



national film and video foundation
SOUTH AFRICA

an agency of the
Department of Arts and Culture



**NATIONAL FILM AND
VIDEO FOUNDATION**

ANNUAL REPORT
2015/2016

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National Film and Video Foundation

Annual Report 2015/2016

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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:	+27 11 483 0880
FAX NUMBER:	+27 11 483 0881
EMAIL ADDRESS:	info@nfvf.co.za
WEBSITE ADDRESS:	www.nfvf.co.za
External Auditors:	Auditor General
BANKERS:	First National Bank
COMPANY/ BOARD SECRETARY	N/A

2. List Of Abbreviations/Acronyms

AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
BO	Box Office
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts and Culture
DFO	Durban Film Office
DIFF	Durban International Film Festival
DTI	Department of Trade and Industry
ECPACC	Eastern Cape Provincial Arts & Culture Council
IDC	Industrial Development Corporation
GFC	Gauteng Film Commission
GRAP	Generally Recognised Accounting Practice
KZNFC	KwaZulu-Natal Film Commission
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
SA	South Africa
SAFTAs	South African Film and Television Awards
SCM	Supply Chain Management
TR	Treasury Regulations
TVET	Technical Vocational Education Training



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National Film and Video Foundation
Annual Report 2015/2016

3. Foreword By The Chairperson

Introduction

The National Film and Video Foundation (NFVF) is pleased to present its Annual Report on the programme implemented in fulfilling its constitutional mandate and other legislative requirements. The NFVF as the custodian of the film industry in the country is documenting achievements, challenges and limitations encountered while delivering on its mandate for the financial year 2015/16.



Mmabatho Ramagoshi
Chairperson: NFVF Council

Strategy and performance of the entity

Our institutional focus on growing and developing the local film industry has yielded positive benefits for the industry and various communities, particularly youth and women from previously disadvantaged backgrounds.

Through the facilitation of the NFVF, the Minister of Arts and Culture, Mr Nathi Mthethwa held a full-day session with film industry stakeholders to tackle the challenges facing the marketing and distribution of local films. It is well documented that South African films struggle to break even or make a profit due to a number of factors that have been attributed to prohibitive business practices by exhibitors and distributors. It was agreed at this session that local films must be given a platform to attract as many audiences as possible through a localised marketing strategy that will see audiences going to the cinema in huge numbers. The NFVF is responsible for ensuring that commitment from stakeholders results in a tangible strategy that will make local films reach the widest possible audience.

Acknowledgements

I would like to acknowledge Arts and Culture Minister, Mr Nathi Mthethwa for his support of the NFVF and the film industry. Mr Vusithemba Ndimba, the director general and his team were of great support to the NFVF and our various programmes locally and internationally.

The unwavering commitment of our Council Members and staff remains pertinent in the struggle to tell the South African story and build a sustainable and competitive film industry as encapsulated in our vision of "A leader towards a sustainable and diverse audio visual industry". The NFVF is challenged regularly to be innovative in order to add value to the film industry with its various service offerings and programmes with very limited financial and human resources.

Conclusion

In the financial year 2016/17, the NFVF will continue to play a leading role in the growth of the film industry by providing strategic leadership to advance the local industry. Such leadership will require consolidation of programmes, financial resources and partnerships to ensure that the result of our collaboration is impactful for the benefit of our various stakeholders.

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

Ms Mmabatho Ramagoshi

Chairperson of Council
National Film and Video Foundation
31 July 2016



Ms Zama Mkosi
CEO National Film and Video Foundation

4. Chief Executive Officer's Overview

Introduction

The year under review, underscored by our critical achievements, demonstrates that the NFVF is moving in the right direction; growing and positioning the local film industry as per our legislative mandate and contributing to job creation and promoting social cohesion. On a global stage we have remained recognisable as a growing film industry, resulting in our filmmakers receiving international awards.

Achievements

During the financial year, 2015/16, the NFVF continued its success of growing the film industry, particularly in the development of previously disadvantaged women and youth.

We witnessed films that were produced through the Women Filmmaker Project get the nod to be screened at the prestigious Durban International Film Festival (DIFF). The concept for the NFVF Women Filmmaker Project is a much needed intervention to provide recent female entrants into the industry, particularly those from historically disadvantaged backgrounds, with an opportunity to make a film with other female professionals. In its third year, this project will continue to ensure that the women filmmakers are shepherded towards making their first feature film projects. The ten short films produced under this project had their local premier at the Durban International Film Festival in June 2015.

Crucially, history was made at the local box office when "Happiness is a Four-Letter Word", a film produced under an NFVF slate funding awarded to a Black production company, grossed R12,2 million surpassing sales expectations.

The Emerging Black Filmmakers Transformation Fund in partnership with the IDC now includes a budget allowance for marketing and distribution of projects.

NFVF funded films including the female produced Ayanda, Hear me Move directed and produced by a young black team, and Tell me Sweet Something directed by a multi-award winner, continue to win awards internationally. The NFVF participated in the Pan African Film Festival where it collaborated with the producer of the film Thina Sobabili - The Two of Us in promoting the overall South African film industry to an international audience. I am proud to say that for the first time eight films by South African filmmakers were screened at this festival with Thina Sobabili - The Two of Us winning the Audience Award.

Discontinued activities

No activities were discontinued during the period under review.

Supply chain management and governance

Effective supply chain management ensures that the NFVF fulfils its statutory obligations in terms of the NFVF Act and the PFMA, and fully meets the statutory obligations. Our organisation is governed by a Council that is appointed in terms of section 6 of the NFVF Act. The NFVF also has an Audit Committee that assists the Council in providing the necessary governance oversight of the organisation.

Acknowledgements or appreciation

I would like to thank the Minister of Arts and Culture, Minister Nathi Mthethwa for his ongoing support. His contribution and constant support of the arts is an assurance that government is behind the film industry's growth.

The NFVF Council plays a key role in ensuring that the NFVF implements its strategic mandate. Led by Ms Mmabatho Ramagoshi, the NFVF Council supported both the NFVF and the industry, and offered their commitment to serve as public servants. I would like to thank them for their dedication as together we strive towards attaining the vision of an equitable, dynamic and profitable film industry.

To my executive team and staff members, thank you for yet again contributing to the growth of the local film industry; you continue to show commitment and circumspection in the implementation of our strategy. As we enter the new financial year, let us continue with our commitment and passion for telling our country's stories and work towards a sustainable and growing film industry.



Ms Zama Mkosi

Chief Executive Officer
National Film and Video Foundation
31 July 2016

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 2016.

Yours faithfully



Ms Zama Mkosi
Chief Executive Officer
National Film and Video Foundation
31 July 2016



Ms Mmabatho Ramagoshi
Chairperson of NFVF Council
National Film and Video Foundation
31 July 2016

6. Strategic Overview

6.1 Vision

A leader towards a sustainable and diverse audio visual industry.

6.2 Mission

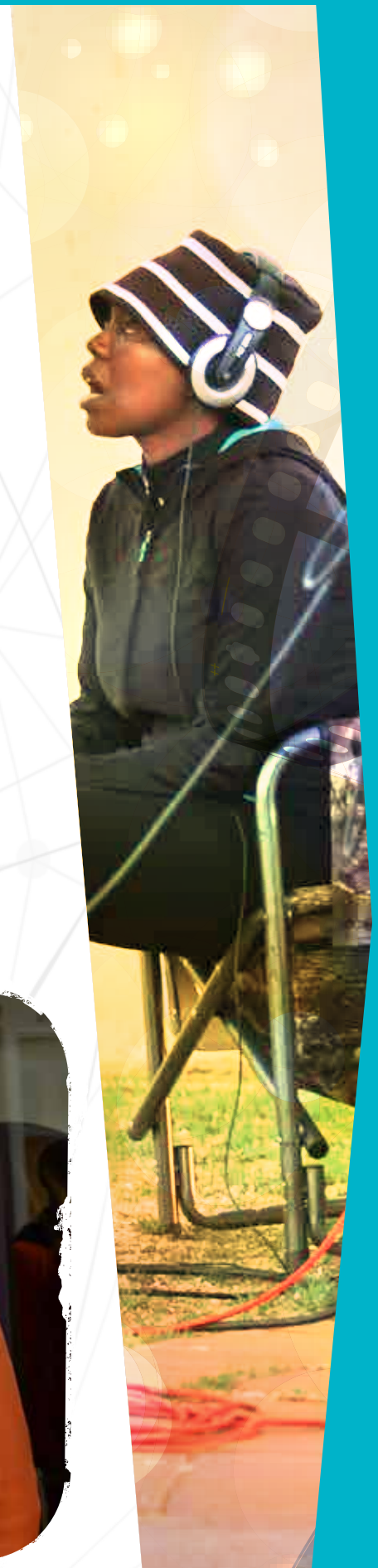
To collaborate with all stakeholders to enable the development and promotion of a transformed and thriving audio visual industry.

6.3 Values

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

6.4 Strategic outcome orientated goals

1. Increase the number of people trained in the industry, particularly in areas of scarce skills
2. Develop appropriate policy interventions for the South African film industry
3. Increase the number of South African films produced and PDIs producing them
4. Promote the South African Film Industry locally and internationally
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:

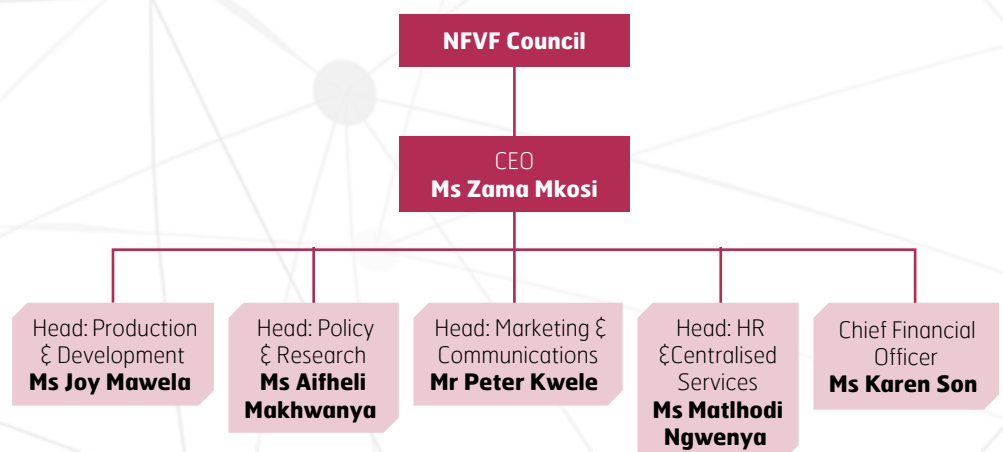
- To promote and develop the film and video industry
- To provide and encourage the provision of opportunities for persons, especially from disadvantaged communities, to get involved in the film and video industry
- To encourage the development and distribution of local film and video products
- To support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

8. Organisational Structure

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



KALUSHA

Too young to die,
too brave to live.

performance

Part B : Performance Information

information



MONTAGE ONLINE PRESENTS IN ASSOCIATION WITH CERTELLE NPC & THE NATIONAL FILM AND VIDEO FOUNDATION OF SOUTH AFRICA
A PAMBILIMEDIA/FLASHFILMS PRODUCTION OF A. MANDLAKAYISE WALTER DUBE, JR. FILM - **KALUSHA** - THABO RAMETSI, THABO MALEMA,
WELILE NDZUNZA WITH JAFIA MAMABOLO, LOUW VENTER, DR GCINA KHLOPE, SRIKA BUDHO, FUMANI SHILUBANA, INTRODUCING PEARL THUSI
COSTUME DESIGNER RUY FILIPE EDITING CRAIG HAYES PRODUCTION DESIGNER CHANTEL L. CARTER MUSIC RASHID LANIE
ASSOCIATE PRODUCER LEON OTTO DIRECTOR OF PHOTOGRAPHY TOMMY MADDOX UPSHAW SCREENPLAY MANDLA DUBE LEON OTTO
PRODUCERS WALTER STEPHEN AYRES MANDLA DUBE DIRECTOR MANDLAKAYISE WALTER DUBE, JR.

1. Statement of responsibility for performance information

Statement of Responsibility for Performance Information for the year ended 31 March 2016

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 2016.

The National Film and Video Foundation performance information for the year ended 31 March 2016 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 xx to page xx was approved by the Council.



Ms Zama Mkosi

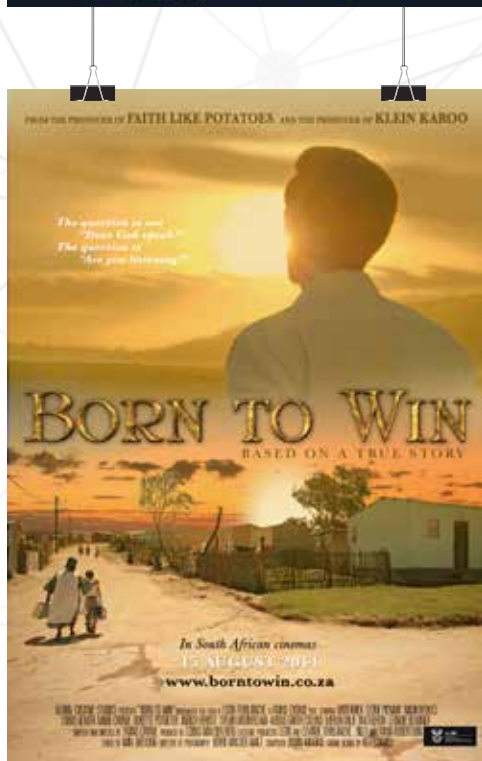
Chief Executive Officer
National Film and Video Foundation
31 July 2016



2. Auditor's Report: Predetermined objectives

The AGSA 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 XX of the Annual Report (Auditor's Report), published in Part E: Financial Information.



3. Situational Analysis

3.1. Service Delivery Environment

During the period under review the NFVF moved into the third year of the Youth Filmmaker Project and the Female Filmmaker Project, thus creating more viable products ready for broadcast.

The NFVF continued to partner with various Provincial Film Commissions in funding and participating at local markets and film festivals including the Gauteng Film Commission (GFC), KwaZulu-Natal Film Commission (KZNFC), WESGRO (Western Cape) and Eastern Cape Provincial Arts and Culture Council (ECPACC). These partnerships were realised through a range of marketing and brand activations during the various film festivals, e.g. Durban International Film Festival, Grahamstown Arts Festival, Ugu Film Festival and KwaMashu Film Festival. We also continued to partner with the Bojanala Film Week in the Northwest Province. Improved intergovernmental relations and subsequent strategic alignment in the implementation of programmes, created a collaborative service delivery environment and led to greater efficiencies for our various stakeholders.

3.2. Organisational environment

The NFVF organisational structure approved in the 2015/16 financial year has been fully implemented. The process to implement the revised organisational structure was fully aligned to the NFVF operations. The 360 performance management was fully rolled out and both employees and management have seen value in the performance system which takes into consideration the employee score and the overall organisation performance. As a result of the performance review, training needs were identified and executed. The NFVF second level management team were taken through a leadership development program. The leadership team is stable and fully integrated as a unit.

