriminated against on the basis of their education, experience and age;
  - The majority of graduates are employed within the film and TV sector (83.3%) upon entering employment: only 16.7% of respondents work in different field than the one they studied;
  - Graduates indicated that networking and connections opens up opportunities which they viewed as a disadvantage as it disregarded their skills and qualifications;
  - Ideally graduates prefer working on film sets, however they found that business is hard to penetrate and find that there are many more opportunities for them in the TV industry;
  - Young South African filmmakers are experiencing exploitation in their first time jobs or internships;
  - Film Education in South Africa – most graduates were of the opinion that institutions of higher learning who train in film should make practicals a priority, as it stands the majority of their training is more theoretical than practical.
- Recommendations:
- The NFVF should continue giving out bursaries and co-ordinate sessions with film practitioners for NFVF bursary holders in order to expose their work;
  - Increase partnerships with production companies;
  - Training should be more practically focused than theoretical so that students are able to keep up with technological advancement in the film industry e.g. training in medical schools. For instance, the NFVF should partner with film schools to educate students about basic conditions of employment;

## CO-PRODUCTION REPORT

The co-production publication is annual report that reviews the co-production activity of the film industry between South Africa and its co-producing partners.

To date a total of eight co-production treaties have been entered into with the following countries: United Kingdom, France, Australia, Ireland, Italy, Canada, Germany and New Zealand. The 2013 co-production activity reflects a decline in a number of projects completed between the countries under the respective treaties

### *Findings:*

- a total budget of R394 102 335 was raised for the eight projects assessed;
- SA contributed R99 338 954 (25%) of the entire budget;
- a total of R19 500 257 was spent on casting; R11 351 333 was spent on travel and living and R8 785 423 was spent on transportation;
- both the DTI and IDC were the major sources of funding with 29% and 21.4% respectively while 27.6% were producers own investments, producers deferrals while the source of the remaining 22% was not disclosed; and
- from a total of 303 shooting days, 269 were shot in SA using a total local cast of 36 from 99, and 167 SA crew from a total of 216.

## IMPACT ASSESSMENT OF NFVF FUNDING

The NFVF commissioned research for a quantitative impact assessment of the various funding sources made available through the foundation. The focus of the study was the identification and quantification of economic impacts that have occurred as a result of NFVF funding over the last ten years.

### *The key objectives of research was to identify the following:*

- impact of NFVF funding initiatives in development, production, markets and festival support and training;
- advantages and disadvantages of the current funding models; and
- recommendations to maintain or improve the current funding models.

### *Findings:*

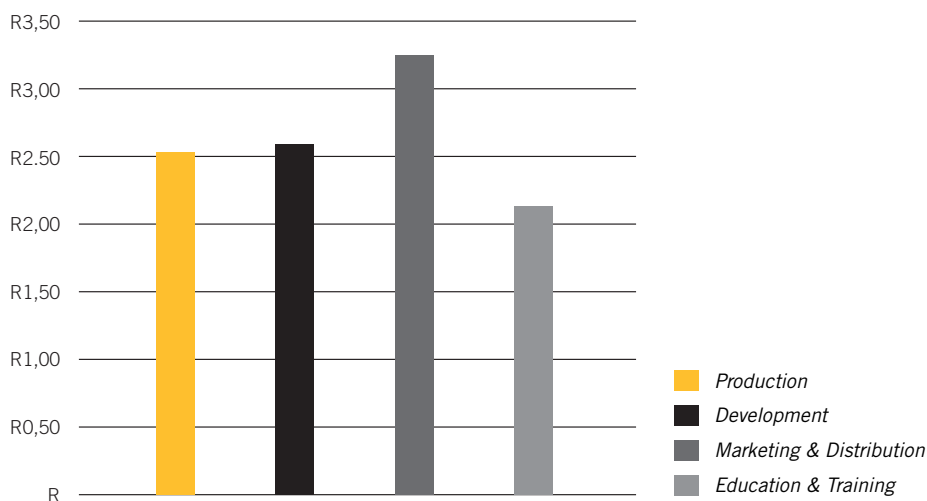
- NFVF funding is considered to be the 'golden key' to accessing funding in South Africa and is also considered as an important industry role player;
- NFVF funding creates approximately 2 351 employment opportunities and benefits the livelihoods of more than 9 400 people. Each R1 spent in the economy creates a positive economic spin off to the value of R2.62 (multiplier effect); and
- the NFVF assists in strengthening the film sector of the economy and contributes positively towards the locational advantages associated with South Africa.

### *Recommendations:*

- script development needs more attention in South Africa. If scriptwriting is improved, better quality South African films will be produced which could connect with local audiences but also resonate with international markets;
- support smaller local film festivals and realign international film festivals to market appetite and relevance to South African content;
- collaborate more effectively with industry stakeholders;
- create a strategy of direct engagement between industry and training institutions to determine skills gaps and ensure training programmes are aligned to training needs;
- sediba has shown great success among those who attended the course. Accelerate the programme and consider the following:
  - o increase attendance by international role players.
  - o develop grassroots programmes.
- increase development and mentoring of young script writers and producers; and
- co-ordinate sessions with film practitioners for NFVF bursary holders in order to expose their work.



**FIGURE 2: NFVF IMPACT ASSESSMENT  
MULTIPLIERS 2001 – 2013  
IN R MILLION (2013 VALUES)**



#### **SITE IDENTIFICATION OF PILOT SITES FOR INFRASTRUCTURE DEVELOPMENT**

An external service provider was appointed by the National Film and Video Foundation to identify potential sites for the establishment of Film Hubs in the provinces of Mpumalanga, Gauteng and the Eastern Cape.

Three sites were identified in Gauteng, Five sites in the Eastern Cape and a further three sites were identified in Mpumalanga as possible pilot sites. The NFVF is currently studying the recommendations and further site visitations will be undertaken before a final decision is made.

#### **INVESTIGATION INTO THE ESTABLISHMENT OF A FILM FUND**

The NFVF was mandated by the DAC to investigate the establishment of a South African Film Fund. A study, which focused on the local film industry analysis as well as international best practices, was commissioned to ensure that the proposed fund would be able to attract both public and private sector investment and respond to the financial requirements of the film industry.

The report proposes the set-up of three specifically targeted funds which separate the class of investors as well as the target of the investments in line with the identified South African Film Industry cost distribution, namely:

- The Pre-Production/The Development Fund
- The Production and Post-Production Fund
- The Marketing and Distribution Fund

The NFVF has made recommendations to DAC on the set up, objectives and potential investment sources of the Fund.

## CERTIFICATIONS: OFFICIAL CO-PRODUCTIONS AND NATIONAL FILMS

The NFVF is the competent authority for the certification role of national films and official co-productions.

### *Co-productions*

17 projects were submitted for co-production approval, eight for advance rulings and nine for final rulings.

Project Name	Treaty	Status
Accident	SA/France	Advance ruling
Book of Negroes	SA/Canada	Advance ruling
Solo Flight	SA/Germany	Advance ruling
Tiger House	SA/United Kingdom	Advance ruling
Lady Grey	SA/France	Advance ruling
Northmen-A Viking Saga	SA/Germany	Advance ruling
The Road to Freedom	SA/Germany	Advance ruling
The Salvation	SA/United Kingdom	Advance ruling
Unfriend	SA/Germany	Advance ruling
Wild At Hear 8	SA/Germany	Final Ruling
Beaver Falls 2	SA/Germany	Final Ruling
Zulu	SA/France	Final Ruling
Power to the Children	SA/Germany	Final Ruling
The Challenger	SA/Germany	Final Ruling
Heatstroke	SA/Germany	Final Ruling
Layla Fourie	SA/Germany	Final Ruling
The Price of Sugar	SA/Germany	Final Ruling

### *Certificates of Nationality*

Seven applications were received and issued with certificates of nationality:

Company	Project Name	Producer(s)	Director
Tweestryd Rolprent (Pty) Ltd	Agent 2000	Danie Bester	Stefan Nieuwoudt
Afilmrica (Pty) Ltd	Pad Na Jou Hart	Danie Bester	Jaco Smit
Faan Films (Pty) Ltd	Faan Se Trein	Helena Spring	Koos Roests
Indelible Media (Pty) Ltd	Plot For Peace	Mandy Jacobson	Mandy Jacobson/ Carlos Agullo
Zambezia Film (Pty) Ltd	Zambezia	Stuart Forest	Wayne Thornely
Long Walk to freedom (Pty) Ltd	The Long Walk to Freedom	Anant Singh	Justin Chadwick
Advantage Entertainment (Pty) Ltd	Abel se Ontwaking	Vlokkie Gordon/ Charon Landman	Johnny Breedt

## APPEALS PROCEDURE – ADMINISTRATION AND REVIEW

The NFVF appeal process seeks to promote the right to just administrative action and the provisions of the Promotion of Access to Information Act as well as the Promotion of Administrative Justice Act. An appeal against a decision or action by Management or Council can be challenged by an aggrieved party. For this financial year, 2013/2014, 17 (seventeen) appeals were received of which 7 (seven) were upheld by the Council.

The policy has been reviewed to ensure that relief sought by the appellants is expedited. During the year under review, appellants had to wait for the next Council meeting to be awarded funding. The revisions include the establishment of a committee of Council to adjudicate on appeals within a shorter period. Form H for an NFVF appeal has also been revised to ensure that information required is provided upfront by the appellant to accelerate the process internally.

## AMENDMENT OF NFVF ACT

A draft bill for the name change of the NFVF was drafted by DAC and input was provided by the NFVF. After continuous engagements between the NFVF and DAC, a decision was taken that it would be best for a legislative amendment process that is substantial to be followed. Developments such as the Draft White Paper on Arts, Culture and Heritage had to be considered with regard to possible inclusion of new formats and some proposals on how the film industry should be funded in the light of the proposed arts and creative fund. The Ministry also made known its plans to reposition the NFVF to be better placed to play the role at a South African Film Commission. The substantive amendment of the NFVF Act will only be considered in the 2014/2015 financial year legislative programme of the Department.

## NFVF FUNDING POLICY

The funding policy provides for terms and condition for NFVF grants that are recoupable and non-recoupable. The NFVF has a number of criteria that applicants must comply with to be able to be considered for funding in the areas of development, production, training and bursaries as well as marketing and distribution. Besides being a compliance tool, the funding policy also serves as a tool to manage beneficiary expectations by ensuring that the applicable caps on grants amounts and funding cycles are communicated upfront to the public.

Although there have not been major changes, some grant funding has been increased in alignment to the NFVF allocation. A new set of criteria for documentary archive funding has been established and additions to the qualifying criteria for slate funding, filmmakers' festival support as well as a list of projects that the NFVF does not fund. The requirement to ensure that beneficiary complete a form with job creation statistics and demographics for creative, technical and cast has also been made compulsory as well as a contractual obligations for beneficiaries.

Input and recommendation for changes were received from Council, evaluation panels, management as well as the NFVF's internal Policy Monitoring and Evaluation Committee.

## SA FILM MACRO STRATEGY

The NFVF extensively consulted with the industry through a number of engagement platforms. The initial planning session held in the previous financial year with government stakeholders in March 2013 set up the tone for key considerations of strategic pillars that will drive the strategy. The NFVF engaged stakeholders in various provinces with the aim of making stakeholders aware of the strategy development process as well as the film indaba that was to be hosted by the NFVF later in the year in November. The 4th National Film Indaba which is held every four years was hosted over two days on 14-15 November 2013 at Emperors Place, Kempton Park. The Minister of Arts and Culture Mr. Paul Mashatile announced plans to establish a South African Film Fund as well as turning the NFVF into a fully-fledged national commission. Presentations on policies that impact on the industry were made by the Department of Communications, Sentech, DTI, SASFED, as well as the National Association of Broadcasters of South Africa. Breakaway sessions were based on the 4 strategic pillars identified as a way to solicit input from the various industry stakeholders. Post the indaba, members of the public were also given an opportunity to submit written submissions. Four submissions were received from an individual, two industry organisations and a provincial government department.

The final strategy document that takes into account key research on the industry and the value chain as well as recommendations from the indaba will be finalised in the new financial year.

## CRITERIA FOR SOUTH AFRICAN FILM

A Working Group Committee was established comprising of industry and government stakeholders. The NFVF in 2013/14 sought buy-in from the members of the working group committee. Deliberations were held within the working group and amendments made to the criteria following input from the group. A revised document was duly approved by the NFVF Council. A memo was drafted to the NFVF Council which provided progress on the above engagements. The NFVF in December 2013 and January 2014 presented the proposed criteria to the DAC as well as the DTI who all supported the criteria and the

proposed point system. As agreed with the working group the NFVF is in the process of undertaking a historically disadvantaged individuals (HDI's) analysis that would provide accurate statistics of the HDI's skills depth and participation in the industry.

### STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The NFVF will continue to engage the DAC to ensure that support is provided to ensure that film related policies and legislation are taken through the necessary processes and approval by the Minister is efficiently facilitated. The NFVF continues engagement with various stakeholders including but not limited to the South African Screen Federation (SASFED) to ensure regular and relevant policy and strategic consultation.

