



NATIONAL FILM ^{AND} VIDEO FOUNDATION



ANNUAL REPORT 2015



national film and video foundation
SOUTH AFRICA

an agency of the
Department of Arts and Culture



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Department of Arts and Culture

PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

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

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
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
FESPACO	Pan-African Film and Television Festival of Ouagadougou
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
NFS	National Film School
NFVF	National Film and Video Foundation
P&A	Print and Advertising
PD	Previously Disadvantaged
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
SAFI	South African Film Industry
SAFTAS	South African Film and Television Awards
SCM	Supply Chain Management
SIFPP	Sediba International Financing Programme for Producers
SMME	Small, Medium and Micro Enterprises
TR	Treasury Regulations
WGSA	Writers' Guild of South Africa



Ms Mmabatho Ramagoshi
Chairperson of Council
National Film and Video Foundation

INTRODUCTION

It is with great pleasure that I present the 2014/15 annual report, summarising the National Film and Video Foundation (NFVF) strategy, and outlining an overview of the performance of the NFVF and achievements of the year under review.

I commenced my second term as the Chairperson of the NFVF Council at a pivotal time - a time when the film industry was 'Coming of Age'. As the film industry reaches a new milestone after twenty years of democracy, the NFVF remains focused on delivering on its mandate of growing and developing the South African film industry and creating opportunities to the previously marginalised and disadvantaged individuals to participate in the film industry.

STRATEGY AND PERFORMANCE OF THE ENTITY

On behalf of the NFVF Council, I am grateful that the NFVF continues to successfully deliver on its mandate by addressing the imbalances of the past. With collaborations formed with our key stakeholders, we have managed to create opportunities for all filmmakers, particularly the youth and women filmmakers from disadvantaged communities. We continue to globally position our film industry, and improve on our policies through research conducted on a regular basis. The research assists the NFVF in formulating new strategies that assist us in delivering on our mandate and in addressing industry challenges and needs.

The issue of transformation of the industry remains a concern in our industry. It is on this basis that the NFVF conducted a Transformation Study to support the ongoing development of a South African Film Criteria and to establish the depth of Black talent across the creative and technical skills pool. Findings from the study confirmed a number of challenges being experienced by the film industry in South Africa.

Some of the key findings were:

- That Government policies have influenced the development of the SA film industry, i.e. policies crafted had a positive impact by directing transformation in the film industry.
- Companies that have embarked on transformation initiatives noted that they are unable to achieve actual transformation and insisted that support from the Government is crucial to enhance genuine transformation in the industry.
- Strides have been made to provide opportunities to people who were disadvantaged especially women. However, there is still more to be done in order to ensure women are able to compete fairly as the industry is still male dominated at all levels.
- The industry is still perceived to be white male dominant and it was not easy for the previously disadvantaged groups to compete with them because of the experience and resources that they have.

Some of the recommendations are:

- Accessibility of Information
Conduct roadshows to provide information and awareness about the NFVF and other organisations with a common target.
- More Communication Channels
Roll out the NFVF internship programmes across the provinces, and communicate on community media platforms
- Educational Structure and Training
Engage with institutions, conduct skills audit, increase bursary funding to 100%
- Provide resources and opportunities
Increase amount of funding for project to create sustainable employment.

It is important to note that the audiences play a pivotal role in the film industry's contribution to the GDP. To understand the consumer patterns, we also conducted an audience research which its findings clearly show that there are several factors that inform audiences in making film choices. These factors will assist us in formulating an audience development strategy.

During the year under review, "Hard to Get" the NFVF funded debut feature by Zee Ntuli, a Bonnie and Clyde style crime romance, opened the 2014 Durban International Film Festival and accrued R1.5 million at the box office. This is the first feature film to come out of the NFVF's slate projects. "iNumber Number" by Donovan Marsh, received great audience reviews and was picked up for remake rights by Universal Pictures in the US. "Four Corners" the second feature by Ian Gabriel, South Africa's first prison gang movie, received good reviews and was selected for its international festival debut into the London International Film Festival. It also received the numerous awards at the South African Film and Television awards, which included an award for Best Film.

We also introduced a documentary archive fund and 6 projects were awarded funding under this scheme, and continued our support of the Youth and Female filmmaker projects.

In line with our mandate of promoting and facilitating liaison between individuals and institutions locally and internationally, for the 2014/15 financial year we funded 49 filmmakers to various international film festivals such as the Cannes international film festival, Berlin International Film Festival, Rotterdam International Film festival, Toronto International Film Festival, the Zimbabwe Film Festival and Rio content market.

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, particularly the global positioning of our local film industry.

CHAIRPERSON OF THE BOARD

By participating at the Annecy Animation Festival and MIFA, we achieved the following objectives:

- Increasing of the awareness of SA animation potential internationally.
- Develop and promote SA animation products.
- Internationally facilitate and promote partnerships between SA animation individuals and institutions with those from around the world.

Our participation at Annecy also saw the NFVF including 2 animation students in the delegation as part of the Human Capital Development aspect of our Annual Performance Plan.

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 SA amongst others.

ACKNOWLEDGEMENTS

I would like to acknowledge our Department of Arts and Culture Minister, Nathi Mthethwa for his support of the NFVF and the film industry. Without the DAC support, the achievements we have realised in the industry would not be possible. My heartfelt thanks also goes to the Director- General and his team for their efforts and tireless support.

I would like to extend gratitude to my fellow Council Members who have committed to serving the local film industry. In the current environment, the role of Council Members is demanding, but their energetic commitment has been exemplary. I would also like to thank the CEO, her Management team and staff for their commitment to the industry, an industry that is constantly evolving and, requiring new ways of doing things. Let us embrace the fact that while we are faced with industry challenges and needs, this is in fact an opportunity for us to be innovative and embark on new approaches of serving the industry.



CONCLUSION

In the financial year 2015/16, we will continue to play a leading role in the growth of our industry, addressing the needs from the stakeholders and broader film community. The NFVF has committed to enabling the industry, doing so through production and development, policy and research, funding and governance. I would like to assure the industry that we will continue to implement our strategic priorities with integrity, working towards improving the quality of life of ordinary South Africans. ■

Ms Mmabatho Ramagoshi
Chairperson of Council
National Film and Video Foundation
31 July 2015

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

INTRODUCTION

The South Africa Film industry continues to make strides, resulting in our films receiving local and international recognition, as well as contributing to the socio-economic development of our country.

The year under review demonstrates that the NFVF is moving in the right direction; growing and positioning the local film industry, contributing to job creation whilst promoting social cohesion.

The 2014/15 financial year reveals yet another need for strategic partnerships in addressing the challenges faced by the film industry in general. These evident challenges include the growing industry needs, which continually surface as a results of our thriving industry. Having said that, I'm proud to say that the NFVF continues to deliver on its strategic mandate, ensuring that the South African film industry grows, and that South Africa remains positioned as one of the best filmmaking countries in the world.



Ms Zama Mkosi
Chief Executive Officer
National Film and Video Foundation

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The NFVF continues to thrive in the face of challenges, one such being funding for the local film industry. We commend the support from our shareholder; the Department of Arts and Culture, and we will continue to lobby the public and private sector to realise the economic contribution to be made by the film industry and thereby invest more in the sector.

The audience research conducted in the period under review indicates that there is a serious challenge in driving our consumers to view our local films. According to the study the distribution channels and film viewing facilities are some of the key elements required in to cultivate the film appreciation culture by South African audiences.

In order to address the challenge of nationwide access NFVF will intensify efforts towards mobilising for the establishment of provincial film structures through the NFVF to deliver its services. The sharp increase in the demand for NFVF funding and other services continues to put immense pressure on the operational resources of the organisation. We however continue to have engagements with our stakeholders in this regard.

ACHIEVEMENTS

In 2014/2015 the three slate programmes commissioned by the NFVF completed their 3rd year of their business plans and all companies are in production with their approved developed scripts. The Documentary slate project is also progressing well into its 2nd year and the producers are preparing to go into production with an approved developed concept.

The first films created under the Female Filmmaker Project were screened by the public broadcaster on SABC 1 to great audience reception. In the period under review the NFVF has moved into the second year of the Youth Filmmaker Project

and the Female Filmmaker Projects, thus creating more viable products ready for broadcast whilst giving opportunity to woman and youth to make their films.

To achieve its global positioning objectives, the NFVF participated at the Pan African Film Festival where it collaborated with the Producer of the Film "The Two of us". In promoting the overall SA Industry to an international audience. I'm proud to say that for the first time 8 films by South African filmmakers were screened at this festival with "The Two of US" winning the Audience award.

Festivals including the The Toronto International Film Festival (TIFF) and the Cannes International Film Festival (Cannes) have been identified as strategic markets to position our film industry. The two markets are utilised not only as a platform to showcase our films, but as a platform to develop and expose our emerging producers to the international arena. Through the partnership with Film Market Access programme which takes place at TIFF and Cannes, we continue to achieve our objective of developing young talent. This programme gives the filmmakers increased access to mentors, producers and buyers and provides an opportunity for them to begin creating valuable international relationships for current and future film projects.

Our relationship with the International Emmys was strengthened when we hosted its semi-final round of judging in July 2014. We see the hosting of the judging as a stepping stone in elevating the profile of our local television and film industries. In addition, the process also motivated our filmmakers to take note of this event when they make decisions to submit their projects for international awards, thereby creating more awareness of our content. The relationship was further augmented when our South African iEmmy jury members were invited to attend the 42nd International Emmy Awards Gala. Both the judging and invitation to attend the awards gala proved to be a learning curve to help enhance South Africa's only film and television awards, the South African Film and Television Awards.

Locally, we continue to strengthen our relationships with the provinces through strategic hosting of stakeholder forums. In addition, we continued to support and participate at local festivals. These festivals have become platforms for our filmmakers to launch their careers. Our participation at festivals including the National Arts Festival, Macufe, Limpopo Film Festival and Kwamashu African Film Festival ensure that the South African audiences are developed and filmmakers are trained, and that as the NFVF, we contribute to social cohesion by creating opportunities for local communities in the areas where the festivals are held.

In our mission to understand the South African film viewership support at the cinema, the NFVF conducted an Audience Research study. The research aimed to identify audience trends with regard to the consumption of film and videos in SA. Specific attention was given to local content. To gain an understanding of these audience trends, the research project was guided by five main research objectives, which are:

- To generate a demographic profile of SA audience.
- To identify audience content preferences (language, platform of consumption, etc).
- To evaluate spending patterns pertaining to film and video consumption.
- To gain insight into the general perception and attitude toward SA film and videos.
- To assess the audience's accessibility to cinema.

The NFVF has given its input to the draft white paper and is continuously participating in the consultative forums convened by the DAC.

DISCONTINUED ACTIVITIES

No activities were discontinued during the period under review.

SUPPLY CHAIN MANAGEMENT AND GOVERNANCE

The NFVF recognises the significance of good governance in the public sector, which is crucial for effective public services and improved social outcomes. The NFVF is committed to ensuring good governance throughout the organisation by observing the principles of the King Report, where possible, within the parameters of public sector legislation. All employees and Council Members of the NFVF are expected to conduct the affairs of the NFVF in accordance with the law, and the spirit of the corporate governance principles and practices, which requires a separation of organisational and private interests and the adoption of ethical standards of business.

The Council and Management of the NFVF ensure that its processes and practices are reviewed on an ongoing basis in order to ensure adherence to good corporate governance practices, which are continually benchmarked against international practices.

For the period under review, the organisation has 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.

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 2014;
- Identified and managed risks by holding an annual risk workshop which culminated in an annual internal audit plan and a risk register;
- Ensured good corporate governance by having regular committee meetings including the Audit Committee, Transformation Committee and Exco, as well as having a fully functioning and efficient internal audit function; and
- Ensured that the HR Policies and Procedures are in line with legislation and best practice.

ACKNOWLEDGEMENTS OR APPRECIATION

I would like to thank the Minister of Arts and Culture, Minister Nathi Mthethwa for his ongoing support. Following the Minister's appointment, the support demonstrated for the year under review has been phenomenal. His presence and speech at the 9th SAFTAs gave the film and television industry assurance that government is indeed behind the industry growth. I would also like to thank the Acting Director General, Mr Vuyo Jack for his guidance.

The NFVF Council plays a key role in ensuring that the NFVF implements its strategic mandate. Led by Ms Mmabatho Ramagoshi, the newly appointed Council embraced both the NFVF and the industry, and offered their commitment to serve as public servants. I would like to thank them for ensuring that the implementation of our strategic mandate is achieved.

To the NFVF team, thank you for giving your best expertise, contributing to the growth of South African film industry. You continue to show commitment and circumspection in the implementation of our strategy. As we enter the new financial year, let's continue with our commitment and passion for the industry, working towards a growing film industry. ■



Ms Zama Mkosi
Chief Executive Officer
National Film and Video Foundation
31 July 2015

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 is 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 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.

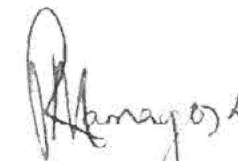
The external auditors are engaged to express an independent opinion on the annual financial statements.

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 2015.

Yours faithfully,



Ms Zama Mkosi
Chief Executive Officer
National Film and Video Foundation
31 July 2015



Ms Mmabatho Ramagoshi
Chairperson of Council
National Film and Video Foundation
31 July 2015

6. STRATEGIC OVERVIEW

6.1 VISION

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

6.2 MISSION

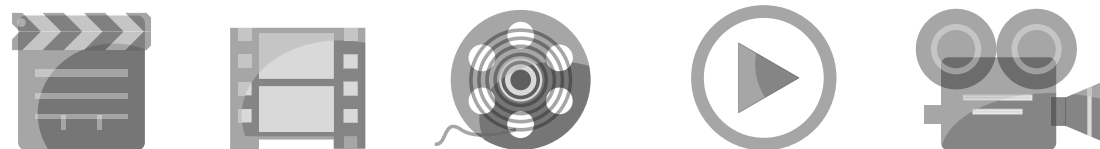
Collaborate with all stakeholders in supporting the development and promotion of a thriving South African film industry.

6.3 VALUES

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

6.4 STRATEGIC OUTCOME-ORIENTATED GOALS

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

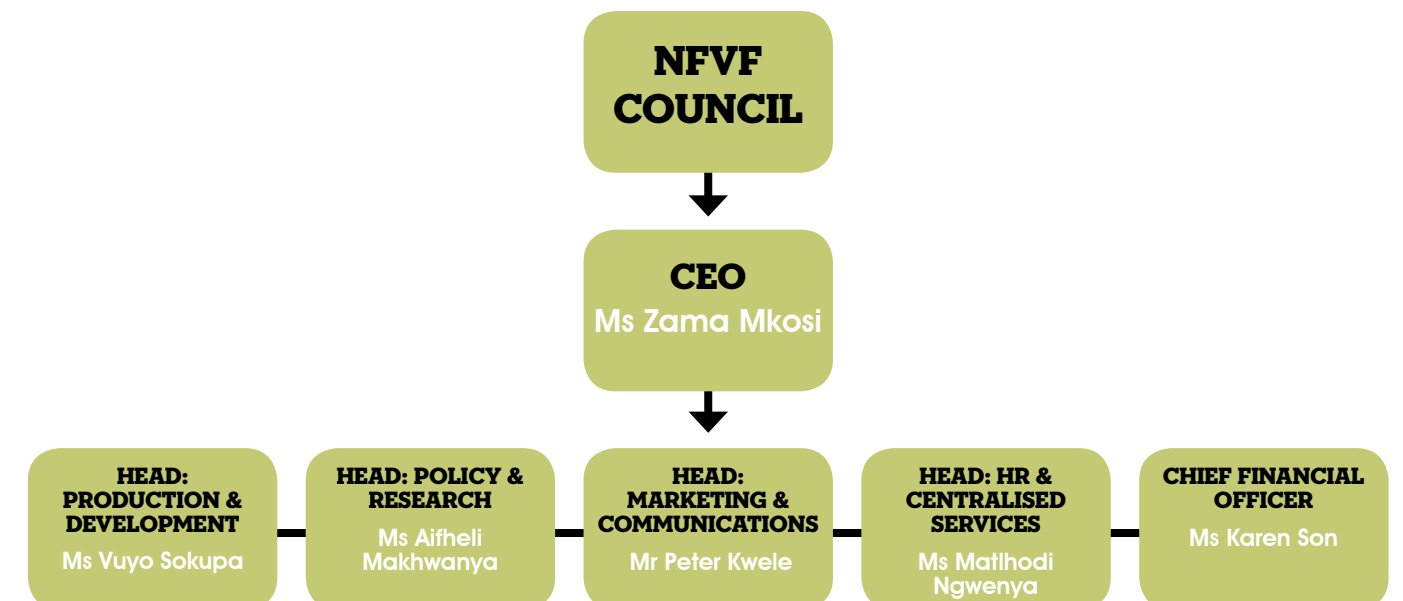
The National Film and Video Foundation (NFVF) is a Schedule 3A Public Entity in terms of the PFMA. The NFVF is governed by the National Film and Video Foundation Act 73 of 1997 as amended by the Cultural Laws Amendment Act 36 of 2001.

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

STRUCTURE



PART B: PERFORMANCE INFORMATION

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2015

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 2015.

The National Film and Video Foundation performance information for the year ended 31 March 2015 has been examined by the external auditors and their report is presented on page 76.