3.3. Key policy developments and legislative changes

The Department of Arts and Culture White Paper on Arts, Culture and Heritage review process which was near completion during the period under review was restarted. Changes in the administration and key personnel may have contributed to the process being restarted to allow for on-boarding and contributions. The NFVF has participated in various public consultation forums to ensure that the film industry is represented adequately in the proposed policy document. As a result of the consultation forums a document detailing the overview of the organisation since inception in 2001 was submitted. The submission to the white paper review highlighted the budget constraints, challenges, and successes attained. The report recommends that NFVF's mandate is expanded to include audio-visual content beyond the outdated film and video scope that the mandate currently covers. This process is still ongoing.

The National Film and Video Foundation Act 73 of 1997 has not yet been amended. It is encouraging that the Department of Justice and Constitutional Development (DJCD) and the South African Law Reform Commission (SALRC) are in the process of conducting a statutory law revision of legislation that is administered by the DAC. The NFVF took this opportunity to prepare a detailed submission on the NFVF Act which includes:

- The need for a name change and reason thereof;
- Highlight of provisions that are obsolete;
- Provisions whose obligations have already been met; and
- Clarity on some provisions.



Lastly, the Independent Communications Authority of South Africa finalised the review process on local content quotas for both television and radio. The overall increment on public, community and private broadcasting licensees is a welcome development after the regulations were last reviewed in 2007. It is anticipated that there will be opportunities for content producers as broadcasters are incentivised to air programming sourced from marginalised provinces and languages. The expectation is that the 50% ring-fencing of the total budget for independently produced programming is spent outside the Cape Town, Johannesburg and Durban metros thereby decentralising opportunities to other parts of South Africa.

3.4. Strategic Outcome Oriented Goals

Increase number of people trained in the industry, particularly in areas of scarce skills

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 pertinent for growth and development as an upskilled labour force 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. These gaps are dominant in screenwriting, directing and executive producing and the NFVF has devised interventions accordingly.

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 upskill 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.

Develop appropriate policy interventions for the industry

As part of the annual revision of all organisational policies, new policies are introduced while existing ones are amended to ensure that they remain up to date and relevant.

Language Policy

The NFVF Language Policy is a new policy introduced to ensure that the NFVF complies with the provisions of the Use of Official Languages Act administered by the DAC's Language Unit. Three languages have been chosen by the NFVF for the purpose namely English, Sesotho and isiZulu.

Funding Policy

The policy has been amended to reflect a detailed funding system according to the three tier system which has also been further defined, clarifying the profile of filmmaker in each category based on experience and content produced. Definitions have also been included that were not in the policy previously. A number of terms and conditions have also been added to bursary recipients to ensure that beneficiaries declare upfront any other bursaries they may have and how much these additional bursaries are worth as well as a prohibition of direct payment to individual bursary recipients.

Appeals Procedure

The policy provides for procedures for the internal appeal as well as the external appeal to the Minister of Arts and Culture of funding applications that have been rejected. The purpose of the amendment for the year under review was to give the NFVF additional time to gather information from management and panel chairpersons who preside over the various independent funding panels and make recommendations to council for funding.



Increase number of South African films produced and PDI's producing them.

The NFVF met the targets set for development and production funding in this financial year with three fiction slates that will result in an outcome of 27 scripts and nine feature films over a period of three years. The Female and Youth Filmmakers Projects are now in their third year. The documentary slate is currently in its second year with one project in production and two fully developed scripts.

Promote the South African Film Industry locally and internationally

The South African film industry has made great strides since the dawn of democracy 21 years ago. This is evidenced through the participation of South African filmmakers and films in various film platforms across the world. The last ten years has seen the country's films winning awards and receiving nominations at prestigious events like the Durban International Film Festival, International Emmy's, Berlin Film Festival and Co-Production Market, Cannes International Film Festival and Toronto International Film Festival among others.

This period has seen the implementation of the NFVF's global positioning strategy and effective promotion of South African films, the South African Film Industry, and the NFVF brand both locally and globally.

The NFVF continues to deliver on its mandate and objectives through various activations at markets and film festivals, media and public relations initiatives, funding roadshows and stakeholder engagements.

The NFVF is the custodian of the South African Film and Television Awards (SAFTAs). The SAFTAs is "more than just an award show" and is an annual event that is designed to promote quality and excellence in South African film and television products. It highlights, profiles and celebrates South African talent and products.

The previous years' themes were as follows:

- 2006** celebrated 30 years of film and television in South Africa
- 2007** celebrated excellence, vibrancy and finesse
- 2009** celebrated "the South African Story" from the beginning of time to the present day and how South African story telling through film and television has evolved.
- 2010** celebrated the jewels of the nation
- 2011** celebrated identity
- 2012** celebrated heritage
- 2013** celebrated the industry more especially those behind the camera
- 2014** celebrated 20 years of freedom and democracy
- 2015** celebrated 21 years Coming of Age
- 2016** celebrated a decade of excellence

Fulfil statutory and governance obligations of the NFVF as set out in relevant legislation

The NFVF has a fully functioning and efficient finance department that includes a supply chain management function and adheres to the PFMA. The role of the department 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 an Audit Committee that assists the Council in providing the necessary governance oversight of the organisation.

4. Performance information by programme

4.1. Programme 1: Training and skills development

PROGRAMME DESCRIPTION

Purpose of programme

Building a sustainable film industry requires rigorous interventions and programmes that will eliminate the structural impediments such as poor education and lack of the required skills. In addressing skills shortages the NFVF offer bursaries to deserving students. We have also partnered with Media, Information, Communication and Technology Seta to roll out internship for recently graduated learners wanting to acquire workplace experience.

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. To that end the NFVF continues to intervene through the in-house training programs, funding for further studies and through international mentorships aimed mostly at tier 1.

The NFVF continues to commit itself to comply with the national policy of skills development, ensuring that the film industry benefits from resources available to upskill itself and build sustainable production companies that can contribute to the eradication of unemployment in the creative industries. 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:

- Growth in number of trained professionals
- Increased number of programmes supported
- Address industry skills gaps
- Encourage skills transfer to PDIs
- Learners are recognised for their completion of NFVF training programmes







Programme Performance Report

Training and Development						
Strategic objectives	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement 2015/2016	Comment on deviations
Public Understanding of Arts and Culture	Bursary funding for different levels of training	116 bursaries awarded	60 bursaries awarded per annum	76 bursaries approved by Council, but 3 were subsequently cancelled by the applicants	13 more than target	More students were funded because some applicants requested less than the maximum allocation per applicant.
	Internship Programme	35 interns placed	Place 35 interns per annum	50 interns placed	15 more than target	15 more interns were placed due to partnership with MICT-Seta
Human Capital Development	Specialists upskilled in their area of profession through the support of programmes	4 workshops were held	Host 2 Scriptwriting Workshops p.a.	2 Sediba Spark hosted. Of these 1 was in partnership with KZN Film Commission	N/A	N/A
		1 Producing workshop conducted	Host 1 Producing workshop p.a.	1 producers programme held with KZN Film Commission	N/A	N/A
		1 Directors Manual was commissioned in partnership with Wits	Host 1 Directors workshop p.a.	1 Directing workshop held	N/A	N/A
		4 Engagement Fora conducted	Host 4 Engagement Fora p.a.	4 Engagement Fora held - TV Comedy workshop; Emfuleni Film Marathon Launch; Minister's Distribution Engagement Forum; Bojanala Directing Workshop	N/A	N/A
	Support organisations that offer training in specific gap areas	3 training companies funded	3 training companies funded annually	4 training companies funded - Limpopo film and television school; East Coast Media; Writers Guild and Documentary Filmmakers Association	1 more than target	More projects were funded because some applicants requested less than the maximum allocation per project

	Mentorship and Skills transfer programmes	2 students were funded and attended 1 National (DIFF) and 2 international platforms (Annecy and Sunnyside of the Doc)	Fund 2 students to attend 3 platforms p.a.	2 students funded to attend Annecy and HotDocs and 4 students attended Toronto International Film Festival	N/A	N/A
		5 filmmakers were funded and attended 2 international platforms	Fund 5 filmmakers to attend 2 platforms p.a.	5 filmmakers supported through "Creative Minds" to attend Cannes; 3 Filmmakers supported to attend DIFF and 3 Filmmakers supported to attend TIFF and IFP	N/A	N/A
	Sediba Scriptwriting Programme	Still pending	Accreditation of Sediba Spark and Masters Programme	Not achieved	Training material does not meet the requirements for accreditation	To develop adequate material to meet the requirements for accreditation

Significant achievements

The training and skills development programme performed well overall as the number of students awarded bursaries exceeded the planned number. 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 NFVF funded more students and more international platforms than initially targeted, these training opportunities allow students to gain exposure to the film industry.

Key Programme Outputs

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 76 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 who received funding were also at different levels of study - first year through to Masters Level.

Strategy to overcome areas of under performance

The accreditation process has proved to be a challenging process due to a lack of standardised study material. The NFVF will engage with other training providers to develop requisite training material in line with the MICT Seta accreditation requirements.

Changes to planned targets

One more training company was funded; additional resources were available as not all of the three applicants applied for the maximum budgeted amount.

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. 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 formulation
- Sectoral information management (reliable source of film industry information)
- Proposed regulations
- Administration and certification of national films (local and official co-productions)

Programme Performance Report

Policy and Research						
Strategic objectives	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement 2015/2016	Comment on deviations
Business Development	Industry research conducted and published	4 publications	4 Research publications per annum	4 publications Box Office report (January-June), 2015 Box Office Report, Impact Assessment of NFVF/ MICT SETA Internship and Skills Audit	N/A	N/A
	Policies approved	3 policies approved by Council	3 policies approved by Council.	Language Policy, Funding Policy, Appeals Procedure and Terms of Reference for Advisory Panels	N/A	N/A
	Certification of National Films	A total of 31 applications were received and certified: advance ruling – 7; final ruling –8; and 16 certificates of nationality	Certify 90% of all applications received	A total of 17 applications were received and certified: 1 advance ruling; 10 final rulings; and 5 certificates of nationality	N/A	N/A
			3 Co-production activations p.a	4 Co-production forums with Brazil, Canada & Netherlands. 1 additional activation with Brazil took place at the Rio Content Market in Brazil	1 more than target	The Rio Content Market was an important forum for TV as the signing of the treaty is imminent.

Significant achievements

The research into the state of skills in the South African film industry (skills audit) as well as the various co-production activations highlighted the value of engaging stakeholders as these platforms encourage meaningful dialogue with stakeholders to reach consensus on the best interventions that must be put in place to address gaps or challenges in the industry.

The skills audit marks an important milestone for the South African film industry. A number of interventions in the form of funding instruments, skills development initiatives and local content quotas create an enabling environment towards a more viable and established South African film industry. However, reliable data has always been lacking about the depth of skills and shortages. Extensive stakeholder engagement in the form of reiterative workshops, were held in four provinces: Eastern Cape, Gauteng, KwaZulu-Natal, and Western Cape to solicit input and confirm preliminary research findings from various stakeholders including those who were part of the research sample.

Co-productions on the other hand involve working with international country partners to create networking and business platforms for South African co-producers to collaborate and co-produce with treaty and non-treaty partners. The activations targeted well established platforms such as the Durban International Film Festival, Cannes, Rio Content Market and smaller forums such as the Netherlands/South Africa business forum hosted by the South Africa/Netherlands Chamber of Commerce. The NFVF exceeded the target of three co-production activations as an additional activation with Brazil at the Rio Content Market was conducted. There are potential television projects between South African and Brazilian content producers which necessitated NFVF to facilitate co-production session at the Rio Content Market. The NFVF has noted a decline in co-production projects and it is anticipated that the activations will bring in more players and reignite the interest in co-productions.

KEY PROGRAMME OUTPUTS

NFVF Language Policy

The policy seeks to encourage multilingualism and the use of South African language in the production of content as well as engagement with the public. Although English, isiZulu, and Sesotho are the three chosen languages for the purpose of this policy, the table below contains a guideline on how language will be used and for what purpose.

NFVF purpose	Language(s)
Inter and intra-government communication	English
Communicating with members of the public (official written correspondence)	English or isiZulu or Sesotho
Communication with members of the public (oral communication)	English or isiZulu or Sesotho
Official publications intended for public distribution (advertisements, forms and signage on buildings)	English or isiZulu or Sesotho
Public hearings, media briefings and other official proceedings	English, isiZulu, Sesotho
Communication with the hearing or sight impaired	Sign language
International communication	English



Box Office Report 2015

South Africa's box office report provides an analysis of the performance of local films in comparison to international films. The report looks into the earnings of each film (the top grossing films), market share, percentage share by distributors, top earning genre and comparison between classic 2D (standard format) and classic 3D format.

Summary of findings

- Overall, the theatrical box office grew by 36%
- A total of R 1 198 billion gross was recorded this year
- Domestic films went up 25%, recording a box office gross of R69 million
- There were 243 titles shown at box office across the country, up from 228 titles released in 2014
- 22 local films released
- The market share for SA films is 6%
- Only five local films grossed over R5 million
- The 6% market share for local films in 2015 compares with 11% in UK, 55.4% in Japan, 35.2% in France, 25% in Germany, and 18.9% in Spain
- South African box office charts were dominated by big-budget Hollywood movies, led by Star Wars: The Force Awakens, and Fast & Furious 7, both of which grossed well over R50 million. Table 1 below shows the Top 10 SA films for 2015.
- Globally, the popular top five films were, The Avengers: Age of Ultron, Jurassic World, Star Wars, Fast & Furious 7 and Minions
- Growth in films released in digital 3D screens in 2015 continues, 35 were released on 3D & IMAX format claiming 45% of the gross, while standard format (classic 2D) accounted for 55%. Another development is the imminent arrival of '4DX' cinemas
- Action movies were the highest grossing genre, taking 20% of the gross box office

Table 1: Top 10 South African Film 2015 – Title, Release Date, Box Office Gross

Top 10 South African films, 2015				
Movie Title	Release Date	Weeks on Circuit	BOG At Release	Box Office Gross
Schuks! Pay Back the Money	August	8	R 4 279 739	R 17 608 083
Ballade vir n' Enkeling	March	8	R 2 218 559	R 9 988 579
Mooirivier	February	8	R 1 301 299	R 7 242 213
Strikdas	April	6	R 1 219 665	R 5 357 865
Hollywood in my Huis	June	8	R 881 163	R 5 085 370
Dis Ek Anna	October	6	R 773 160	R 4 353 322
Treurgrond	May	5	R 749 286	R 2 861 582
Tell Me Sweet Something	September	13	R 834 589	R 2 824 433
French Toast	April	3	R 684 425	R 2 452 344
Somer Son	May	5	R 607 713	R 1 879 451

Investigation into the state of skills in the South African Film and Video Industry (Skills Audit)

The purpose of the skills audit was to investigate the state of skills in the film and video industry, identify skills gaps and propose solutions to address these identified gaps.

Summary of Key Findings

- The growth of the film industry could introduce more business opportunities to a greater number of production companies and to new entrants, thereby facilitating employment opportunities and transformation.
- There is generally a high demand for experienced, well-skilled personnel, particularly from previously disadvantaged groups. An overview of the industry shows inconsistent and non-existent career paths as practitioners move from job to job in search of a higher pay cheque and very little upskilling takes place.
- There is also a dire need for practitioners who possess good financial management and negotiation skills, as these form part of the value chain. Other skills shortages include script writers, film producers and creative practitioners.
- Skills training ranges from on-the-job training to mentorships and learnerships.
- Overall, graduates valued their education for providing them with theoretical knowledge but they were frustrated as they also felt there could be more opportunities created for them to network and gain practical experience.