### CHANGES TO PLANNED TARGETS

The NFVF Act amendment process was halted after the draft Bill for the name change was drafted by the DAC. After input from the NFVF, a decision was taken that rather than focusing on the name change, the amendment process should rather include a review of the NFVF Act in its entirety. Taking into account developments within the industry, technology and policy framework.

The two unanticipated research programmes for the establishment of a film fund and identification of pilot sites were strategic projects in partnership with the DAC. Although commissioned, the NFVF was closely involved in the projects and recommendations from both researches were presented to DAC.

### LINKING PERFORMANCE WITH BUDGETS

PROGRAMME/ACTIVITY/ OBJECTIVE	2012/2013			2013/2014		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
	(R million)	R'000	R'000	R'000	R'000	R'000
Industry research conducted and published	1 200	1 170	30	1 250	2 580	(1 330)
Provide Reliable & Accurate industry information	0	0	0	500	370	130
Appropriate internal and external policies for the industry	150	166	(16)	550	642	(92)
Certification of national films	150	48	102	200	168	32
Learners are recognised for their completion of NFVF training programmes	0	0	0	150	0	150
<b>Total</b>	<b>1 500</b>	<b>1 384</b>	<b>116</b>	<b>2 500</b>	<b>3 760</b>	<b>1 260</b>

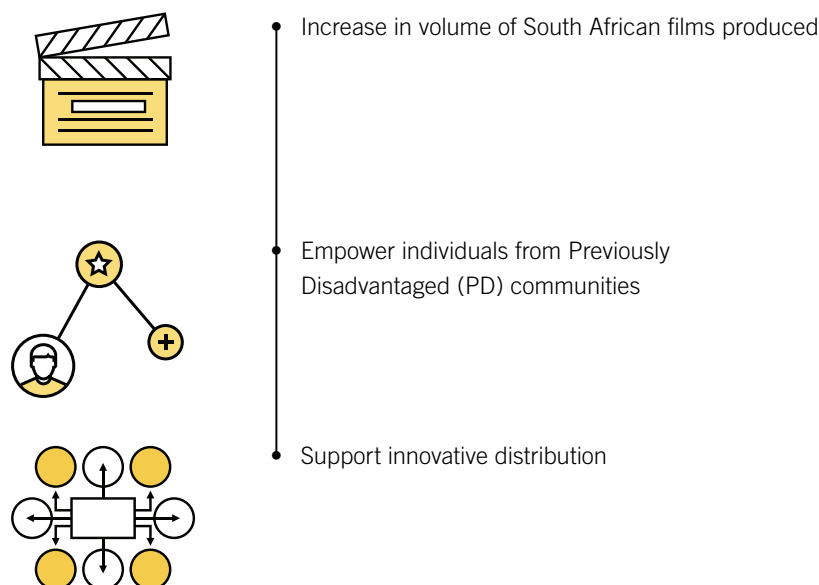
## 4.3. PROGRAMME 3: PRODUCTION AND DEVELOPMENT OF CONTENT

### PROGRAMME DESCRIPTION

#### *Purpose of programme*

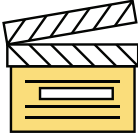
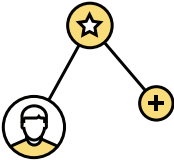
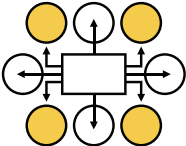
Production and Development of Content is at the core of the work the NFVF engages in. It is where the mandate of the organisation is most clearly fulfilled by providing the film industry with critical financial support and technical expertise to take a film project from an idea to a product that can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

#### *Strategic objectives related to production and development of content:*



PROGRAMME PERFORMANCE REPORT

Production and Development of Content

	STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013
	Growth in no. of projects in development and production	An increase in the volume of South African films produced	<b>50</b> projects funded in development ( <b>22</b> Documentaries, <b>24</b> feature, <b>4</b> short)
			<b>28</b> projects funded in production ( <b>14</b> documentaries, <b>11</b> features, <b>3</b> shorts)
	Empower entrepreneurs from PD communities to access the film industry	An increase in the no. of PDI's successfully applying for NFVF funding	<b>2</b> production companies identified to mentor the projects
			<b>2</b> production companies identified to mentor the projects
			<b>8</b> television concepts funded for development
			<b>3</b> slate funded companies in final stages of development for 1 <sup>st</sup> year projects and greenlit for production
	Support innovative distribution	Number of local films distributed	<b>3</b> films selected for distribution

PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
<b>33</b> projects funded in development	<b>42</b> projects have been funded for development	<b>9</b> more projects funded in development	Not all projects were funded for the maximum amount which allowed for more projects to benefit.
<b>33</b> projects funded in production: <b>15</b> documentaries And <b>12</b> features	Although <b>20</b> documentaries were funded in production only 10 feature projects met the criteria as well as <b>3</b> shorts	<b>2</b> fewer features were funded	The criteria for funding of features have become a great deal more rigorous
<b>5</b> documentary projects funded for archive material	<b>4</b> documentary projects funded for archive material	Only <b>4</b> out of 5 projects were funded	This is a new fund and applicants struggled to meet the criteria. Better communication of criteria on website and roadshows should improve output
Women only films funded annually	Bornfree Media and Quizical Pictures were identified to produce 10 female led short films	None	N/A
First time filmmakers funded annually	Natives at Large was identified to produce <b>10</b> youth led short films.	None	N/A
<b>20</b> years of Democracy Project	<b>4</b> projects were funded for production for the <b>20</b> years of democracy project	None	N/A
<b>5</b> TV concepts annually	<b>5</b> TV concepts have been supported for development	None	N/A
<b>3</b> slates funded in development <b>3</b> slates funded in production	<b>3</b> slates have been funded in development and production	None	N/A
<b>3</b> films distributed annually	<b>3</b> films have been supported for distribution; Khumba, Blitz Patrollie and Jimmy in Pienk	None	N/A



SIGNIFICANT ACHIEVEMENTS

There are several highlights worth celebrating for 2013/14. The first is that over 60% of all funding in production and development was awarded to PDIs. The Youth and Female Projects have attracted some of South Africa’s brightest talents who have expressed nothing but praise for this transformative initiative.

On the feature production side, “Adventures of Zambezia”, the NFVF’s first 3D animation film, grossed over R300 million world-wide to become the most successful South African film ever. The success of “Adventurers of Zambezia” paved the way for the second 3D animated feature “Khumba” with the film getting an impressive number of pre-sold territories. “iNumber Number”, a modest budget crime thriller was selected for Toronto and garnered such positive reviews that US studio, Universal, bought American remake rights for the film and the director, Donovan Marsh, was signed by a major US talent agency. Four Corners, a gangster film set in the Cape Flats, which marked a return to big screen directing for Ian Gabriel was nominated as the official foreign language Oscar entry for South Africa. Although it didn’t make it to the final shortlist of 5, it created sufficient buzz for the film to be noticed in the US and other worldwide territories.

In documentary production South Africa had a bumper year. The “Devil’s Lair”, a documentary about gangsterism in the Cape Flats, won Best Editing and Best Documentary Feature at the 2014 SAFTAs, after being selected for several major festivals locally and abroad. Mandela, the Myth and Me won the International Documentary Film Amsterdam Special Jury award. Miners Shot Down an exploration of the events leading up to the killing of 34 Marikana miners was selected as the opening film of the One World International Human Rights Documentary Festival in Prague and won the Right To Know competition. It then went on to win the Camera Justitia Award at the Dutch festival, Movies that Matter in The Hague.

KEY PROGRAMME OUTPUTS

The NFVF is able to celebrate the production of more films by firsttime filmmakers and as a direct result of the launching of the special projects meant to address obstacles to entry for these categories of filmmakers. The television concept funding has also seen a very serious uptake by industry and was oversubscribed in the year under review. There is a growing awareness of SA film audiences with the general increase in the number of films released on SA screens. The companies awarded slates are beginning to make the kind of inroads into their own development which bodes well for their sustainability in the long term with development of material and talent receiving priority as they move to production and post-production.

The main objective of the Youth and Female filmmaker project of identifying and nurturing new talent is already showing great promise. The first crop of short films has already shown the wealth of talent, giving them the opportunity to express themselves in a nurturing creative environment.

IN THE YEAR UNDER REVIEW THE NFVF FUNDED THE FOLLOWING PROJECTS:  
FEATURE PROJECTS IN DEVELOPMENT

Project	Applicant	Company
Before We Say Goodbye	Robbie Thorpe	Riffi Pictures
ZEF Zombies	Ian Tucker	N/A
Boomtaal	Anel Alexander	N/A
Lolly Jackson	John Barker	A breaking rat film
Make Believe Maya	Nimrod Geva	N/A
Muti	Ashley Lodewyk	Afrospective Films
Salvation	Carmen Sangion	Sangsang Entertainment
The Death Zone	Nicholas Hales	N/A
Tjovitjo	Makgano Mamabolo	PuoPhara Productions
Being A Brut 101	Tiro Makhudu	N/A
The Story of Racheltjie de Beer	Brett Innes	Nostalgia Productions
Born to win	Frans Cronje	Global Creative Studios
Cheese Girls	Busi Ntintili	Sidewalk Productions
GEES	Teddy Mattera	N/A
Umuzwa “Feeling”	Garon Campbell	BreadBin Productions

**FEATURE PROJECTS IN DEVELOPMENT CONT.**

<b>Project</b>	<b>Applicant</b>	<b>Company</b>
Pop, Lock 'n Roll	Jonathan Hofmeyr	N/A
Dirty Money	Andy Kasrils	African Storm Entertainment
Ingrid	Marthinus Loggerenberg	2 blonds and a redhead filming cc
The Art of war is love	Palesa Letlaka	Border Film Productions

**DOCUMENTARIES IN DEVELOPMENT**

<b>Project</b>	<b>Applicant</b>	<b>Company</b>
Tok Tokkie	Jenna Bass	Fox Fire Films
Cry Avenge	Xolani Masango	XS Production House
Kalushi-The story of Solomon Mahlangu	Mandlakayise Dube	Montage Online
Red Taxi	Alex Yazbek	Ruby Rocket Media
The Endless River	Marvin Saven	Moonlighting Films
Tell Me Sweet Something	Akin Omotoso	Rififi Pictures
Zinzi and the Boondogle	Meg Rickards	Mirror Mountain Pictures
Of Good Report	Luzuko Dilima	New Brighton Pictures
The Dam	Claudia Noble	Noble Pictures

**DOCUMENTARIES IN DEVELOPMENT**

<b>Project</b>	<b>Applicant</b>	<b>Company</b>
Afropolis	James Tayler	Switch Films
Afterglow	Arya Laloo	Reality Principle Productions
Marikana : A Tale of Invisible Woman	Mariza Matshaya	Rzalutionery Filmworks
Pixley Ka Isaka Seme : The Convener	Mzimasi Gova	Masi Productions
A true patriot?	Kevin Harris	Rainbow Independent Film & TV Productions
Adolf 'Sailor' Malan - War hero and champion of freedom	Jugedesi Desmond Naidoo	N/A
Hard Livings	Jason Staggie	N/A
Sin Bin to Celebrity: The John Robbie Story	Sisanda Henna	Diamond Hill Trading
What's the Frack?	Themba Vilakazi	N/A
Jail Birds	Fiazal Uys	N/A
Alison	Uga Carlini	Towerkop Creations
Delta Blues	Kim Cloete	N/A
Restor(y)ing A King	Vickus Strijdom	Suwenda Trading 23
Soweto Messiah	Michael Auret	Spier Productions (Pty) LTD
YellowCake	Elana Kroneberg	Azania Rizing Productions
Black Leopards	Nceba Mqolomba	Radio Ya Bantu
Drug Mules - A South African story	Cheryl Uys-Allie	Forward Films Africa
Lionise	James Walsh	Sinamatella Productions
Rev Sam Buti: The Maverick with a Cause	Pascal Damoyi	Ko Pitseng Productions

## DOCUMENTARIES IN PRODUCTION

Project	Applicant	Company
I Am Craig	Samora Sekhukhune	Away From Keyboard
Lobola "Through The Eyes Of A Feminist"	Thando Wayi	Wai Pictures
Miners Shot Down	Rehad Desai	Uhuru Productions
When I was water	David Forbes	Shadow Films
Cape Town Unhinged	Pascal Schmitz	Amariam Pictures
Jazz Comes to Jo'burg	Steve Mokwena	Xivumbeko
King Dinuzulu's Exile	Khubu Zulu	Sakhuri Multimedia
Ma'Ngoyi - Mother of Black Resistance	Nqaba Ngoyi	Msomi Puisano (PTY) LTD
The Boy, The Blade and The Man	Mayenzeke Baza	Mandela Bay Pictures
The Parlotones from Africa to America	Michelle Pretorius	Naashon Zalk Media
Unearthed	Jolynn Minnaar	Stage 5 Films
Bukom Fighter	Odette Geldenhuys	Frank Films
Return to Zimbabwe	Xoliswa Sithole	Nayanaya Pictures
Wandering Fever	Gregory Fell	The African Attachment
Jordan Bangazi: A Life Sentenced to Jazz	Mncedisi Mashigoane	Rainbow Independent Film & TV Production Company
The Flawed Genius of Jan Smuts	Sandra Herrington	Tekweni TV Productions
The Warder & The Prisoner	Segodi Mogotsi	I And Eye Production cc
Action Kommandant	Nadine Cloete	Ma'engere Film Productions
Jazz Comes to Jo'burg	Nirvana Singh	Xivumbeko Media
Waithira	Jean Meeran	Team Tarbaby