The performance information of the entity set out on page 20 to page 56 was approved by the council. ■

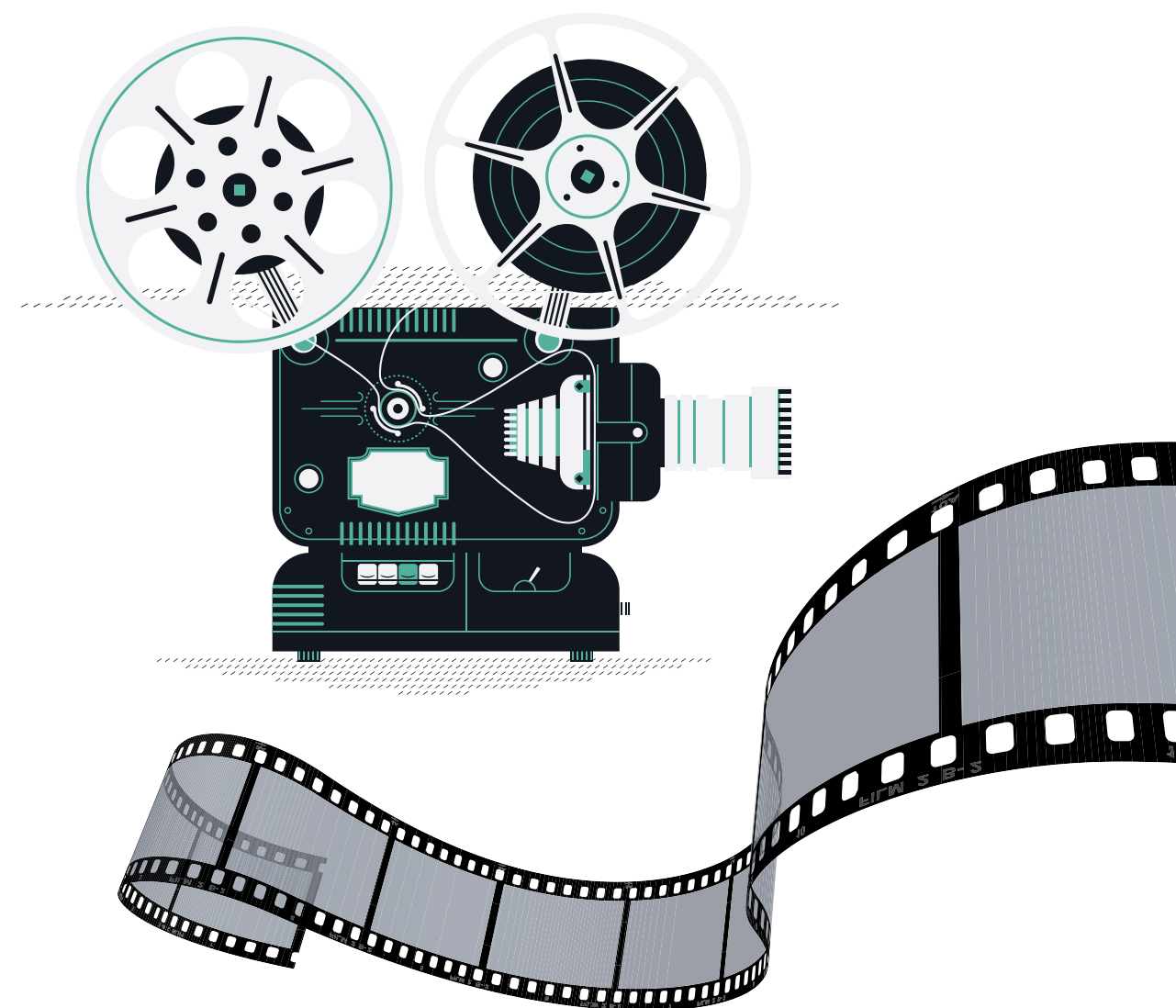
Ms Zama Mkosi
Chief Executive Officer
National Film and Video Foundation
31 July 2015

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 76 of the Report of the Auditors Report, published as Part E: Financial Information.



3. SITUATIONAL ANALYSIS

3.1. SERVICE DELIVERY ENVIRONMENT

In the service delivery environment, intergovernmental relations have improved, resulting in better participation from all the different governmental funding partners or broadcasters. The first films created under the Female Filmmaker Project have been screened by SABC 1, to great audience reception. In the period under review, the NFVF moved into the second year of the Youth Filmmaker Project and the Female Filmmaker Projects, creating more viable, broadcast-ready products.

3.2. ORGANISATIONAL ENVIRONMENT

The NFVF organisational structure approved in the 2014/15 financial year has been fully implemented. The process to implement the revised organisational structure is fully aligned to the NFVF operations. The 360 performance management is 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. Training needs are identified and executed from the performance review. The NFVF executive team were taken through a leadership development programme.

There was, however, a challenge, as two senior managers resigned. They were replaced immediately and the new incumbents are fully integrated into the NFVF. As a result, service delivery was not affected.

3.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

NFVF Funding Criteria 2014

The funding criteria has been updated to include detailed information on what the NFVF funds and the various terms and conditions that apply to the respective grants for development, production, training and bursaries, as well as marketing and distribution. The updated criteria addresses issues of uncertainty such as removing funding caps, shooting outside South Africa and preference for public institutions for bursaries.

Conflict of Interest

The policy was amended to include employees' external business interests in alignment with internal HR Policies, that include declaration of gifts, as well as any conflicts by employees for any operational processes, such as tender committees and interviews.

Transformation Policy

The proposed Transformation Policy seeks to introduce an internal transformation policy that will apply to all aspects of the business of the NFVF. This will go hand in hand with a charter to be developed in the new financial year, which will bind all industry and government stakeholders by setting out clear transformation goals, targets and deadlines.

3.4. STRATEGIC OUTCOME-ORIENTATED GOALS

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

It is of utmost importance that the bursary funding initiatives of the NFVF continue to grow and reach more new entrants into the industry. In 2014/2015, the NFVF yet again exceeded its target for bursaries and intern placements. In partnership with the MICT-SETA, the institution was also able to more than double its provision of bursaries, thereby benefitting a range of talented young people, who will be eligible to join the Youth Filmmaker Project upon completion of their studies.

The NFVF, in partnership with the University of the Witwatersrand, is developing a Director's training manual, with the sole purpose of increasing the number of people that can be trained in this identified scarce skill.

The NFVF continues to mentor and groom emerging producers in the Sediba Producers Programme.

Develop appropriate policy interventions for the industry.

The main policy development has been the DAC's Draft White Paper on Arts, Culture and Heritage, which was finalised in October 2013. The White Paper introduces structural changes that may impact on how the NFVF is funded, and the inclusion of new formats outside the traditional film and video format, as is currently defined in the NFVF Act. For the year under review, the NFVF has investigated the establishment of a film fund, presented to the Department for adoption. A pilot was also conducted through the NFVF, while an appropriate structure is set up to administer the film fund. The white paper will also necessitate an overhaul of the NFVF, to ensure that its name, mandate and funding model enables it to fully function towards achieving its objectives.

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

The NFVF has kept on track with the targeted number of funded projects in production, and has funded more projects in development than the number initially targeted. The NFVF also exceeded its target for the newly introduced documentary archive fund.

In 2014/2015, the three slate programmes completed the 3rd year of their business plans, and all companies are in production with their approved, developed scripts. The Documentary slate project is also progressing well into its 2nd year, and the producers are preparing to go into production with an approved, developed concept. This coming financial year will see a call for new slate opportunities.

Promote the South African Film Industry locally and internationally.

The effective promotion of South African films and the South African film industry, both locally and globally, is at the core of the NFVF's mandate. The NFVF continues to deliver on this objective through quality investment and involvement in various engagements, including film festivals, youth-focused roadshows, public and media relations initiatives, public film screenings, stakeholder relations and hosting the SA Film & Television Awards (SAFTAs). The SAFTAs remain an important strategic project, co-ordinated and primarily funded by the NFVF, aimed at recognising the film industry value chain. It also forms a key device for stakeholder engagement and building more mainstream awareness of the local film opportunities. Through the awards, we have witnessed more filmmakers become motivated to tell their stories. All of the above were driven by research and a marketing communications strategy, with the goal of establishing greater insights and strategic focus on activities moving forward.

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

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

The NFVF is governed by a council that is appointed in terms of s6 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

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

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

TRAINING AND DEVELOPMENT

PRODUCTION AND DEVELOPMENT OF CONTENT						
Strategic objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Public Understanding of Arts and Culture	Bursary funding for different levels of training	116 bursaries awarded	61 bursaries awarded per annum	116 bursaries awarded per annum	Awarded 55 more bursaries	With MICT-SETA, NFVF was able to award more bursaries
	Internship Programme	30 interns placed	Place 20 interns per annum	35 interns placed	15 more than target	Internship funding was increased by the MICT-SETA
Human Capital Development	Specialists up-skilled in their area of profession through the support of programmes	<p>3 workshops were held and 40 writers were trained in Spark; 8 script editors and 17 writers were trained in Masters</p> <p>The producing workshop was held and 20 producers attended- 5 advanced and 15 emerging.</p> <p>A call for training providers was sent to industry. Four proposals were received.</p> <p>4 engagement fora hosted</p>	<p>4 scriptwriting workshops</p> <p>1 producing workshop</p> <p>1 directors workshop</p> <p>4 engagement fora</p>	<p>4 workshops were held</p> <p>1 Producing workshop conducted</p> <p>1 Directors Manual was commissioned in partnership with Wits</p> <p>4 engagement fora conducted</p>	N/A	N/A

PRODUCTION AND DEVELOPMENT OF CONTENT (CONTINUE)						
Strategic objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
	Support organisations that offer training in specific gap areas	3 training companies funded	3 training companies funded annually	3 training companies funded	N/A	N/A
	Mentorship and skills transfer programmes		Fund 2 students to attend 1 national & 2 international platforms Fund 5 filmmakers to attend 2 international platforms	2 students were funded and attended 1 national (DIFF) & 2 international platforms (Annecy and Sunnyside of the Doc) 5 filmmakers were funded and attended 2 international platforms	N/A	N/A
	Sediba Scriptwriting Programme	Appointment of service provider to assist NFVF in accrediting of programmes	Accreditation of Sediba Spark and Masters programme	Still pending	Accreditation process is still underway.	A call was sent to industry to get a provider to re-write the curriculum, but no qualifying proposals were received. Creative Arts College has expressed an interest to partner with NFVF on their accrediting the programme

SIGNIFICANT ACHIEVEMENTS

The training and skills development programme performed well overall, after doubling the planned number of bursaries awarded to tertiary institutions. This was largely due to the partnership with the MICT-SETA, which secured additional funding for bursaries leading to exponential growth in the number of opportunities for tertiary training in film. Added support to the training programmes of a variety of institutions means that the talent pool for the film industry is growing, and the NFVF is fulfilling its objective of increasing these training opportunities.

We funded more students and more international platforms than initially targeted. This opportunity allows students to gain exposure to the industry.

The partnership with the Canadian-based Film Market Access Programme has been kept successfully maintained during the period under review. The partnership is aimed at giving exposure to Tier 2 & 3 filmmakers at international festival platforms. This programme gives the filmmakers increased access to mentors, producers and buyers, and provides an opportunity for them to create valuable international relationships for current and future film projects.

KEY PROGRAMME OUTPUTS

Bursaries and Scholarships

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

The demographics of the bursary recipients were as follows:

Black Males – 57%
 Black Females – 35%
 White Males – 4%
 White Females – 4%

Training Providers

In the period under review the NFVF funded 3 training initiatives.

The Media Workshop

This training provider was funded to provide training in short film directing and producing to scriptwriters who had successfully completed the Sediba Spark Programme in the Eastern Cape through a partnership with the Eastern Cape Provincial Arts & Culture Council.

Siyayinqoba BEAT IT!

Training of PDI's in documentary filmmaking within their own communities. Documentaries take the viewer to different parts of the country, focusing on underprivileged and rural communities.

Bolabathaba Filmmaking Project

This practical and innovative training proposal is deeply embedded in the community of Mopani District Municipality, Limpopo, and provides future opportunities and contacts for trainees in Limpopo. There is a strong emphasis on news and documentary filmmaking, with the aim to provide possible future employment in the area. The training is practical, after which learners are absorbed into the production company which produces content for Soweto TV and Tshwane TV.

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The accreditation of the Sediba programmes is still a critical area of focus. The NFVF has to quickly and systematically work through the obstacles that have been identified with this process. The Sediba Directing Workshops are delayed, due to the lengthy process of developing and compiling a handbook prior to commencement of training. The NFVF has identified a satisfactory service provider that will create a solid foundation for teaching this critical skill.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets. ■

4.2. PROGRAMME 2: POLICY AND RESEARCH

PROGRAMME DESCRIPTION

Purpose of programme

Research projects undertaken and subsequent policy interventions are critical to ensure that the film industry contributes to government imperatives, such as job creation and enterprise development. The concomitant creation of a business environment, that enables sufficient production activity levels and regular employment, is critical. 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 that 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 film industry information source).
- Proposed regulations.
- Administration and certification of national films (local and official co-productions).



Scan this QR code to view trailer.

15 MINUTES OF FAME, FOR A CHICKEN

Getting the job done by international standards is something our filmmakers pride themselves on, but sometimes that does cause some humour on set. With Tell Me Sweet Something requiring a "stunt chicken" the team went the practical route of purchasing one from some guys who were selling live chickens to be eaten.

So that's the first part of the job done. Then, to make sure all necessary protocols were followed, said chicken was given an animal wrangler to ensure that no harm came to him and that rules regarding cruelty to animals were followed. He went from destined to be lunch to luxury treatment in a moment of a minute.

The chicken was treated like a star and was only allowed to "work" for a maximum of 30 minutes at a time before being given a rest period. The rules for the chicken were stricter than any others so when the chicken was there you knew there was a star on set. Did he know what was happening? Who is to know.

A day later, all chicken shooting wrapped, the star was sold back to the guys he was bought from. Odds are that chicken was someone's lunch pretty soon, but then in show business you are only ever guaranteed 15 minutes of fame and the chicken got a full day. Where do Hollywood get their stunt chickens from? We don't know. But we can say no chickens were harmed during the making of this feature. The filmmakers also say working with the NFVF was a lot easier than working with the chicken.

PROGRAMME PERFORMANCE REPORT

POLICY AND RESEARCH						
Strategic objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Business Development	Industry research conducted and published	6 research programmes were conducted	3 research publications per annum	4 publications	1 additional publication	The transformation study conducted was necessary to provide evidence for criteria for South African films
	Policies approved	4 policies approved by council	3 policies approved by council	3 policies approved by council	N/A	N/A
	Certification of National Films	A total of 24 applications were received and certified: advance ruling – 8; final ruling – 9; and certificates of nationality – 7	Certify all applications received	A total of 31 applications were received and certified: advance ruling – 7; final ruling – 8; and 16 certificates of nationality	N/A	N/A



SIGNIFICANT ACHIEVEMENTS

South African Audience Development Research

The project aimed to identify audience trends with regard to the consumption of film and videos in SA. Specific attention was given to local content (SA-produced films and videos). To gain an understanding of these audience trends, the research project was guided by five main research objectives, which are:

- To generate a demographic profile of the SA audience.
- To identify audience content preferences (language, platform of consumption, etc.).
- To evaluate spending patterns pertaining to film and video consumption.
- To gain insight into the general perception and attitude toward SA film and videos.
- To assess the audience's accessibility to cinema.

The qualitative techniques that were used included in-depth interviews, telephonic interviews and focus group discussions.

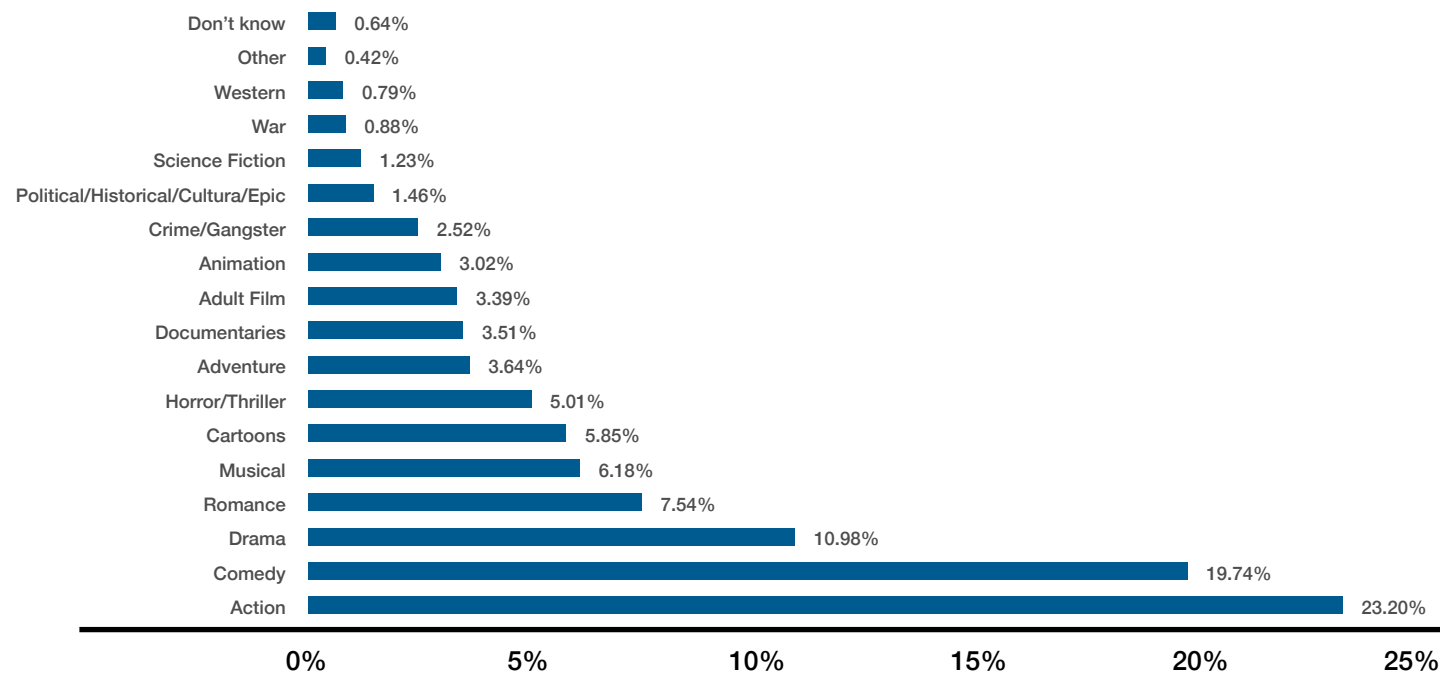
The profile of respondents used for this research closely reflects the profile of the national population. For example, the survey findings showed that 47% of the respondents were male and 53% female. The male-to-female proportion observed is consistent with the gender distribution of the SA population where, on average, the population consists of 48.2% males and 51.8% females.