Many of the concerns raised by the graduates – including the vast difference between the theories they are taught and the reality – can be addressed through workplace exposure/experience.

Some suggested solutions include:

High School Interventions	<ul style="list-style-type: none"> • Career guidance and Career Days, highlighting the full scope of careers within the film industry and supporting sectors • Workplace exposure for interested young people to understand the reality of the sector.
Training Institutions	<ul style="list-style-type: none"> • Technical support to institutions to make the curriculum more relevant to the South African industry • Infrastructural support for improving the equipment and technology for practical training
Interventions to improve the link with the support industries	Links with TVET Colleges which provide artisan training (carpentry, plumbing, electrical) as well as support-industry skills (catering, clothing design, art).
Interventions to improve demand for South African film industry products	This intervention requires a totally different strategy (a market or demand pull strategy) to the other areas of concern and needs engagement with various government departments and is likely to need extensive funding.

Overall, the introduction of a four phased work-integrated learning (WIL) programme is recommended. At the centre of this process is a database detailing opportunities within the industry and available students. The purpose of the database is to make this information readily available to students, employers and training institutions. In addition to the database a strong element that runs throughout the implementation phase is relationship building and developing partnerships to improve skills within the industry.

CERTIFICATION OF NATIONAL FILMS

Certification of Official Co-productions

South Africa has eight treaties for film co-production with Canada, Germany, France, Italy, United Kingdom, Ireland, New Zealand and Australia. A recent treaty with Netherlands is yet to be ratified. The NFVF is the competent authority in South Africa responsible for administering the certification process, while the Department of Arts and Culture is responsible for final ruling certifications based on NFVF recommendations.

For the year under review, a total of 11 projects were approved, one for advance ruling and 10 for final rulings while three applications were withdrawn before approval stage. A total of five applications were also received and issued with certificates of nationality.

Project Name	Treaty	Ruling
Shark Killers	SA/Canada	Final
Book of Negroes	SA/Canada	Final
Against the Wild 2: Surviving Serengeti	SA/Canada	Final
Truth and Consequences	SA/Germany	Final
Super Dad	SA/Germany	Final
Rosa	SA/Germany	Final
Johanna and the Bush Pilot	SA/Germany	Final
Unfriend	SA/Germany	Final
Lady Grey	SA/France	Final
Tiger House	SA/United Kingdom	Final
Meet the Penguins	SA/United Kingdom	Final

Applications received and issued with certificate of nationality:

Project Name	Production Company	Producer(s)	Director(s)
After Marikana	Uhuru Productions	Rehad Desai	Rehad Desai
Blood Lions	Regulus Vision	Jeremy Nathan, Phillipa Hankinson	Bruce Young, Nic Chevalier
Endless River	Moonlighting STU Productions	Genevieve Hofmeyr, Marvin Saven, Didier Costet	Oliver Hermanus
Jabu's Jungle Series 1	Jungle Animations	Nicholas Buchanan	Roger Hawkins
Sink	Rachel Weeping	Johan Kruger, Anel Alexander, Brett Innes	Brett Innes

Strategy to overcome areas of under performance

There are no specific areas of underperformance for this period under review. The organisation however undertakes to increase stakeholder engagement before, during and after research and policy development processes to ensure consistent communication.

Changes to planned targets

One additional co-production activation was conducted at the Rio Content Market in Brazil in order to create opportunities to co-produce television content at the market once the treaty is signed.

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 NFFV 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 side-lined. The NFFV therefore is able to focus on creating a more equitable industry.

Strategic objectives related to production and development of content:

- Increase in volume of South African films produced
- Empower individuals from Previously Disadvantaged (PD) communities
- Support innovative distribution



Programme Performance Report

Production and Development of Content						
Strategic objectives	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement 2015/2016	Comment on deviations
Business Development	An increase in the volume of South African films produced	39 projects were funded in development	30 projects funded in development p.a.	44 projects funded in development	14 more than target	More projects were funded because some applicants requested less than the maximum allocation per project.
		27 projects were funded in production	25 projects funded in production p.a.	28 projects funded in production	3 more than target	More projects were funded because some applicants requested less than the maximum allocation per project.
		6 documentary projects funded for archive material	4 documentary projects funded for archive material p.a.	3 Documentary projects funded in archive material	1 less than target	Did not meet target due to poor quality of submissions.
	An increase in the number of PDIs successfully applying for NFVF funding	10 Female filmmaker films were funded	10 Female filmmaker films funded annually	10 Female Filmmaker films funded	N/A	N/A
		10 First time Youth filmmaker Films funded	10 First time / Youth filmmakers funded annually	14 Youth Filmmakers and 1 first time filmmakers	4 more than target	Some films have more than 1 youth filmmaker attached, therefore 4 more youth filmmakers were funded than targeted
		4 TV formats were funded	5 TV formats funded in development pa	5 TV formats funded	N/A	N/A
		3 slates funded in development	1 fiction slate funded p.a	3 fiction slates funded	2 more than target	3 slates funded instead of 1 due to high standard of the proposals.
		3 slates funded in production	1 animation slate funded p.a	0	1 less than target	Target not met due to non-transformation and poor quality concepts
		1 documentary slate	1 documentary slate funded p.a	2 scripts in development, 1 script in production	N/A	N/A
	Assist local films in distribution	0	1 Distribution Slate funded p.a	0	1 less than target	Did not meet target due to non-existent distribution strategy

SIGNIFICANT ACHIEVEMENTS

Fiction

Three fiction slates were awarded to Branded Soul, Burnt Onion and Coal Stove instead of one slate as a result of the high standard of submissions and the potential displayed by the three companies. The NFVF's mandate of increasing the number of films produced and released by PDI over the next four years will be achieved through this venture. Each company will produce nine scripts which will result in an outcome of 27 scripts and nine features.

Some of the successes that came out of the previously funded slates:

- **Happiness is a Four Letter Word**, a South African romantic drama was an incredible hit at the South African box office this year. In the first three days of opening it reached an audience of 45,000 and made R2,371,782 in box office sales. The film grossed over R12 million at the box office and there is potential for more revenue from other distribution platforms that will follow such as paid television, DVD release and international sales.
- **Ayanda**, in which award winning actress Terry Pheto debuted as a producer under her company Leading Lady. **Ayanda** is one of the South African films that made a mark in international film festivals in the US and Europe and continues to do so. The film was picked up by one of the major international distributors during its premiere at the Los Angeles Film Festival. **Ayanda** was also streamed on Netflix overseas and DSTV box office in South Africa. **Ayanda** was officially selected as the opening film at the Durban International Film Festival in 2015.
- **Mrs Right Guy** is a South African romantic feature, starring Dineo Moeketsi as lead actress. The movie is expected to premiere on the 27th May 2016 in cinemas country wide.

Other projects funded by the NFVF:

- **Tell Me Sweet Something** was released on 4 September 2015 and delivered a solid box office performance within three weeks of its release. The film has grossed nearly R2 million in South Africa.
- The NFVF Youth Filmmaker Project won a Special Merit Award at DIFF
- **Necktie Youth** won best SA feature film and Best Director at DIFF. The production also won Best Film at World Cinema Amsterdam, and was nominated for best narrative feature at the Tribeca Film Festival in New York.
- **Lungelwa** from the Female Filmmaker project was nominated for Best Short at the SAFTAs .

Documentary

- **Days of Cannibalism** by Teboho Edkins was awarded additional development funding by the prestigious Hot Docs-Blue Ice Group. The filmmaker will also be taking part in a creative filmmaker's lab at the festival and will be on a year-round peer-to-peer mentorship programme. This documentary was one of eight films selected from a pool of 94 applications from 25 African countries.
- **Action Kommandant** by Nadine Cloete is getting good reviews in local publications. The project is an official selection for the Seattle International Film Festival.
- **The Wizard of Zim** by Samora Sekhukhune has also received additional financial support from the Hot Docs – Blue Ice Fund.
- **Alison** by Uga Carlini has secured a distribution deal with Black Sheep Films; the documentary feature will have its theatrical release in August to coincide with Women's Month. The project is an official selection for the Encounters Film Festival and has also been shortlisted for Dances with Films and the Human Rights Film Festival of Barcelona.
- **The Dream of Shahrazad** won the best Documentary Feature award at the SAFTAs this year.
- **Miners Shot Down** funded by the NFVF won an Emmy for Best Documentary.

KEY PROGRAMME OUTPUTS

In the year under review the NFVF funded the following projects:

Cycle 1

Animation Development

Project Name	Applicants Name	Production Company	Amount Allocated
Check Please	Johnny Mabeba	Picture Tree	R100 000.00
Goodson's Angel	Wayne Thorney	The Crucial Project	R250 000.00
Sam The Hedgehog	Michael Paul Clark	Maan Creative	R100 000.00

Documentaries Development

Project Name	Applicants Name	Production Company	Amount Allocated
Days of Cannibalism	Teboho Edkins	Day Zero Films	R100 000.00
Discarded	Sheona Mitchley	N/A	R100 000.00
Exodus 1976	Ethel Williams-Abrahmse	Ergoflex t/a The Ergo Company	R150 000.00
Forever Amber	Praga Parsotam	NB Media Productions (Pty) Ltd	R150 000.00
Lothando: The Journey of love	Teboho Pietersen	Hybrid Docs (Pty) Ltd	R110 000.00
Mo'Molemi: Farmer & Rap God	Tshenolo Mabale	Something Media	R75 800.00
Red Gold Green	Doreen Morris	Blue Zone Media	R150 000.00
Super Charged Seniors	Joanna Higgs	Go Trolley Films	R119 465.00
The Rainbow: Jazz for the struggle and the struggle for Jazz	Antoinette Engel	N/A	R150 000.00
The Revolution is Televised	Tina-Louise Smith	Accidental Films and TV	R120 000.00
Toyi Toyi Hip Hop	Rina Jooste	Early Bird Productions	R120 000.00
Unmute	Mariza Mashaya	Rzalutionary Film Works	R136 458.00
Volume	Nyiko Chauke	Vanity Rights Investors	R83 183.00
Workers Control	Andrea Mindel	N/A	R120 000.00

Feature length –Development

Project Name	Applicants Name	Production Company	Amount Allocated
The Love Doctor	Shaolin Li	N/A	R200 000
Africa America	Betty Mthembu	N/A	R139 800.00
Induku	Mfundo Mkhize	Simanga Films (Pty) Ltd	R225 000.00
Lerato la Love	Mmabatho Kau	Raindrop Media	R225 000.00
Picture Perfect Heist	Blent Palmer	Transition Films (Pty) Ltd TA Benchfilms	R140 000.00
Run	Lucilla Blankenberg	Community Media TMST	R199 490.00
Tenderized	Emma Lungiswa De Wet	N/A	R159 000.00
The Last Sunset	Simphiwe Sibeko	N/A	R225 000.00
Weeshuis Musikal	Danie Bester	The Karnataka Mercaneries etc. t/a The Film Factory	R160 000.00
Wild is the wind	Fabian Medea	Coal Stove Pictures (Pty) Ltd	R200 250.00

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Lothando: The Journey of love	Teboho Pietersen	Hybrid Docs (Pty) Ltd	R110 000.00
Mo'Molemi: Farmer & Rap God	Tshenolo Mabale	Something Media	R75 800.00
Red Gold Green	Doreen Morris	Blue Zone Media	R150 000.00
Super Charged Seniors	Joanna Higgs	Go Trolley Films	R119 465.00
The Rainbow: Jazz for the struggle and the struggle for Jazz	Antoinette Engel	N/A	R150 000.00
The Revolution is Televised	Tina-Louise Smith	Accidental Films and TV	R120 000.00
Toy! Toy! Hip Hop	Rina Jooste	Early Bird Productions	R120 000.00
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The Last Sunset	Simphiwe Sibeko	N/A	R225 000.00
Weeshuis Musikal	Danie Bester	The Karnataka Mercaneries etc. t/a The Film Factory	R160 000.00
Wild is the wind	Fabian Medea	Coal Stove Pictures (Pty) Ltd	R200 250.00

Short film - Development

Project Name	Applicants Name	Production Company	Amount Allocated
4 Minutes	Paulene Abrey	Deepend Post Production (Pty) Ltd	R100 000.00
AI-Chemist	Damian Samuels	Fade 2 Black Productions	R100 000.00
Crab	Fazila Wahab	N/A	R100 000.00
Kapok	Marc Nathan Bloch	Black Ginger 253 (Pty) Ltd	R100 000.00
Uthando	Lucky Nhlahla Cele	Mzansi Arts Development Ensemble	R100 000.00

Production Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Adolf 'Sailor' Malan - War hero and champion of freedom	Desmond Naidoo	Slic Eye Productions cc	R350 000.00
Alison	Uga Carlini	Towerkop Creations	R350 000.00
Atlantic Birdman-Island Diaries	Joelle Chesselet	Valley studios	R400 000.00
Mama Marikana	Aliki Saragas	Elafos Productions	R350 000.00
Shooting Sardines in a Barrel	Lieza Louw	White Goat Cine Art	R293 452.00

Production Features

Project Name	Applicants Name	Production Company	Amount Allocated
Zulu Wedding	Lineo Sekeleane	Luju Pictures & Productions	R1 182 000.00
Ally	Jacques Brand	Grey Cloud Productions (Pty) Ltd	R1 182 000.00
Beyond The River	Charles Japhet	The Mass Media Project	R1 182 000.00
Dias Santana	Lee-Ann Cotton	ZenHQ Films	R1 182 000.00
Down & Dirty	Angelita Mills	Out of Motion Films	R1 182 000.00
Pop, lock 'n Roll	Jonathan Hofmeyer	Joziewood films cc	R1 182 000.00
Salvation	Carmen Sangion	SangSang Entertainment	R1 182 000.00
Tears of our Father	Delon Bakker	Mannequin Pictures	R1 182 000.00
The Fix	Saskia Schiel	Film Fix (Pty) Ltd	R1 182 000.00
The Number	Carolyn Carew	Born Free Media Features (Pty) Ltd	R1 182 000.00
The Ritual -Supernatural Thriller	Dumi Gumbi	The Ergo Company	R1 182 000.00

Production Short Films

Project Name	Applicants Name	Production Company	Amount Allocated
The Cleaning	Nicholas Hales	Rzalutionary Filmworks	R200 000.00
The Hangman	Tebogo Keebine	Tribal Media House	R200 000.00
The Suit	Jarryd Coetsee	Dinoscan (Pty) Ltd Trading as Mandala Films	R200 000.00

CYCLE 2

TV Format

Project Name	Applicants Name	Production Company	Amount Allocated
Sqeers	Roberto Millan	Pop the culture and Zeropoints studios	R200 000.00

Documentaries Development

Project Name	Applicants Name	Production Company	Amount Allocated
The Bantjes Millions Facts, Fictions and Fortune-Hunters	Maxine Case	N/A	R110 108.00
The Hair that grew up	Milisuthando Bongela	Happy Brown Babies	R120 000.00
Two Dads, One Alive, One Dead	Enver Samuel	EMS Productions CC	R110 108.00