## SHORT FILMS IN DEVELOPMENT

Project	Applicant	Company
Into the ring	Francois le Pere	Allegoria
Umhambo Lomhambi – The Pilgrim's Journey	Leli Maki	JANDJ Productions (Pty) LTD
Opus	Kgosana Monchusi	Weldun Media

## SHORT FILMS GREENLIT FOR PRODUCTION

Project	Applicant	Company
Berea	Makgano Mamabolo	Puo Pha Productions
Marbles and Stones	Tony Kgoroge	Black Bench Productions
Hair That Moves	Yolanda Mogatusi	1000 hugs Films

## TELEVISION CONCEPTS IN DEVELOPMENT

Project	Applicant	Company
Oongu Lungu Animal Palace	Tariq Khan	Logoprops 47 (PTY)LTD t/a
Oomph! Animation		
Gruffie	Garth Sanders	Toony Animation
Mandela's Favourite African Folktales (The Enchanting Song)	Claudia Noble	Noble Pictures
Scouts	Brigid Olen	DO Productions
The Urban-o-graphers	Andrina Moodley	Stiletto Entertainment

## RECOUPMENT SCHEDULE

### Total recoupable grants are as follows:

Grants allocated in 2003	R12 690 774
Grants allocated in 2004	R8 630 000
Grants allocated in 2005	R4 990 000
Grants allocated in 2006	R4 300 000
Grants allocated in 2007	R3 550 000
Grants allocated in 2008	R1 934 000
Grants allocated in 2009	R3 309 000
Grants allocated in 2010	R3 700 000
Grants allocated in 2011	R6 984 845
Grants allocated in 2012	R17 758 735
Grants allocated in 2013	R14 854 735
Grants allocated in 2014	R12 923 500
<b>Total Recoupable Grants</b>	<b>R95 625 589</b>

## STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

The institution notes the continued challenge faced by filmmakers in closing finance on their films because of the difficulties associated with accessing commercial funding for film. This is due to uneven box office performance of SA product on the big screen. The NFVF may have to consider lobbying for an increased treasury allocation to allow the institution to invest up to 35% in feature films ranging between R5 and R20 million capped. Combining this 35% with the DTI rebate would leave producers with only 30% to raise to close financing on their film, which is a great deal more feasible than the present situation in which they have to raise between 50% and 65% of production finance. NFVF to also intensify its lobbying for other institutional funders of film to reconsider their approach and requirements when reviewing applications for locally produced and distributed films.

The institution also needs to leverage its leading role in the development of the industry to lobby the public broadcaster, the SABC, for preferential rates on SA archival material for SA documentaries. In addition, the NFVF needs to encourage the DTI to move towards the implementation of the new incentives and lowered thresholds for documentary films and black filmmakers.

## CHANGES TO PLANNED TARGETS

With the launch of the Youth and Female Filmmaker Projects, the NFVF decided to cancel the short film contest as these two projects provide more than ample opportunity for short films to be made in a nurturing environment with a view to launch feature film careers. The funds allocated to the short film contest have now been moved to the newly launched documentary slate.

The documentary slate, like the fiction slate, is premised on building sustainable production companies operating within this sphere. The beneficiaries will be expected to complete the Sediba Producer's Programme to develop their understanding of the documentary film business and to start drafting a business plan for their company over the next three years. They will also be closely monitored and mentored with a long term view to the sustainability of the company.

## LINKING PERFORMANCE WITH BUDGETS

PROGRAMME/ACTIVITY/ OBJECTIVE	2012/2013			2013/2014		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
(R million)	R'000	R'000	R'000	R'000	R'000	R'000
Increase in volume of South African films produced	13 750	12 539	1 211	20 500	20 114	386
Empower individuals from Previously Disadvantaged (PD) communities	13 500	13 500	0	16 000	16 000	0
Support innovative distribution	1 500	1 045	455	1 500	2 560	(1 060)
<b>Total</b>	<b>28 750</b>	<b>27 085</b>	<b>1 666</b>	<b>38 000</b>	<b>38 674</b>	<b>(674)</b>

## 4.4. PROGRAMME 4: MARKETING AND DISTRIBUTION

### PROGRAMME DESCRIPTION

#### *Purpose of programme*

Marketing and Communications has grown in importance and focus to the broad strategy of the NFVF. In a growing market, with a matching demand for South African product the outputs of Marketing and Communications enable delivery in three critical areas i.e. funding, audience development, as well as marketing and distribution.

In line with the NFVF Value Charter, more work has been put into aligned campaigns such as the I Love SA Film drive and the SAFTAs to increase awareness of what the country has to offer. The larger goal is for a tangible increase in revenue for filmmakers as exemplified by Long Walk to Freedom, that broke South African records by grossing over R22,9 million at local cinemas. South Africa is also a leading location and the NFVF plays a key role in positioning the country as diverse and commercially viable.

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

#### *Strategic objectives related to marketing and distribution:*

- Increases awareness of the SA film industry
  - o Recognition of SA as a film making destination
- Develop and maintain stakeholders relations
- Increased awareness of opportunities in the film industry
  - o Elicit more funding applications from underserved areas
- Increased access points to film information
  - o Promote South African filmmakers (technical expertise and film products)



## PROGRAMME PERFORMANCE REPORT

	STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013
	SA Presence at international markets & festivals	Recognition of SA as a film making destination	<b>6</b> festivals
	SA filmmakers supported to attend international markets and festivals	Promote South African filmmakers (talent and product)	<b>59</b> filmmakers supported
	Support for local festivals	Create access to film for the majority of South Africans	<b>6</b> local films festivals
	Support independent DVD distribution	Fund P&A for independent DVD distribution by Filmmakers	
	Stakeholder relations	Increased awareness of the SA film industry	<b>4</b> media briefings
			<b>4</b> engagement fora
			<b>3</b> provincial roadshows

PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
<b>9</b> festivals attended	<b>9</b> festivals attended	None	None
<b>36</b> filmmakers supported financially	<b>53</b> filmmakers supported financially	Additional <b>17</b> filmmakers supported	Not all filmmakers applied for the maximum allocation, hence more filmmakers could be supported
<b>5</b> local film festivals and support applications throughout the year	<b>5</b> local film festivals were supported and attended	None	N/A
<b>10</b> films on DVD as per applications received	<b>11</b> films approved	Additional 1 projects supported	Not all projects were awarded the maximum allocation, hence more films could be supported
<b>2</b> media briefings	<b>2</b> media briefings held	None	N/A
<b>5</b> one-on-one interactions General Media	<b>5</b> one-on-one interactions held	None	N/A
Interaction through publicity on all NFVF projects	Publicity delivered on all NFVF projects	None	N/A
<b>1</b> industry Indaba	<b>1</b> industry Indaba Delivered	None	N/A
<b>1</b> production forum	<b>1</b> production Forum hosted	None	N/A
<b>2</b> “In Conversation With...” fora	<b>2</b> “In Conversation” fora hosted	None	N/A
<b>2</b> marketing fora with provinces, distributors and other related parties e.g. Brand SA	<b>2</b> marketing fora hosted	None	N/A
Participation in National Arts Festivals – Macufe & Grahamstown	Activations delivered in Macufe & Grahamstown	None	N/A
<b>2</b> provincial roadshows linked to National Days	<b>2</b> provincial roadshows hosted	None	N/A

## PROGRAMME PERFORMANCE REPORT CONT.

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013
Stakeholder relations		<b>4</b> career expos
		<b>3</b> trade missions supported
Streamlining branding and communication tools	Increased awareness of SA film industry and product available	
		Marketing material for all festivals (local & international)
		Website updated daily
		Media coverage on all local and international festivals attended
		Newsletters were issued bi-monthly
South African Film & TV Awards	National Industry recognition platform	
		SAFTA's hosted

PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Participation in <b>1</b> career Expo	<b>1</b> career Expo hosted	None	N/A
<b>1</b> intergovernmental forum <b>1</b> research forum	<b>1</b> intergovernmental forum <b>1</b> research forum hosted	None	N/A
<b>1</b> business forum <b>1</b> legal / finance forum	<b>1</b> intergovernmental forum <b>1</b> research forum hosted	None	N/A
<b>3</b> co-Production Treaty partner interactions	<b>3</b> co-Production Treaty partner interactions hosted	None	N/A
SA/French Season support	SA/French Season support delivered	None	N/A
Corporate Identity Brand Manual	Corporate Identity Manual Initiated	None	N/A
Marketing collateral	Marketing collateral delivered	None	N/A
Revised website	New website launched	None	N/A
General media coverage  Social Media interaction (Facebook, Twitter LinkedIn)	Local Media coverage delivered  Social Media Interactions increased with key focus on Facebook & Twitter used for SAFTA	None	N/A
Newsletter	Newsletters were issued bi-monthly	None	N/A
Brand development and promotion  Directory of SA films	Brand promotion sustained through I love SA Film Campaign	None	N/A
Package SA films for 4 Missions and 2 Treaty partners for internal viewing	Films packaged and 2 treaty partner viewings hosted	None	N/A
Annual industry awards Ceremony	SAFTA Ceremony hosted and broadcast	None	N/A



SA Film & Television Awards



Unearthed Karoo roadshow 2014



Dolly Turner, US marketing and distribution expert, at "In Conversation With..."



Co-production session panel at DIFF

## SIGNIFICANT ACHIEVEMENTS

2012/13 marked a pivotal year from a marketing communications perspective the building blocks for greater alignment were put in place. The I Love SA Film below-the-line campaign as well as the SA Film and Television Awards helped to grow greater awareness of the NFVF brand and mandate. The SA Film and Television Awards marked their 8th year and exceeded previous years in terms of positive media coverage. This achievement bode well for brand NFVF providing key proof points of opportunities for broad audiences and industry stakeholders alike.

## KEY PROGRAMME OUTPUTS

### LOCAL POSITIONING

#### Provincial Roadshows

In response to the Strategic thrust of taking the NFVF to the people, the NFVF ran a series of roadshows in Rustenburg through the Bojanala Film Week, Eastern Cape through Grahamstown Arts festival, Bloemfontein, through the Macufe Arts festival, Western Cape through Cape Town. In addition the team conducted new Road Shows in Limpopo and Mpumalanga.

The roadshows, predominantly targeting youth involved or interested in the industry, encompassed workshops on Directing, Screen writing, Producing, and sessions on How To Enter the industry. Distribution Workshops and Research forum were new additions to the Roadshow Programme.

During each activation, industry professionals gave of their time, imparting knowledge based on their specific fields. The workshops were empowered with the screening of South African films.

Bojanala Film Week provided a success story as a previous attendee Short Film was selected as the opening film for this year's film week.

#### Engagement Fora

Additional activations in support of the strategic thrust are the Masterclass programmes developed to give the NFVF supported filmmakers travelling to various festivals visibility. The "In Conversation With..." are a series of intimate forums where filmmakers that have been supported by the NFVF to travel abroad, give a report on their experiences and lessons learnt as a way to share the knowledge they have gained.

In addition this year the team brought international expertise in Marketing and Distribution, conducting a session facilitated by International acclaimed Dolly Turner. Another session was hosted at the Kwa-Mashu Film Festival conducted by our very own local talent.

#### Stakeholder Relations

In maintaining a presence in the minds of the industry and media, the NFVF issues a bi-monthly newsletter and maintains good relations with the media through regular interactions and postings of press releases on the successes and special projects of the NFVF. This year social media was utilized strongly to ensure that the general public who do not follow film and film stakeholders engage on one platform.



#### *South African Film & Television Awards*

As part of the NFVF drive to create a full circle of interaction with the industry, the NFVF accepted custodianship of the South African Film & Television Awards in 2005 with the mandate to host the awards until such time as the South African Film & Television Academy is established. Held annually and now in its eight year of celebrating local talent, the SAFTAS attracted local talent and key stakeholders broadcast live on SABC 3 with repeats on Mnet. In line with government's theme for the year, the SAFTAS celebrated 20 years of Freedom. An increase in the number of entries over the past three years was also evidence that the industry has vested interest in this project. SAFTAS received a total number of 220 entries in 2011, 340 entries in 2012 and 2013 was 445 entries.

The SA Film and Television Awards exceeded previous years in terms of positive media coverage on all platforms ranging from broadcast, online and print. This achievement bode well for brand SAFTA / NFVF providing key proof points of opportunities for broad audiences and industry stakeholders alike.