Most of the respondents (80%) who took part in the survey were Black Africans, followed by Coloured (10%) White (6%) and Indian/Asian (4%). Most of the respondents were economically active, as the findings showed that 44% were employed, followed by 21% who were unemployed. The proportion who were studying as full-time students was 20% followed by those who were employed and studying 8%. Some 4% said they were studying and seeking employment, while another 4% were pensioners.

Most respondents (66%) said that they earned up to R5000, followed by 16% who said R5001-R10000. Around 9% indicated R10001-R15000, while 5% said R15001-R25000 and around 4% indicated that their monthly income was R25001 and above per month. Most of the adults (52%) said that they completed high school, followed by 43% who indicated that they had attained a post high school qualification such as certificate, diploma, degree, masters, and so on. Some 4% had attained primary school level and 1% gave other answers such as IT certification, never attended school and withdrew from school.

The findings reveal that a greater proportion of the respondents prefer action films, followed by comedy, drama, romance, musicals, cartoons/animation, horror/thriller/adventure and documentaries, in that order. The least preferred film types were Western, war, science fiction, political/historical/cultural/epic, crime/gangster, animation and adult films, in that order.

PREFERRED FILM TYPE

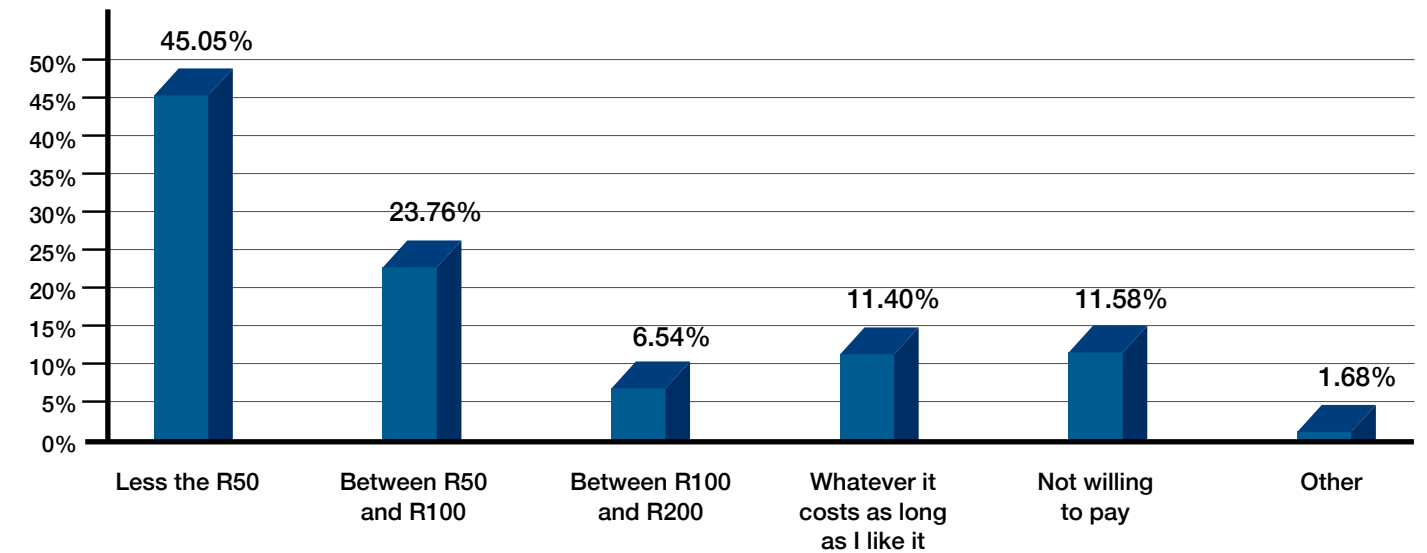


From the survey findings, it was noted that choice of film viewership is associated to variables such as age, social class, language, lifestyle, and so on. For instance, the most preferred film genres for children are cartoons and animation, with adults choosing action, followed by comedy and drama, while the youth prefer comedy and adventures.

The findings further revealed that there are a number of factors that inform audiences' choice. A larger proportion of respondents said that the type of film influences their choice, followed by their mood, award nominations, word-of-mouth/recommendation, specific actors/actresses, media reviews and Box Office success, in that order. Fewer respondents indicated that they are influenced by factors such as special occasions and country of origin/location of production. What these results clearly show is that there are several factors that inform audiences in making film choices. Knowing these factors is key in an audience development strategy.

The findings reveal that a larger proportion (45%) of respondents are willing to pay less than R50, followed by 24% who indicated R50-R100; around 12% said they are not willing to pay anything and 11% said that they are willing to pay 'whatever it costs as long as they like the film'. About 7% said R100-R200, and 1% provided other answers, such as that they are willing to pay between R15-R25.

HOW MUCH ARE YOU WILLING TO PAY TO WATCH A SA FILM AT THE CINEMA? (N=1667)



Recommendations

- Enhance distribution and production value chain.
The preferences of the audience should also be taken into cognisance; for example, this study showed that TV is still the most widely utilised platform for watching films, followed by DVDs and VoD. It is also important to engage multiple distribution channels in the industry through interactive forums.
- Propagate film education.
The starting point should be schools throughout SA, where film should become part of the cultural education of children in their school syllabus. Such initiatives require funding.
- Enhance awareness of SA films.
This study showed that most people indicated that they are prepared to go out of their way to watch SA films in future, and on the other hand, also noted that SA films should be advertised, in order to create awareness about them. An all-encompassing stakeholder approach can be used as a vehicle to create an integrated communications strategy, designed to create awareness of SA film and video content.
- Talent and skills development
The talents, skills and needs of the industry should be clearly identified, delineated, developed and balanced with other skills, such as entrepreneurial abilities, ICT, and marketing know-how. Through talent and skills development, filmmakers can fully engage audiences through telling stories that relate to the audience.
- Strengthen the branding of SA films.
The feasibility of branding SA films should be explored, in order to build a stronger and more compelling SA film brand. Local films should be treated, managed and celebrated as a brand availed to and accessed by all audiences. Film festivals can be further strengthened to propagate the SA film brand.

KEY PROGRAMME OUTPUTS

Box Office Report 2014

The year 2014 marked a period where South Africans experienced challenges with electricity supply constraints, repeated strikes and a weak recovery of the Rand. Most recently, economic indicators suggested a passive economic environment, which contributed relatively to a slow growth. Due to other challenges, including those listed, the film industry, like most other industries, was affected. The industry experienced a slow recovery in terms of growth in box office revenues generated. A total of 228 films were released at the box office during the period under review, of which 23 were SA films. The report indicates that South Africans continue to show keen interest for imported titles, with local films only claiming 6% market share at the box office. Theatrical revenues for all films released in South Africa totalled R 880.3 million in 2014 - an increase of 0.13% compared to 2013. Foreign films experienced growth of 6%, while South African films declined by 44% in 2014.

TABLE 1: SA BOX OFFICE TRENDS, 2010 - 2014

COLUMN	2010	2011	2012	2013	2014
Number of films	23	24	19	25	23
Box Office (R m)	R86.2	R37.5	R82.7	R98.4	R55.4
Change (%)	-	-56%	121%	19%	-44%
Share (%)	11%	5%	11%	11%	6%

Source: Ster Kinekor, Box Office Mojo

The highest performing local film in the top 10 was "Pad na Jou Hart", which earned R11.6 million. The second highest grossing film was "Leading Lady", taking only R7.6 million. "Faan se Trein" earned R7.2 million, and came in at third place. It is also interesting to note that 6 of the films in the top 10 were Afrikaans-language films, which is an indication of the growing audience for Afrikaans movies. Other indigenous films are certainly struggling to attract as large an audience as possible, and to generate more revenue in order to improve the SA market share.

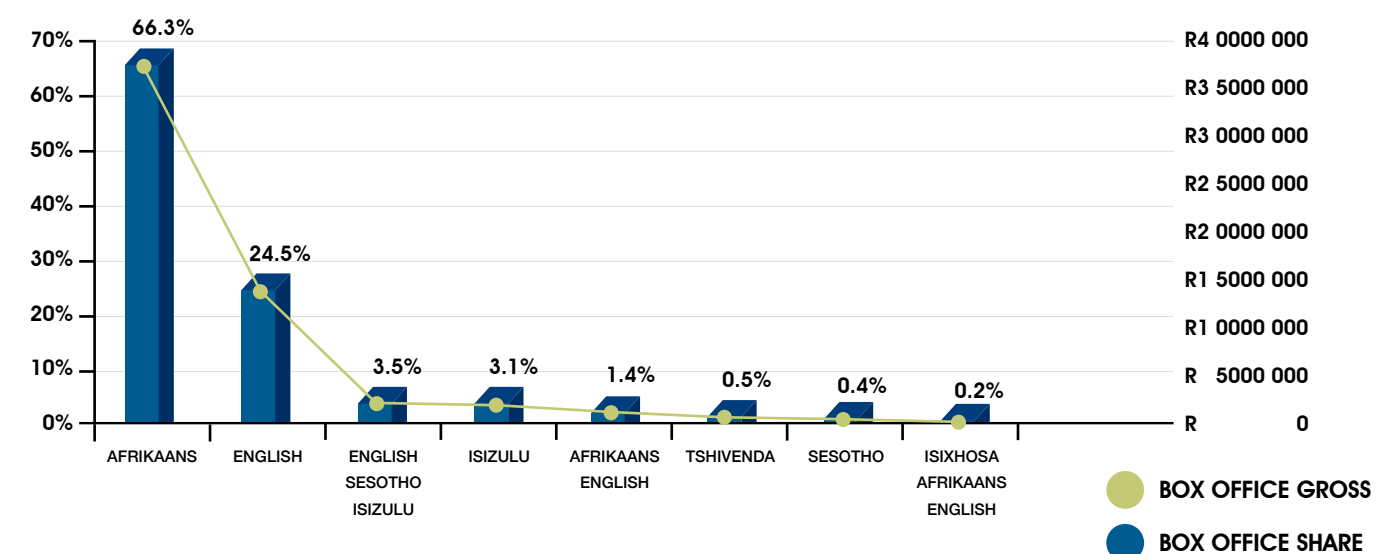
TABLE 2: 2014 TOP SA FILMS

MOVIE TITLE	RELEASE DATE	WEEKS	NO. OF SCREENS	BO AT RELEASE	CUMULATIVE BOX OFFICE GROSS
Pad na Jou Hart	14 Feb	10	57	3 149 843	R11 597 209
Leading Lady	29 Nov	6	65	1 368 669	R 7 567 630
Faan se trein	24 Jan	5	44	1 405 604	R 7 158 787
Vrou Soek Boer	7 March	5	48	1 248 572	R 5 458 669
Knysna*	26 Dec	6	58	1 047 758	R 4 893 911
Spud 3: Learning to Fly	28 Nov	4	53	926 992	R 3 788 281
Konfetti	18 Apr	88	34	818 522	R 2 558 221
iNumber Number	25 Apr	13	35	365 416	R 1 956 873
Hard to Get	29 Aug	17	36	363 785	R 1 714 862
Die Spook Van Uniondale	29 Aug	3	41	598 542	R 1 495 744

Figure 1 below shows that, of the 7 different languages (including English), in which films were released in SA, Afrikaans was the most highly-grossing language, followed by English. Afrikaans films earned R36.5 million, taking 66% of box office earnings.

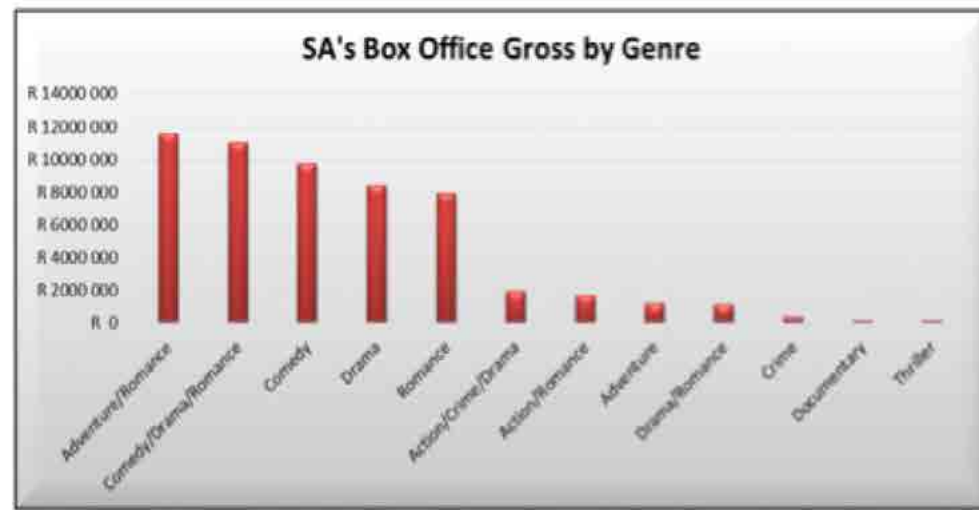
This suggests that Afrikaans films hold greater appeal for their audience, and have been able to take advantage of its stake in Afrikaans filmmaking. Films in English accounted for R13.6 million, claiming 25% of box office earnings. A combination of IsiZulu/Sotho/English managed to take at least 4% of box office earnings. Other indigenous languages like Tshivenda and Sotho did not perform well at the box office.

FIGURE 1: SA BOX OFFICE GROSS BY INDIGENOUS LANGUAGE



As for local films, the industry also had a combination of genres, with Adventure/Romance being the highest grossing genre, and the only top earning film, "Pad na Jou Hart" (R11.6 million). Comedy/Drama/Romance was the second highest earning genre with a combined gross of R11.0 million. Comedy was in third place with R9.7 million.

FIGURE 2: SA BOX OFFICE GROSS BY GENRE



From the report, it is evident that efforts to develop a strong cinema-going culture and to get more audiences to choose South African films at the cinema needs to be further exploited.

Transformation in the South African Film Industry

The transformation study was conducted to support the ongoing development of South African Film Criteria, and also to establish the depth of black talent across the creative and technical skills pool. Findings from the study confirmed a number of challenges being experienced by the film industry in South Africa. It is also interesting to note that much of the findings in the study are consistent with our assumptions, although the responses are limited to the 22 face-to-face interviews we conducted with key informants, industry stakeholders and representatives from organisations, as well as the 3 focus groups that were held in KwaZulu-Natal, Eastern Cape and Gauteng.

Some of the key findings were:

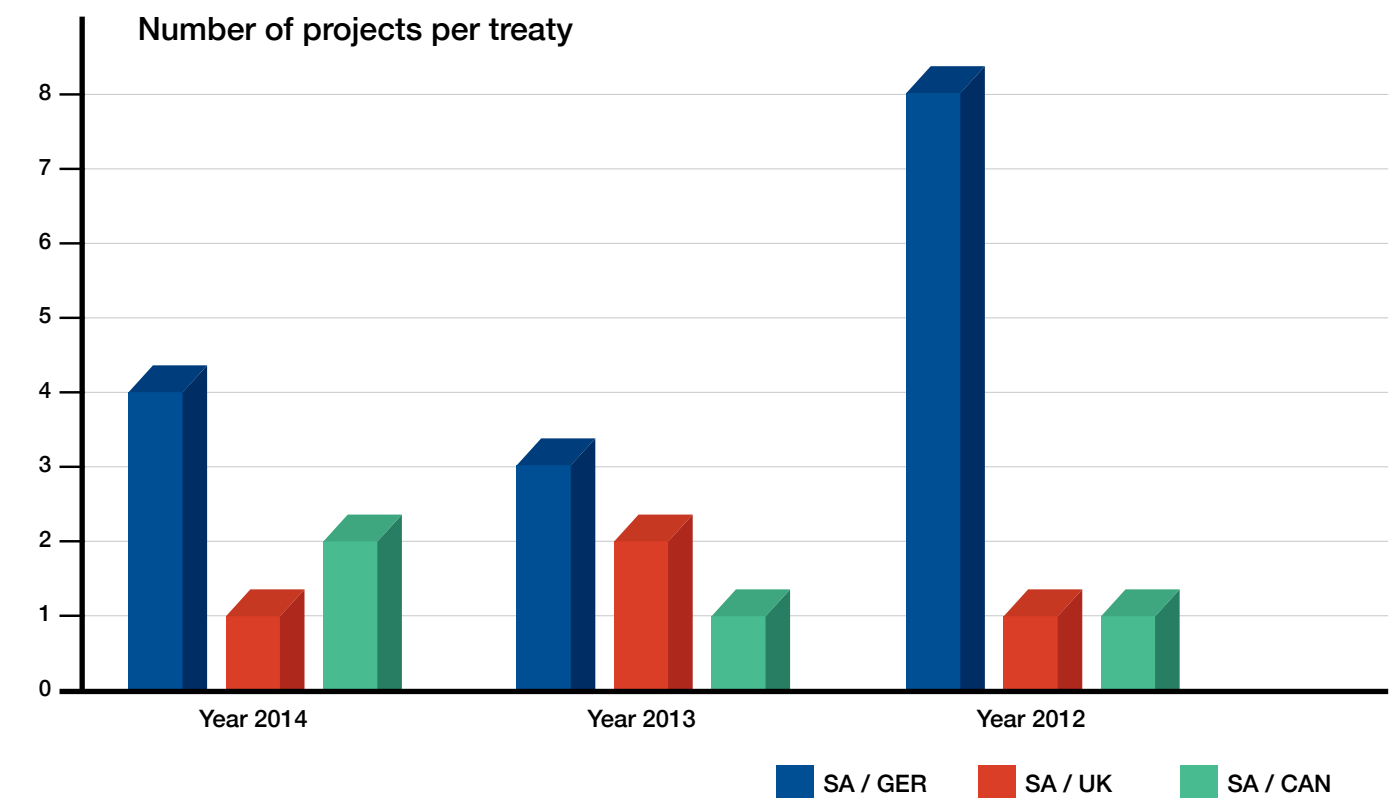
- Government policies have influenced the development of the SA film industry, i.e., policies that have been crafted had a positive impact, by directing transformation in the film industry.
- Companies that have embarked on transformation initiatives noted that they are unable to achieve actual transformation and insisted that support from the government is crucial to enhance genuine transformation in the industry.
- Strides have been made to provide opportunities to people who were disadvantaged, especially women. However, there is still more to be done in order to ensure that women are able to compete fairly, as the industry is still male dominated at all levels.
- The industry is still perceived to be white male-dominant, and it was not easy for the previously disadvantaged groups to compete with them, on account of the experience and resources that they have at their disposal.