Feature length -Development

Project Name	Applicants Name	Production Company	Amount Allocated
Night Whisper	Tshepo Mashatola	N/A	R200 000.00
Makhekhe (Caught between Badges)	Uzanenkosi Mahlangu	Ants Multimedia	R200 000.00

Short film - Development

Project Name	Applicants Name	Production Company	Amount Allocated
Two Hues	Weaam Williams	Tribal Alchemy	R100 000.00

Production Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Forgotten Gogo's	Catharina Weinek	Homemade Films cc	R200 000.00
The Sound of Masks	Sara Gouveia & Kofi Zwana	Lionfish Productions	R200 000.00
Wizard of Zim	Samora Sekhukhune	Away from Keyboard	R200 000.00



CYCLE 3

TV Format

Project Name	Applicants Name	Production Company	Amount Allocated
Kitchen Duel	Lichaba Nthethe	Leaps Media	R200 000.00
Signing Hands	Jayne Batzofin	N/A	R162 300.00
Spring Chicken	Wendy Spinks	Zeropoint Studios	R200 000.00
The Last Library	Nick Cloete	Mind's Eye Creative	R200 000.00

Feature length – Development

Project Name	Applicants Name	Production Company	Amount Allocated
A Simple Matter of Conviction	Tamara Leschiz-Samevsky	N/A	R200 000.00
Of Virtue	Imran Humdulay	Civilians	R195 450.00
Push	Carmen Sangion	SangSang Entertainment	R200 000.00
Staffriders	Ntshavheni Wa-Luruli	White Goat Cine Art	R200 000.00
The Poem	Hanneke Schutte	N/A	R200 000.00

Short film – Development

Project Name	Applicants Name	Production Company	Amount Allocated
A Fowl Escape	Lerato Given Moloi	Lekholokwe Media Services	R100 000.00

Production Archive

Project Name	Applicants Name	Production Company	Amount Allocated
Lobola Through The Eyes of a Feminist	Thando Wayi	Wai Media	R30 000.00

Production Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
But I Hate Pink	Sumayya Johaar	DNA Studios	R200 000.00
The Springbok Nude Girls	Michelle Pretorius	The Fabulous Boom Town Boys	R200 000.00



Cycle 4

Production Archive

Project Name	Applicants Name	Production Company	Amount Allocated
Return To Zimbabwe	Xoliswa Sithole	Nayanaya Pictures	R 50 000.00
Shooting Sardines In A Barrel	Elizabeth Louw	White Goat Cine Art	R250 000.00

Production Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Barefoot Hero	Kevin Harris	Rainbow Independent Film and TV Productions	R350 000.00
Voetsak Us Brothers	Andrea Spitz	Left Eye Productions	R350 000.00
Womb-Man	Koketso Ndlongolo	Bolobathaba Multimedia	R350 000.00
Zulu Journey	Julie Machin	iSangoma Pictures	R350 000.00

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
Grants allocated in 2015	R18 089 369
Grants allocated in 2016	R25 525 452
Total Recoupable Grants	R139 240 410

Strategy to overcome areas of under performance

The 2015/16 Annual Performance Plan committed the NFVF to award three slates under the Business Development section of the mandate of the Production and Development department. Out of the three slates identified, two slates namely animation and distribution were withdrawn due to the following reasons:

Animation Slate

Interactions with Animation South Africa (the recognised industry body for the sector) as well as research on the animation industry conducted by the Department of Arts and Culture, reveal a number of issues that the NFVF has resolved to address before it can proceed with the awarding of an animation slate. Some of these include:

- Ownership of animation studios remains untransformed.
- Transformation has only been effected in the technical aspects of animation, in the development and training of Black animators.
- Animators graduating from animation schools, many with the assistance of NFVF bursaries are focused on the technical aspects and not on the business aspects of the sector leading to a gap in animation producers and the promotion of animation companies owned by black people.
- There needs to be a concerted drive to attract potential black producers from fields such as the live action sector, commercials and gaming sector or Project Management graduates.

Distribution slate

Similar interactions were conducted with distributors and sales agents to gain insight into the interventions that the distribution slate would be able to address. NFVF interventions identified the absence of a sales agent who has the capacity to represent, package and sell local content as a major bottleneck to the distribution and sale of local content, both locally and internationally.

Following these engagements, it was discovered that the only existing entities are either established corporate companies such as Times Media or Ster Kinekor and that a call for a distribution slate would not attract any Tier 2 companies that would be able to fulfil the requirements of the sector.

Changes to planned targets

There were no changes to planned targets.

4.4. Programme 4: Marketing and Distribution

PROGRAMME DESCRIPTION

Purpose of programme

The role of Marketing and Communications within the NFVF has grown in importance and focuses on the broad Marketing and Communications strategy of the NFVF. In our drive to create film awareness and the appreciation of South African produced films, the country witnessed, for the first time, a film produced by Black producers, Bongiwe Selane and Junaid Ahmed, and directed by a Black Director Thabang Moleya make history at the box office. Happiness is a Four-Letter Word surpassed expectations and crossed more than R12.2 million at the box office. Another film which also received marketing support and performed well locally and internationally was Tell Me Sweet Something, directed by Akin Omotoso. These films are just two of the many films produced by black filmmakers and funded through NFVF Marketing and Distribution that continue to mesmerise our audiences and the country at large, proving that we are indeed on the right track in positioning local films.

The NFVF provides support that enables the promotion of the South African film industry by providing grants in the following categories:

1. Marketing and Distribution Grant

- Funding for printing of marketing material and advertising for independent distribution of South African Film through cinema or direct to DVD.

2. National Film Festival Grant

- Provides financial support to individuals or organisations to host local film festivals which contribute towards the growing of audiences and creating markets for SA Film. NFVF continues to provide this critical financial support to local long standing festivals.

3. NFVF Activations at Local and International Markets and Festivals (which aim to increase audience access to SA film)

- Creating awareness of NFVF programmes and South Africa film opportunities.
- Promote the South African film industry locally and internationally.

4. Markets and Film Festivals attendance

- Provide financial travelling support to South African filmmakers to attend global festivals and markets.

Furthermore, South Africa is also a leading and preferred film location by foreign studios and production companies. 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.

Strategic objectives related to marketing and distribution:

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

Programme Performance Report

Marketing and Distribution						
Strategic objectives	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement 2015/2016	Comment on deviations
Promotional Events	Local and international Activations	11 International Film Festival attended	Attend 6 International Festivals p.a. Attend 3 New Markets for SA content p.a.	Attended 7 International Festivals p.a. Attended 3 New Markets to promote SA content	Attended 1 more than target N/A	Attended the Pan African Film Festival (PAFF) N/A
	Local and international Activations	6 festivals supported and attended	5 grants awarded p.a. to National Festivals	10 Grants Awarded to national Festivals	Funded 5 more than target	Funded more festivals in previously underserved regions: eg, Kunjanimation, Yanaya Gender Film Dialogue, Ugu Film Festival, and Sol Plaatjie Film Festival
	Local and international Activations	5 activations attended	Implement 2 Industry development programmes p.a.	Implemented 2 Industry development programmes p.a.	N/A	N/A
	Local and international Activations	3 Co-Production activations hosted	Participate at 1 SA Co-production and Cultural Seasons	Participated at 3 Co-Production activations	Participated at 2 more than target	Participated at DIFF with Canada and Brazil
	Local and international Activations	SAFTAs Ceremony hosted and broadcast	Film Industry Awards	SAFTAs event hosted and broadcast on SABC and Mzansi Magic	N/A	N/A
	Local & international Activations	49 filmmakers supported	Fund 48 filmmakers to attend film festival	Funded 70 filmmakers to attend markets and film festivals	Funded 22 more than target	Not all applicants applied for or were granted the R25,000.00 funding cap

	Local & international Activations	1 DAC Activation supported in Glasgow	1 DAC Activation pa	1 DAC activation during Africa Month	N/A	N/A
	Local & international Activations	CI manual approved	Implement Integrated Marketing Campaign	Launched the brand campaign (From Our Streets to the World) at Cannes International Film Festival and extended brand campaign at DIFF	N/A	N/A
	Audience Development for SA films	4 roadshows hosted	Implement 2 Audience development Programmes per annum.	Implemented 3 Audience development Programmes per annum.	Implemented 1 more than target	Participated at Bojanala Film Week
	Communication	4 Media Briefings and 4 Stakeholder engagements held Publicity delivered on all NFVF projects Local Media coverage delivered Social Media Interactions increased with key focus on Facebook & Twitter Newsletters were issued bi-monthly	Quarterly Communication of NFVF programmes to external stakeholders	Implemented Quarterly Communication of NFVF programmes to external stakeholders	N/A	N/A
			Quarterly Stakeholder Engagements	Implemented Quarterly Stakeholder Engagements	N/A	N/A
Business Development	Assist local films in distribution	7 Marketing and distribution projects funded	5 Direct to DVD/VOD/TV Movies funded p.a 5 Other Distribution Models funded p.a	13 Marketing and Distribution projects funded	Funded 3 more than target	Not all applicants applied for or were granted the maximum funding cap
	Assist local films in distribution		1 Digital Platform for SA Content	A Service Provider (Globecast) has been appointed	N/A	N/A

SIGNIFICANT ACHIEVEMENTS AND KEY PROGRAMME OUTPUTS

Local positioning

Provincial Roadshows

In response to the NFVF mandate and objectives of increasing audience access to South African films, the NFVF ran a series of roadshows and activations in Durban through the Durban International Film Festival, Grahamstown through the Grahamstown Arts Festival in the Eastern Cape, Rustenburg through the Bojanala Film Week, and KwaZulu-Natal through the Ugu Film Festival and KwaZulu-Natal African Film Festival.

The roadshows, predominantly targeting youth involved or interested in the industry, encompassed workshops on directing, scriptwriting, producing, and sessions on How To Enter the industry. A new addition to the workshops was a session on Performance.

During each activation, industry professionals gave of their time, imparting knowledge based on their specific fields. The workshops were bolstered by free screenings of South African films.

Stakeholder Relations

Relationships with stakeholders were strengthened through inter-governmental, provincial as well as filmmakers engagements. In addition, to maintain 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 communiqué is enhanced through interviews arranged with NFVF spokespersons to ensure that there is clarity on what is communicated. This year social media was utilised strongly to ensure that the general public who do not watch local films and film stakeholders engage on one platform.

South African Film and Television Awards (SAFTAs)

As part of the NFVF honouring, celebrating and rewarding talent, as well as a drive to create a full circle of interaction within the film and television industry, the NFVF administers the South African Film and Television Awards (SAFTAs) with the mandate to host the awards until such time as the South African Film and Television Academy is established. Held annually and now in its tenth year of celebrating local talent, the SAFTAs celebrated the decade of excellence under the theme "Imagine" and attracted local talent and key stakeholders. The SAFTAs were broadcast live on SABC 2, the red carpet event was broadcast on eEntertainment, with a highlights package on Mzansi Magic.

The SAFTAs exceeded previous years in terms of positive media coverage on all platforms ranging from broadcast, online and print. This achievement bodes well for brand SAFTAs/ 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 are selected specifically for a South African audience. The NFVF has supported the festival for many years as it offers the foundation visibility and much needed leverage to our efforts in supporting documentary development and production through the grant system. Encounters also allows the NFVF to learn how the audience responds to documentary films.

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 short and full length South African films. 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 a new documentary grant.

Durban International Film Festival

Durban International Film Festival (DIFF) is the biggest international film festival on the continent and South Africa's oldest and most successful film festival. It caters for all genres and hosts a number of invaluable fora, workshops, networking sessions and pitching arenas. The festival boosts participation in 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, and Talent Campus for the Youth. Last year the NFVF in partnership with the British Council extended the festival's audience by providing beach screenings which proved to be a success.

The festival also gave the NFVF the opportunity to showcase the work that is being done with its research programmes, SEDIBA training, co-production initiatives, and marketing programmes. The NFVF also held an engagement forum for the industry to discuss the NFVF's achievements of the past financial year (2014/15).

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.

KwaZulu-Natal African Film Festival

The KwaZulu-Natal African Film Festival is the only festival in the country that targets 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 content resources for workshops. The NFVF with its thrust of taking film to all citizens supports this festival in an attempt to reach audiences in rural areas that due to the lack of screens are compromised in their ability to access South African and African films.

During the festival, the NFVF conducted workshops on Producing, Directing and Scriptwriting in line with creating awareness and encouraging more youth to consider film as a career.

Global positioning

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

Cannes

The Cannes International Film Festival is the premiere Film Festival and Market place for film globally, held annually in Cannes, France. The 2015 edition marked 15 years of South Africa's official participation at the festival. 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 at the festival who are looking for various levels of support toward the completion of their film. Interesting to note is that in all the screenings and line-up there was a high attendance by Chinese delegates, which reflects an interest from China in South Africa Content and South Africa as a filmmaking destination.
- The NFVF screened a number of South African films, under the theme "From our streets to the World."
- The films screened were:
 - » Ayanda
 - » Stone Cold Jane Austen
- The NFVF had among its main activities in the Cannes International Film Festival two co-production forums with:
 - » Netherlands – hosted at SA Pavilion
 - » Germany – hosted at SA Pavilion
- As a national pavilion, the South African Pavilion is used as a base for business meetings for all South Africans attending Cannes.

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:

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

The NFVF presence at Annecy has definitely boosted the partnership between France and South Africa in animation with ties being solidified between MIFA and Kunjanimation as well as Gobelins Animation School and Animation School of South Africa amongst others.

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 NFVF led a delegation of documentary filmmakers under the Documentary Filmmakers Association of South Africa.

No Borders/IFP film week

The No Borders market place 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 low-budget independent participants, giving them pitching opportunities, workshop attendance and networking opportunities with other independent filmmakers.

Pan African Film Festival (PAFF) – 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-day run of the festival. The festival aims to highlight the artistic achievements of the filmmakers, and an Arts Fair attached to the festival showcases the creative industries within the African American community.

The festival screened a total of **seven films** made by South African filmmakers, namely:

- Ayanda
- Tell Me Sweet Something
- Miners Shot Down
- Necktie Youth
- Free State
- iNumber Number
- Kalushi

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. To qualify for funding support, 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 75 filmmakers to attend the following Festivals / Markets:

Tribeca Film Festival, Hot Docs, Cannes Film Festival, New York Film Festival, Sheffield Doc Festival, BANFF World Media Festival, LA Film Festival, Zanzibar International Film Festival, Durban Film Mart, Durban International Film Festival, International Emmys, Frameline 39 International Film Festival, Annecy International Film Festival, Giffoni International Film Festival, Toronto International Film Festival, IFP No Borders, Berlin International Film Festival, Toronto Black Film Festival, and the BAFTAS.

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

Changes have been explained in all areas where targets were exceeded.