#### *Encounters Documentary Film Festival*

Encounters gives documentary film lovers a unique opportunity to watch documentaries from all over the world. The films screened are some of the best made globally and have been selected specifically for the South African audience. The NFVF has supported the festival for many years as it offers NFVF visibility and gives our efforts in supporting documentary development and production through the grant system leverage. It allows NFVF to learn how the audience responds to documentary filmmaking.

The festival is held annually across Cape Town and Johannesburg with outreach in various communities in outlying areas of these cities. The festival receives over 900 submissions - up to 50% of which are South African films both short and full length. In this financial year the NFVF hosted a special industry session where it outlined its existing documentary programs and details on its new initiatives, including increased documentary production grant and documentary slate.



#### *Durban International Film Festival*

The DIFF celebrated their 34th year in 2013. DIFF is South Africa's oldest and most successful film festival across all genres and hosts a number of invaluable fora, workshops, networking sessions and pitching arenas. The festival boosts the participation of the successful Durban Film Mart, a market place for African film producers to participate in learning the mechanics of raising finance and of navigating the film environment.

The festival gave the NFVF the opportunity to showcase the work that is being done with our research programmes, our SEDIBA training, our co-production initiatives, and our marketing programmes. The NFVF held an engagement forum for the industry to engage and interrogate NFVF's achievements of the past financial year (2012/13).

Other activities held were: "In Conversations With..." in relation to Hot Docs, Scriptwriting, Distribution and Producing Documentaries.

#### *Out In Africa Film Festival*

The 2013 festival recognises the 19th anniversary of the festival and its uniqueness in the South African market place as it celebrates the cinematic works of Gay and Lesbian filmmakers. In its quest to promote diversity, the NFVF supports this festival in its roll out and the workshops that run throughout the year in various provinces. The festival screens works from South Africa and around the world.







### *Tri-continental Human Rights film festival*

The NFVF has a dedicated focus on the Documentary genre and supports key documentary festivals and activities. The Tri-continental film Festival is a documentary film festival that focuses on Human Rights issues with submission from the continents of South America, Africa and Asia. The NFVF strongly supports the practice of freedom of expression, a principle that the Tri-Continental Festival highlights through its films, workshops and outreach programmes. The festival occurs nationwide and gives the NFVF a national footprint into audiences that appreciate healthy dialogue and open discourse.

### *Kwa-Mashu Film Festival*

The Kwa-Mashu Film Festival is the only festival of its kind in the country. Its uniqueness stems from the target audience of township and rural audiences. The festival screens films mainly from South Africa but also from other African countries. Through the Durban/New Orleans Sister City alliance, the Festival is able to elicit festival content resources for workshops. The NFVF with its thrust of taking the NFVF to the citizens supports this festival in an attempt to reach audiences in rural areas that due to the lack of screens in these areas are compromised in their ability to access South African and African films.

NFVF participation besides the financial support, was to host an in Conversation session around “How to enter the Film Industry” the session was facilitated by our very own talent.

## GLOBAL POSITIONING

The NFVF led South African delegations to various international festivals and markets. The theme across all campaigns was “Attracting new markets and investments” .

The key objectives were:

- To provide a business base for South African delegates at the festival
- To present the SA line up
- To promote South Africa as a filmmaking destination
- To position South Africa as a co-production partner of choice
- To create networking forums for South African delegates to generate a broad network of contacts in the international arena
- To introduce up and coming producers and filmmakers to the international film arena.

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

### *Cannes*



FESTIVAL DE CANNES

The Cannes International Film Festival is the premiere Film Festival and marketplace for film globally, held annually in the city of Cannes, France. South Africa through the NFVF recognised its 14th year of official participation. The festival offers the local film industry access to meet potential buyers, film financiers, distributors, co-producing partners and allows the NFVF to position the country as a competitive filming destination with competitive incentives for foreign filmmakers.

Key activities the NFVF hosted and facilitated were:

- The line-up of South African films at Cannes, raising awareness of the films and the filmmakers present in the festival who are looking for various levels of support toward the completion of their film
- Signing of the SA / Ireland Film Co-production Treaty under the existing SA-Ireland bilateral treaty - the treaty was developed to enable cultural exchange and mutual beneficiation of each country's filming incentives
- Co-Production forums for existing co-production treaty countries
- National pavilion for all South Africans attending to use as a business base

The various highlights of this year's Cannes were:

- “Khumba” was signed by France's largest distribution company Metropolitan
- “Blitz Patrollie” was signed by a leading sales and distribution agent, Picture Tree International, to act as the film's sales agents

- Various filmmakers signed on various projects
- Highest Media coverage ever obtained by the NFVF at Cannes : R9 796 095.56 excluding the value of international coverage
- NFVF and Kenya Film Commission signed a film co-operation MOU paving the way for closer working relations with African markets
- Highest number of SA Delegates (producers) attending the Festival

#### *Annecy*

The NFVF seeks to further develop relationships with sectors of the industry that have been earmarked for attention and development, in this case, the animation sector. As such, the Annecy / MIFA festival in France was identified as one of the core festivals that will assist in meeting our said mandates.

By participating at the Annecy Animation Festival and MIFA, the NFVF met the following objectives:

- Increasing the awareness of SA animation potential internationally
- Develop and promote film and video industry products
- Conduct research into the field of animation
- Internationally facilitate and promote liaison between individuals and institutions

“*Khumba*” was in competition at the festival.

#### *AFCI – Association of Film Commissions International*

This market is the premier marketplace for the promotion of countries as filming destinations. Targeted at the US market of studios and producers, the market offers South Africa the opportunity to present itself as a filming destination of choice. The NFVF led the delegation of provinces and the DTI, and together hosted the South African pavilion for the dissemination of information and a business breakfast for a select audience of producers and location scouts.

#### *Hot Docs*

One of two major large scale Documentary film festivals that the NFVF has identified for the fulfilment of business for documentary filmmakers, the Hot Docs is a festival and market place that affords documentary filmmakers the opportunity to find distributors, financiers, and co-producing partners. The delegation in attendance with the NFVF were documentary filmmakers under the Documentary Filmmakers Association of South Africa.

#### *No Borders/IFP film week*

The No Borders marketplace is one of the most effective and enabling meeting places for independent film producers in the United States. Whereas other platforms look to support studio made films, this platform focuses on the low budget independent participants, giving them pitching opportunities, workshop attendance and networking opportunities with other independent filmmakers

#### *Pan African Film Festival – Los Angeles*

The PAFF is the meeting ground for African American Filmmakers. The premier festival of its kind in the USA, the festival's objectives are to showcase films from the Diaspora and the African American community to a public audience. Films that ordinarily would not go on circuit in the territory are showcased during the 10 days. The festival aims to highlight the artistic achievements of the filmmakers and the creative industries within the African American community as an Arts Fair is attached to the festival.

The NFVF initiated the inaugural official South African presence to the festival with the knowledge that there is great potential for new audiences of South African content and film business exchange. The NFVF hosted a presentation on the South African Film industry, discussing incentives, location shooting, crew, cast and co-producing opportunities. The NFVF gave four young black filmmakers the opportunity to accompany the team as an attempt to begin economically beneficial collaborations. The movies chosen to participate coincided with the countries theme of 20 years of Freedom.

### SA Arts Festival in Los Angeles

The NFVF partnered with the DAC in planning and hosting the inaugural South African Arts Festival in Los Angeles (LA).

As NFVF was tasked with the organising the Festival's Film Component the following were executed:

- Screening of six SA Films;
- Lead film discussions during the one day SA film seminar;
- Fund three SA Filmmakers participation at the festival.

### Supporting filmmakers to attend film festivals globally

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

Overall the NFVF funded 53 filmmakers to attend the following Festivals/Markets:

DIFF, MIPTV, MIPCOM, Cannes Film Festival, MUSE Awards, Nigeria International Film Festival, Zimbabwe Film Festival, Festival International du Cinema, Rio Content Market, Sichuan TV Festival, China Film Festival, La Rochele and Paris International Film Festival, Seattle International Film Festival, Kenya Film market, BFI London Film Festival, The Lab, Zanzibar International Film Festival, Toronto International Film Festival, London Film Finance Market, Annecy International Film Festival, MIBFF, Rotterdam International Film Festival, Berlin International Film Festival.

## STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of underperformance

## CHANGES TO PLANNED TARGETS

There were no changes to planned targets

## LINKING PERFORMANCE WITH BUDGETS

PROGRAMME/ACTIVITY/ OBJECTIVE	2012/2013			2013/2014		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
(R million)	R'000	R'000	R'000	R'000	R'000	R'000
SA Presence at international markets & festivals	9 100	10 729	(1 629)	5 900	6 686	(786)
SA filmmakers supported to attend international markets and festivals	600	1 901	(1 301)	800	842	(42)
Support for local festivals	4 980	4 263	717	6 409	8 126	(1 717)
Support independent DVD distribution	1 500	1 045	455	1 000	961	39
Stakeholder relations	3 000	3 342	(342)	4 500	4 528	(28)
Streamlining branding and communication tools	275	200	75	1 500	2 799	(1 299)
South African Film & TV Awards	5 570	10 955	(5 385)	7 500	9 125	(1 625)
<b>Total</b>	<b>25 025</b>	<b>32 435</b>	<b>(7 410)</b>	<b>27 609</b>	<b>33 067</b>	<b>(5 458)</b>

The variance between actual and budget expenditure was sourced from sponsorship and partnership agreements entered into with the SABC, IDC, M-Net, Film and Publications Board

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## 4.5. PROGRAMME 5: ADMINISTRATION AND HUMAN RESOURCES

### PROGRAMME DESCRIPTION

#### *Purpose of programme*

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

#### *Strategic objectives related to Administration and Human Resources:*

- Maintenance of efficient and effective systems of financial, legislative and administrative controls
- Sound Leadership, Governance & Management

## PROGRAMME PERFORMANCE REPORT

STRATEGIC OBJECTIVES	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT 2012/2013
Operational Expenditure: Maintenance of efficient and effective systems of financial, legislative and administrative controls	Maintenance of risk register	Annual risk workshop was conducted in June 2012 and the risk register updated
	Effective internal audit function	<b>5</b> internal audits performed: - Audit of pre-determined objectives; - Financial discipline review; Governance review; - Follow up review; - Legislative compliance
	Effective SCM function	Supplier database updated and supplier contracts reviewed
	Effective reporting mechanisms: Council, DAC & Treasury	Quarterly and annual reports submitted to Council, DAC and Treasury
Human Resources: Sound Leadership, Governance & Management	Effective governance mechanisms	Unqualified audit report
	Aligning HR strategy with organisation objectives:	
	Performance Management	Performance assessments conducted for all staff
	Human Resources Development	<b>44%</b> of staff attended training courses and workshops
	Mentorship Programme	
	Employee Wellness	Team building session held for all staff
	Labour and Compliance	HR policies reviewed and submitted for approval
	Payroll	Annual increases approved by Council and implemented
	Organisational Design (Structure)	

PLANNED TARGET 2013/2014	ACTUAL ACHIEVEMENT 2013/2014	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2013/2014	COMMENT ON DEVIATIONS
Conduct an annual risk assessment workshop	Risk assessment workshop conducted with Audit committee members in attendance	None	N/A
<b>3</b> internal audits annually	<b>5</b> internal audits conducted in line with the approved internal audit plan	<b>2</b> additional audits	Internal audits were conducted in line with the plan approved by the audit committee
Updated database of suppliers and contracts	Supplier database is updated continuously	None	N/A
Reporting quarterly, bi-annually and annually	Reports submitted to DAC quarterly	None	N/A
Unqualified audit report	Unqualified audit report		
Implement PMS	PMS fully implemented	None	N/A
<b>5</b> staff trained	<b>8</b> staff trained	<b>3</b> additional staff trained	Staff trained in line with their PDP's
Implementation of mentorship programme	Mentorship programme was implemented & workshop held	None	N/A
Implementation of wellness programme	Teambuilding session held with all staff	None	N/A
Compliance with legislation	Annual review of HR policies to ensure compliance	None	N/A
Implement approved structure	Annual increases approved by Council and implemented	None	N/A
Implementation of approved structure	Structure implemented	None	N/A



STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

There were no areas of underperformance.

CHANGES TO PLANNED TARGETS

There were no changes to planed targets.

LINKING PERFORMANCE WITH BUDGETS

PROGRAMME/ACTIVITY/ OBJECTIVE	2012/2013			2013/2014		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE
	(R million)	R'000	R'000	R'000	R'000	R'000
Operational Expenditure	8 184	10 523	(2 339)	8 827	10 286	(1 459)
Human Resources	600	1 901	(1 301)	800	842	(42)
Total	21 857	23 525	(1 668)	26 502	28 476	(1 974)



## - FILMING 'OTELO BURNING'

2011

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Sara Blacker, writer and producer of 'Otelu Burning' on set.





## **PART C**

### GOVERNANCE

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# 1. INTRODUCTION

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

The NFVF recognises the significance of good governance in the public sector, which is crucial for effective public 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.