Recommendations:

- Accessibility of information.
Conduct roadshows to provide information and awareness about the NFVF and other organisations with a common target.
- More communication channels.
Roll out the NFVF internship programmes across provinces, and communicate on community media platforms.
- Educational structure and training.
Engage with institutions, conduct skills audit, bursary funding should 100%
- Provide resources and opportunities.
Funding the project wholly, create sustainable employment, and make subsidies available.

FIGURE 1: SA BOX OFFICE GROSS BY INDIGENOUS LANGUAGE

The Co-production report is an annual publication of Co-production activity of the film industry within that year.



Summary of Findings:

- A total of 7 projects were submitted for 2014, with the SA/GER treaty being the most active with 4 projects, followed by the SA/CAN treaty with 2 projects, and only 1 project was submitted under the SA/UK treaty.
- The 7 projects under review had a combined budget of R257 232 180, with SA contribution sitting at R 93 970 374, and the balance coming from co-producing partners.
- The DTI and IDC were the main sources of funding that contributed to Co-production, with 28% and 7% respectively, and the remaining 65% came from other sources, including investment from the production company.
- The sector that benefitted the most from the Co-production was the tourism sector, with more than R13 million spent on travel and living, and more than R6 million spent on locations.
- A total of 120 cast members were used and SA-based cast members constituted 71 of those. A total of 191 days were spent shooting in SA, from a total of 238.
- Feature films and Movies of the Week were the most produced formats (3 each) and only 1 documentary was produced.

Certifications**Co-productions**

During the 2014/15 financial year, 15 projects were submitted for Co-production approval, seven for advance rulings and eight for final rulings.

PROJECT NAME	TREATY	RULING
Shark Killers	SA/Canada	Advance
Mandela's Gun	SA/UK	Advance
Against the Wild 2: Surviving Serengeti	SA/CAN	Advance
Truth and Consequences	SA/Germany	Advance
Super Dad	SA/Germany	Advance
Rosa	SA/Germany	Advance
Johanna and the Bush Pilot	SA/Germany	Advance
Wild At Heart 8	SA/Germany	Final
Beaver Falls II	SA/Germany	Final
The Road to Freedom	SA/Germany	Final
Inescapable	SA/Canada	Final
Solo Flight	SA/Germany	Final
Young Ones	SA/Ireland	Final
The Salvation	SA/UK	Final
Northmen – A Viking Saga	SA/Germany	Final

16 applications were received and issued with certificate of nationality:

PROJECT NAME	PRODUCTION COMPANY	PRODUCER(S)	DIRECTOR(S)
iNumber Number	Devine Inspiration (Quizzical)	Harriet Gavshon, J.P. Potgieter, Mariki van der Walt, Donovan Marsh	Donovan Marsh
Konfetti	Best Man Productions (Pty) Ltd	Zaheer Goodman-Bhyat	Zaheer Goodman-Bhyat
The Land of Milk and Money	Promised Land Movie (Pty) Ltd	Danie Bester	Neels Clasen
Mandela's Children	Timeville Investments (Pty) Ltd	Ramadan Suleman	Ntombizodwa Magagula, Tony Miyambo, Hlumi Tlale, Kgathiso Sephiri, Mapula Sibanda, Luscious N. Dosi, Lerato Moloi, Valencia Joshua, Zandile Wardle, Thabo Tlomatsana
Blitz Patrollie	Diprente Films	Isaac Mohajane, John Volmink, Kagiso Lediga	Andrew Wessels
Wild South Africa 3D	3D Wild Life Series	Graham	Alriette
Ballade vir n Enkeling	The Film Factory	Danie Bester	Quintin Krogg
La Boheme	Advantage Entertainment	Vlokkie Gordon/ Mark Dornford-May	Mark Dornford-May
Break It Down	K20132004868 (Pty) Ltd	Horace Rayners	Lorreal Ferris
Uitvlucht	Advantage Entertainment	Vlokkie Gordon	Regardt van den Bergh
Schucks Your Country Needs You	Your Country Needs You (Pty) Ltd	Andries Scholtz	Gray Hofmeyer
Hard To Get	Hard To Get (Pty) Ltd	Junaïd Ahmed/ Helena Spring	Zee Ntuli
Strikdas	Faith in Motion Productions	Stefan Enslin	Stefan Nieuwoudt
1961 The Movie (Pty) Ltd	Free State	S.P De Jager, R.S Terwadkar, PJJ De Jager	S.P De Jager
Tempest Film Productions (Pty)	Sylvia	Marilyn Markus, James Logan	James Logan
Four Corners (Pty) Ltd	Four Corners	Cindy Gabriel, Genevieve Hofmeyr	Ian Gabriel

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

Box Office Report 2014

The NFVF will continue to engage the DAC on a regular basis, to ensure that support is provided to ensure that policies and legislation are taken through the necessary processes, and that approval by the Minister is facilitated. The NFVF continues to engage with various stakeholders, mainly with the South African Screen Federation (SASFED), to ensure that policy and strategic consultation is regular.

Draft white paper on arts, culture and heritage

The NFVF has given its input to the draft white paper, and is continuously participating in the consultative forums convened by the DAC.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets.

4.3. PROGRAMME 3: PRODUCTION AND DEVELOPMENT OF CONTENT

PROGRAMME DESCRIPTION

Purpose of programme

Production and Development of Content is at the core of the work the NFVF engages in – it is where the mandate of the organisation is most clearly fulfilled, by providing the film industry with critical financial support and technical expertise, to take a film project from an idea to a product that can be screened. While the quantity of locally-produced films 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 NFVF is therefore 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.

CUT FROM THE SAME CLOTH

- FILMMAKING AND NATION BUILDING



Scan this QR code to view trailer.

No filmmaker knows when they begin the journey of making their film just how far the process will stretch themselves and those they collaborate with along the way. For the director of *Miners Shot Down*, Rehad Desai, the involvement with the mineworkers and community during the commission was a life-changing event, but it didn't stop there.

He would go on to spend another year travelling the width and breadth of South Africa with the film, visited six Southern African countries on screening

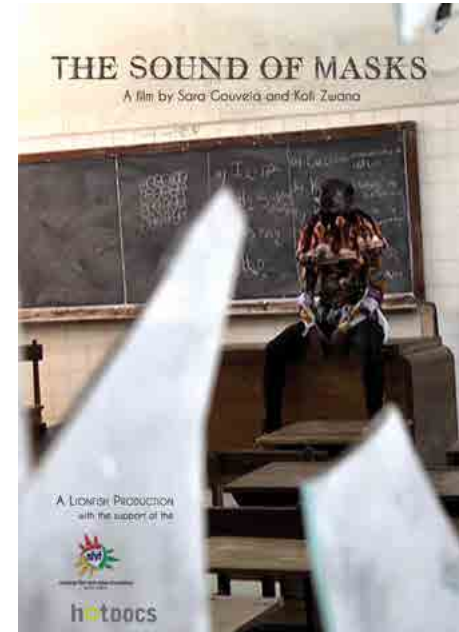
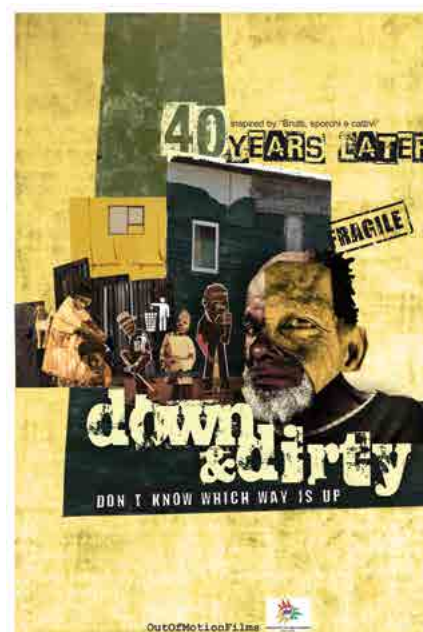
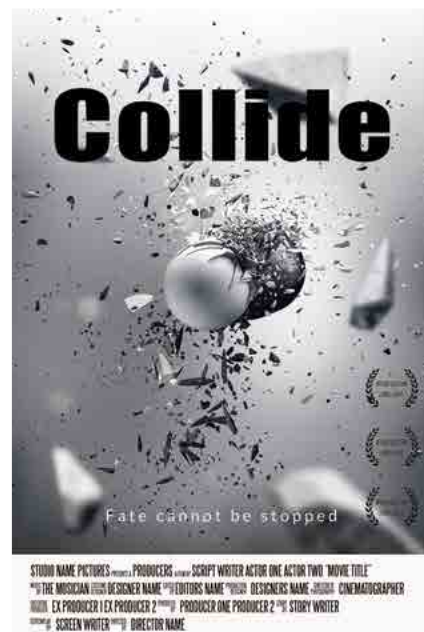
tours and visited scores of international festivals. It was not easy, but the result was more than a successful film. In Desai's words: "It's grounded me in my country, and showed me the power of documentary film to shift peoples ideas about the world."

Changed both by the community whose story he told and those he took that story to, Desai notes that none of it would have been possible without the support of a community, including the NFVF.

PROGRAMME PERFORMANCE REPORT

PRODUCTION AND DEVELOPMENT OF CONTENT

Strategic objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Business Development	An increase in the volume of South African films produced	42 projects have been funded for development	31 projects funded in development	39 projects were funded in development	8 more than target	Not all projects funded either requested or received the maximum allocation per project
		20 documentary, 10 feature and 3 short films funded in production	25 projects supported in production	27 projects were funded in production	2 more than target	Not all projects funded either requested or received the maximum allocation per project
		4 documentary projects funded for archive material	4 documentary projects funded for archive material	6 documentary projects funded for archive material	2 more than target	Not all projects funded either requested or received the maximum allocation per project



Strategic objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
	An increase in the no of PDI's successfully applying for NFVF funding	Bornfree Media and Quizzical Pictures were identified to produce 10 female-led short films	10 Female filmmaker films funded annually	10 Female filmmaker films were funded	N/A	N/A
		Natives at Large was identified to produce 10 youth-led short films.	10 First-time/ Youth filmmakers funded annually	10 First-time/ Youth filmmaker films funded	N/A	N/A
		5 TV concepts have been supported for development.	5 TV concepts/ pilots funded annually	4 TV formats were funded	1 less than budget	Lack of applications that met the criteria
		3 slates have been funded in development and production.	3 slates funded in development	3 slates funded in development	N/A	N/A
		4 projects were funded for production for the 20 years of democracy project.	3 slates funded in production	3 slates funded in production	N/A	N/A
	Assist local films in distribution	3 films have been supported for distribution; Khumba, Blitz	3 films distributed annually – target changed	0	Target not achieved	2 tenders were issued during the year – one for a distribution scheduler, however no proposals were received. The 2nd tender was for the on-line platform, but but no bidder was approved

SIGNIFICANT ACHIEVEMENTS

During the year under review, "Hard to Get" - a Bonnie and Clyde-style crime romance debut feature by Zee Ntuli - funded by the NFVF, opened the 2014 Durban International Film Festival and accrued R1.5 million at the box office. This is the first feature film to come out of the NFVF's slate projects.

"iNumber Number" by Donovan Marsh received great audience reviews and was picked up for remake rights by Universal Pictures in the US.

"Four Corners", South Africa's first prison gang movie and the second feature by Ian Gabriel, received good reviews and was selected for its international festival debut at the London International Film Festival. It also received the SAFTA award for Best Film.

The first 10 films produced under the NFVF's Female Slate Project were screened at the 2014 Durban International Film Festival, and was licenced by the SABC and screened on SABC1 in February 2015.

KEY PROGRAMME OUTPUTS

During the 2014/15 financial year, the NFVF funded 39 projects in development - 20 features, 16 documentaries and 3 short films. 27 projects were funded in production - 12 features, 9 documentaries and 6 short films.

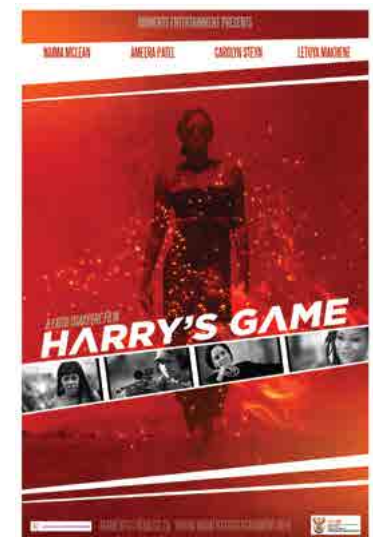
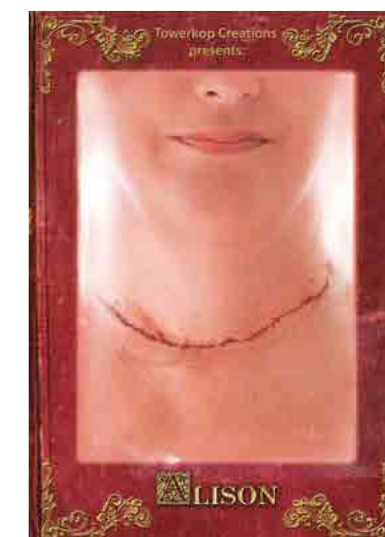
The NFVF introduced a documentary archive fund, and 6 projects were awarded funding under this scheme.

The NFVF continued its support of the Youth and Female Filmmaker projects. The main objective of the Youth and Female Filmmaker project is the identifying and nurturing new talent in the industry. In the year under review, the NFVF funded the following projects:



FEATURE PROJECTS IN DEVELOPMENT

PROJECT	APPLICANT	COMPANY
Break it Down	Lorreal Ferris	K2013204868 Pty Ltd
Collide	Mpho Kgosana	Incognito Productions
Strange Love	Liezel Sampson	Durban Motion Pictures CC
The Wasteland	Mark Engels	Mark Engels cc
An Anthology Film	Feizel Mamdoo	Journey Home & Treasure: F Mamdoo & Creative Enterprise
Harmony	Margo Freeman	Bugbox Animation
Knock On	John Volmink	Diprente Films
The Fix	Saskia Schiel	FilmFix (Pty) Ltd
The Legend of the Karoo Mermaid	Raffaella Delle Donne	Raffaella Delle Donne
The Tree	Elias Ribeiro	Urucu Media
Folly	Gregg Buckle	EP4FOLLY
God Is Good	Nicki Priem	Nicki Priem
Hillbrow	Herman Le Roux	Golden Planes
Identity	Khobi Ledwaba	Brandedsoul Productions
Jhoti	Munier Parker	X Gon Films
Little Man	Valente Dlamini	V Dlamini
For King and Country	Zaheer Goodman-Bhyat	Light and Dark Films
Ice Cream For Nene	Sipho Gogotya	Clive Morris Productions
State Enemy no.1	Elvis Nkosi	1300 Pictures
Riding with Sugar	Michael Auret	Spier Films



FEATURE PROJECTS GREENLIT FOR PRODUCTION

PROJECT	APPLICANT	COMPANY
Verskietende Ster	Andre Pieterse	Andre Pieterse Productions
Echo Beach	Florian Schafftauer	Blackboard Trust
Krotoa	Roberta Durrant	Penguin Films
The Umbrella Man	Ross Garland	WE 3 Films
Noem my Skollie	David Max Brown	Maxi-TV Productions
Love The One You Love	Steven Markovitz	Fox Fire Films
Chemo Club	Bridget Pickering	The Chemo Club (Pty) Ltd
Coma	Mickey Dube	1 Take Media
Finders Keepers	Maynard Kraak	West Five Films (Pty) LTD
Meerkat Maantuig	Andre Scholtz	Meerkat Maantuig
Territorial Pissing/Necktie Youth	John Trengrove	Ucuro Media
The Whale Caller	David Dison	Black Roots Pictures