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 the 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 and management

Programme Performance Report

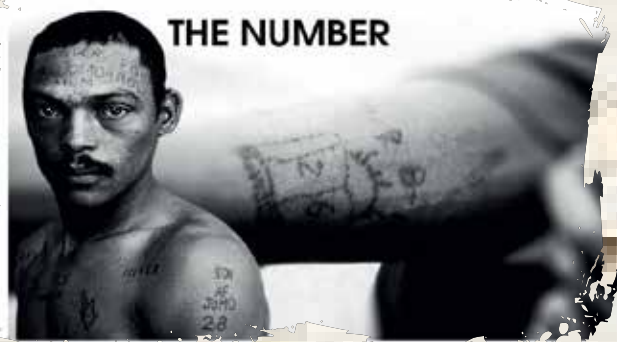
Administration and Human Resources						
Strategic objectives	Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement 2015/2016	Comment on deviations
Entity Management	Effective reporting	Reports submitted to DAC, National Treasury and Council quarterly	Reporting quarterly, bi-annually and annually	Quarterly Reports submitted to DAC, National Treasury and Council	N/A	N/A
Finance Administration	Effective governance	Unqualified audit report	Unqualified audit report	Unqualified audit report	N/A	N/A
Internal Audit	Maintenance of risk register	Risk assessment workshop was conducted with Audit Committee members in attendance and the risk register approved by Council	Conduct an annual risk assessment workshop	Risk assessment workshop was conducted in Feb 2016 with Audit Committee members in attendance and the risk register approved by Council	N/A	N/A
	Internal audit function	5 internal audits were completed for the year under review	4 internal audits annually	5 Audits completed: AoPO; Project Funding Audit; HR and Payroll Audit; SCM Audit and IT General Controls Review	N/A	N/A
Corporate Services	Performance Management	PMS fully implemented	Implement PMS	N/A	N/A	N/A
	Human Resources Development	13 staff trained	5 staff are trained	14 staff trained	9 more than target	N/A
	Mentorship Programme	Programme fully implemented	Implementation of mentorship programme	N/A	N/A	N/A
	Employee Wellness	Sessions held with all staff	Implementation of wellness program	N/A	N/A	N/A
	Labour and Compliance	Annual HR policies reviewed	Compliance with legislation	N/A	N/A	N/A
	Payroll	Annual increases approved by Council and implemented	Implement approved structure	N/A	N/A	N/A

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to planned targets.



PRODUCER OF FAITH LIKE POTATOES AND THE PRODUCER OF KLEIN KAROO

*The question is not
"Does God speak?"
The question is
"Are you listening?"*

BORN TO WIN

BASED ON A TRUE STORY

governance

Part C : Governance

In South African cinemas
15 AUGUST 2014

www.borntowin.co.za

GLOBAL CREATIVE STUDIOS PRESENTS "BORN TO WIN" BASED ON THE TRUE STORY OF LEON TERBLANCHE. A FRANS CRONJE FILM. STARRING GREG KRIEK, LEONIE PIENAR, NATIA DEUKES, COBUS VENTER, MARIE CRONJE, DORETTE POTGIETER, ANRICH HERST, SYLVIA MOUNIELWA-KOBUS, GARTH COLLINS, MERLIN BAILEY, TYN THRON, LEANNE DU RAUOT.
WRITTEN AND DIRECTED BY FRANS CRONJE. PRODUCED BY COBUS VAN DEN BERG. EXECUTIVE PRODUCERS LEON AND ELAINE TERBLANCHE, ZILLY AND TANIA ROBERTSON.
EDITED BY IVAN GREYLING. DIRECTOR OF PHOTOGRAPHY JORRIE VAN DER WALT. COMPOSER JULIAN WIGGINS. SOUND DESIGNER BY KEITH DAVIES.



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 service delivery 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 best-practice.

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 2015/16 – 29th January 2015
- 1st Quarterly Report – 28th July 2015
- 2nd Quarterly Report – 31st October 2015
- 3rd Quarterly Report – 29th January 2016
- 4th Quarterly Report – 29th April 2016

3. The Accounting Authority

Introduction

In terms of section 6 of the NFVF 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 NFVF 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 NFVF Act and to give strategic direction to the NFVF.

The role of the Council is to:

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

In accordance with section 8(1) of the NFVF Act, Council meetings were held on 28th May 2015, 7th July 2015, 31st August 2015, 10th September 2015, 28th September 2015, 3rd December 2015 and 31st March 2016. The NFVF Council also held two strategy workshops on 3rd August 2015 and 19 November 2015.

Name	Designation	Date appointed	Date resigned	Other Committees (e.g. Audit Committee)	No. of Meetings attended
Ms M Ramagoshi	Chairperson	01 May 2014		Executive Committee	7
Mr G Leolo	Deputy Chairperson	01 May 2014		Executive Committee	16
Adv R Dehal	Council Member	01 May 2014			7
Ms D Markgraaf	Council Member	01 May 2014		Executive Committee / Panel Chair	13
Ms P Mashiane	Council Member	01 May 2014		Executive Committee / Panel Chair	18
Mr TL Masudubele	Council Member	01 May 2014		Executive Committee / Panel Chair	22
Mr B Meyer	Council Member	01 May 2014		Audit Committee / HR Committee	15
Mr L Mkhabela	Council Member	01 May 2014			9
Mr P Molefe	Council Member	01 May 2014		Executive Committee / Panel Chair / HR Committee	21
Mr A Moosa	Council Member	01 May 2014			9
Ms LJ Ramathesele	Council Member	01 May 2014		HR Committee	7
Mr S Swana	Council Member	01 May 2014		Executive Committee / Audit Committee / HR Committee	16
Mr M Vundla	Council Member	01 May 2014			3

Remuneration of board members

Name	Remuneration	Other allowance	Other	Total
Ms M Ramagoshi	42 480			42 480
Mr G Leolo	126 792			126 792
Adv R Dehal	53 760			53 760
Ms D Markgraaf	101 200			101 200
Ms P Mashiane	122 296			122 296
Mr TL Masudubele	171 568			171 568
Mr B Meyer	104 448			104 448
Mr L Mkhabela	64 912			64 912
Mr P Molefe	151 960			151 960
Mr A Moosa	68 896			68 896
Ms LJ Ramathesele	47 576			47 576
Mr S Swana	123 400			123 400
Mr M Vundla	21 504			21 504

4. Risk Management

Nature of risk management

Risk Management encompasses the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the NFVF. 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, and to take 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 22nd February 2016 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
- Reviewed and approved the Council and Audit Committee Charters
- 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 2015
- 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 , Human Resources 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 Committee s

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.
- To evaluate NFVF's process of governance, and suggest improvements related thereto.

Thus the activities performed by the 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 NexiaSAB&T.

Summary of audit work done

During the 2015/16 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
- Project Funding Audit
- HR and Payroll Audit
- SCM Audit
- IT General Controls Review

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

Attendance of Audit Committee meetings by Audit Committee members:

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 June 2014		5
Mr S Vilakazi	External		1 June 2014		4
Mr L Seperepere	External		1 June 2014		4
Mr B Meyer	Internal	Council member	1 June 2014		5
Mr. S Swana	Internal	Council member	1 June 2014		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.

During the year under review, the NFVF was made aware of fraud being committed by one of its staff members. A forensic audit was instituted and based on the outcomes, criminal charges have been laid against the said employee who is no longer in the employ of the organisation.

9. Minimising Conflict Of Interest

The NFVF has developed a conflict of interest policy which has been approved by Council. All Council, committee and panel members are required to sign a declaration of conflict of interest form at every meeting. Staff members must sign a declaration of conflict of interest form on an annual basis.

10. Code of Conduct

The purpose of the code of conduct is to 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 conduct and practices.

The code of conduct is reviewed together with the organisational policies and procedure on an annual basis. Staff members are made aware of the code of conduct and any revisions 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 as outlined in the HR policies 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. All staff are made aware of the health and safety requirements including but not limited to the following:

- Adequate signage
- An easily-accessible fire extinguisher
- A well-rehearsed evacuation strategy

12. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2016.

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 three times per annum as per its approved charter. During the year under review, the committee met on 6th May 2015, 16th July 2015, 30th November 2015 and 4th March 2016.

Name of Member

Ms T Mjoli – External member (chairperson)
Mr S Vilakazi – External member
Mr L Seperepere – External member
Mr B Meyer – Council member
Mr S Swana – 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 and 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 pre-determined objectives
- Project Funding Audit
- HR and Payroll Audit
- SCM Audit
- IT General Controls Review

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
- 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).

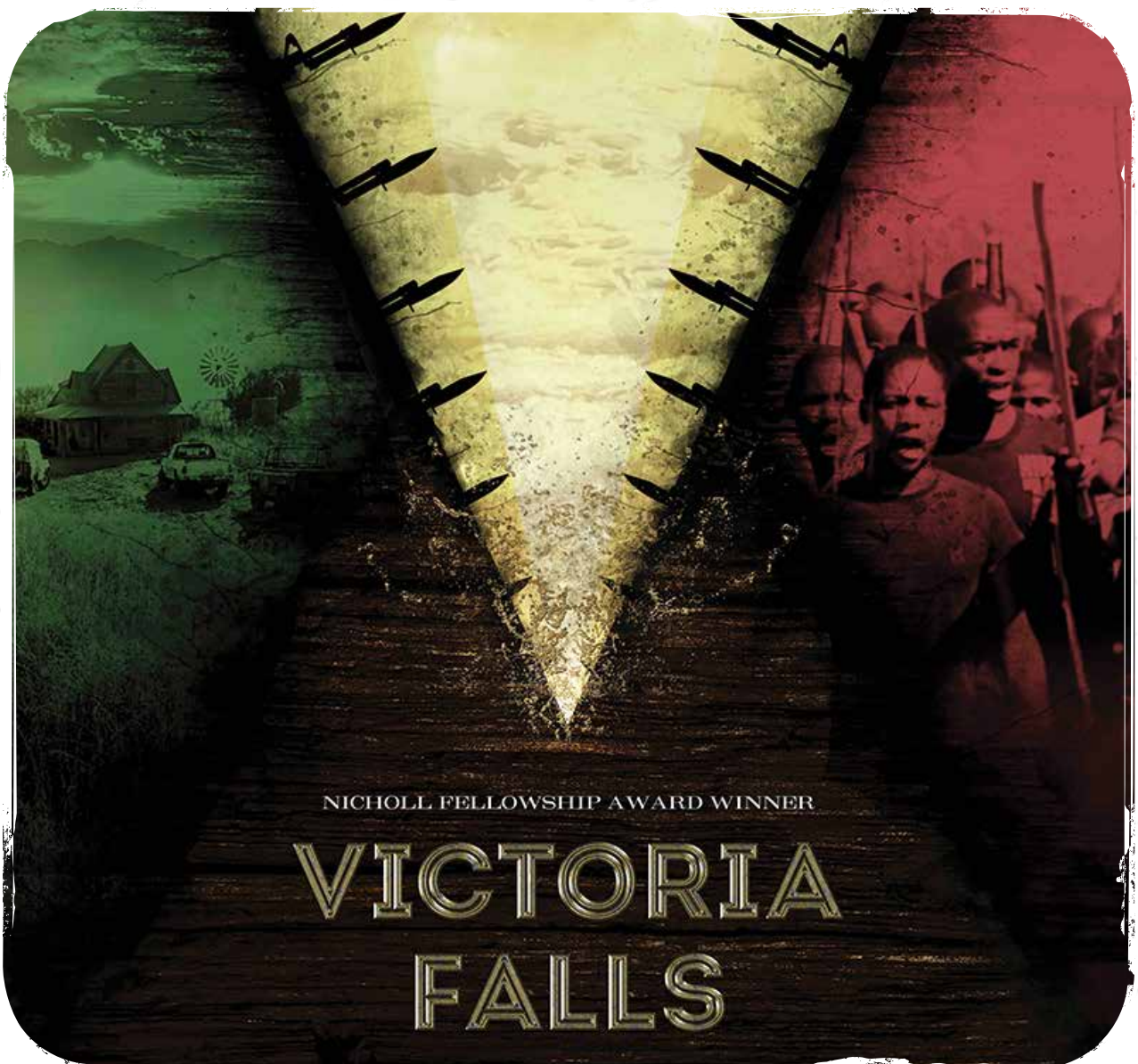
Auditor's Report

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.

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 2016





紅青蜓 Little Red Dragonfly

When Buddha Comes to Africa....

In a Chinese Buddhist orphanage in Africa founded by a Buddhist monk from Taiwan, the film follows the story of Enock Alu, a Malawian orphan from a rural village growing up within the Chinese culture. At first the terrified young boy finds it hard to adapt to this foreign world where African children with Chinese names worship the Buddha and recite Confucius off by heart. But over time he finds himself captivated by the Chinese culture, especially Shaolin Kung Fu. He fantasizes about becoming a movie star like Jet Li and helping his community overcome poverty. But who will he really be when he grows up one day? Chinese? African? Or a new form of world citizen? Against the backdrop of China's global rise and influence in Africa, the film is a subtle exploration of the forces of cultural soft power on the identity and imagination of an African boy and his school friends growing up between two cultures.

IN PRODUCTION:

HD Documentary (1080i)

Produced by THINK

Directed by Nicole

Malawi/South Africa

Part D: Human Resource Management

management



1. Introduction

OVERVIEW

The HR priorities for 2015/2016 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 were filled within the period under review.

Implement an enhanced Performance Management System

The 360° Performance Management was embraced by the staff and is fully implemented. This is an assessment system which allows a comprehensive performance assessment of staff. This enabled the whole staff to see their individual roles 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. Employees are then trained in line with the training plan.

Employee Wellness

Implementation of the wellness programme – a staff workshop on financial wellness was held as well as a general Wellness day in September 2015.

Labour and Compliance

HR Policies are reviewed on an annual basis and are approved by Council. Once approved, NFVF staff members are taken through the changes and implications. The workshop was held during the first quarter of the year.

Performance 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 increases.