# 2. EXECUTIVE AUTHORITY

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

- Annual Performance Plan and Strategic Plan for 2013/14 – 30 January 2013
- 1st Quarterly Report – 31 July 2013
- 2nd Quarterly Report – 29 October 2013
- 3rd Quarterly Report – 30 January 2014
- 4th Quarterly Report – 29 April 2014

### 3. THE ACCOUNTING AUTHORITY

#### INTRODUCTION

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

*The role of the Council is to:*

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

In accordance with s8(1) of the NFVF Act, Council meetings were held on 14 May 2013, 8 August 2013, 29 August 2013, 5 December 2013 and 24 March 2014. The NFVF Council also had a strategy workshop on 11 November 2013.

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	OTHER COMMITTEES (E.G.: AUDIT COMMITTEE)	NO. OF MEETINGS ATTENDED
Ms M Ramagoshi	Chairperson	11 April 2011		Executive Committee	13
Mr G Leolo	Deputy Chairperson	11 April 2011		Executive Committee	18
Ms S Gordon	Member	11 April 2011		Executive Committee	12
Mr M Mphomela	Member	11 April 2011		Audit Committee; Advisory Panel	17
Adv A Mukoma	Member	11 April 2011		Transformation Committee	15
Ms G Mhlophe-Becker	Member	11 April 2011			8
Mr P Raleigh	Member	11 April 2011		Advisory Panel	9
Mr S Molefe	Member	11 April 2011		Executive Committee; Transformation Committee	20
Ms T Downing	Member	11 April 2011		Transformation Committee; Advisory Panel	20
Adv R Dehal	Member	11 April 2011		Audit Committee	15
Adv R Solomons	Member	11 April 2011		Executive Committee; Transformation Committee	19



NAME	REMUNERATION	TOTAL
Ms M Ramagoshi	R62 000	R62 000
Mr G Leolo	R78 000	R78 000
Ms S Gordon	R59 000	R59 000
Mr M Mphomela	R68 000	R68 000
Mr A Mukoma	R62 000	R62 000
Ms G Mhlophe-Becker	R41 000	R41 000
Mr P Raleigh	R46 000	R46 000
Mr S Molefe	R85 000	R85 000
Ms T Downing	R79 000	R79 000
Adv. R Dehal	R60 000	R60 000
Adv. R Solomons	R84 000	R84 000

## 4. RISK MANAGEMENT

### NATURE OF RISK MANAGEMENT

Risk Management is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the NFVF.

Effective risk management is imperative to any organisation. The realisation of the organisation’s business strategy depends on its ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk through the NFVF’s risk management system enables the organisation to anticipate and respond to changes in its business environment, as well as make informed decisions in conditions of uncertainty.

### RISK MANAGEMENT STRATEGIES TO IDENTIFY RISKS AND MANAGE THE RISKS

A Risk Assessment Workshop was conducted with Audit Committee Members and the Executive Management team on the 10th May 2013 to review and update the NFVF risk register. Based on the outcomes of the risk assessment, a three-year Rolling Internal Audit Plan was drafted, presented and approved by the Audit Committee.

### PROGRESS MADE IN ADDRESSING RISKS IDENTIFIED

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

- Signed a shareholders compact with DAC
- Developed an alternative revenue generation and funding strategy for NFVF
- Continued to lead industry-wide initiatives to improve funding for the industry
- Reviewed its finance, HR, IT and business related policies and procedures
- Updated the funding criteria
- Developed and approved a Council Charter
- Council evaluation of all Committees

## 5. INTERNAL CONTROL

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

*During the year under review the NFVF has:*

- Ensured financial compliance with the NFVF Act and the PFMA as well as financial and legal compliance with other statutory bodies (e.g. SARS)
- Ensured an efficient NFVF office that successfully meets the needs of its various stakeholders
- Maintained an administration system that ensures the productivity and quality of the NFVF office
- Maintained an effective and efficient supply chain management system
- Obtained an unqualified (clean) audit report for the year ended 31 March 2013
- Identified and managed risks by holding an annual Risk Workshop which culminated in an annual internal audit plan and a risk register
- Ensured good corporate governance by having regular Committee meetings including the Audit Committee, Transformation 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

## 6. INTERNAL AUDIT AND AUDIT COMMITTEES

### KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT

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

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

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

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

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

The NFVF's Internal Audit was performed by SizweNtsalubaGobodo for the period 1 April – 31 December 2013 and by NexiaSAB&T for the period 1 January – 31 March 2014.

SUMMARY OF AUDIT WORK DONE

During the 2013/14 financial year, a risk assessment was conducted. Based on the outcomes of the assessment and in terms of the three-year rolling internal audit plan, the following audits were conducted:

- Audit of pre-determined objectives
- Financial discipline review
- Follow up review
- IT review
- Funding audit
- HR audit

KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

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

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

NAME	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Ms T Mjoli (Chairperson)	External		1 July 2011		4
Mr C Mullin	External		1 July 2011		2
Ms N Bulbulia	External		1 July 2011		3
Mr M Mphomela	Internal	Council member	11 April 2011		4
Adv. R Dehal	Internal	Council member	11 April 2011		4

7. COMPLIANCE WITH LAWS AND REGULATIONS

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

8. FRAUD AND CORRUPTION

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

## 9. MINIMISING CONFLICT OF INTEREST

The NFVF has developed a conflict of interest policy which has been adopted by Council. All Council, Committee and panel members sign a declaration of conflict of interest form at every meeting. Staff members sign a declaration of conflict of interest form on an annual basis.

## 10. CODE OF CONDUCT

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

The code of conduct is reviewed together with the organisational policies and procedure on an annual basis. The staff is made aware of this during the annual workshop and during induction for new employees.

In the event of a breach of the code of conduct, the normal HR processes will be followed.

## 11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

- adequate signage;
- an easily-accessible fire extinguisher; and
- a well-rehearsed evacuation strategy.

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014.

*“...we can report that the system of internal control for the period under review was efficient and effective.”*

### 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, the Committee met on 8 May 2013, 23d July 2013, 2 December 2013 and 19 March 2014.

### NAME OF MEMBER

Ms Tembeka Mjoli – External member (chairperson)  
 Ms Nadia Bulbulia – External member  
 Mr Chris Mullin – External member  
 Mr Mohau Mphomela – Council member  
 Adv Roshan Rai Dehal – 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 III 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.

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

- Audit of predetermined objectives
- Financial discipline review
- Follow up review
- IT review
- Funding audit
- HR audit

## IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The Public Entity has submitted quarterly reports to the Executive Authority.

## EVALUATION OF FINANCIAL STATEMENTS

*The Audit Committee has:*

- reviewed and discussed the audited annual financial statements of the NFVF to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's management letter and management's response thereto;
- reviewed changes in accounting policies and practices; and
- reviewed any significant adjustments resulting from the audit.

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

## AUDITOR'S REPORT

We have reviewed the Public Entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

The Committee has met with the Auditor-General South Africa to discuss all audit findings. The Audit Committee concurs and accepts the conclusions of the External Auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



**TEMBEKA MJOLI**

**Chairperson of the Audit Committee**

National Film and Video Foundation  
31 July 2014





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## **PART D** HUMAN RESOURCE MANAGEMENT

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# 1. INTRODUCTION

*“The major emphasis will be on solidifying the talent management framework which addresses programmes such as mentorship, career development and succession planning.”*

## OVERVIEW OF HR MATTERS AT THE PUBLIC ENTITY

The year under review, 2013/2014, the HR Department's overall objective of ensuring sound leadership, governance and management was maintained. The HR Department continues to ensure that the HR interventions and programmes are in line with the organisation's strategic objectives.

Significant achievements for the Human Resources Department included the relationship with the MICT-SETA, this culminated in the increased funding for the internship.

## THE HR PRIORITIES FOR 2013/2014 AND THEIR IMPACT:

*Align the organisational structure to the organisation's strategic objectives –*

The organisational structure ensures that the NFVF has the right number of staff to enable the organisation to achieve its strategic objectives. The positions approved by council are filled in the financial year.

*Implement an enhanced Performance Management System –* a 360° Performance Management introduced was embraced by the staff and is fully implemented.

Assessment system which allows a comprehensive assessment of staff. This enabled the whole staff to see their role in the overall organisational performance.

*Human Capital Development –* training priorities are identified when the performance reviews are conducted. These training needs are compiled into a work skills plan and training plan that is submitted to the Seta.

*Employee Wellness –* implementation of the wellness programme – a teambuilding session was held and a Wellness program was launched in September 2013.

*Labour and Compliance –* policies are reviewed on an annual basis and get presented to council for adoption. Once adopted the staff are informed of the changes in the policies.

*Reward System –* the reward system was revised and implemented and encompasses both financial and non-financial rewards. Members of staff are rewarded according to the revised and approved salary increase.

*Mentorship Programme –* formal mentoring programmes were implemented to address challenges such as retaining and engaging employees, accelerating learning and building succession pools. Mentoring remains an important part of the NFVF's learning and development offering.

## PLANS FOR THE YEAR AHEAD

The overarching purpose of the department continues to be, to ensure that the programs are in line with the overall objective of sound leadership and governance. The major emphasis will be on solidifying the talent management framework which addresses programs such as mentorship, career development and succession planning. The wellness program launched in the previous year will be enhanced through quarterly sessions that will be addressing different themes.

## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

### PERSONNEL COST BY PROGRAMME

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Training & Skill Development	R768	4.7%	2	R384
Policy & Research	R2 405	14.8%	6	R401
Production & Development	R2 134	13.2%	5	R427
Marketing & Distribution	R3 117	19.5%	8	R390
HR, Finance & CEO	R7 767	47.8%	15	R518
<b>TOTAL</b>	<b>R16 191</b>	<b>100%</b>	<b>36</b>	<b>R2 120</b>

### PERSONNEL COST BY SALARY BAND

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	R5 770	35.6%	5	R1 154
Senior Management	R4 577	28.2%	9	R509
Professional qualified	R5 621	34.7%	20	R281
Semi-skilled	R132	0.9%	1	R132
Unskilled	R91	0.6%	1	R91
<b>TOTAL</b>	<b>R16 191</b>			

### PERFORMANCE REWARDS

PROGRAMME	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management			
Senior Management			
Professional qualified			
Skilled			
Semi-skilled			
Unskilled			
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

### TRAINING COSTS

PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING, EXPENDITURE AS A % OF	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
R16 191	R900	5.6	8	R113

EMPLOYMENT AND VACANCIES

PROGRAMME	2012/2013 NO. OF EMPLOYEES	2013/2014 APPROVED POSTS	2013/2014 NO. OF	2013/2014 VACANCIES EMPLOYEES	% OF VACANCIES
Training & Skills Development	2	2	2	0	0%
Policy & Research	6	6	5	1	14%
Production & Development	4	6	5	1	14%
Marketing & Distribution	6	9	6	3	43%
HR, Finance & CEO	10	15	13	2	29%
TOTAL	28	38	31	7	100%

EMPLOYMENT AND VACANCIES

PROGRAMME	2012/2013 NO. OF EMPLOYEES	2013/2014 APPROVED POSTS	2013/2014 NO. OF	2013/2014 VACANCIES EMPLOYEES	% OF VACANCIES
Top Management	6	6	5	1	14%
Senior Management	9	12	9	3	43%
Professional Qualified	12	18	15	3	43%
Semi-skilled	0	1	1	0	0%
Unskilled	1	1	1	0	0%
TOTAL	28	38	31	7	100%

EMPLOYMENT CHANGES

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS TERMINATIONS		EMPLOYMENT AT END OF THE PERIOD
Top Management	6	0	1	5
Senior Management	9	1	1	9
Professional Qualified	12	6	3	15
Semi-skilled	0	1	0	1
Unskilled	1	1	1	1
TOTAL	28	9	6	31

REASONS FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NO OF STAFF LEAVING
Death	0	0
Resignation	5	100
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
TOTAL	5	100%

**LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION**

<b>NATURE OF DISCIPLINARY ACTION</b>	<b>NUMBER</b>
Verbal Warning	1
Written Warning	1
Final Written Warning	0
Dismissal	0

**EMPLOYMENT EQUITY STATUS**

<b>LEVELS</b>	<b>MALE</b>			
	<b>AFRICAN CURRENT</b>	<b>COLOURED CURRENT</b>	<b>INDIAN CURRENT</b>	<b>WHITE CURRENT</b>
Top Management	0	1	0	0
Senior Management	3	0	0	0
Professional Qualified	4	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
<b>TOTAL</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>

<b>LEVELS</b>	<b>FEMALE</b>			
	<b>AFRICAN CURRENT</b>	<b>COLOURED CURRENT</b>	<b>INDIAN CURRENT</b>	<b>WHITE CURRENT</b>
Top Management	4	0	0	0
Senior Management	5	0	1	0
Professional Qualified	9	0	0	2
Semi-skilled	1	0	0	0
Unskilled	1	0	0	0
<b>TOTAL</b>	<b>20</b>	<b>0</b>	<b>1</b>	<b>2</b>





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## **PART E** FINANCIAL INFORMATION

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# 1. STATEMENT OF RESPONSIBILITY

## STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

The Accounting Authority is responsible for the preparation of the Public Entity's annual financial statements and for the judgements made in this information.