DOCUMENTARIES IN DEVELOPMENT

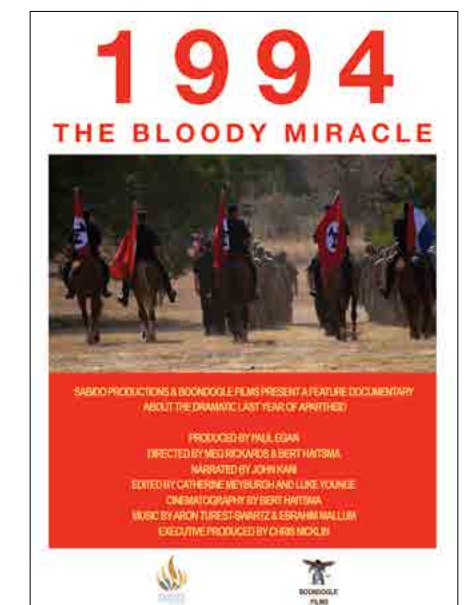
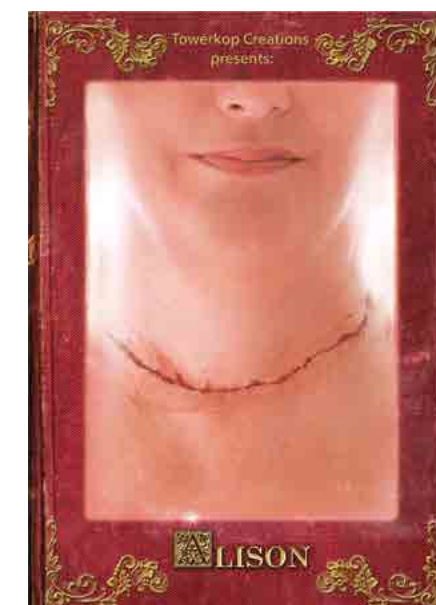
PROJECT	APPLICANT	COMPANY
Ocean Drive	Chris Bertish	CMB Agencies
Double Lives of Children of Revolutionaries	Carolyn Carew	BFM Features (Pty) LTD
Skate	Jo-Anne Mirosevic	Alpha Beta Project Management
Smoke & Thunder	Malcom McNaughton	Malcolm MacNaughton
The Sound of Masks	Kofi Zwana	7 Films
Wizard of Zim	Samora Sekhukhune	Away from Keyboard
District Six – Rising from the Dust	Nicky Newman	Tribal Alchemy
Diturupa	Themba Vilakazi	Mvura Ya Afrika Productions
Here Lay the Last Coloured King	Mohau Memeza	K2015069917
Indlavini	Mohau Memeza	Archbutton Trading
Lady Africa	Molatelo Mainetje	Bolobathaba Multimedia
Not in my Neighbourhood	Crystal Orderson	Azania Rising Productions
Shwabada	Nhlanhla Masondo	Mind Your Head Entertainment
Spirits of the Karoo	Lulama Malefatsi	Natives at Work
Umkhasane	Zethu Matebeni	Martha Qumba
Y Revolution – The Story of YFM	Suzanne Du Toit	Story Nation

DOCUMENTARIES IN PRODUCTION

PROJECT	APPLICANT	COMPANY
A true patriot	Kevin Harris	Rainbow Independent Film & TV Prod
I, Afrikaner	Joanna Higgs	Go Trolley Films
Wild Dog And Mrs Hart	Riaan Hendricks	A Season of Film (Pty) LTD
Egypt's Modern Pharaohs	Rehad Desai	Uhuru Productions
Hard Livings	Tina-Louise Smith	Accidental Films and TV
When Buddha Comes to Africa	Nicole Schafer	Thinking Strings Media
The Keeper and the Kumm	Jacky Laurens	VIA -Vision in Africa
What's the Frack	Themba Vilakazi	Mvura Ya Afrika Productions
When Buddah Comes to Africa	Nicole Schafer	Thinking Strings Media

DOCUMENTARIES FUNDED FOR ARCHIVE MATERIA

PROJECT	APPLICANT	COMPANY
The Boy, The Blade, The Man	Mayenzeke Baza	Mandela Bay Pictures
The Flawed Genius of Jan Smuts	Neville Herrington	Tekwini TV Productions
Action Kommandant	Nadine Cloete	Ma'engere Film Productions
Egypt's Modern Pharaohs	Rehad Desai	Uhuru Productions
MaNgoui - Mother of Black Resistance	Nqaba Ngoyi	Fort Films
Troopship Tragedy	Marion Edmunds	Sabido Productions



SHORT FILMS IN DEVELOPMENT

PROJECT	APPLICANT	COMPANY
Nyanga Sky	Rafeeqah Galant	ELP Media t/a Echo Ledge Productions
All This Time	Nicholas Wilson	My Child (Pty) LTD
Fairy Wheels	Matthew Kalil	Clea Mallinson

SHORT FILMS GREENLIT FOR PRODUCTION

PROJECT	APPLICANT	COMPANY
Into The Ring	Francois le Pere	Allegoria (Pty) Ltd
The Man With The Heavy Leg	Janette de Villiers	Groundglass (Pty) Ltd
The Marriage Of Heaven And Hell	Rosswell Reyners	Saint Moonriver Productions
The Discovery of Fire	Warren Ferreira	Tintoy Productions cc
Company Employees Only	Mmabatho Montsho	The Film Firm

TELEVISION CONCEPTS IN DEVELOPMENT

PROJECT	APPLICANT	COMPANY
Sedwick The Toe	Tariq Khan	Oomph Animation
Ellabie And Friends	Wendy Soinks	Zero Point Studios
Shwe Shwe Kids	Damon Berry	Shwe Shwe Kids Entertainment (Pty) Ltd
Why Would You Do That	Jenna Tali Gien	Mind's Eye Creative
Company Employees Only	Mmabatho Montsho	The Film Firm

**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
TOTAL RECOUPABLE GRANTS	R113 714 958

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

The funding of TV concepts remains a challenge, as many of the received applications do not meet the criteria. During the 2015/16 financial year, the NFVF will host a number of engagement fora in an effort to advise and educate the industry on the requirements of the fund.

CHANGES TO PLANNED TARGETS

The target of "three films distributed annually" was changed to "on-line platform". ■



TURNING BACK THE CLOCK TO EMPOWER SOUTH AFRICAN STORYTELLERS



Scan this QR code to view trailer.



Most people would assume your late sixties is too late to write your first film script, but that did not deter John W. Fredricks. Having discovered a knack for storytelling as an incarcerated teenager, turning his life story into the film *Noem My Skollie* seemed a natural progression to him. With very little schooling, however, the first draft was rejected by the NFVF when approached for funding in 2004. Fredricks didn't realise this was only the beginning.

Having seen his potential, the NFVF invited Fredricks to join their SEDIBA development programme. It would take 6 years, but with perseverance not only has Fredericks honed his skill, but funding was ultimately obtained not just from the NFVF but a number of other corporate film entities.

The result? A story that could have well been lost to the sands of time has been rescued through a programme that delivers skills at any age to those with the talent to tell South African stories.

4.4. PROGRAMME 4: MARKETING AND DISTRIBUTION

PROGRAMME DESCRIPTION

Purpose of programme

Marketing and communications have grown in importance and focus, with regards to the broad strategy of the NFVF. In a growing market, with a matching demand for South African product, the outputs of marketing and communications enable delivery in 3 critical areas, i.e. funding, audience development, and marketing and distribution.

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

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

Strategic objectives related to marketing and distribution:

- Increased awareness of the SA film industry.
- Recognition of SA as a film-making destination
- Develop and maintain stakeholders' relations
- Increased awareness of opportunities in the film industry.
- Elicit more funding applications from underserved areas
- Increased 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 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Promotional Events	Local and international activations	9 Festivals attended	Film activations at 10 International Festivals	11 International Film Festival attended	1 more than target	Additional festival attended - African Diaspora International Festival
	Local and international activations	5 local film festivals were supported and attended	6 Allocated grants at National Festivals	6 festivals supported and attended	N/A	N/A
	Local and international activations	Activations delivered in Macufe & Grahamstown	Film activations at 5 National Festivals	5 activations attended	N/A	N/A
	Local and international activations	3 Co-production Treaty partner interactions hosted	Support 3 SA Co-production & Cultural Seasons	3 Co-rodution activations hosted	N/A	N/A
	Local and international activations	SAFTA Ceremony hosted and broadcast	Film Industry Awards	SAFTAs ceremonies hosted and broadcast	N/A	N/A
	Local and international activations	53 filmmakers supported financially	Support 48 filmmakers to attend film festival	49 filmmakers supported	1 more than target	N/A
	Local and international activations	Corporate Identity Manual Initiated Brand promotion sustained through I love SA Film BTL Campaign	NFVF & SA Industry Brand Campaign	CI manual approved	N/A	N/A

MARKETING AND DISTRIBUTION (CONTINUE)

Strategic objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
	Local and international activations	SA/French Season support	DAC Activations	1 DAC Activation supported in Glasgow	N/A	N/A
	Audience Development for SA films	2 Provincial Roadshows hosted	4 Roadshows per annum	4 roadshows hosted	N/A	N/A
	Communication	2 Media Briefings and 5 one-on-one interactions held Publicity delivered on all NFVF projects New website launched Local Media coverage delivered Social Media Interactions increased, with key focus on Facebook and Twitter used for SAFTA Newsletters were issued bi-monthly	Quarterly Communication of NFVF programmes to external stakeholders	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	N/A	N/A
Business Development	Assist local films in distribution	11 films approved	Financial Support for 10 DVD distribution projects	7 Marketing and distribution projects funded	3 less than budget	Applications did not meet the NFVF funding criteria

SIGNIFICANT ACHIEVEMENTS

The “Lights, Camera, Africa” campaign, which was launched and initiated at the 2014 Durban International Film Festival, helped to provide a new perspective in the positioning of the NFVF and the local film industry. The initiative assisted in ensuring that the marketing and communications of the local industry goes beyond our shores, as the strategy was to embrace the whole continent. The South African Film and Television Awards resonated with the stakeholders, the general public, and the film and television industry, as it referred to a very important milestone in the industry: ‘Coming of Age’. Brand NFVF continued to be portrayed as the home of local film, opening doors to the world through marketing and communications of the general film industry.

KEY PROGRAMME OUTPUTS

Local positioning

Provincial Roadshows

In response to the strategic thrust of taking the NFVF to the people, the NFVF ran a series of roadshows: in Rustenburg, through the Bojanala Film Week; in Cape Town, through Central Waterfront; in Gauteng, through the Ekurhuleni Film Week, and in KZN, through the KwaZulu Natal African Film Festival.

The roadshows, predominantly targeting youth involved with, or interested in the industry, encompassed workshops on directing, screenwriting, producing, and sessions on how to enter the industry. A new addition was a workshop on performance.

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

Engagement Fora

The Masterclass programmes, developed to give NFVF-supported filmmakers travelling to various festivals visibility, come as additional activations in support of the strategic thrust. The “In Conversation With...” series, is a series of intimate fora, where filmmakers who have been supported by the NFVF to travel abroad, share the knowledge they have gained by giving a report on their experiences and lessons they have learnt. We also held Co-production fora to ensure that the African and treaty countries are continuously engaged.

Stakeholder Relations

Stakeholder relations were strengthened through intergovernmental, provincial, and filmmakers’ engagements. In addition, the NFVF issues a bi-monthly newsletter to maintain top-of-mind awareness within the industry and media, 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 with NFVF spokespersons, to ensure that there is clarity on what is communicated. This year, social media was strongly utilised, to ensure that the general public, who do not follow film, and film stakeholders are able to engage on one platform.

South African Film and Television Awards

The NFVF administers the South African Film and Television Awards to honour, celebrate and reward talent, and to create a full circle of interaction within the film and television industry, with the mandate to host the awards until such time as the South African Film & Television Academy is established.

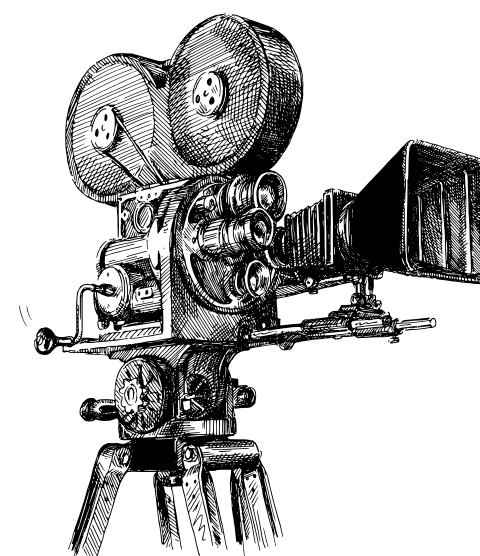
Currently in its ninth year of annually celebrating local talent, the SAFTAs celebrated the “Coming of Age” of the industry, and attracted local talent and key stakeholders. Inserts of night 1 were broadcast live on SABC 2.

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

Encounters Documentary Film Festival

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

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



Durban International Film Festival

The 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 the participation of the successful Durban Film Mart, a market place for African film producers to participate in learning the mechanics of raising finance and of navigating the film environment, and a Talent Campus for the youth. Last year, the NFVF, in partnership with the British Council, extended the screenings to audiences 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 engage and interact with NFVF’s achievements of the previous financial year (2013/14).

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, which focuses on Human Rights issues, with submissions 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 throughout its films, workshops and outreach programmes. The festival occurs nationwide, and gives the NFVF a national footprint into audiences that appreciate healthy dialogue and open discourse.

Kwa-Zulu Natal African Film Festival

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

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 marketplace for film globally, held annually in the South of France, Cannes. South Africa, through the NFVF, recognised its 15th year of official participation. The festival offers the local film industry access to meet potential buyers, film financiers, distributors and 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 films and filmmakers, looking for various levels of support toward the completion of their film, present at the festival. It is interesting to note that, in all the screenings and line-up, there was a high attendance number of Chinese delegates, which reflects an interest from China on South African content and SA itself.
- The NFVF increased the number of South African screenings, which reflected the theme, "20 Years of Freedom". The films screened were:
 - Miners Shot Down
 - Nelson Mandela: The Myth And Me
 - One Humanity
 - iNumber Number
- The NFVF had among its main activities at the Cannes International Film Festival, three co-production fora with:
 - Brazil – hosted at SA Pavilion
 - UK – hosted at UK Pavilion
 - New Zealand – hosted at NZ stand
 - National pavilion for all South Africans attending to use it as a business base.

The highlights of this year's Cannes were:

- The Salvation, a co-production with Spier Films and Forward Films from the UK, was selected to screen as an Out of Competition Midnight Screening.
- David Kau signed a production and distribution deal with Archstone Distribution.
- Various filmmakers signed on various projects.
- Highest media coverage ever obtained by the NFVF.

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 mandates.

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

- Increase international awareness of SA animation potential.
- 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.

2014 participation at Annecy also saw the NFVF including 2 students in the delegation as part of the Human Capital Development aspect of our Annual Performance Plan. The two students, Nadia Darries and Lesego Venter, who were both 3rd year animation students, travelled to take part in hosting the SA pavilion, attend workshops and seminars and listen to pitch sessions from peers from around the world.

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 the Animation School of SA, amongst others.

Hot Docs

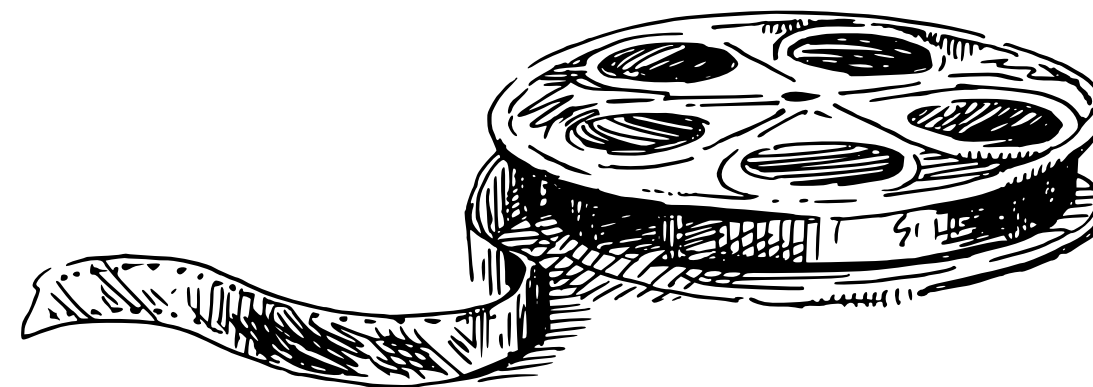
One of two major large-scale Documentary film festivals that the NFVF has identified for the fulfilment of business for documentary filmmakers, the Hot Docs, is a festival and marketplace that affords documentary filmmakers the opportunity to find distributors, financiers, and co-producing partners.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

No Borders/IFP film week

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

Pan African Film Festival – Los Angeles

The PAFF is the meeting ground for African American Filmmakers. As 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 would not ordinarily go on circuit in the territory, are showcased during the 10 days. The festival aims to highlight the artistic achievements of the filmmakers and the creative industries within the African American community as an Arts Fair is attached to the festival.



As part of the festival, the NFVF entered into a partnership with the producer of the film "The Two Of Us", to host a South African event. The event was aimed at celebrating and honouring all SA films screening at the festival. In addition, this platform served as an opportunity to promote the NFVF and overall SA industry, to an international audience. The NFVF assisted the filmmakers, whose films were in the competition, with funding to attend this year's festival.