Mentorship program:

Formal mentoring programmes are 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 ensuring 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 program such as mentorship, career development and succession planning. The wellness program remains a key part of maintaining employee engagement.

not be

SCRIPT WRITER
RS NAME PRODUCTIO
DESIGN
DUCER ONE PR

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	733	3.74	2	366
Policy & Research	3 022	15.43	6	504
Production & Development	1 856	9.47	6	309
Marketing & Distribution	3 972	20.27	8	497
CEO, Finance & Centralised Services	10 010	51.09	15	667
Total	19 593	100	37	

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	2 118	10.81	1	2 118
Senior Management	5 088	25.97	5	1 018
Middle Management	5 749	29.34	11	523
Professional qualified	6 352	32.42	18	353
Semi-skilled	177	.91	1	177
Unskilled	109	.55	1	109
TOTAL	19 593	100	37	

Performance Rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	347	2 118	16.38
Senior Management	310	5 088	6.09
Middle Management	301	5 749	5.24
Professional qualified	305	6 352	4.80
Semi-skilled	4	177	2.26
Unskilled	3	109	2.75
TOTAL	1 270	19 593	

Training Costs

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Average training cost per employee
19 593	524	2.67	23	23

Employment and vacancies by programme

Programme	No. of Employees as at 31 March 2015	2015/2016 Approved Posts	No. of Employees as at 31 March 2016	Vacancies as at 31 March 2016	% of vacancies
Training & Skills Development	2	2	1	1	
Policy & Research	5	6	6	0	
Production & Development	3	6	5	1	
Marketing & Distribution	8	9	7	2	
HR, Finance & CEO	14	15	13	2	
TOTAL	32	38	32	6	

Employment and vacancies by salary band

Programme	No. of Employees as at 31 March 2015	2015/2016 Approved Posts	No. of Employees as at 31 March 2016	Vacancies as at 31 March 2016	% of vacancies
Top Management	1	1	1	0	0
Senior Management	5	5	5	0	
Middle Management	9	12	9	3	
Professional qualified	15	18	15	3	
Semi-skilled	1	1	1	0	
Unskilled	1	1	1	0	
TOTAL	32	38	32	6	

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	5	1	1	5
Middle Management	9	2	2	9
Professional qualified	15	3	3	15
Semi-skilled	1	0	0	1
Unskilled	1	0	0	1
Total	32	6	6	32

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	6	100
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	
Written Warning	1
Final Written warning	
Dismissal	

Employment Equity Status

Levels	MALE			
	African	Coloured	Indian	White
	Current	Current	Current	Current
Top Management	0	0	0	0
Senior Management	1	0	0	0
Middle Management	4	0	0	0
Professional qualified	2	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	7	0	0	0

Levels	FEMALE			
	African	Coloured	Indian	White
	Current	Current	Current	Current
Top Management	1	0	0	0
Senior Management	3	1	0	0
Middle Management	4	0	1	0
Professional qualified	11	0	0	2
Semi-skilled	1	0	0	0
Unskilled	1	0	0	0
TOTAL	21	1	1	2



Amo Mbatha

Masego 'Maps' Maponyane

She's a writer
with lovers block



Part E : Financial Information

information
SWEET
SOMETHING

RIFIPI PICTURES, RED PEPPER PICTURES, PANA TV AND NYVEST MEDIA IN ASSOCIATION WITH THE NATIONAL FILM AND VIDEO FOUNDATION, THE GAUTENG FILM COMMISSION AND THE DEPARTMENT OF TRADE AND INDUSTRY PRESENTS "TELL ME SWEET SOMETHING" STARRING THISHINE ZIQUBO, THENBI SEETE, THOMAS DUNDE AND KAGISO LEDIDA
DIRECTOR OF PHOTOGRAPHY: PAUL MICHELSON EDITOR VUYANI SONDOLO CASTING DIRECTOR: MOONYEEN LEE EXECUTIVE PRODUCERS MATTHEW MOODLEY, CECIL BARRY PRODUCED BY ROBBIE THORPE
RONNIE APTEKER WRITTEN BY AKIN OMOTOSO & ROBBIE THORPE DIRECTED AND PRODUCED BY AKIN OMOTOSO



RIFIPI PICTURES



the dti
Department
Trade and Industry
REPUBLIC OF SOUTH AFRICA



national film and video foundation
SOUTH AFRICA

an agency of the
Department of Arts and Culture

Contents

NATIONAL FILM AND VIDEO FOUNDATION Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

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Statement of Financial Performance	7
Statement of Change in Net Assets	8
Cash Flow Statement	9
Notes to the Annual Financial Statements	10 - 23

The Annual Financial Statements set out on page 4 to 23 were approved by the Accounting Authority on 31 May 2016 and are signed by:

Ms Mmabatho Ramagoshi
Chairperson
NFVF

Ms. Z Mkhosi
Chief Executive Officer
NFVF

Report of the auditor-general to Parliament on 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 xx to xx, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in assets, and cash flow statement 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 Generally Recognised Accounting Standards (SA standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 2016 and its financial performance and cash flows for the year then ended, in accordance with South African Standards of GRAP and the requirements of the PFMA.

Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and 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 thereon.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of National Film and Video Foundation for the year ended 31 March 2016:
 - Programme 1: Training and skills development on pages xx to xx
 - Programme 3: Production and development of content on pages xx to xx.
9. 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 programmes. 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).
10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

11. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes priorities:

- Programme 1: Training and skills development on pages xx to xx
- Programme 3: Production and development of content on pages xx to xx.

Additional matters

12. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

13. Refer to the annual performance report on page(s) x to x; x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the unqualified conclusions expressed on the usefulness and reliability of the reported performance information in paragraph 11 of this report.

Adjustment of material misstatements

14. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 1: Training and development and programme 3: Production and development of content. As management subsequently corrected the misstatements, we did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

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

Internal control

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

Other reports

17. I draw attention to the following engagements that could potentially have an impact on the public entity's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

Investigation

18. One case of alleged irregularities relating to fraudulent acts, theft and other improper conduct was investigated during the financial year. The case was investigated by an independent body and was concluded during the year. The case has been reported to the South African Police Service for criminal charges to be initiated.

Auditor - General

Johannesburg

31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

NATIONAL FILM AND VIDEO FOUNDATION

ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2016

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 2016. 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.

2. DIRECTORS OF THE ENTITY

Executive director:

Ms Z Mkosi (Chief Executive Officer)

Non-executive directors (Council):

Ms M Ramagoshi (Chairperson), Mr G Leolo (Deputy Chairperson), Adv R Dehal, Ms P Mashiane, Ms D Markgraaf, Mr TL Masudubele, Ms LJ Ramathesele, Mr L Mkhabela, Mr P Molefe, Mr A Moosa, Mr B Meyer, Mr S Swana, Mr M Vundla

ORGANISATIONAL STRUCTURE

The organisation currently employs 32 permanent staff including the Chief Executive Officer and 5 Executive Managers. 6 staff members were employed during the year, and 6 employees resigned.

REMUNERATION FOR THE YEAR

Non-executive directors: Council (1 April 2015 to 31 March 2016)

Council Member	Amount	Number of Meetings attended					
		Council 7 meetings	2 Strategy sessions	Exco 1 meeting	HR 3 Meetings	Advisory Panel 9 Meetings	6 Other meeting
M Ramagoshi (Chairperson)	R 42 480	7	2	-	-	-	3
Mr G Leolo	R 126 792	7	2	1	-	-	6
Adv R Dehal	R 53 760	4	2	-	-	-	-
Ms P Mashiane	R 122 296	5	2	1	-	7	2
Ms D Markgraaf	R 101 200	4	-	1	-	8	-
Mr TL Masudubele	R 171 568	6	2	1	-	9	2
Ms LJ Ramathesele	R 47 576	3	1	-	1	-	-
Mr L Mkhabela	R 64 912	6	2	-	-	-	-
Mr P Molefe	R 151 960	6	2	1	3	7	-
Mr A Moosa	R 68 896	7	2	-	-	-	-
Mr B Meyer	R 71 072	6	1	-	3	-	-
Mr S Swana	R 96 488	5	2	-	3	-	4
Mr M Vundla	R 21 504	1	1	-	-	-	-

Audit Committee (1 April 2015 to 31 March 2016)

Audit Committee Member	Amount	No of meetings attended		
		4 Audit Meetings	1 Risk Workshop	Other Meetings
Ms T Mjoli(Chairperson)	R 44 880	4	1	-
Mr B Meyer	R 33 376	4	1	-
Mr S Swana	R26 912	3	1	-
Mr S Vilakazi	R 26 560	3	1	-
Mr L Seperepere	R26 912	3	1	-

NATIONAL FILM AND VIDEO FOUNDATION
ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2016

Executive Management:

	Basic Salary	13th Cheque/ Perf Bonus	Allowances	Contributions	Total
Chief Executive Officer	1 405 846	466 140	18 000	222 785	2 117 772
Chief Financial Officer	1 078 359	226 264	12 000	186 940	1 503 563
Head: Marketing	840 000	-	-	5 759	845 759
Head: Policy & Research	734 40	143 018	12 000	83 262	972 689
Head: Human Resources	835 003	165 200	12 000	134 015	1 146 218
Head: Prod & Dev (April – Oct 15)	523 466	11 666	-	25 370	560 502
Head: Prod & Dev (7 – 31 March 16)	45 765	3 814	1 000	5 183	55 762
Total	5 462 848	1 016 102	55 000	668 315	7 202 265

3. 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.

4. PRINCIPAL ACTIVITIES

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

5. OPERATING RESULTS

The surplus of the organisation for the year is R1 871 364 (2015 surplus: R 3 427 722).

6. REVIEW OF OPERATIONS

Revenue

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

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

Expenditure

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

The organisation hosted the tenth annual South African Film and Television Awards (SAFTAs). The NFVF awarded 80 grants towards the development and production of content. The NFVF also awarded 76 bursaries to students for film related studies.

7. EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

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

8. AUDITORS

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

9. ADDRESSES

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

Business address / domicile:

87 Central Street
Houghton
2198

Postal address:

Private Bag X04
Northlands
2116

Registered address:

87 Central Street
Houghton
2198

NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	March 2016	March 2015
ASSETS			
Non Current Assets		6,401,061	6,371,327
Property and Equipment	3	2,667,643	2,987,855
Intangible assets	4	3,733,418	3,186,912
Rental deposit	14.3	-	196,560
Current Assets		86,834,240	94,477,864
Cash and cash equivalents	13	80,143,370	84,649,295
Trade and other receivables	5.1	5,779,783	8,486,447
Rental deposit	14.3	196,560	-
Prepayments	5.2	714,527	1,342,122
TOTAL ASSETS		93,235,301	100,849,191
LIABILITIES			
Non-Current Liabilities		28,940,605	37,197,073
Provisions	6.2	28,940,605	37,041,052
Operating lease liability	14.2	-	156,021
Current Liabilities		56,673,786	57,902,571
Trade and other payables	6.1	1,959,432	2,454,128
Operating lease liability	14.2	156,021	47,591
Provisions	6.2	51,420,273	46,019,050
Income received in advance	7	3,138,059	9,381,802
TOTAL LIABILITIES		85,614,391	95,099,644
NET ASSETS			
Accumulated surplus		7,620,910	5,749,547
TOTAL NET ASSETS AND LIABILITIES		93,235,301	100,849,191

0

NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 Actual R	2016 Approved Budget R	2016 Amended Budget R	2015 Actual R
Revenue		144,638,646	116,721,000	116,721,000	185,631,167
Non-exchange	8.1	116,757,924	116,721,000	116,721,000	111,618,658
Exchange	8.2	27,880,723	-	-	74,012,509
Grant expense	9	(114,002,814)	(88,384,200)	(87,711,000)	(154,036,958)
Gross profit		30,635,832	28,336,800	29,010,000	31,594,209
Operating expenses	10	(33,942,200)	(30,256,800)	(31,770,000)	(31,301,677)
Loss on disposal of Property and Equipment		(15,132)	-		(3,574)
Carrying value of Property and Equipment	3	(15,132)	-		(5,074)
Proceeds from Sale of Property and Equipment		-	-		1,500
Surplus / (Deficit) from operations		(3,321,499)	(1,920,000)	(2,760,000)	288,958
Investment revenue	11	5,192,863	1,920,000	2,760,000	3,138,764
Surplus for the year		1,871,364	-	-	3,427,722

**NATIONAL FILM AND VIDEO FOUNDATION
STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2016**

	Accumulated surplus R	Total Net Assets R
Balance as at 31 March 2013	2,169,391	2,169,391
Surplus for the year	152,434	152,434
Balance as at 31 March 2014	2,321,825	2,321,825
Surplus for the year	3,427,722	3,427,722
Balance as at 31 March 2015	5,749,547	5,749,547
Surplus for the year	1,871,364	1,871,364
Balance as at 31 March 2016	7,620,910	7,620,910



NATIONAL FILM AND VIDEO FOUNDATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2,016 Actual R	2,015 Actual R
Cash flow from operating activities			
Cash Receipts		147,345,310	185,579,720
Non-exchange		119,464,588	111,567,211
Exchange		27,880,723	74,012,509
Cash Payments		(155,217,757)	(159,739,596)
Employee costs		(19,621,211)	(18,505,314)
Suppliers		(135,596,546)	(141,234,282)
Net Cash flows from operating activities	12	(7,872,447)	25,840,124
Cash flow from investing activities			
Purchase of Property and Equipment	3	(543,826)	(2,605,440)
Purchase of intangible assets	4	(1,282,514)	(1,604,289)
Proceeds from sale of Property and Equipment			1,500
Investment revenue	11	5,192,863	3,138,764
Net Cash flows used in investing activities		3,366,523	(1,069,465)
Net (Decrease)/ Increase in cash and cash equivalents		(4,505,924)	24,770,659
Cash and cash equivalents at the beginning of the year		84,649,295	59,878,636
Cash and cash equivalents at the end of the year	13	80,143,371	84,649,295
		(0)	-

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

1. Basis of preparation

The Annual Financial Statements of the NFVF 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

The following GRAP Standards have been approved and became effective during the period under review, i.e. from 01 April 2015:

- GRAP 18: Segment Reporting
- GRAP 105: Transfers between entities under common control
- GRAP 106: Transfers between entities not under common control
- GRAP 107: Mergers

The following GRAP Standards have been approved but are not yet effective at the reporting date:

- GRAP 20: Related Party Disclosures
- GRAP 32: Service Concession Arrangements: Grantor
- GRAP 108: Statutory Receivables
- GRAP 109: Accounting by Principals and Agents

2. Summary of significant accounting policies

The following are the principal accounting policies of the NFVF 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 NFVF have been prepared on the historical cost and going concern basis.

2.1 Significant accounting estimates and judgements

In the application of the NFVF accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions do however affect the reported amounts of assets and liabilities at the Statement of Financial Position date, as well as the reported income and expenditure recorded in the Statement of Financial Performance. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the key assumptions and judgements concerning the future, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities within the next financial year:

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.

Useful life and residual value of property and equipment

As described in the accounting policy of property and equipment, the NFVF reviews the estimated useful lives of property and equipment at the end of each Annual Reporting period. During the review, management determined that the useful lives of certain equipment should be lengthened, due to the condition and the continuous use of certain of the assets. The financial effect of this assessment, assuming the assets are held until the end of their revised estimated useful lives, is to reduce the depreciation expense in the current financial year.

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

The annual depreciation charge will be adjusted for any changes in these estimates (refer to note 3 & 4). These estimates are based on managements experience, knowledge and current expectations.

Judgements

Leases

Management has applied its judgment to classify all lease agreements that the NFVF 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 13 to classify leases as operating leases.

2.2 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the NFVF, 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 NFVF 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 NFVF relates to financial support that the foundation receives as a Public Entity in order to carry out its mandate. All Government Grants are recognised in the Statement of Financial Performance for the year to which they relate.

Payments received in advance

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

2.2.2 Revenue from Exchange Transactions

An exchange transaction is one in which the NFVF 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 NFVF 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 NFVF, 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.

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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 - 7 years	14% - 33.33%	p.a
Furniture and fittings	6 - 10 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 is 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 - 5 years	20% - 50%	p.a

Useful lives are assessed annually.

2.6 Impairment of assets

An impairment loss is an amount by which the carrying amount of an asset (i.e., the amount recognised on the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment loss) exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less its cost to sell, and its value in use. Value in use is the present value of the future cashflows expected to be derived from an asset.

At each reporting date the carrying value of property, equipment and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Value in use is estimated taking into account future cashflows, forecast market conditions and the expected lives of the assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Impairment losses are recognised in the Statement of Financial Performance. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining useful life.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years.

A reversal of an impairment loss is recognised in the Statement of Financial Performance.

2.7 Non-current assets

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

2.8 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 NFVF 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 and other 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, if applicable, 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 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 NFVF 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 NFVF surrenders or otherwise loses control of the contractual rights that comprise the financial asset.