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

In my opinion, the financial statements fairly reflect the operations of the Public Entity for the financial year ended 31 March 2014.

The external auditors are engaged to express an independent opinion on the AFS of the Public Entity.

The National Film and Video Foundation annual financial statements for the year ended 31 March 2014 have been audited by the External Auditors and their report is presented on pages 82 and 83.

The Annual Financial Statements of the Public Entity set out on page 84 to page 107 have been approved.



**MS ZAMA MKOSI**  
**Chief Executive Officer**  
National Film and Video Foundation  
31 July 2014



**MS MMABATHO RAMAGOSHI**  
**Chairperson of NFVF Council**  
National Film and Video Foundation  
31 July 2014

## 2. ANNUAL FINANCIAL STATEMENTS

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The annual financial statements set out from page 84 to 107 were approved by the Accounting Authority on 31 May 2014 and are signed by:



**MS MMABATHO RAMAGOSHI**

**Chairperson**

National Film and Video Foundation  
31 July 2014



**MS. Z MKOSI**

**Chief Executive Officer**

National Film and Video Foundation  
31 July 2014

### 3. REPORT OF THE AUDITOR-GENERAL TO THE PARLIAMENT OF THE NATIONAL FILM AND VIDEO FOUNDATION

#### REPORT ON THE FINANCIAL STATEMENTS

##### *Introduction*

1. I have audited the financial statements of the National Film and Video Foundation set out on pages 84 to 107, which comprise the statement of financial position as at 31 March 2014, the statement of performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

##### *Accounting Authority's responsibility for the financial statements*

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African standards of Generally Recognised Accounting Standards (SA standards of GRAP) and the requirements of the Public Finance Management Act 1 of 2009 (Act 1 of 2009) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### *Auditor-general's responsibility*

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. 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.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### *Opinion*

6. 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 2014 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

##### *Predetermined objectives*

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the National Film and Video Foundation for the year ended 31 March 2014.

9. Training and development objective 4.1 on pages 22 to 26.
10. Development and Production objective 4.3 on pages 38 to 45.
11. Marketing and Distribution objective 4.4 on pages 46 to 55.
12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPi).
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

*Compliance with legislation*

16. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters.
17. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

*Internal control*

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation.
19. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Auditor-General  
Johannesburg  
31 July 2014



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# NATIONAL FILM AND VIDEO FOUNDATION ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2014

## 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 2014.

The National Film and Video Foundation is established in terms of the National Film and Video Foundation (NFVF) Act no. 73 of 1997 and is listed as a national Public Entity in schedule 3A of the Public Finance Management Act (PFMA), 1999, as amended.

The Council acts as the Accounting Authority of the NFVF, in terms of the PFMA.

## 2. DIRECTORS OF THE ENTITY

### EXECUTIVE DIRECTOR



**MS Z MKOSI**  
*Chief Executive Officer*

### NON-EXECUTIVE DIRECTORS



**MS M RAMAGOSHI**  
*Chairperson*



**MR G LEOLO**  
*Deputy Chairperson*



**MS S GORDON**



**MR M MPHOMELA**



**ADV A MUKOMA**



**MS G MHLOPHE-BECKER**



**MR P RALEIGH**



**MR S MOLEFE**



**MS T DOWNING**



**ADV R DEHAL**



**ADV R SOLOMONS**

## 3. ORGANISATIONAL STRUCTURE

The organisation currently employs 31 permanent staff including the Chief Executive Officer and 5 Executive Managers. Nine additional staff members were employed during the year, and six employees resigned.



## REMUNERATION FOR THE YEAR

### Non-executive Directors: Council

COUNCIL MEMBER	AMOUNT	NUMBER OF MEETINGS ATTENDED					
		COUNCIL 7 MEETINGS	STRATEGY 1 SESSION	EXCO 4 MEETINGS	TRANSCO 4 MEETINGS	ADVISORY PANEL MEETINGS	OTHER MEETINGS
Ms M Ramagoshi (Chairperson)	R62 000	7	1	2	-	-	4
Mr G Leolo	R78 000	7	1	4	-	-	6
Ms S Gordon	R59 000	6	1	3	-	-	3
Mr M Mphomela	R53 000	6	1	-	-	6	-
Adv A Mukoma	R62 000	6	1	-	4	-	5
Ms G Mhlophe-Becker	R41 000	6	1	-	-	-	2
Mr P Raleigh	R46 000	6	1	-	-	3	-
Mr S Molefe	R85 000	6	1	4	4	-	6
Ms T Downing	R79 000	6	1	-	4	6	4
Adv R Dehal	R42 000	5	1	-	-	-	4
Adv R Solomons	R84 000	7	1	4	4	-	4

### Audit Committee

AUDIT COMMITTEE MEMBER	AMOUNT	NUMBER OF MEETINGS ATTENDED		
		4 AUDIT MEETINGS	1 RISK WORKSHOP	OTHER MEETINGS
Ms T Mjoli(Chairperson)	R18 000	4	1	1
Mr C Mullin	R6 000	2	-	-
Mr M Mphomela	R15 000	3	1	1
Adv R Dehal	R18 000	4	1	1
Ms N Bulbulia	R12 000	3	1	-

### Executive Management:

	BASIC SALARY	13 <sup>TH</sup> CHEQUE	ALLOWANCES	CONTRIBUTIONS	TOTAL
Chief Executive Officer	1 227 938	206 330	12 000	183 537	1 629 805
Chief Financial Officer	941 894	80 594	6 000	60 311	1 088 799
Head: Marketing	507 113	13 078	1 500	24 747	546 438
Head: Policy & Research	641 947	55 604	6 000	72 430	775 981
Head: Human Resources	729 334	62 284	6 000	114 649	912 267
Head: Production and Development	676 198	57 512	6 000	76 742	816 452

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 of the organisation for the year was R152 434 (2013 surplus: R387 192).

7. REVIEW OF OPERATIONS

*Revenue*

Revenue comprises funding received from Government, Sponsors and other Stakeholders.

The increase in revenue is attributable to an increase in allocation from the Department of Arts and Culture as well as sponsorships and partnerships for various events.

*Expenditure*

6 staff members resigned and 9 new staff members were employed during the current financial year.

The organisation hosted the eighth annual South African Film and Television Awards (SAFTAs). The NFVF awarded 116 bursaries in partnership with the Mict-Seta and also awarded 72 grants for the development and production of content. The organisation also funded youth and female slate projects with the aim of identifying and nurturing new talent in the industry.

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:

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

# NATIONAL FILM AND VIDEO FOUNDATION

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

ASSETS	NOTE	MARCH 2014	MARCH 2013
<b>Non-Current Assets</b>		<b>3 416 300</b>	<b>2 106 930</b>
Property and Equipment	3	1 191 736	1 277 077
Intangible assets	4	2 028 004	633 293
Rental deposit	14.2	196 560	196 560
<b>Current Assets</b>		<b>70 185 262</b>	<b>59 737 779</b>
Cash and cash equivalents	13	59 878 636	55 924 691
Trade and other receivables	5.1	8 435 000	1 591 500
Prepayments	5.2	1 871 626	2 221 588
<b>Total Assets</b>		<b>73 601 562</b>	<b>61 844 709</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>29 495 945</b>	<b>20 640 000</b>
Provisions	6.2	29 495 945	20 640 000
Operating lease liability	14.3	-	-
<b>Current Liabilities</b>		<b>41 783 792</b>	<b>39 035 318</b>
Trade and other payables	6	2 947 076	1 106 820
Operating lease liability	14.3	50 535	372 081
Provisions	6.2	29 448 628	26 595 325
Income received in advance	7	9 337 553	10 961 092
<b>Total Liabilities</b>		<b>71 279 737</b>	<b>59 675 318</b>
Net Assets		2 321 825	2 169 391
<b>NET ASSETS</b>			
<b>Accumulated surplus</b>		<b>2 321 825</b>	<b>2 169 391</b>

## NATIONAL FILM AND VIDEO FOUNDATION STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

	NOTE	2014 ACTUAL R	2014 APPROVED BUDGET R	2013 ACTUAL R
Revenue	8	120 433 515	105 223 000	92 764 892
Non-exchange		105 249 839	105 223 000	86 511 831
Exchange		15 183 676	-	6 253 061
Grant expense	9	(94 697 029)	(79 659 000)	(71 329 092)
<b>Gross profit</b>		<b>25 736 486</b>	<b>25 564 000</b>	<b>21 435 800</b>
Operating expenses	10	(28 487 958)	(26 502 372)	(23 525 246)
Loss on disposal of Property and Equipment	3	(2 531)	-	-
<b>Deficit from operations</b>		<b>(2 754 003)</b>	<b>(938 372)</b>	<b>(2 089 446)</b>
Investment revenue	11	2 906 437	960 000	2 476 638
<b>Surplus for the year</b>		<b>152 434</b>	<b>21 628</b>	<b>387 192</b>

## NATIONAL FILM AND VIDEO FOUNDATION STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

	ACCUMULATED SURPLUS R	TOTAL NET ASSETS R
<b>Balance as at 31 March 2010</b>	<b>1 550 979</b>	<b>1 550 979</b>
Surplus for the year	40 135	40 135
<b>Balance as at 31 March 2011</b>	<b>1 591 114</b>	<b>1 591 114</b>
Surplus for the year	191 085	191 085
<b>Balance as at 31 March 2012</b>	<b>1 782 199</b>	<b>1 782 199</b>
Surplus for the year	387 192	387 192
<b>Balance as at 31 March 2013</b>	<b>2 169 391</b>	<b>2 169 391</b>
Surplus for the year	152 434	152 434
<b>Balance as at 31 March 2014</b>	<b>2 321 825</b>	<b>2 321 825</b>

# NATIONAL FILM AND VIDEO FOUNDATION

## CASH FLOW STATEMENT FOR

### THE YEAR ENDED 31 MARCH 2014

	NOTE	2014 ACTUAL R	2013 ACTUAL R
<b>Cash flow from operating activities</b>			
Receipts		113 939 977	90 140 342
Non-exchange		105 599 801	85 478 781
Exchange		8 340 176	4 661 561
<b>Payments</b>		(110 970 675)	(80 854 448)
Employee costs		(15 835 564)	(12 993 713)
Suppliers		(95 135 111)	(67 860 735)
<b>Net Cash flows from operating activities</b>	<b>12</b>	<b>2 969 302</b>	<b>9 285 894</b>
<b>Cash flow from investing activities</b>			
Purchase of Property and Equipment	3	(391 335)	(515 981)
Purchase of intangible assets	4	(1 536 746)	(194 466)
Proceeds from sale of Property and Equipment		6 288	
Investment revenue	11	2 906 437	2 476 638
<b>Net Cash flows used in investing activities</b>		<b>984 644</b>	<b>1 766 191</b>
<b>Net Increase in cash and cash equivalents</b>		<b>3 953 945</b>	<b>11 052 085</b>
Cash and cash equivalents at the beginning of the year		55 924 691	44 872 606
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>59 878 636</b>	<b>55 924 691</b>

# NATIONAL FILM AND VIDEO FOUNDATION

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2014

#### 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 (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 20: Related Party Disclosures

GRAP 105: Transfers of Functions

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the principal accounting policies of the Foundation which are prepared on an accrual basis and in all material respects, consistent with those applied in the previous year. The annual financial statements of the 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

###### *Trade receivables*

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

###### *Provisions*

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

###### *Property and equipment*

Management has made certain estimates with regards to the determination of estimated useful lives and residual values of items of Property and Equipment. Management has prescribed rates that are in accordance with best practice.

###### Judgements

###### *Leases*

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

## 2.2 Revenue

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

### 2.2.1 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Foundation either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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

#### *Government Grants*

Government Grants received by the 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 are satisfied.

### 2.2.2 Revenue from exchange transactions

An exchange transaction is one in which the Foundation receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Exchange revenue is recognised when it is probable that future economic benefits will flow to the Foundation and when the amount can be measured reliably. Revenue is measured at the fair value of the consideration received. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### *Interest revenue*

Revenue arising from the use by others of entity assets yielding interest is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the foundation, and the amount of the revenue can be measured reliably.

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

## 2.3 Prepayments

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

## 2.4 Property and Equipment

Property and Equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period. The cost of an item of Property and Equipment is recognized as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost of the item can be measured reliably.



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

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

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

	Useful life	Rate
Computer hardware	3 years	33.33% p.a
Furniture and fittings	6 years	10% - 16.67% p.a
Office equipment	6 years	16.67% p.a
Motor vehicles	5 years	20.00% p.a

The useful lives of the assets 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.

The gain or loss arising from the derecognition of an item of Property and Equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of Property and Equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Repairs and maintenance are charged to the statement of financial performance when the expenditure is incurred.

## 2.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identified as an intangible asset when it is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability.

An intangible asset is recognised when it is probable that the future economic benefits associated with the item will flow to the company; and the cost of the item can be measured reliably.