The festival screened a total of 8 films made by South African filmmakers, namely:

- As I Am by Sihle Hlophe
- Cold Harbour by Carey McKenzie (In competition)
- Four Corners by Ian Gabriel (In competition)
- Hear Me Move by Scottness Smith ((In competition)
- Lazy Susan by Stephen Abbott
- The Two of Us (Thina Sobabili) by Ernest Nkosi
- Tula Tula by Shane Vermooten
- Winsome by Leli Maki

Supporting filmmakers to attend film festivals globally

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

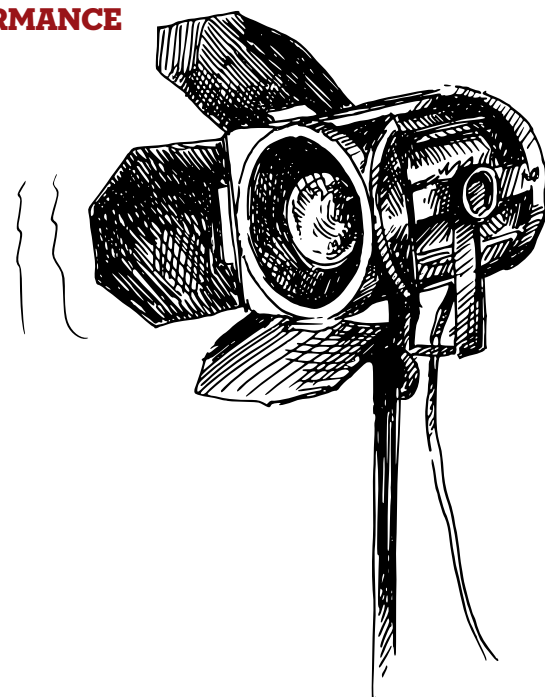
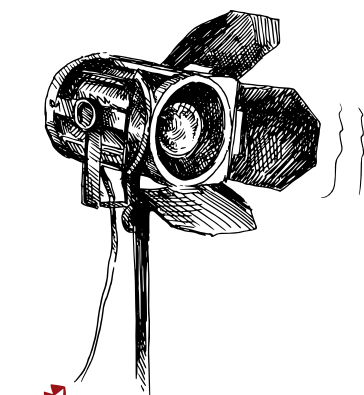
Overall the NFVF funded 49 filmmakers to attend the following Festivals/Markets: DIFF, MIPTV, MIPCOM, Cannes Film Festival, MUSE Awards, Zimbabwe Film Festival, Festival International du Cinema, Rio Content Market, Sichuan TV Festival, China Film Festival, La Rochelle and Paris International Film Festival, Seattle International Film Festival, Kenya Film market, BFI London Film Festival, The Lab, Zanzibar International Film Festival, Toronto International Film Festival, London Film Finance Market, Annecy International Film Festival, Hot Docs, Berlin International Film Festival..

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There were no areas of underperformance.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets. ■



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 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
Entity Management	Effective reporting	Reports submitted to DAC quarterly	Reporting quarterly, bi-annually and annually	Reports submitted to DAC, National Treasury and council quarterly	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 conducted with audit committee members in attendance	Conduct an annual risk assessment workshop	Risk assessment workshop was conducted with audit committee members in attendance and the risk register approved by council	N/A	N/A

ADMINISTRATION AND HUMAN RESOURCES (CONTINUE)						
Strategic objectives	Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
	Internal audit function	5 internal audits conducted in line with the approved internal audit plan	4 internal audits annually	5 internal audits were completed for the year under review	N/A	N/A
Corporate Services	Performance Management	PMS fully implemented	Implement PMS	PMS fully implemented	N/A	N/A
	Human Resources Development	8 staff trained	5 staff trained	13 staff trained	Additional 8 staff members were trained	Staff trained as per their PDPs
	Mentorship Programme	Mentorship programme was implemented and workshop held	Implementation of mentorship programme	Programme fully implemented	N/A	N/A
	Employee Wellness	Teambuilding session held with all staff	Implementation of wellness programme	Sessions held with all staff	N/A	N/A
	Labour and Compliance	Annual review of HR policies to ensure compliance	Compliance with legislation	Annual HR policies reviewed	N/A	N/A
	Payroll	Annual increases approved by council and implemented Structure implemented	Implement approved structure	Annual increases approved by council and implemented	None	N/A

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

There were no areas of underperformance.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets. ■

PART C: GOVERNANCE

1. INTRODUCTION

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

The NFVF recognises the significance of good governance in the public sector, which is crucial for effective public services and improved social outcomes. The NFVF is committed to ensuring good governance throughout the organisation, by observing the principles of the King Report, where possible, within the parameters of public sector legislation. All employees and council members of the NFVF are expected to conduct the affairs of the NFVF in accordance with the law, and the spirit of the corporate governance principles and practices, which requires a separation of organisational and private interests and the adoption of ethical standards of business.

The council and management of the NFVF ensures that its processes and practices are reviewed on an ongoing basis, in order to ensure adherence to good corporate governance practices, which are continually benchmarked against international practices. The council and management believe that the organisation has substantially applied, and complied with, the principles incorporated in the Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance for South Africa 2002, as well as the Protocol on Corporate Governance in the Public Sector 2002.

2. EXECUTIVE AUTHORITY

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

- Annual Performance Plan and Strategic Plan for 2014/15 – 30th January 2014
- 1st Quarterly Report – 28th July 2014
- 2nd Quarterly Report – 29th October 2014
- 3rd Quarterly Report – 30th January 2015
- 4th Quarterly Report – 29th April 2015

3. THE ACCOUNTING AUTHORITY

Introduction

In terms of section 6 of the Act, the NFVF functions under the guidance of a council, appointed by the Minister of Arts and Culture. The council bears primary responsibility for discharging the statutory mandate of the NFVF, as set out in the Act. The Chief Executive Officer, management and staff exist to support the council in executing its responsibilities.

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

The role of the council is to:

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

In accordance with s8(1) of the NFVF Act, council meetings were held on 12th April 2014, 18th June 2014, 15th August 2014, 4th December 2014 and 25th March 2014. The NFVF Cotuncil also had a strategy workshop on 14th August 2014.

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	12
Mr G Leolo	Deputy Chairperson	01 May 2014		Executive Committee	14
Adv R Dehal	Council Member	01 May 2014			8
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	14
Mr TL Masudubele	Council Member	01 May 2014		Executive Committee/Panel Chair	17
Mr B Meyer	Council Member	01 May 2014		Audit Committee/ HR Committee	17
Mr L Mkhabela	Council Member	01 May 2014			8

TABLE CONTINUE

NAME	DESIGNATION	DATE APPOINTED	DATE RESIGNED	OTHER COMMITTEES (E.G: AUDIT COMMITTEE)	NO. OF MEETINGS ATTENDED
Mr P Molefe	Council Member	01 May 2014		Executive Committee/Panel Chair/HR Committee	18
Mr A Moosa	Council Member	01 May 2014			9
Ms LT Ramathesele	Council Member	01 May 2014		HR Committee	11
Mr S Swana	Council Member	01 May 2014		Executive Committee/Audit Committee/HR Committee	22
Mr M Vundla	Council Member	01 May 2014			9

Remuneration of council members:

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER	TOTAL
Ms M Ramagoshi	R 72 888			R 72 888
Mr G Leolo	R 79 324			R 79 324
Adv R Dehal	R 53 056			R 53 056
Ms D Markgraaf	R 61 400			R 61 400
Ms P Mashiane	R 59 800			R 59 800
Mr TL Masudubele	R 77 864			R 77 864
Mr B Meyer	R 79 520			R 79 520
Mr L Mkhabela	R 41 664			R 41 664
Mr P Molefe	R 86 640			R 86 640
Mr A Moosa	R 45 056			R 45 056
Ms LJ Ramathesele	R 53 680			R 53 680
Mr S Swana	R 103 952			R 103 952
Mr M Vundla	R 41 664			R 41 664

MEET THE NFVF COUNCIL



Ms. Mmabatho Ramagoshi
Chairperson



Mr. George Leolo
Deputy Chairperson



Ms. Pamela Mashiane
Council Member



Mr. Thabiso Masudubele
Council Member



Ms. Desiree Markgraaff
Council Member



Mr. Brendyn Meyer CA(SA)
Council Member



Mr. Phillip Molefe
Council Member



Mr. Aboobaker Moosa
Council Member



Ms. Lorraine Thandi Ramathesele
Council Member



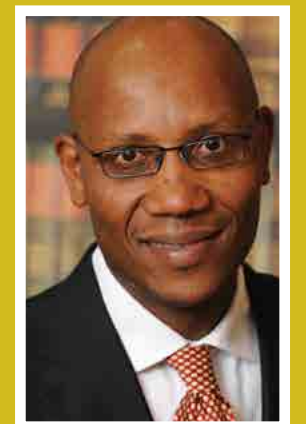
Mr. Sandile Swana
Council Member



Mr. Mfundu Vundla
Council Member



Adv. Rai Roshan Dehal
Council Member



Mr. Leslie Mkhabela
Council Member

4. RISK MANAGEMENT

Nature of risk management

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

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

Risk management strategies to identify risks and manage the risks

A Risk Assessment Workshop was conducted with audit committee members and the executive management team on the 4th March 2015, to review and update the NFVF risk register. Based on the outcomes of the risk assessment, a 3-year rolling internal audit plan was drafted, presented and approved by the Audit Committee.

Progress made in addressing risks identified

Based on the control improvement plan identified at the risk assessment workshop, the NFVF has prepared the following:

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



5. INTERNAL CONTROL

The NFVF is a section 3A Public Entity that is guided both by 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 2014.
- Identified and managed risks by holding an annual risk workshop, which culminated in an annual internal audit plan and a risk register.
- Ensured good corporate governance by having regular committee meetings including the audit committee, transformation committee and Exco etc., as well as having a fully-functioning and efficient internal audit function.
- Ensured that the HR Policies and Procedures are in line with the legislature and best practice.



6. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

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

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

- To evaluate the effectiveness of the risk management process of the NFVF, and suggest improvements related thereto.
- To evaluate the adequacy of the NFVF's internal control system as a contribution to the economic, effective and efficient use of resources, and suggest improvements related thereto.
- To evaluate the 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.
- 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 2014/15 financial year, a risk assessment was conducted. Based on the outcomes of the assessment, and in terms of the 3-year rolling internal audit plan, the following audits were conducted:

- Audit of pre-determined objectives.
- Financial discipline review.
- Corporate Governance.
- IT Governance Review.
- Funding audit.
- Marketing audit.

Key activities and objectives of the audit committee

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

- The system of internal control (financial, operational and compliance) that management have established.
- NFVF's auditing, accounting and financial reporting processes generally.
- The integrity of financial reporting and other information provided by the NFVF to the Minister of DAC, 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 RE-SIGNED	NO. OF MEETINGS ATTENDED
Ms T Mjoli (Chairperson)	External		1 June 2014		4
Mr S Vilakazi	External		1 June 2014		4
Mr L Seperepere	External		1 June 2014		3
Mr B Meyer	Internal	Council Member	1 June 2014		4
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.

9. MINIMISING CONFLICT OF INTEREST

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

10. CODE OF CONDUCT

The purpose of the code of conduct is 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 practices.

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

In the event of a breach of the code of conduct, the normal HR processes, 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. The staff is made aware of the health and safety requirements including, but not limited to, the following:

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

AFRICAN FILM

- PLANTING THE SEEDS FOR A NEW VISION OF THE CONTINENT



When Samora Sekhukune set off to make her documentary feature Wizard of Zim, funding was inevitably one of the hurdles to get over. What she wasn't expecting was an encounter that would highlight just how crucial it is for African film to start crafting a new global narrative for Africa. The largely flawed views of Africa's reality needs to be weeded out and what better format than film.

In the early stages of development of Wizard of Zim, Sekhukune had an opportunity to pitch the project to an internationally renowned commissioning editor. Her comment, in disgust, was "What will you do if you reach your destination

- Harare - and find people crawling around on all fours, starving to death?" This absurd question made Sekhukune laugh in disbelief at first, but that would change.

She says, "Now it serves to invigorate me at times when the fatigue of documentary filmmaking takes its toll. It shows the onus and urgency of black filmmakers to tell their own stories and in so doing become the (rightful) primary voice of our own narrative."

Scan this QR code to view the Wizard of Zim trailer and keep supporting African film.

12. AUDIT COMMITTEE

COMMITTEE REPORT

Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from the Treasury Regulations for public entities, as issued by the Public Finance Management Act (PFMA), 1999, as amended. The Audit Committee has adopted an appropriate formal audit committee charter, which has been confirmed by the council of the NFVF, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein.

Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder, and have met the required 3 times per annum as per its approved charter. During the year under review, the committee met on 27 May 2014, 17 July 2014, 7 November 2014 and 4 March 2015.

Names of Members

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 that liabilities and working capital are efficiently managed. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was efficient and effective.

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

- Audit of pre-determined objectives.
- Financial discipline review.
- Corporate Governance review.
- IT Governance Review.
- Funding audit.
- Marketing audit.

In-Year Management and Monthly/Quarterly Report

The public entity has submitted quarterly reports to the Executive Authority.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements of the NFVF to be included in the annual report, with the Auditor-General and the Accounting Officer.
- Reviewed the Auditor-General's management letter and management's response thereto.
- Reviewed changes in accounting policies and practices.
- 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 2015

PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Overview

In the year under review 2014/2015, the HR department's overall objective of ensuring sound leadership, governance and management was maintained. The HR department continues to ensure that the HR interventions and programmes are in line with the organisation's strategic objectives and to increase employee engagement. Significant achievements for the Human Resources department was the NFVF executive leadership programme.

The HR priorities for 2014/2015 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 the staff to enable the organisation to achieve its strategic objectives. The positions approved by council are filled in the financial year.

Implement an enhanced performance management system:
The 360° performance management system was embraced by the staff and is fully implemented. This is an assessment system which allows a comprehensive assessment of staff. This enabled the whole staff to see their role in the overall organisational performance.

Human Capital Development:
Training priorities are identified when the performance reviews are conducted. These training needs are compiled into a work skills plan and training plan, which is submitted to the SETA. Employees are then trained in accordance with the training plan.

Employee Wellness:

A session on financial wellness, as well as a general Wellness day, was held in September 2014.

Labour and Compliance:

HR Policies are reviewed on an annual basis and are approved by council. Once approved, the staff were work-shopped on the revised policies.

Reward System:

The reward system was revised and implemented and encompasses both financial and non-financial rewards. Members of staff are rewarded according to the revised and approved salary increases.

Mentorship programme:

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 ensure that the programmes 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 programmes such as mentorship, career development and succession planning. The wellness programme is key to ensure employee engagement. ■

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 & Skills Development	883	4.8	2	442
Policy & Research	2 790	15.1	6	465
Production & Development	2 050	11.1	5	410
Marketing & Distribution	3 766	20.4	9	418
HR, Finance & CEO	8 996	48.6	15	600
TOTAL	18 485			

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	1 910	10.3	1	1 910
Senior Management	4 838	26.1	5	967
Middle Management	5 616	30.4	11	511
Professional qualified	5 881	31.2	18	327
Semi-skilled	142	1.0	1	142
Unskilled	98	1.0	1	98
TOTAL	18 485			

Performance Rewards

PROGRAMME	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	295	1 934	1.6
Senior Management	311	4 880	1.7
Middle Management	278	5 686	1.5
Professional qualified	250	5 881	1.3
Semi-skilled	0	142	0
Unskilled	0	98	0
TOTAL	1 134	18 621	6.1

Training Costs

PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
18 485	815	4.4	13	63

Employment and vacancies by programme

PROGRAMME	NO. OF EMPLOYEES AS AT 31 MARCH 2014	2014/2015 APPROVED POSTS	NO. OF EMPLOYEES AS AT 31 MARCH 2015	VACANCIES AS AT 31 MARCH 2015	% OF VACANCIES
Training & Skills Development	2	2	2	0	
Policy & Research	5	6	5	1	
Production & Development	5	7	3	1	
Marketing & Distribution	6	8	8	4	
HR, Finance & CEO	13	15	14	2	
TOTAL	31	38	32	8	

Employment and vacancies by salary band

PROGRAMME	NO. OF EMPLOYEES AS AT 31 MARCH 2014	2014/2015 APPROVED POSTS	NO. OF EMPLOYEES AS AT 31 MARCH 2015	VACANCIES AS AT 31 MARCH 2015	% OF VACANCIES
Top Management	1	1	1	0	
Senior Management	4	5	5	2	
Middle Management	9	12	9	2	
Professional qualified	15	18	15	4	
Semi-skilled	1	1	1	0	
Unskilled	1	1	1	0	
TOTAL	31	38	32	8	

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	4	3	2	5
Middle Management	9	2	2	9
Professional qualified	15	4	4	15
Semi-skilled	1	0	0	1
Unskilled	1	0	0	1
Total	31	9	8	32

Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	
Resignation	8	100 %
Dismissal	0	
Retirement	0	
Ill health	0	
Expiry of contract	0	

Labour Relations: Misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	0

Employment Equity Status

LEVELS	MALE			
	AFRICAN CURRENT	COLOURED CURRENT	INDIAN CURRENT	WHITE CURRENT
Top Management	0	0	0	0
Senior Management	1	0	0	0
Middle Management	4	0	0	0
Professional qualified	3	0	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	8	0	0	1

LEVELS	FEMALE			
	AFRICAN CURRENT	COLOURED CURRENT	INDIAN CURRENT	WHITE CURRENT
Top Management	1	0	0	0
Senior Management	3	1	0	0
Middle Management	4	0	1	0
Professional qualified	9	0	0	2
Semi-skilled	1	0	0	0
Unskilled	1	0	0	0
TOTAL	19	1	1	2



PART E: FINANCIAL INFORMATION

1. STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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

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

In my opinion, the financial statements fairly reflect the operations of the public entity for the financial year ended 31 March 2015.

The external auditors are engaged to express an independent opinion on the AFS of the public entity.

The National Film and Video Foundation annual financial statements for the year ended 31 March 2015 have been audited by the external auditors and their report is presented on page 78.

The Annual Financial Statements of the public entity set out on page 80 to page 117 have been approved by the Accounting Authority. ■

2. ANNUAL FINANCIAL

STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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The annual financial statements set out on page 4 -to 23 were approved by the Accounting Authority on 31 May 2015 and are signed by:

Ms Zama Mkosi
Chief Executive Officer
National Film and Video Foundation
31 July 2015

Ms Mmabatho Ramagoshi
Chairperson
National Film and Video Foundation
31 July 2015



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 80 to 117, which comprise the statement of financial position as at 31 March 2015, 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 council which constitute 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 the 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 2015 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 objectives 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 on these matters.