Financial liabilities

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

Off-setting of financial instruments

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

2.9 Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognised when the NFVF 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.

2.9.1 Contingent assets and liabilities

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

2.10 Taxation

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

2.11 Comparative figures

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

2.12 Presentation currency

Amounts in the Annual Financial Statements are presented and disclosed in South African Rand, and are rounded to the nearest rand.

2.13 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 NFVF 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.

2.14 Related Parties

The NFVF is a Schedule 3(A) Public Entity that is ultimately owned and controlled by the South African government. All related party transaction that are entered into by the NFVF are disclosed in the Annual Financial Statements.

2.15 Irregular and fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure means expenditure made in vain and would have been avoided had reasonable care been exercised. All irregular and fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

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 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.

NATIONAL FILM AND VIDEO FOUNDATION NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

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.

2.16 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.

2.17 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 2015 to 31 March 2016. 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.



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

3. Property and Equipment

	R	R	R	R
2016	Computer hardware	Furniture & fittings	Office equipment	Total
Cost as at 31 March 2016	3,326,141	2,169,120	314,144	5,809,404
Accumulated depreciation	(1,081,485)	(1,821,499)	(238,779)	(3,141,762)
Carrying value at 31 March 2016	2,244,656	347,621	75,365	2,667,643

	R	R	R	R
Reconciliation - 2016	Computer hardware	Furniture & fittings	Office equipment	Total
Carrying value at 1 April 2015	2,414,264	507,782	65,809	2,987,855
Additions	492,557	-	31,350	523,907
Work in progress	-	19,919	-	19,919
Plant and equipment scrapped	-	-	-	-
Cost	(248,248)	(39,836)	-	(288,084)
Accumulated depreciation	248,248	39,836	-	288,084
Disposal of plant and equipment	(15,132)	-	-	(15,132)
Depreciation	(647,033)	(180,080)	(21,794)	(848,907)
Carrying value at 31 March 2016	2,244,656	347,621	75,365	2,667,643

2015	Computer hardware	Furniture & fittings	Office equipment	Total
Cost as at 31 March 2015	3,081,830	2,189,037	282,793	5,553,660
Accumulated depreciation	(667,566)	(1,681,255)	(216,984)	(2,565,805)
Carrying value at 31 March 2015	2,414,264	507,782	65,809	2,987,855

	R	R	R	R
Reconciliation - 2015	Computer hardware	Furniture & fittings	Office equipment	Total
Carrying value at 1 April 2014	378,366	741,421	71,949	1,191,736
Additions	2,541,087	42,807	21,546	2,605,440
Disposal of computer equipment	(1,994)	(3,080)	-	(5,074)
Depreciation	(503,195)	(273,366)	(27,686)	(804,247)
Carrying value at 31 March 2015	2,414,264	507,782	65,809	2,987,855

During the period under review, the NFVF has disposed of fixed assets with a net book value of R15 132.

Property and equipment is tested for impairment whenever there is an indication that the asset may be impaired in accordance with the requirement of GRAP 17. The impairment losses will be disclosed under other expenses in the Statement of Financial Performance. The estimation of the useful life of property and equipment is based on historical performance as well as expectations about future use and therefore requires a significant degree of judgement by management. The depreciation rate represents managements current best estimate of the useful life of assets.

No impairments were made to property and equipment during the current financial year.

NATIONAL FILM AND VIDEO FOUNDATION

NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

During the year, the NFVF carried out a review of the recoverable amount of its property and equipment. Estimates and judgements are evaluated annually and are based on historical experience and other factors. Management has considered the impact of GRAP 17 on the Annual Financial Statements for the year ended 31 March 2015 and the assumptions made in respect to useful life on Property and Equipment are as follows:

Computer Hardware

Computer Hardware with a cost of R 47 787 and a zero book value and are still in use and will be replaced within 3 months subsequent to year end.

With the continuous changes in technology, computer hardware is replaced on average every 3 - 5 years. The straight-line method is deemed to be a true reflection of the write-off period. However, computer hardware with a remaining useful life of less than 1 year, which is still currently being used by the NFVF may be extended by another 2 years. The effect of this change in estimate will result in certain computer hardware being written off over a period of 7 years.

Furniture and Fittings

A significant portion of furniture and fittings have been on the asset register for a period exceeding its initial useful life expectancy. Furniture and fittings with a remaining useful life of less than 1 year, and still in good condition, will be extended by another 2 years. Furniture and fittings whose useful life was extended by a further 2 years and is still in use, will be extended further based on managements best estimate. The effect of this change in estimate will result in certain furniture and fittings being written off over a period of 10 years.

Furniture with a cost of R 618 038 and a zero book value are still in use. Management has estimated that the useful life of this furniture is nil and most of the furniture will be replaced within 6 months subsequent to year end.

Extensive work has been completed to look at staff needs and replace furniture.



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

4. Intangible assets

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

2016	Website	Computer software	Specialised Software	Total
Cost as at 31 March 2016	867,483.00	3,880,958.45	236,119.00	4,984,560.45
Accumulated amortisation	(302,149.00)	(857,919.60)	(91,074.00)	(1,251,142.60)
Carrying value at 31 March 2016	565,334	3,023,039	145,045	3,733,418

	R	R	R	R
Reconciliation - 2016	Website	Computer software	Specialised Software	Total
Carrying value at 1 April 2015	655,008	2,363,281	168,623	3,186,912
Additions	-	1,282,514	-	1,282,514
Plant and equipment scrapped	-	-	-	-
Cost	-	(267,315)	-	(267,315)
Accumulated depreciation	-	267,315	-	267,315
Amortisation	(89,674)	(622,756)	(23,578)	(736,008)
Carrying value at 31 March 2016	565,334	3,023,039	145,045	3,733,418

2015	Website	Computer software	Specialised Software	Total
Cost as at 31 March 2015	867,483	2,865,759	236,119	3,969,361
Accumulated amortisation	(212,475)	(502,478)	(67,496)	(782,449)
Carrying value at 31 March 2015	655,008	2,363,281	168,623	3,186,912

Reconciliation - 2015	Website	Computer software	Specialised Software	Total
Carrying value at 1 April 2014	741,756	1,094,011	192,235	2,028,002
Additions	-	832,598	-	832,598
Additions - Work in progress	-	771,691	-	771,691
Amortisation	(86,748)	(335,019)	(23,612)	(445,379)
Carrying value at 31 March 2015	655,008	2,363,281	168,624	3,186,912

Computer software is amortised over its useful life using the straight-line method (finite useful life). The amortisation expense has been included under the line "depreciation and amortisation expense" in the notes to the Statement of Financial Performance. Management has reviewed the useful life of computer software and believe that the straight-line method of 2 - 5 years is still deemed to be a true reflection of the write-off period. The estimation of the useful life of computer software is based on historical performance as well as expectations about future use. The amortisation rate represents managements current best estimate of the useful life of the assets.

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

5. Trade receivables

	2016	2015
	R	R
5.1.Receivables from exchange transactions		
Department of Arts and Culture - UK Seasons	-	2,085,496
South African Broadcasting Corporation	520,200	735,000
M-Net	1,166,000	1,100,000
MICT - SETA	3,500,000	4,550,000
Other	-	15,951
Recoverable amount from staff member	593,583	-
	5,779,783	8,486,447

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. No interest is charged on any outstanding balance due. Trade receivables that are past due are not impaired at year end as there is no significant change in credit quality and therefore are still considered recoverable.

None of the above trade receivables has been pledged as security or collateral for liabilities or contingent liabilities nor have any terms of any receivables been renegotiated. The carrying amount approximates fair value because of the short period to maturity.

	R	R	R	R	R	R
	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
2016						
Gross trade receivables	2,279,783	-	-	-	3,500,000	5,779,783
Impairment of trade receivables	-	-	-	-	-	-
Net trade receivables	2,279,783	-	-	-	3,500,000	5,779,783

	R	R	R	R	R	R
	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
2015						
Gross trade receivables	8,486,447	-	-	-	-	8,486,447
Impairment of trade receivables	-	-	-	-	-	-
Net trade receivables	8,486,447	-	-	-	-	8,486,447

5.2 Prepayments

	2016	2015
	R	R
Cannes Film Festival	714,527	1,239,566
Audience Research Launch	-	102,556
	714,527	1,342,122

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

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

6.1 Trade and other payables from exchange transactions

	2016	2015
	R	R
Trade payables	1,959,432	2,454,128
	1,959,432	2,454,128

The NFVF recognises trade payables at fair value and subsequently measures payables at amortised cost using the effective interest method. There were no defaults on any amounts payable nor were there any amounts renegotiated with suppliers of the NFVF.

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

6.2 Provisions

	2016	2015
	R	R
6.2.1 Provision for Grants issued by NFVF		
Opening balance as at 01 April 2015	82,105,306	57,982,261
New Grants issued (note 9)	114,002,814	154,036,958
Grant write-backs	-	(328,355)
Payments made during the year	(116,673,968)	(129,585,558)
Closing balance as at 31 March 2016	79,434,152	82,105,306

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

	2016	2015
	R	R
6.2.2 Provision for leave pay		
Opening balance as at 01 April 2015	718,874	722,958
Utilised during the year	(718,874)	(722,958)
Originated during the year	666,028	718,874
Closing balance as at 31 March 2016	666,028	718,874

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.

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

6.2.3 Provision for 13th cheque

Opening balance as at 01 April 2015

Utilised during the year

Originated during the year

Closing balance as at 31 March 2016

2016 R	2015 R
235,922	239,354
(235,922)	(239,354)
260,698	235,922
260,698	235,922

A provision for 13th 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.

Total Provisions

Current

Non-current

80,360,878	83,060,102
51,420,273	46,019,050
28,940,605	37,041,052

The provision for leave and 13th cheque are treated as current provisions as this will be utilised in the next financial year.

Non-current provisions relate to grant projects that have milestones which are due after the next financial year and hence are classified as non-current provisions.

7. Income received in advance from non exchange transactions

Department of Arts and Culture

Opening balance as at 01 April 2015

Received during the year

Utilised during the year

Closing balance as at 31 March 2016

2016 R	2015 R
9,381,802	9,337,553
-	508,229
(6,243,743)	(463,980)
3,138,059	9,381,802

The R9.3 million received relates to the installation of digital equipment for community viewing and upgrading of facilities in under-served areas. In consultation with the DAC, the scope of the project was changed and NFVF appointed a consultant to identify potential sites and develop a business case for the establishment of Film Hubs. An amount of R 463 980 was utilised for the study in the 2014/15 financial year. Upon approval of the business case, a tender was issued for the appointment of a service provider to project manage the building of the hub. An amount of R6 243 743 has been utilised by the service provider for 2015/16 financial year.

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

8. Revenue

8.1 Revenue from Non Exchange Transactions

Department of Arts and Culture - annual allocation
 MICT-SETA: Mandatory Grant

	2016	2016	2015
	Actual	Approved	Actual
	R	Budget	R
	116,757,924	116,721,000	111,618,658
	116,721,000	116,721,000	111,588,000
	36,924	-	30,658

8.2 Revenue from Exchange Transactions

Department of Arts and Culture - UK Seasons
 Department of Arts and Culture - Momentum and Big Shoe projects
 Department of Arts and Culture - Digital Screens
 South African Broadcasting Corporation
 M-Net
 National Lottery
 MICT - SETA
 KZN Film Commission
 Wesgro
 Durban Film Office
 Film and Publications Board
 Nolava International Film Dist.(Pty) Ltd
 British Council
 Gauteng Film Office
 Recoupments
 Other
 Sales

	27,880,723	-	74,012,509
	8,971,750	-	19,037,513
	-	-	36,000,000
	6,243,743	-	463,980
	520,200	-	735,000
	1,166,000	-	1,100,000
	-	-	5,000,000
	2,416,400	-	6,147,400
	5,033,110	-	750,000
	-	-	65,000
	150,000	-	100,000
	-	-	1,000,000
	-	-	7,275
	1,852,608	-	-
	250,000	-	-
	1,059,494	-	3,418,693
	194,918	-	173,398
	22,500	-	14,250
	<u>144,638,646</u>	<u>116,721,000</u>	<u>185,631,167</u>

Revenue received from exchange transactions relate mainly to partnership agreements with stakeholders for projects and NFVF events

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

	2016	2016	2015
	Actual	Approved	Actual
	R	Budget	R
9. Grant expense			
Training & bursaries	12,334,436	7,828,000	15,832,016
Development and production of content	40,327,256	42,283,000	80,986,519
Research projects	8,082,504	2,600,000	3,440,001
Local and global positioning	53,258,618	35,000,000	53,778,422
	114,002,814	87,711,000	154,036,958

Panelist fees were budgeted for in grant expense as it relates to grants but subsequently moved to operating expenses.

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.



NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 Actual R	2016 Approved Budget	2016 Amended Budget	2015 Actual R
10. Operating expenses					
Included in the operating expenses are the following:					
Audit fees – Internal		1,127,687	600,000	600,000	644,664
– External		927,274	550,000	550,000	711,073
Consulting services		449,849	430,400	430,400	757,351
Professional services – staff recruitment		182,576	320,000	320,000	668,497
Website expenses		267,273	110,400	110,400	88,854
Councillors’ services					
Honorarium – Council meetings	17.1	1,299,144	997,488	997,488	952,788
Depreciation and amortisation expense	3 & 4	1,584,915	1,560,000	1,560,000	1,249,626
Panellist fees		799,150	-	673,200	756,900
Rent paid – Buildings		2,456,790	2,418,733	2,418,733	2,436,586
Salaries and wages	10.2	19,593,141	19,880,132	19,880,132	18,497,798
Salaries and wages – Executive Management	17.2	7,202,265	7,417,364	7,417,364	6,760,656
Salaries and wages – other staff		12,390,876	12,462,768	12,462,768	11,737,142
Travel and accommodation		710,430	402,000	402,000	514,909
Printing and publication		605,812	458,000	458,000	543,134
Administration		2,136,632	716,047	1,556,047	1,914,587
Conferences and Catering		186,470	244,000	244,000	276,869
Advertising		200,120	300,000	300,000	269,216
Telephone & Fax		510,237	480,000	480,000	479,294
Equipment Hire		435,789	420,000	420,000	428,451
Computer Expenses		421,671	200,000	200,000	313,631
Electricity & Water		497,088	600,000	600,000	554,800
		33,942,200	30,256,800	31,770,000	31,301,677

Council has approved the utilisation of investment revenue for operational expenses. Salary costs are lower than budget due to a vacant position in Production & Development Department.

There has been significant increase in the number of funding applications received. As a result all associated costs relating to panellist fees, printing costs and courier costs have all increased and are over budget. Security costs are over budget due to the replacement of the alarm system. Honorarium has increased due to payment of preparation fees for Council meetings and changes in the payment rate.

Internal Audit fees are over budget as a result of forensic audit undertaken on the fraudulent activity by a staff member (refer to note 15).