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

The amortisation rates are as follows:	Useful life	Rate
Intangible assets	10 years	10.00% p.a
Computer software	2 years	50.00% p.a

Useful lives are assessed annually.

## 2.6 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.

## 2.7 Financial instruments

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

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

### *Trade 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. Receivables are purely from non-exchange transactions whereby a service was rendered by the organisation.

### *Cash and cash equivalents*

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

### *Trade payables*

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

### *Impairment of financial instruments*

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

### *Derecognition of financial instruments*

#### *Financial assets*

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

#### *Financial liabilities*

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

### *Off-setting of financial instruments*

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

## 2.8 Provisions

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. Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 6.2 to the annual financial statements. The amount of a provision is the present value of the 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. Provisions are not recognised for future operating losses.

### 2.8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised but disclosed in note 20.

## 2.9 Taxation

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

## 2.10 Comparative figures

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

## 2.11 Presentation currency

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

## 2.12 Employee benefits

### *Short term employee benefits*

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

### *Defined contribution plans*

The 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. The organisation recognises a liability for annual bonuses (13th cheque). A liability for 13th cheque is accrued on a proportionate basis as services are rendered.

## 2.13 Related parties

The Foundation is a Schedule 3(A) Public Entity that is ultimately owned and controlled by the South African government. All related party transactions that are entered into by the Foundation are disclosed in the annual financial statement.

## 2.14 Irregular, fruitless and wasteful expenditure

Irregular expenditure means expenditure incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including the PFMA.

Fruitless and wasteful expenditure means expenditure made in vain and would have been avoided had reasonable care been exercised. All irregular, fruitless and wasteful expenditure is charged against income in the period in which they are incurred. National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned. Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register.

### **2.15 Leases**

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

The liability is not discounted.

### **2.16 Budget information**

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury and is in line with the basis of accounting as per the GRAP Framework. The budget was approved by the Council and submitted to the executive authority in terms of section 53(1) of the PFMA, and covers the period from 1 April 2013 to 31 March 2014. The budget and accounting basis are the same; both are on the accrual basis. The financial statements are prepared using a classification on the nature of expenses in the statement of financial performance.

### **2.17 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 an 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. PROPERTY AND EQUIPMENT

	R COMPUTER HARDWARE	R FURNITURE & FITTINGS	R OFFICE EQUIPMENT	R TOTAL
<b>2014</b>				
Cost as at 31 March 2014	1 170 104	2 280 298	261 247	3 711 649
Accumulated depreciation	(791 738)	(1 538 877)	(189 298)	(2 519 913)
<b>Carrying value at 31 March 2014</b>	<b>378 366</b>	<b>741 421</b>	<b>71 949</b>	<b>1 191 736</b>
<b>Reconciliation - 2014</b>	<b>COMPUTER HARDWARE</b>	<b>FURNITURE &amp; FITTINGS</b>	<b>OFFICE EQUIPMENT</b>	<b>TOTAL</b>
<b>Carrying value at 1 April 2013</b>	<b>356 645</b>	<b>836 150</b>	<b>84 282</b>	<b>1 277 077</b>
Additions	262 412	128 923	-	391 335
Disposal of computer equipment	(8 818)	-	-	(8 818)
Depreciation	(231 873)	(223 652)	(12 333)	(467 858)
<b>Carrying value at 31 March 2014</b>	<b>378 366</b>	<b>741 421</b>	<b>71 949</b>	<b>1 191 736</b>
<b>2013</b>	<b>COMPUTER HARDWARE</b>	<b>FURNITURE &amp; FITTINGS</b>	<b>OFFICE EQUIPMENT</b>	<b>TOTAL</b>
Cost as at 31 March 2013	932 572	2 151 375	261 247	3 345 194
Accumulated depreciation	(575 927)	(1 315 225)	(176 965)	(2 068 117)
<b>Carrying value at 31 March 2013</b>	<b>356 645</b>	<b>836 150</b>	<b>84 282</b>	<b>1 277 077</b>
<b>Reconciliation - 2013</b>	<b>COMPUTER HARDWARE</b>	<b>FURNITURE &amp; FITTINGS</b>	<b>OFFICE EQUIPMENT</b>	<b>TOTAL</b>
<b>Carrying value at 1 April 2012</b>	<b>237 778</b>	<b>944 324</b>	<b>48 366</b>	<b>1 230 468</b>
Additions	294 942	161 369	59 669	515 980
Depreciation	(176 075)	(269 543)	(23 753)	(469 371)
<b>Carrying value at 31 March 2013</b>	<b>356 645</b>	<b>836 150</b>	<b>84 282</b>	<b>1 277 077</b>

No impairments were made to Property and Equipment during the financial year.

The Foundation has disposed of fixed assets which resulted in a loss of R2 531.

#### 3.1 Change in accounting estimate

The Foundation has reassessed the useful lives and residual values of Property and Equipment which resulted in certain assets' remaining useful lives to change from 1 to 3 years on average. The effect of the change in accounting estimate has resulted in a decrease in depreciation amounting to R46 407 for the current period.

#### 4. INTANGIBLE ASSETS

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

	R WEBSITE	R COMPUTER SOFTWARE	R SPECIALISED SOFTWARE	R TOTAL
<b>2014</b>				
Cost as at 31 March 2014	897 981	1 261 470	205 623	2 365 074
Accumulated amortisation	(98 292)	(167 459)	(71 319)	(337 070)
<b>Carrying value at 31 March 2014</b>	<b>799 689</b>	<b>1 094 011</b>	<b>134 304</b>	<b>2 028 004</b>
<b>Reconciliation - 2014</b>	<b>WEBSITE</b>	<b>COMPUTER SOFTWARE</b>	<b>SPECIALISED SOFTWARE</b>	<b>TOTAL</b>
<b>Carrying value at 1 April 2013</b>	<b>422 708</b>	<b>52 669</b>	<b>157 916</b>	<b>633 293</b>
Additions	421 572	121 018		542 590
Additions - Work in progress		994 156		994 156
Amortisation	(44 591)	(73 832)	(23 612)	(142 035)
<b>Carrying value at 31 March 2014</b>	<b>799 689</b>	<b>1 094 011</b>	<b>134 304</b>	<b>2 028 004</b>
<b>2013</b>	<b>WEBSITE</b>	<b>COMPUTER SOFTWARE</b>	<b>SPECIALISED SOFTWARE</b>	<b>TOTAL</b>
Cost as at 31 March 2013	476 409	146 296	205 623	828 328
Accumulated amortisation	(53 701)	(93 627)	(47 707)	(195 035)
<b>Carrying value at 31 March 2013</b>	<b>422 708</b>	<b>52 669</b>	<b>157 916</b>	<b>633 293</b>
<b>Reconciliation - 2013</b>	<b>WEBSITE</b>	<b>COMPUTER SOFTWARE</b>	<b>SPECIALISED SOFTWARE</b>	<b>TOTAL</b>
<b>Carrying value at 1 April 2013</b>	<b>445 061</b>	<b>36 737</b>	<b>42 668</b>	<b>524 466</b>
Additions	-	46 971	147 495	194 466
Amortisation	(44 591)	(73 832)	(23 612)	(142 035)
<b>Carrying value at 31 March 2013</b>	<b>422 708</b>	<b>52 669</b>	<b>157 916</b>	<b>633 293</b>

#### 5. TRADE RECEIVABLES

	2014 R	2013 R
<b>5.1. Receivables from exchange transactions</b>		
Department of Arts and Culture - Fepaci	1 000 000	
South African Broadcasting Corporation	250 000	
Industrial Development Corporation	150 000	
M-Net	1 100 000	
MICT - SETA	5 635 000	420 000
Platco Digital	300 000	
Film & Publications Board: SAFTA	-	1 000 000
Rainbow Marketing - SAFTA	-	160 000
Other	-	11 500
	<b>8 435 000</b>	<b>1 591 500</b>

The Foundation considers the carrying value of trade receivables to approximate their fair values.

**5.2 Prepayments**

	2014 R	2013 R
Cannes Film Festival	1 760 159	1 728 153
Hot Docs Documentary Festival	111 467	25 000
MIP TV	-	224 074
Annecy International Animated Film Festival	-	244 361
	<b>1 871 626</b>	<b>2 221 589</b>

Prepayments relate to expenses for airfares, accommodation and stand rentals for the above-mentioned film festivals.

	R 1-30 DAYS	R 31-60 DAYS	R 61-90 DAYS	R 91-120 DAYS	R 120+ DAYS	R TOTAL
<b>2014</b>						
Gross trade receivables	8 435 000	-	-	-	-	8 435 000
Impairment of trade receivables	-	-	-	-	-	-
<b>Net trade receivables</b>	<b>8 435 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 435 000</b>
<b>2013</b>						
Gross trade receivables	1 591 500	-	-	-	-	1 591 500
Impairment of trade receivables	-	-	-	-	-	-
<b>Net trade receivables</b>	<b>1 591 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 591 500</b>

**6. TRADE AND OTHER PAYABLES****6.1 Trade and other payables from exchange transactions**

	2014 R	2013 R
Trade payables	2 947 076	1 106 820
	<b>2 947 076</b>	<b>1 106 820</b>

All trade payables are non-interest bearing and are normally settled on a 30 day term. The Foundation considers the carrying value of trade payables to approximate their fair values.

**6.2 Provisions**

	2014 R	2013 R
<b>6.2.1 Provision for Grants issued by NFVF</b>		
<b>Opening balance as at 01 April 2013</b>	<b>46 628 436</b>	<b>34 408 245</b>
New Grants issued (note 9)	94 697 029	71 329 092
Grant write-backs	3 897 290	6 757 332
Payments made during the year	(87 240 494)	(65 866 233)
<b>Closing balance as at 31 March 2014</b>	<b>57 982 261</b>	<b>46 628 436</b>

The Foundation issues Grants in the following categories: training and bursaries; research and script development; production and distribution and marketing. The Grants have been approved by Council, but the timing of payments are dependent on milestones Management determined estimates based on calculations of current and non-current portions.



**6.2 Provisions****6.2.2 Provision for leave pay**

	<b>2014 R</b>	<b>2013 R</b>
<b>Opening balance as at 01 April 2013</b>	<b>392 888</b>	<b>426 523</b>
Utilised during the year	(392 888)	(426 523)
Originated during the year	722 958	392 888
<b>Closing balance as at 31 March 2014</b>	<b>722 958</b>	<b>392 888</b>

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

**6.2.3 Provision for 13<sup>th</sup> cheque**

<b>Opening balance as at 01 April 2013</b>	<b>214 001</b>	<b>172 168</b>
Utilised during the year	(214 001)	(172 168)
Originated during the year	239 354	214 001
<b>Closing balance as at 31 March 2014</b>	<b>239 354</b>	<b>214 001</b>

A provision for a 13<sup>th</sup> cheque is recognised for the amount due to employees at year end. The provision is expected to be realised within the following financial year when payment is made.

Current	29 448 628	26 595 325
Non-current	29 495 945	20 640 000
<b>Total provisions</b>	<b>58 944 573</b>	<b>47 235 325</b>

**7. INCOME RECEIVED IN ADVANCE FROM NON EXCHANGE TRANSACTIONS****Department of Arts and Culture**

<b>Opening balance as at 01 April 2013</b>	<b>10 961 092</b>	<b>10 000 000</b>
Received during the year	-	961 092
Utilised during the year	(1 623 539)	-
<b>Closing balance as at 31 March 2014</b>	<b>9 337 553</b>	<b>10 961 092</b>

The R10 million received relates to the installation of digital equipment for community viewing and the upgrading of facilities in under-served areas. The funds were received close to year end 31 March 2011. It was originally anticipated that the project would commence in the financial year 2011/2012. The NFVF was unable to commence with the project due to change in scope of the project. In consultation with the DAC the NFVF appointed a consultant to identify potential sites for the establishment of Film Hubs. An amount of R662 447 was used for the research of this project. R961 092 was for the hosting of the Fepaci Congress which took place in May 2013.