PREDETERMINED OBJECTIVES

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of National Film and Video Foundation for the year ended 31 March 2015:

- Programme 1: Training and skills development on pages 20 to 24
- Programme 3: Production and Development of content on pages 36 to 45
- Programme 4: Marketing and Distribution of on pages 47 to 54

9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were

well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

12. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

COMPLIANCE WITH LEGISLATION

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

INTERNAL CONTROL

14. 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

Investigation

15. During the financial year, the audit committee requested internal audit to investigate the allegations of tender irregularities, made by a former head of department. As at the date of this report the investigation is still in progress.


Auditor-General
Johannesburg
31 July 2015

ACCOUNTING

AUTHORITY REPORT

FOR THE YEAR ENDED 31 MARCH 2015

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 2015. 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.

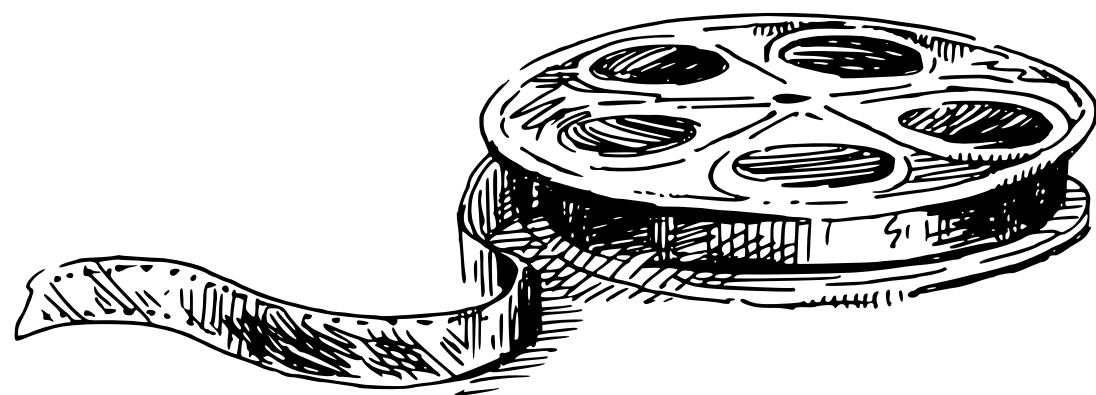
2. DIRECTORS OF THE ENTITY

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 31 permanent staff including the Chief Executive Officer and 3 Executive Managers. 4 staff members were employed during the year, and 8 employees resigned.



REMUNERATION FOR THE YEAR

Non-executive directors: Council (outgoing Council)

COUNCIL MEMBER	AMOUNT	NUMBER OF MEETINGS ATTENDED					
		Council 1 meeting	Strategy session	Exco meetings	Transco Meetings	Advisory Panel Meetings	1 Other meetings
M Ramagoshi (Chairperson)	R 8 000	1	-	-	-	-	1
Mr G Leolo	R 8 000	1	-	-	-	-	1
Ms S Gordon	R -	-	-	-	-	-	-
Mr M Mphomela	R -	-	-	-	-	-	-
Adv. A Mukoma	R 5 000	1	-	-	-	-	-
Ms G Mhlophe-Becker	R -	-	-	-	-	-	-
Mr P Raleigh	R 5 000	1	-	-	-	-	-
Mr S Molefe	R 5 000	1	-	-	-	-	-
Ms T Downing	R 8 000	1	-	-	-	-	1
Adv R Dehal	R 5 000	1	-	-	-	-	-
Adv R Solomons	R 5 000	1	-	-	-	-	-

Non-executive directors: Council (New Council appointed in May 2014)

COUNCIL MEMBER	AMOUNT	NUMBER OF MEETINGS ATTENDED					
		Council 9 meetings	1 Strategy session	Exco 3 meetings	HR 4 Meetings	Advisory Panel 7 Meetings	1 Other meeting
M Ramagoshi (Chairperson)	R 64 888	7	1	3	-	-	1
Mr G Leolo	R 71 324	9	1	3	-	-	1
Adv R Dehal	R 48 056	8	-	-	-	-	-
Ms P Mashiane	R 59 800	6	1	3	-	4	-
Ms D Markgraaf	R 61 400	7	1	1	-	4	-
Mr TL Masudubele	R 77 864	8	1	3	-	5	-
Ms LJ Ramathesele	R 53 680	7	1	-	3	-	-
Mr L Mkhabela	R 41 664	7	1	-	-	-	-
Mr P Molefe	R 86 640	8	1	2	3	4	-
Mr A Moosa	R 45 056	8	1	-	-	-	-
Mr B Meyer	R 60 832	8	1	-	4	-	-
Mr S Swana	R 85 264	9	1	3	4	-	1
Mr M Vundla	R 41 664	8	1	-	-	-	-

Audit Committee (outgoing Audit Committee Members) 1 April 2013 – 31 May 2014

AUDIT COMMITTEE MEMBER	AMOUNT	NUMBER OF MEETINGS ATTENDED		
		1 Audit Meetings	1 Risk Workshop	Other Meetings
Ms T Mjoli (Chairperson)	R 3 000	1	-	-
Mr C Mullin	R 3 000	1	-	-
Mr M Mphomela	R -	-	-	-
Adv R Dehal	R 3 000	1	-	-
Ms N Bulbulia	R 3 000	1	-	-

Audit Committee (Audit Committee Members appointed in June 2014)

AUDIT COMMITTEE MEMBER	AMOUNT	NUMBER OF MEETINGS ATTENDED		
		3 Audit Meetings	1 Risk Workshop	Other Meetings
Ms T Mjoli (Chairperson)	R 25 136	3	1	-
Mr B Meyer	R 18 688	3	1	-
Mr S Swana	R 18 688	3	1	-
Mr S Vilakazi	R 18 688	3	1	-
Mr L Seperepere	R 15 456	2	1	-

Executive Management

	Basic Salary	13th Cheque/ Perf Bonus	Allowances	Contributions	Total
Chief Executive Officer	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 – Dec 14)	461 450	41 250	9 000	97 351	609 051
Head: Marketing (Feb – Mar 15)	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 – Dec 14)	514 058	117 566	9 000	93 050	733 674
Head: Prod & Dev (March 15)	70 000	-	-	-	70 000

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 was R3 427 722 (2014 surplus: R 152 434)

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 allocation from the Department of Arts and Culture as well as sponsorships and partnerships for various events.

Expenditure

8 staff members resigned and 4 new staff members were employed during the current financial year. The organisation hosted the ninth annual South African Film and Television Awards (SAFTAs). The NFVF awarded 111 bursaries in partnership with the Mict-Seta and also awarded 76 grants for the development and production of content.

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:

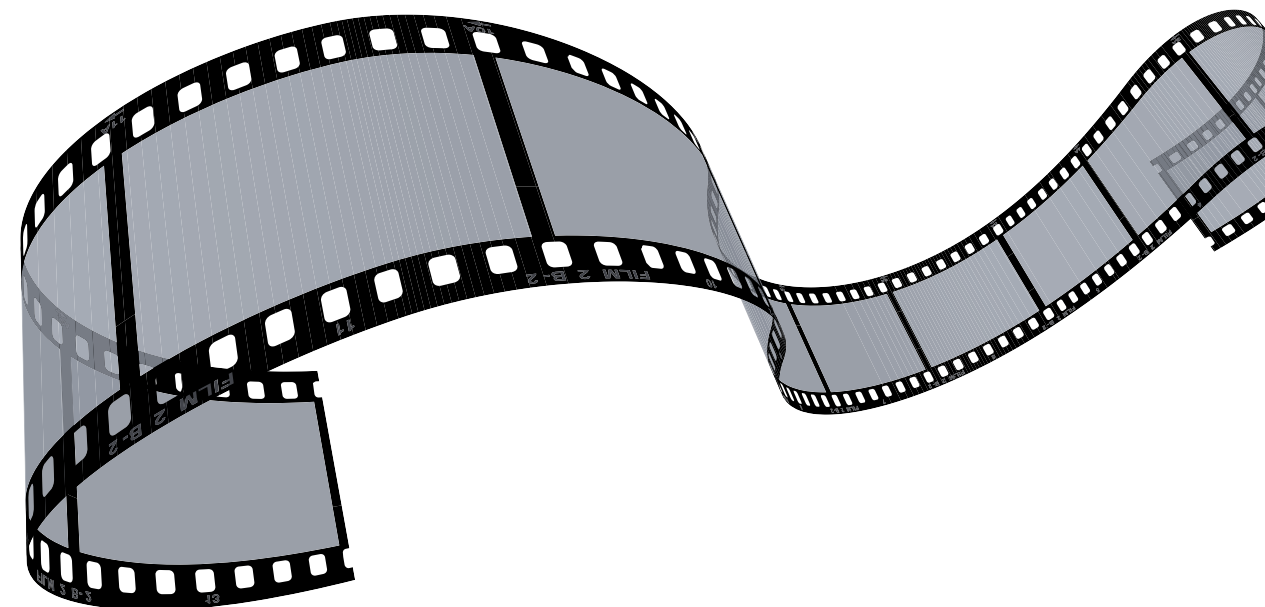
87 Central Street
Houghton
2198

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	NOTE	MARCH 2015	MARCH 2014
ASSETS			
Non Current Assets		6 371 327	3 416 300
Property and Equipment	3	2 987 855	1 191 736
Intangible assets	4	3 186 912	2 028 002
Rental deposit	14.3	196 560	196 560
Current Assets		94 477 864	70 185 262
Cash and cash equivalents	13	84 649 295	59 878 636
Trade and other receivables	5.1	8 486 447	8 435 000
Prepayments	5.2	1 342 122	1 871 626
TOTAL ASSETS		100 849 191	73 601 562
LIABILITIES			
Non-Current Liabilities		37 197 073	29 495 945
Provisions	6.2	37 041 052	29 495 945
Operating lease liability	14.2	156 021	-
Current Liabilities		57 902 571	41 783 792
Trade and other payables	6.1	2 454 128	2 947 076
Operating lease liability	14.2	47 591	50 535
Provisions	6.2	46 019 050	29 448 628
Income received in advance	7	9 381 802	9 337 553
TOTAL LIABILITIES		95 099 644	71 279 737
NET ASSETS			
Accumulated surplus		5 749 547	2 321 825
TOTAL NET ASSETS AND LIABILITIES		100 849 191	73 601 562

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	2015 ACTUAL R	2015 APPROVED BUDGET R	2014 ACTUAL R
Revenue		185 631 167	111 588 000	120 433 515
Non-exchange	8.1	111 618 658	111 588 000	105 249 839
Exchange	8.2	74 012 509	-	15 183 676
Grant expense	9	(154 036 958)	(84 143 000)	(94 697 029)
Gross profit		31 594 209	27 445 000	25 736 486
Operating expenses	10	(31 301 677)	(29 048 800)	(28 487 958)
Loss on disposal of Property and Equipment	3	(3 574)	-	(2 531)
Surplus / (Deficit) from operations		288 958	(1 603 800)	(2 754 003)
Investment revenue	11	3 138 764	1 680 000	2 906 437
Surplus for the year		3 427 722	76 200	152 434



STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2015

	ACCUMULATED SURPLUS	TOTAL NET ASSETS
	R	R
Balance as at 31 March 2012	1 782 199	1 782 199
Surplus for the year	387 192	387 192
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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	2015 Actual R	2014 Actual R
Cash flow from operating activities			
Cash Receipts		185 579 720	113 939 977
Non-exchange		111 567 211	105 599 801
Exchange		74 012 509	8 340 176
Cash Payments		(159 739 596)	(110 970 675)
Employee costs		(18 505 314)	(15 835 564)
Suppliers		(141 234 282)	(95 135 111)
Net Cash flows from operating activities	12	25 840 124	2 969 302
Cash flow from investing activities			
Purchase of Property and Equipment	3	(2 605 440)	(391 335)
Purchase of intangible assets	4	(1 604 289)	(1 536 746)
Proceeds from sale of Property and Equipment		1 500	6 288
Investment revenue	11	3 138 764	2 906 437
Net Cash flows used in investing activities		(1 069 465)	984 644
Net Increase in cash and cash equivalents		24 770 659	3 953 945
Cash and cash equivalents at the beginning of the year		59 878 636	55 924 691
Cash and cash equivalents at the end of the year	13	84 649 295	59 878 636



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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 APPROVED BUT NOT YET EFFECTIVE

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

GRAP 20: Related Party Disclosures
GRAP 105: Transfers of functions

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the principal accounting policies of the 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. The annual depreciation charge will be adjusted for any changes in these estimates (refer to note 3 & 4). These estimates are based on management's 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.

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 asset's 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 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.

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 2014 to 31 March 2015. 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.



3. PROPERTY AND EQUIPMENT

	R	R	R	R
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 plant and 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

	R	R	R	R
2014	Computer hardware	Furniture & fittings	Office equipment	Total
Cost as at 31 March 2014	1 170 104	2 280 298	261 247	3 711 649
Accumulated depreciation	(791 738)	(1 538 877)	(189 298)	(2 519 913)
Carrying value at 31 March 2014	378 366	741 421	71 949	1 191 736

	R	R	R	R
Reconciliation - 2014	Computer hardware	Furniture & fittings	Office equipment	Total
Carrying value at 1 April 2013	350 358	836 150	84 282	1 270 790
Additions	262 412	128 923	-	391 335
Disposal of computer equipment	(2 531)			(2 531)
Depreciation	(231 873)	(223 652)	(12 333)	(467 858)
Carrying value at 31 March 2014	378 366	741 421	71 949	1 191 736

During the period under review, the NFVF has disposed of fixed assets which resulted in a loss of R3 574.

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.

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

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.





4. INTANGIBLE ASSETS

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

	R	R	R	R
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

	R	R	R	R
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	168 623	3 186 912

	R	R	R	R
2014	Website	Computer software	Specialised Software	Total
Cost as at 31 March 2014	867 483	1 261 470	236 119	2 365 072
Accumulated amortisation	(125 727)	(167 459)	(43 884)	(337 070)
Carrying value at 31 March 2014	741 756	1 094 011	192 235	2 028 002

	R	R	R	R
Reconciliation - 2014	Website	Computer software	Specialised Software	Total
Carrying value at 1 April 2013	364 775	52 669	215 846	633 290
Additions	421 572	121 018		542 590
Additions - Work in progress		994 156		994 156
Amortisation	(44 591)	(73 832)	(23 612)	(142 035)
Carrying value at 31 March 2014	741 756	1 094 011	192 235	2 028 002

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.

5. TRADE RECEIVABLES

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

	2015	2014
	R	R
5.1 Receivables from exchange transactions		
Department of Arts and Culture - UK Seasons	2 085 496	-
Department of Arts and Culture - Fepaci	-	1 000 000
South African Broadcasting Corporation	735 000	250 000
M-Net	1 100 000	1 100 000
MICT - SETA	4 550 000	5 635 000
Other	15 951	-
Platco Digital	-	300 000
Industrial Development Corporation	-	150 000
	8 486 447	8 435 000

The trade receivables disclosed above are classified as receivables and are therefore measured at fair value. 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.



5. TRADE RECEIVABLES (CONTINUED)

	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

	R	R	R	R	R	R
	1-30 days	31-60 days	61-90 days	91-120 days	120+ days	Total
2014						
Gross trade receivables	8 435 000	-	-	-	-	8 435 000
Impairment of trade receivables	-	-	-	-	-	-
Net trade receivables	8 435 000	-	-	-	-	8 435 000

	2015	2014
	R	R
5.1 Prepayments		
Cannes Film Festival	1 239 566	1 760 159
Audience Research Launch	102 556	-
Hot Docs Documentary Festival	-	111 467
	1 342 122	1 871 626

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

6.1 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2015	2014
	R	R
Trade payables	2 454 128	2 947 076
	2 454 128	2 947 076

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

	2015	2014
	R	R
6.2.1 Provision for Grants issued by NFVF		
Opening balance as at 01 April 2014	57 982 261	46 628 436
New Grants issued (note 9)	154 036 958	94 697 029
Grant write-backs	(328 355)	3 897 290
Payments made during the year	(129 585 558)	(87 240 494)
Closing balance as at 31 March 2015	82 105 306	57 982 261

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.

	2015	2014
	R	R
6.2.2 Provision for leave pay		
Opening balance as at 01 April 2014	722 958	392 888
Utilised during the year	(722 958)	(392 888)
Originated during the year	718 874	722 958
Closing balance as at 31 March 2015	718 874	722 958

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.



	2015	2014
	R	R
6.2.3 Provision for 13th cheque		
Opening balance as at 01 April 2014	239 354	214 001
Utilised during the year	(239 354)	(214 001)
Originated during the year	235 922	239 354
Closing balance as at 31 March 2015	235 922	239 354

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	83 060 102	58 944 573
Current	46 019 050	29 448 628
Non-current	37 041 052	29 495 945

7. INCOME RECEIVED IN ADVANCE FROM NON EXCHANGE TRANSACTIONS

	2015	2014
	R	R
Department of Arts and Culture		
Opening balance as at 01 April 2014	9 337 553	10 961 092
Received during the year	508 229	-
Utilised during the year	(463 980)	(1 623 539)
Closing balance as at 31 March 2015	9 381 802	9 337 553

The R10 million received relates to the installation of digital equipment for community viewing as well and upgrading of facilities in under-serviced 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. 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.

R508 229 has been received in advance from the DAC in respect of the UK seasons project. This relates to the funding of joint projects with the British Council. Due to the delay in the finalisation of the contract with the DAC as well as the delay in the approval of the projects, these projects will only commence in the 2015/16 financial year.