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

10.2 Salaries and wages

	2016	2016	2015
	Actual	Approved	Actual
	R	Budget	R
	19,593,141	19,880,132	18,497,798
Gross Salary	14,551,316	14,769,244	13,466,534
Cellphone Allowance	179,000	184,000	200,000
Medical Aid	914,282	927,972	888,144
Provident Fund	1,278,075	1,290,026	1,287,866
UIF	58,143	60,000	59,725
Skills Development Levy	174,691	160,000	167,090
Workman's Compensation	74,815	-	-
Bonus	2,324,360	2,418,891	2,255,992
Leave Provision	38,458	70,000	172,447

11. Investment revenue

	2016	2016	2016	2015
	Actual	Approved	Amended	Actual
Interest income - Bank Deposits	5,192,863	1,920,000	2,760,000	3,138,764

Council has approved the utilisation of R840 000 for operational expenses

12. Reconciliation of net cash flow from operating activities to surplus/(deficit)

	2016	2015
	R	R
Surplus for the year	1,871,364	3,427,722
Adjustments for non cash movements:		
Depreciation and amortisation on property and equipment and intangible assets	1,584,915	1,249,626
Disposal of property and equipment	15,132	3,574
(Decrease) / Increase in operating lease	(47,591)	153,077
(Decrease) in employee related provisions	(28,070)	(7,516)
(Decrease) / Increase in other provisions	(2,671,154)	24,123,045
Items shown separately on the face of the cash flow statement		
Interest income	(5,192,863)	(3,138,764)
Changes in working capital:		
Decrease / (Increase) in trade and other receivables	2,706,664	(51,447)
Decrease in prepayments	627,595	529,504
(Decrease) in trade and other creditors	(6,738,439)	(448,697)
Net cash flow from operating activities	(7,872,447)	25,840,124

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

13. Cash and cash equivalents

First National Bank
 Corporation for Public Deposits
 Petty cash

2016	2015
R	R
80,143,370	84,649,295
1,610,618	907,684
78,530,752	83,739,611
2,000	2,000

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

14. Lease arrangements

14.1 Operating lease commitments

As at 31 March, the NFVF had outstanding commitments which relates to operating leases and falls due as follows:

2016

Building

Up to 1 Year	2 - 5 years
1,943,071	-

2015

Building

Up to 1 Year	2 - 5 years
2,430,324	1,943,071

The NFVF current lease period is from 1 January 2014 - 31 December 2016. The NFVF does not have an option to purchase the building at the expiry of the lease period. The basis on which rent is charged by the lessor is based on the existing rental market.

There are no restrictions imposed by the lessor. The lease expenditure is straight-lined and charged to the Statement of Financial Performance. The lease expense for the year ended 31 March 2016 is R2 456 790 (2015: R2 436 586) The building lease expires on 31 December 2016. A market research is currently being conducted and Council will make an informed decision on a building lease at the 26 May 2016 Council meeting.

14.2 Operating lease liability

Short term portion of Operating Lease -Liability / (Asset)
 Long term portion of Operating Lease - Liability

2016	2015
R	R
156,021	47,591
-	156,021
156,021	203,612

Equipment

The NFVF leases its equipment (photocopiers etc.) on a month to month basis which allows for NFVF not to incur any costs should the need for cancellation arise.

14.3 Rental Deposit

The NFVF has a deposit for the leased building with ALW Estates in the amount of R 196 560. This will be refunded to the NFVF on termination of the lease if the lease is not renewed, which is also subject to the terms and conditions of the contract.

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

15. Irregular and fruitless and wasteful expenditure

	2016	2015
	R	R
Irregular expenditure	593,583	-
Fruitless and wasteful expenditure	-	-
Less: Condoned	-	-
	593,583	-

The NFVF incurred irregular expenditure during the financial year under review. This was due to fraudulent activity committed by a former NFVF employee. The amount of the irregular expenditure was determined by a forensic investigation. A forensic report was presented to Council.

A criminal case has been opened with South African Police Services against the employee.

Management is in the process of taking civil action against the employee for the recovery of the amount.

The provident fund has not been paid out to the employee and will serve as part payment of amount owing.

Actual payment made to recipients	914,560.00	-
Actual amount received by recipients	(320,977.00)	-
Variance	593,583.00	-

16. Related parties

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

Amounts received from related parties	Nature	2016	2015
		R	R
Department of Arts and Culture	Executive authority	131,936,493	167,089,493
South African Broadcasting Corporation	Controlled entities	520,200	735,000
MICT - SETA	Controlled entities	2,453,324	6,178,058
Film and Publications Board	Controlled entities	-	1,000,000
National Lottery	Controlled entities	-	5,000,000
Amounts due by related parties			
Department of Arts and Culture	Executive authority	-	2,085,496
South African Broadcasting Corporation	Controlled entities	520,200	735,000
MICT - SETA	Controlled entities	3,500,000	4,550,000
Income in advance from related parties			
Department of Arts and Culture	Executive authority	3,138,059	9,381,802

The NFVF 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 in accordance with the NFVF Act. The amounts received from MICT-Seta and the SABC are in terms of partnership agreements. Council Members including sub-committees i.e. Audit, HR 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 NFVF. 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 are reflected in note 17.

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

17. Disclosure of remuneration

17.1 Non Executive Honorarium – Council services

	2016 R	2015 R
	1,299,144	952,788
Ms M Ramagoshi (Chairperson)	42,480	72,888
Mr G Leolo (Deputy Chairperson)	126,792	79,324
Adv R Rai Dehal	53,760	53,056
Ms D Markgraaf	101,200	61,400
Ms P Mashiane	122,296	59,800
Mr TL Masudubele	171,568	77,864
Mr B Meyer	104,448	79,520
Mr L Mkhabela	64,912	41,664
Mr P Molefe	151,960	86,640
Mr A Moosa	68,896	45,056
Ms LJ Ramathesele	47,576	53,680
Mr S Swana	123,400	103,952
Mr M Vundla	21,504	41,664
Adv A Mukoma	-	5,000
Mr P Raleigh	-	5,000
Adv R Solomons	-	5,000
Mr S Molefe	-	5,000
Ms T Downing	-	8,000
Ms T Mjoli – Audit Committee Member	44,880	28,136
Mr S Vilakazi – Audit Committee Member	26,560	18,688
Mr L Seperepere – Audit Committee Member	26,912	15,456
Mr C Mullin – Audit Committee Member	-	3,000
Ms N Bulbulia – Audit Committee Member	-	3,000

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

17.2 Executive Management salaries - 2016

	R	R	R	R	R
	Basic Salary	13th Cheque & Performance Bonus	Allowances	Employer Contributions	Total
Chief Executive Officer - Z Mkosi	1,405,846	466,140	18,000	227,785	2,117,772
Chief Financial Officer	1,078,359	226,264	12,000	186,940	1,503,563
Head: Marketing	840,000	-	-	5,759	845,759
Head: Policy & Research	734,409	143,018	12,000	83,262	972,689
Head: Human Resources	835,003	165,200	12,000	134,015	1,146,218
Head: Production and Development (1 April - 31 October 2015)	523,466	11,666	-	25,370	560,502
Head: Production and Development (7 - 31 March 2016)	45,765	3,814	1,000	5,183	55,762
	5,462,848	1,016,102	55,000	668,315	7,147,498

**Executive Management
salaries - 2015**

	R	R	R	R	R
	Basic Salary	13th Cheque	Allowances	Employer Contributions	Total
Chief Executive Officer - Z Mkosi	1,308,982	416,066	18,000	179,611	1,922,659
Chief Financial Officer	1,004,059	180,271	12,000	143,181	1,339,511
Head: Marketing : April - December 2014	461,450	41,250	9,000	97,351	609,051
Head: Marketing : February - March 2015	140,000	-	-	-	140,000
Head: Policy & Research	683,807	133,491	12,000	68,381	897,679
Head: Human Resources	777,470	145,822	12,000	112,791	1,048,083
Head: Prod. & Dev. : April - December 2014	514,058	117,566	9,000	93,050	733,674
Head: Production and Development : March 2015	70,000	-	-	-	70,000
	4,959,825	1,034,466	72,000	694,365	7,202,265

NATIONAL FILM AND VIDEO FOUNDATION
NOTES TO THE Annual Financial Statements FOR THE YEAR ENDED 31 MARCH 2016

18. Financial instruments

As at 31 March 2016, 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:

		Category	2016	2015
Financial assets				
Cash and cash equivalents	Carrying value	Cash and cash equivalents	80,143,370	84,649,295
	Fair value		80,143,370	84,649,295
Trade and other receivables	Carrying amount	Trade and other receivables	5,779,783	8,486,447
	Fair value		5,054,088	8,486,447
Financial liabilities				
Trade and other payables	Carrying value	Financial liabilities	1,959,432	2,454,128
	Fair value		1,959,432	2,454,128
Non current provisions	Carrying value	Financial liabilities	28,940,605	37,041,052
	Fair value		28,940,605	37,041,052
Income received in advance	Carrying value	Financial liabilities	3,138,059	9,381,802
	Fair value		3,138,059	9,381,802
Operating lease liability	Carrying value	Financial liabilities	156,021	47,591
	Fair value		156,021	47,591

19. Management of risk

The Council is responsible for strategic risk-management within the NFVF and tasks the Audit Committee with ensuring effective risk management. The purpose of the NFVF risk-management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk-management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed. The NFVF risk policy sets out the minimum standards of risk management to be adopted and adhered to by all units within the NFVF. The risk-management strategy, which has been reviewed and updated in March 2015, contains processes for identifying both the impact and likelihood of such risk. Risks that have been identified as having a potentially severe impact on the NFVF are regarded as unacceptable and, where possible, will be avoided.

Managements responsibilities

Management is responsible for the identification, assessment and control of all key risks facing the NFVF, functions and processes under their control. In addition, management is required to manage all risks under their control that contribute to the NFVF risk profile. The Management Committee (MANCO) is required to monitor the status of risk within the NFVF and to report on any material changes to the risk profile and any losses incurred as a result thereof. Management is expected to put in place appropriate controls for these risks and provide assurance that such controls perform as intended.

Financial risk profile

Risk management relating to each of these risks is discussed under the headings below. The financial risk the NFVF primarily faces are market risk (interest rate risk), investment risk and credit risk. Management reviews and agrees on controls for managing these risks.

19.1 Market risk management

The NFVF activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the NFVF exposure to market risk or the manner in which it manages and measures the risk.

19.2 Interest rate risk management

Interest rate risk arises primarily from NFVF investment strategy to ensure capital preservation in line with NFVF investment policy. As a result of this exposure to interest rate risk, NFVF manages the investments according to their investment mandate. The nature of NFVF exposure to interest rate risk and its objectives, policies and procedures for managing interest rate risk have not changed significantly from the prior period.

The NFVF's exposure to the risk of changes in market interest rates relates primarily to the foundation's cash and cash equivalents with floating interest rates. Cash and cash equivalents attract interest at rates that vary with prime.

The NFVF 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 NFVF 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 NFVF's cash and cash equivalents that are exposed to interest rate risk:

	2016	2015
	R	R
Within 1 year	80,143,370	84,649,295
1 to 5 years	-	-
	80,143,370	84,649,295

Sensitivity analysis

In terms of Treasury Regulation 31.3.3, the NFVF must invest all of its surplus funds with the Corporation for Public Deposits. It is estimated that by increasing the returns by 100 basis points on the amounts invested will result in a further R 801 516 being earned in investment income in the Statement Financial Performance. As capital is applied in pursuit of NFVF mandate, the amount available will gradually diminish which will reduce the sensitivity to interest rates as the main fund diminishes over time.

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.

	2016	2015
	R	R
Increase in interest rate of 1%	803,279	538,914
Decrease in interest rate of 0.5 %	(54,898)	(36,097)

19.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the NFVF.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

The NFVF only transacts with various Institutions who have no independent rating. Other receivables consist mainly of recovery of funds.

The NFVF does not have any significant credit risk exposure to any single counterparty having similar characteristics. The credit risk on liquid funds is limited because the counterparty is the Corporation for Public Deposits. Government Departments have no independent rating, however based on historical experience and other factors none of the amounts due to the NFVF are impaired.

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 institution 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.

Exposure to credit risk

	2016	2015
	R	R
Cash and cash equivalents	80,143,370	84,649,295
Trade Receivables	5,779,783	8,486,447

The nature of NFVF exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

Cash and cash equivalents held with reputable financial institutions are used for investing and cash handling purposes.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities nor have any amounts been renegotiated or have been defaulted on.

19.4 Liquidity risk

The NFVF's risk to liquidity is a result of the funds available to cover future commitments. The NFVF manages liquidity risk through ongoing review of future commitments. Cash flow forecasts are prepared regularly to monitor payables. The tables below summarises the maturity profile of the NFVF's financial assets and liabilities as at 31 March 2016.

Financial Assets

Trade and other receivables

	%	2016 Carrying amount	2015 Carrying amount
Current	100.0	2,279,783	8,486,447
30-60 Days	0.0	-	-
60-90 Days	0.0	-	-
Greater 90 days	0.0	3,500,000	-
	100.0	5,779,783	8,486,447

NFVF does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current or prior year. The carrying amount approximates fair value because of the short period of recovery, except for the MICT-Seta receivable of R3 500 000.

This amount was past due, however the NFVF does not consider this amount to be impaired or non-recoverable

Financial Liabilities

	R	R	R	R	R
	Less than 3 months	3 -12 months	91-120 days	1 - 5 years	Total
2016					
Trade and other payables	1,959,432	-	-	-	1,959,432
Operating lease liability	-	156,021	-	-	156,021
Financial liability	1,959,432	156,021	-	-	2,115,453
2015					
Trade and other payables	2,454,128	-	-	-	2,454,128
Operating lease liability	-	-	-	-	-
Financial liability	2,454,128	-	-	-	2,454,128

The carrying amount approximates fair value because of the short period of settlement.

20. Contingent liabilities

The contingent liability amounts to R 24 734 188 (2015: R2 813 741). An amount of R3 846 703 is for grants awarded to local markets and festivals taking place in future financial periods. Disbursements are dependant on the applicant fulfilling conditions of the contract.

The contract deliverables are reported on a periodic basis in order for NFVF to track the progress of the project.

An amount of R3 287 485 approved by Council for additional bursaries is contingent upon the signing of a contract with the MICT- Seta.

The 3 year slate funding projects amounting to R17 600 000 will be disbursed during 2017 - 19 financial years upon the fulfilling of contractual obligations by the grantees

NATIONAL FILM AND VIDEO FOUNDATION
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21. Segment Reporting

The NFVF basis of aggregation and service would differ from their funding of Training and Bursaries to Production and Development to Research and to Globally Positioning Products SA Film and its beneficiaries. The NFVF's mandate is to locally and globally develop and promote the film industry.

The NFVF reports on its programmes according to its Annual Performance Plan (APP) and is able to report the actual expenses paid for each programme.

21.1 Income:

The Annual allocation received from the Department of Arts and Culture consists of 91% of income received. This Revenue received is not conditional but needs to be utilised according to the NFVF's mandate.

21.2 Interest Revenue:

This Revenue is also not specific to the programmes.

21.3 Expenditure expense

Training & bursaries

Development and production of content

Research projects

Local and global positioning

R

12,334,436

40,327,256

8,082,504

53,258,618

114,002,814

21.4 Assets and Liabilities

The NFVF is based centrally and expedites its operations/programmes in different regions and therefore does not have any Assets or Liabilities.