**8. REVENUE**

	2014 ACTUAL R	2014 APPROVED BUDGET R	2013 ACTUAL R
<b>8.1 Revenue from non-exchange Transactions</b>	105 249 839	105 223 000	86 511 831
Department of Arts and Culture - annual allocation	105 223 000	105 223 000	86 442 000
MICT-SETA: Mandatory Grant	26 839	-	69 831
<b>8.2 Revenue from exchange transactions</b>	15 183 676	-	6 253 061
Department of Arts and Culture - Fepaci Congress	1 961 092		3 038 908
Department of Arts and Culture - Digital Screens	662 447		
Department of Arts and Culture - London Showcase		-	400 000
South African Broadcasting Corporation	500 000		
Industrial Development Corporation	150 000		
M-Net	1 100 000		1 000 000
MICT - SETA	8 659 000		420 000
Platco Digital	300 000		
Nolava International Film Dist.(Pty) Ltd	8 593		
Cape Town Film Studios	2 864		
Avalon	36 469		
Wesgro	75 750		
Film and Publications Board	132 500	-	1 000 000
Rainbow Marketing - SAFTA		-	160 000
Eastern Cape Development Corporation - AFCI		-	90 852
Durban Film Office - AFCI	200 000	-	65 000
Recoupments	1 310 560	-	-
Other	80 501	-	68 301
Sales	3 900	-	10 000
<b>Total Revenue</b>	<b>120 433 515</b>	<b>105 223 000</b>	<b>92 764 892</b>

**9. GRANT EXPENSE**

	2014 ACTUAL	2014 APPROVED BUDGET	2013 ACTUAL
Training & bursaries	19 197 320	11 550 000	10 425 922
Script development	8 350 710	8 500 000	9 522 437
Production	30 323 017	29 500 000	17 562 002
Research projects	3 759 645	2 500 000	1 383 688
Audience development and global positioning	33 066 337	27 609 000	32 435 043
<b>Total Grant Expense</b>	<b>94 697 029</b>	<b>79 659 000</b>	<b>71 329 092</b>

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

**10. OPERATING EXPENSES**

	NOTE	2014 ACTUAL R	2014 APPROVED BUDGET R	2013 ACTUAL R
Included in the operating expenses are the following:				
Audit fees - Internal		652 568	741 000	810 309
- External		401 815	412 255	445 921
Consulting services		595 533	518 800	843 332
Professional services - staff recruitment		494 389	300 000	684 083
Website expenses		101 144	218 800	159 249
Councillors' services				
Honorarium - Council meetings	17.1	760 000	561 000	685 000
Depreciation on Property and Equipment and intangible assets	3 & 4	609 893	618 000	555 011
Panellist fees		762 506	441 600	657 375
Rent paid - Buildings		2 375 973	2 319 455	2 321 786
Salaries and wages	10.2	16 190 987	16 299 963	13 001 911
Salaries and wages - Executive Management	17.2	5 769 742	5 776 109	5 281 484
Salaries and wages - other staff		10 421 245	10 523 854	7 720 427
Travel and accommodation		916 124	386 500	583 702
Printing and publication		583 512	344 000	457 638
Administration		2 107 963	1 781 799	929 146
Conferences and catering		492 211	478 000	567 019
Advertising		307 422	200 000	291 766
Telephone & fax		312 654	270 000	357 258
Equipment hire		511 073	550 000	370 512
Computer expenses		383 618	100 000	146 144
Electricity & water		524 106	480 000	501 416
<b>Total Operating Expenses</b>		<b>28 487 958</b>	<b>26 502 372</b>	<b>23 525 246</b>

Salary costs are below budget as two vacancies took longer than expected to be filled.

There has been a significant increase in the number of funding applications received. As a result all associated costs (panellist fees, printing costs, courier costs, telephone costs) have all increased and are over budget.

**10.2 SALARIES AND WAGES**

	NOTE	2014 ACTUAL R	2014 APPROVED BUDGET R	2013 ACTUAL R
<b>10.2 Salaries and wages</b>		16 190 987	16 299 963	13 001 911
Gross Salary		12 554 260	13 182 773	10 368 805
Cellphone Allowance		85 500	78 000	79 000
Medical Aid		741 454	740 202	618 370
Provident Fund		1 062 496	1 077 024	923 941
UIF		55 426	50 000	46 760
Skills Development Levy		137 554	140 000	118 154
Workman's Compensation		53 883	-	27 770
Bonus		1 093 167	1 031 963	852 746
Leave Provision		407 247	-	(33 635)

**11. INVESTMENT REVENUE**

Interest income - Bank Deposits		2 906 437	960 000	2 476 638
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**12. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)**

	2014 R	2013 R
Surplus/(Deficit for the year)	152 434	387 192
<b>Adjustments for non cash movements:</b>		
Depreciation and amortisation on Property and Equipment and intangible assets	609 893	555 011
Loss on disposal of Property and Equipment	2 531	
(Decrease)/Increase in operating lease	(321 546)	(327 457)
Increase / (Decrease) in employee related provisions	355 423	8 198
Increase / (Decrease) in other provisions	11 353 825	12 220 191
<b>Items shown separately on the face of the cash flow statement</b>		
Interest income	(2 906 437)	(2 476 638)
<b>Changes in working capital:</b>		
(Increase) / Decrease in trade and other receivables	(6 843 500)	(1 591 500)
(Increase) / Decrease in prepayments	349 962	(1 033 050)
Increase / (Decrease) in trade and other creditors	216 717	1 543 947
<b>Net cash flow from operating activities</b>	<b>2 969 302</b>	<b>9 285 894</b>

**13. CASH AND CASH EQUIVALENTS**

	59 878 636	55 924 691
First National Bank	1 974 295	925 478
Corporation for Public Deposits	57 902 341	54 997 213
Petty cash	2 000	2 000

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

**14. LEASE ARRANGEMENTS**

	R	R
<b>14.1 Operating lease commitments</b>		
At the statement of financial position date the Foundation had outstanding commitments which relates to various operating leases and falls due as follows:		
<b>2014</b>	<b>UP TO 1 YEAR</b>	<b>2 - 5 YEARS</b>
Building	2 229 655	4 373 395
	<b>2 229 655</b>	<b>4 373 395</b>
<b>2013</b>	<b>UP TO 1 YEAR</b>	<b>2 - 5 YEARS</b>
Building	2 085 909	-
Equipment	112 504	-
	<b>2 198 413</b>	<b>-</b>

**14.2 Rental deposit**

The Foundation has a deposit for the leased building with ALW Estates. This will be refunded to the Foundation on termination of the lease.

**Rental:**

The building lease expired on 31 December 2013. The lease was renewed for a further 3 year term from 01 January 2014 - 31 December 2016. 87 Central Properties allows for an annual escalation of 9% per annum. The lease expense for the year ended 31 March 2014 is R2 375 973.

**Equipment:**

The NFVF does not have lease contracts for equipment and pays on a month to month basis.

	<b>2014 R</b>	<b>2013 R</b>
Short-term portion of Operating Lease - (Asset)/Liability	(153 078)	372 081
Long-term portion of Operating Lease - Liability	203 613	-
<b>14.3 Operating lease liability</b>	<b>50 535</b>	<b>372 081</b>

**15. IRREGULAR EXPENDITURE**

	<b>2014 R</b>	<b>2013 R</b>
Irregular expenditure	-	653 218
Less: Condoned	-	(653 218)
	<b>-</b>	<b>-</b>

The Foundation did not incur any irregular expenditure during the financial year under review.

## 16. RELATED PARTIES

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

<b>Amounts received from related parties</b>	<b>Nature</b>	<b>2014 R</b>	<b>2013 R</b>
Department of Arts and Culture	Executive authority	107 846 539	89 880 908
South African Broadcasting Corporation	Controlled entities	500 000	
Industrial Development Corporation	Controlled entities	150 000	
MICT - SETA	Controlled entities	8 685 839	489 831
Film and Publications Board	Controlled entities	132 500	1 000 000
<b>Amounts due by related parties</b>			
Department of Arts and Culture - Fepaci	Executive authority	1 000 000	
South African Broadcasting Corporation	Controlled entities	250 000	
Industrial Development Corporation	Controlled entities	150 000	
MICT - SETA	Controlled entities	3 500 000	420 000
Film and Publications Board	Controlled entities		1 000 000
<b>Income in advance from related parties</b>			
Department of Arts and Culture	Executive authority	9 337 553	10 961 092

The Foundation is an agency of the Department of Arts and Culture and receives its annual allocation as a Parliamentary Grant in order to fulfil its mandate per the NFVF Act. The amounts received from the Film and Publications Board, the Industrial Development Corporation, and the South African Broadcasting Corporation are in respect of partnership agreements for the promotion and development programmes in support of the film industry, i.e. for the SAFTA's and various film festivals. The partnership with the MICT-Seta is aimed at facilitating the placement of interns at production companies to give them industry experience.

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, Transco 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.

Key management personnel remuneration is reflected in Note 17.

**17. DISCLOSURE OF REMUNERATION**

	2014 R	2013 R
<b>17.1 Non-executive honorarium – council services</b>	<b>724 000</b>	<b>640 000</b>
Ms M Ramagoshi (Chairperson)	62 000	50 000
Mr G Leolo (Deputy Chairperson)	78 000	55 000
Adv A Mukoma	62 000	50 000
Ms G Mhlophe Becker	41 000	20 000
Mr M Mphomela	68 000	105 000
Mr P Raleigh	46 000	39 000
Adv R Rai Dehal	60 000	39 000
Adv R Solomons	84 000	64 000
Ms S Gordon	59 000	50 000
Mr S Molefe	85 000	63 000
Dr SP Makhesha	-	37 000
Ms T Downing	79 000	68 000

**17.2 Executive Management salaries - 2014**

	R	R	R	R	R
	BASIC SALARY	13TH CHEQUE	ALLOWANCES	EMPLOYER CONTRIBUTIONS	TOTAL
Chief Executive Officer - Z Mkosi	1 227 938	206 330	12 000	183 537	1 629 805
Chief Financial Officer	941 894	80 594	6 000	60 311	1 088 799
Head: Marketing	507 113	13 078	1 500	24 747	546 438
Head: Policy & Research	641 947	55 604	6 000	72 430	775 981
Head: Human Resources	729 334	62 284	6 000	114 649	912 267
Head: Production and Development	676 198	57 512	6 000	76 742	816 452
	<b>4 724 424</b>	<b>475 402</b>	<b>37 500</b>	<b>532 416</b>	<b>5 769 742</b>

**Executive Management salaries - 2013**

	BASIC SALARY	13TH CHEQUE	ALLOWANCES	EMPLOYER CONTRIBUTIONS	TOTAL
Chief Executive Officer - Z Mkosi	1 147 606	95 659	12 000	135 429	1 390 694
Chief Financial Officer	840 977	71 197	6 000	20 669	938 842
Head: Marketing	550 685	46 818	6 000	75 737	679 240
Head: Policy & Research	572 741	48 694	6 000	77 943	705 378
Head: Human Resources	657 058	55 977	6 000	86 375	805 409
Head: Production and Development	620 365	52 851	6 000	82 705	761 921
	<b>4 389 431</b>	<b>371 195</b>	<b>42 000</b>	<b>478 858</b>	<b>5 281 484</b>

## 18. FINANCIAL INSTRUMENTS

As at 31 March 2014, 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.

		2014 R	2013 R
<b>Financial assets</b>			
Cash and cash equivalents	Carrying value	59 878 636	55 924 691
	Fair value	59 878 636	55 924 691
Trade and other receivables	Carrying amount	1 871 626	2 221 588
	Fair value	1 871 626	2 221 588
<b>Financial liabilities</b>			
Trade and other payables	Carrying value	2 947 076	1 106 820
	Fair value	2 947 076	1 106 820
Non current provisions	Carrying value	29 495 945	20 640 000
	Fair value	29 495 945	20 640 000
Income received in advance	Carrying value	9 337 553	10 961 092
	Fair value	9 337 553	10 961 092
Operating lease liability	Carrying value	50 535	372 081
	Fair value	50 535	372 081

## 19. 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.

### 19.1 Interest rate risk

The Foundation's exposure to the risk of changes in market interest rates relates primarily to the Foundation's 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:

	2014 R	2013 R
Within 1 year	59 878 636	55 924 691
1 to 5 years	-	-
	<b>59 878 636</b>	<b>55 924 691</b>
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.		
Increase in interest rate of 1%	557 971	382 426
Decrease in interest rate of 0.5 %	(36 097)	(24 811)



## 19.2 Credit risk

### *Receivables*

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

### *Cash and cash equivalents*

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

## 19.3 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 to monitor payables. The table below summarises the maturity profile of the Foundation's financial liabilities as at 31 March 2014.

	R LESS THAN 3 MONTHS	R 3 -12 MONTHS	R 91-120 DAYS	R 1 - 5 YEARS	R TOTAL
<b>2014</b>					
Trade and other payables	2 947 076	-	-	-	2 947 076
Operating lease liability	-	-	-	50 535	50 535
<b>Financial liability</b>	<b>2 947 076</b>	<b>-</b>	<b>-</b>	<b>50 535</b>	<b>2 997 611</b>
<b>2013</b>					
Trade and other payables	1 106 820	-	-	-	1 106 820
Operating lease liability	-	-	-	372 081	372 081
<b>Financial liability</b>	<b>1 106 820</b>	<b>-</b>	<b>-</b>	<b>372 081</b>	<b>1 478 901</b>

## 20. CONTINGENT LIABILITIES

The contingent liability amounts to R19 627 147 (2013: R10 418 000).

R2 590 000 relates to local markets and festivals, R16 537 147 to current slate and project funding and R500 000 to international bursaries. The NFVF approved contracts for a multi year period but disbursements are dependant on applicant fulfilling conditions of the contract.

The contracts have deliverables/milestones which are reported on a periodic basis in order for NFVF to track the progress of the project.







**national film and video foundation**  
SOUTH AFRICA

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an agency of the  
**Department of Arts and Culture**

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