8. REVENUE

	2015	2015	2014
		APPROVED BUDGET	ACTUAL
		R	R
8.1 Revenue from Non Exchange Transactions	111 618 658	111 588 000	105 249 839
Department of Arts and Culture - annual allocation	111 588 000	111 588 000	105 223 000
MICT-SETA: Mandatory Grant	30 658	-	26 839
8.2 Revenue from Exchange Transactions	74 012 509	-	15 183 676
Department of Arts and Culture - UK Seasons	19 037 513	-	-
Department of Arts and Culture - Momentum and Big Shoe projects	36 000 000	-	-
Department of Arts and Culture - Fepaci Congress	-	-	1 961 092
Department of Arts and Culture - Digital Screens	463 980	-	662 447
South African Broadcasting Corporation	735 000	-	500 000
M-Net	1 100 000	-	1 100 000
National Lottery	5 000 000	-	-
MICT - SETA	6 147 400	-	8 659 000
KZN Film Commission	750 000	-	-
Wesgro	65 000	-	75 750
Durban Film Office	100 000	-	200 000
Film and Publications Board	1 000 000	-	132 500
Nolava International Film Dist.(Pty) Ltd	7 275	-	45 062
Industrial Development Corporation	-	-	150 000
Platco Digital	-	-	300 000
Cape Town Film Studios	-	-	2 864
Recoupments	3 418 693	-	1 310 560
Other	173 398	-	80 501
Sales	14 250	-	3 900
	185 631 167	111 588 000	120 433 515

9. GRANT EXPENSE

	2015	2015	2014
	ACTUAL	APPROVED BUDGET	ACTUAL
		R	R
Training & bursaries	15 832 016	11 550 000	19 197 320
Development and production of content	80 986 519	40 450 000	38 673 727
Research projects	3 440 001	2 500 000	3 759 645
Local and global positioning	53 778 422	29 643 000	33 066 337
	154 036 958	84 143 000	94 697 029

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



10. OPERATING EXPENSES

	2015	2015	2014
	ACTUAL	APPROVED BUDGET	ACTUAL
		R	R
Included in the operating expenses are the following:			
Audit fees - Internal	644 664	500 000	652 568
- External	711 073	453 480	401 815
Consulting services	757 351	500 000	595 533
Professional services - staff recruitment	668 497	400 000	494 389
Website expenses	88 854	100 000	101 144
Councillors' services			
Honorarium - council meetings	952 788	630 000	760 000
Depreciation and amortisation expense	1 249 626	840 000	609 893
Panellist fees	756 900	612 000	762 506
Rent paid - Buildings	2 436 586	2 382 733	2 375 973
Salaries and wages	18 497 798	18 343 928	16 190 987
Salaries and wages - executive management	6 760 656	6 730 864	5 769 742
Salaries and wages - other staff	11 737 142	11 613 064	10 421 245
Travel and accommodation	514 909	339 000	916 124
Printing and publication	543 134	442 000	583 512
Administration	1 914 587	1 765 859	2 107 963
Conferences and Catering	276 869	289 800	492 211
Advertising	269 216	320 000	307 422
Telephone & Fax	479 294	480 000	312 654
Equipment Hire	428 451	396 000	511 073
Computer Expenses	313 631	250 000	383 618
Electricity & Water	554 800	504 000	524 106
	31 301 677	29 048 800	28 487 958

Salary costs are higher than budget because of leave payments made to staff.

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.

10.2 Salaries and wages	18 497 798	18 343 928	16 190 987
Gross Salary	13 466 534	13 642 520	12 554 260
Cellphone Allowance	200 000	198 000	85 500
Medical Aid	888 144	841 125	741 454
Provident Fund	1 287 866	1 300 367	1 062 496
UIF	59 725	60 000	55 426
Skills Development Levy	167 090	140 000	137 554
Workman's Compensation	-	-	53 883
Bonus	2 255 992	2 081 916	1 093 167
Leave Provision	172 447	80 000	407 247

11. INVESTMENT REVENUE

	2015	2015	2014
	ACTUAL	BUDGET	ACTUAL
		R	R
Interest income - Bank Deposits	3 138 764	1 680 000	2 906 437

12. OPERATING EXPENSES

	R	R
12. Reconciliation of net cash flow from operating activities to surplus/(deficit)		
Surplus for the year	3 427 722	152 434
Adjustments for non cash movements:		
Depreciation and amortisation on property and equipment and intangible assets	1 249 626	609 893
Loss on disposal of property and equipment	3 574	2 531
Increase/(Decrease) in operating lease	153 077	(321 546)
(Decrease) / Increase in employee related provisions	(7 516)	355 423
Increase in other provisions	24 123 045	11 353 825
Items shown separately on the face of the cash flow statement:		
Interest income	(3 138 764)	(2 906 437)
Changes in working capital:		
(Increase) in trade and other receivables	(51 447)	(6 843 500)
Decrease in prepayments	529 504	349 962
(Decrease) / Increase in trade and other creditors	(448 697)	216 717
Net cash flow from operating activities	25 840 124	2 969 302

13. CASH AND CASH EQUIVALENTS

	2015	2014
	R	R
13. Cash and cash equivalents	84 649 295	59 878 636
First National Bank	907 684	1 974 295
Corporation for Public Deposits	83 739 611	57 902 341
Petty cash	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:

2015	UP TO 1 YEAR	2 - 5 YEARS
Building	2 430 324	1 943 071

2014	UP TO 1 YEAR	2 - 5 YEARS
Building	2 229 655	4 373 395

The building lease expired on 31 December 2013. The lease was renewed for a further 3 year term from 01 January 2014 - 31 December 2016. 87 Central Properties allows for an annual escalation of 9% per annum. The NFVF has no 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 2015 is R2 436 586 (2014: R2 375 973)

14.2 OPERATING LEASE LIABILITY

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

	2015	2014
	R	R
Short term portion of Operating Lease -Liability / (Asset)	47 591	(153 078)
Long term portion of Operating Lease - Liability	156 021	203 613
	203 612	50 535

Equipment

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

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.

15. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2015	2014
	R	R
15. Irregular and fruitless and wasteful expenditure		
Irregular expenditure	-	-
Fruitless and wasteful expenditure	-	-
Less: Condoned	-	-
	-	-

The NFVF did not incur any irregular and fruitless and wasteful expenditure during the financial year under review.

16. RELATED PARTIES

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

		2015	2014
Amounts received from related parties	Nature	R	R
Department of Arts and Culture	Executive authority	167 089 493	107 846 539
South African Broadcasting Corporation	Controlled entities	735 000	500 000
MICT - SETA	Controlled entities	6 178 058	8 685 839
Film and Publications Board	Controlled entities	1 000 000	132 500
National Lottery	Controlled entities	5 000 000	-
Industrial Development Corporation	Controlled entities	-	150 000
Amounts due by related parties			
Department of Arts and Culture	Executive authority	2 085 496	1 000 000
South African Broadcasting Corporation	Controlled entities	735 000	250 000
MICT - SETA	Controlled entities	4 550 000	3 500 000
Industrial Development Corporation	Controlled entities	-	150 000
Income in advance from related parties			
Department of Arts and Culture	Executive authority	9 381 802	7 714 014

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 per the NFVF Act. The amounts received from FPB 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.

**17. DISCLOSURE OF REMUNERATION**

	2015	2014
	R	R
17.1 Non Executive Honorarium - Council services	952 788	760 000
Ms M Ramagoshi (Chairperson)	72 888	98 000
Mr G Leolo (Deputy Chairperson)	79 324	78 000
Adv A Mukoma	5 000	62 000
Ms G Mhlophe Becker	-	41 000
Mr M Mphomela	-	68 000
Mr P Raleigh	5 000	46 000
Adv R Rai Dehal	53 056	60 000
Adv R Solomons	5 000	84 000
Ms S Gordon	-	59 000
Mr S Molefe	5 000	85 000
Ms T Downing	8 000	79 000
Ms D Markgraaf	61 400	-
Ms P Mashiane	59 800	-
Mr TL Masudubele	77 864	-
Mr B Meyer	79 520	-
Mr L Mkhabela	41 664	-
Mr P Molefe	86 640	-
Mr A Moosa	45 056	-
Ms LJ Ramathesele	53 680	-
Mr S Swana	103 952	-
Mr M Vundla	41 664	-
Mr C Mullin - Audit Committee member	3 000	-
Ms N Bulbulia - Audit Committee member	3 000	-
Ms T Mjoli - Audit Committee member	28 136	-
Mr S Vilakazi - Audit Committee member	18 688	-
Mr L Seperepere - Audit Committee member	15 456	-

17.2 EXECUTIVE MANAGEMENT SALARIES - 2015

	R	R	R	R	R
	Basic Salary	13 th Cheque & Performance Bonus	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	6 760 656

17.2 EXECUTIVE MANAGEMENT SALARIES - 2014

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

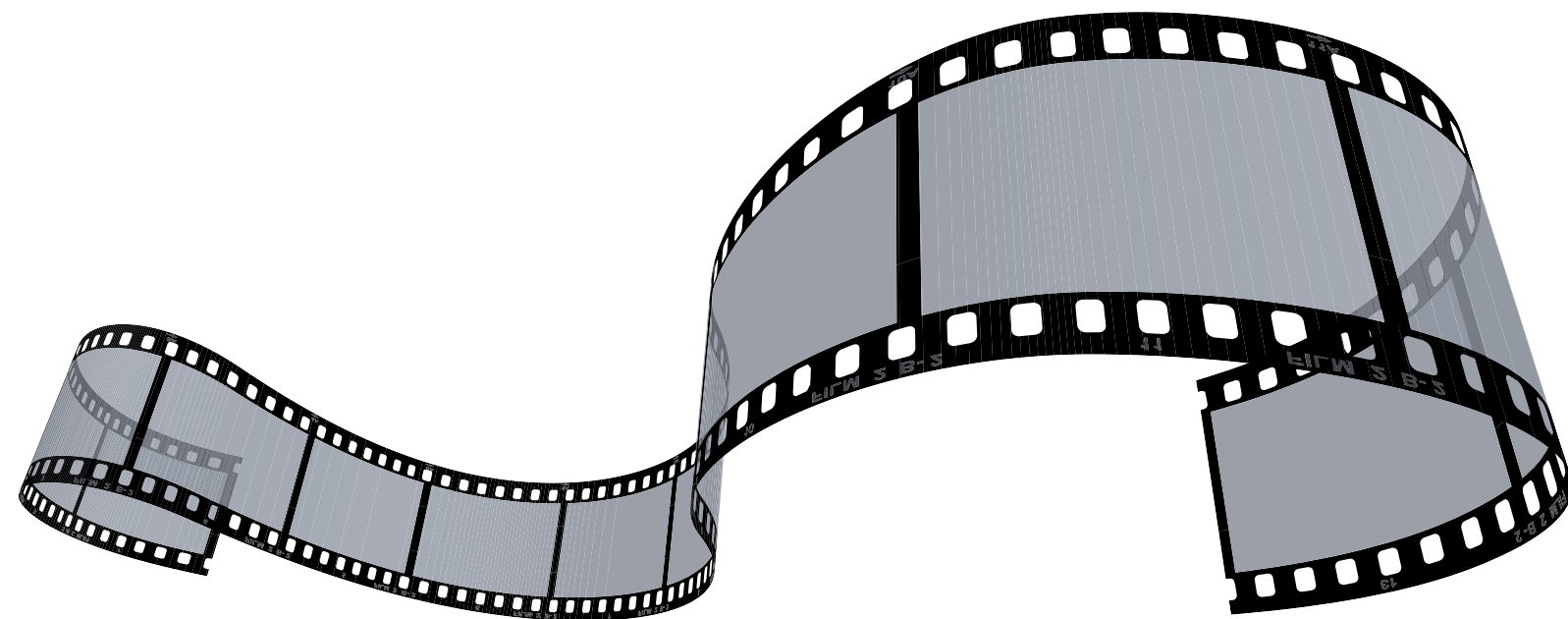




18. FINANCIAL INSTRUMENTS

As at 31 March 2015, 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	2015	2014
Financial assets				
Cash and cash equivalents	Carrying value	Loans and receivables	84 649 295	59 878 636
	Fair value		84 649 295	59 878 636
Trade and other receivables	Carrying amount	Loans and receivables	9 828 569	10 306 626
	Fair value		9 828 569	10 306 626
Financial liabilities				
Trade and other payables	Carrying value	Financial liabilities	2 454 128	2 947 076
	Fair value		2 454 128	2 947 076
Non current provisions	Carrying value	Financial liabilities	37 041 052	29 495 945
	Fair value		37 041 052	29 495 945
Income received in advance	Carrying value	Financial liabilities	9 381 802	9 337 553
	Fair value		9 381 802	9 337 553
Operating lease liability	Carrying value	Financial liabilities	47 591	50 535
	Fair value		47 591	50 535



19. MANAGEMENT OF RISK

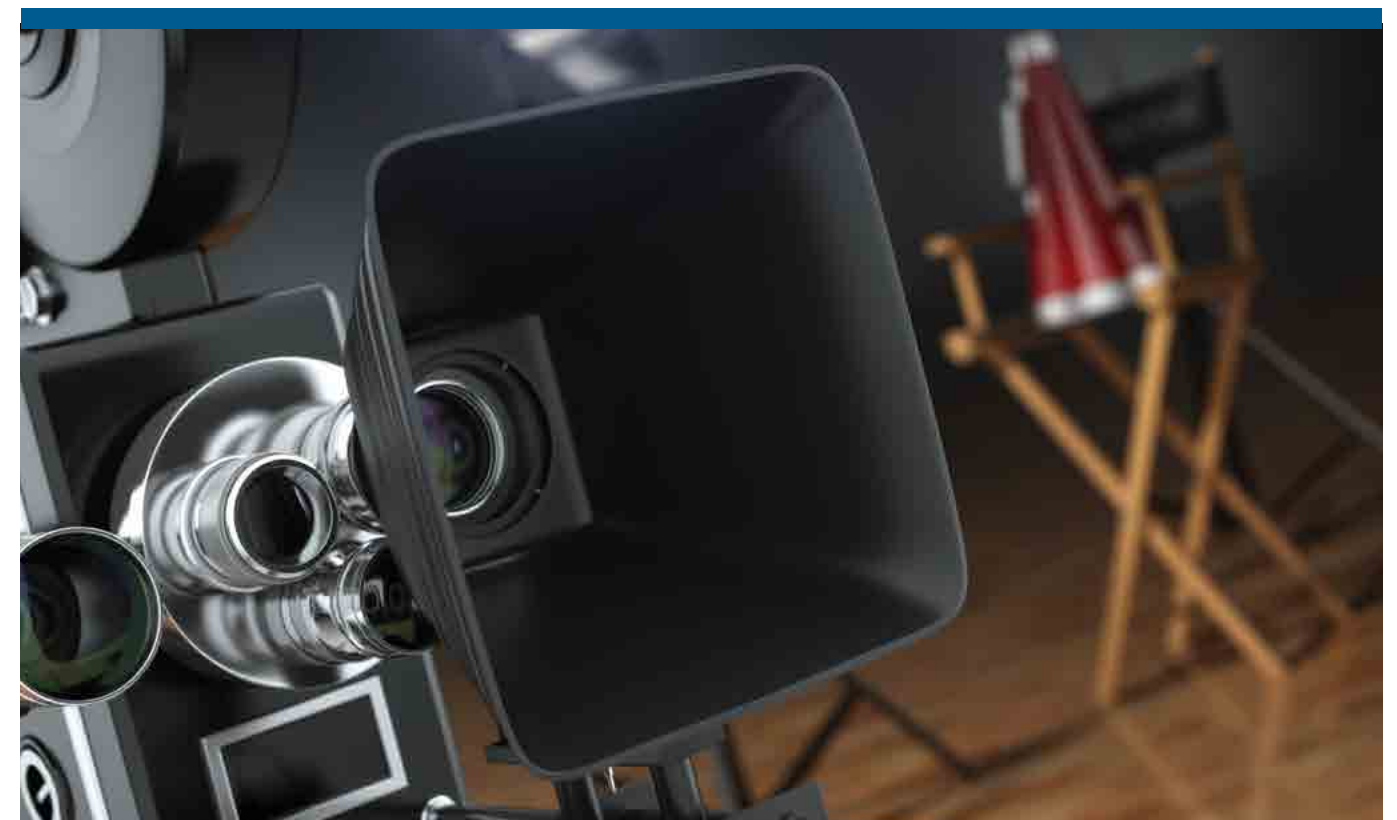
The Council is responsible for strategic risk-management within the NFVF and tasks the Audit Committee with ensuring effective risk management. The purpose of the NFVF risk-management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk-management 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 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:

	2015	2014
	R	R
Within 1 year	84 649 295	59 878 636
1 to 5 years	-	-
	84 649 295	59 878 636

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 538 914 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.

	2015	2014
	R	R
Increase in interest rate of 1%	538 914	538 914
Decrease in interest rate of 0.5 %	(34 959)	(34 959)



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

	2015	2014
	R	R
Cash and cash equivalents	84 649 295	59 878 636
Trade Receivables	8 486 447	8 435 000

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 2015.

Financial Assets

Trade and other receivables

		2015 R'000	2014 R'000
	%	CARRYING AMOUNT	CARRYING AMOUNT
CURRENT	100.0	8 486 447	8 435 000
30-60 Days	0.0	-	-
60-90 Days	0.0	-	-
Greater 90 days	0.0	-	-
	100.0	8 486 447	8 435 000

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.

	R	R	R	R	R
	Less than 3 months	3 -12 months	91-120 days	1 - 5 years	Total
2015					
Trade and other payables	2 454 128	-	-	-	2 454 128
Operating lease liability	-	-	-	203 612	203 612
Financial liability	2 454 128	-	-	203 612	2 657 740

2014					
Trade and other payables	2 947 076				2 947 076
Operating lease liability	-	-	-	50 535	50 535
Financial liability	2 947 076	-	-	50 535	2 997 611

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

20. CONTINGENT LIABILITIES

The contingent liability amounts to R 2 813 741 (2014: R19 627 147). This relates to funding granted to local markets and festivals. The NFVF approved funding for 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.



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