

NATIONAL FILM AND
VIDEO FOUNDATION

2019/20

ANNUAL REPORT



national film and video foundation
SOUTH AFRICA
an agency of the Department of Arts and Culture

igniting your stories

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PART



2. ABBREVIATIONS/ACRONYMS

A stylized illustration of a movie camera on a tripod, surrounded by various film-related icons like reels, clapperboard, megaphone, popcorn, and film strips. The entire graphic is set against a solid orange background.

01

FOREWORD BY THE CHAIRPERSON





Mr Phillip Molefe
Chairperson
NFVF Council



INTRODUCTION

It is with great pleasure that I present the 2019/20 financial year annual report, outlining an overview of the performance of the NFVF and achievements of the year under review.

The 2019/20 financial year has been a year of reinforcing the National Film and Video Foundation's mandate to ensure NFVF accessibility and taking film everywhere and to everyone. Working together with management, the NFVF Council actively participated in various local NFVF-funded film festivals, travelling countrywide. These included the Kwasukusela Film Festival in the town of KwaMhlaba in KwaZulu-Natal, which borders Swaziland, the Cherry Film Festival in Ficksburg, Free State, close to Lesotho and the Knysna Film Festival in Knysna, Western Cape. At these festivals, we actively strengthened partnerships and relations with a diverse range of stakeholders while playing our oversight role as Council.

During the year under review, the NFVF Council held a strategic planning session in October 2019, where it used extensive feedback from the film industry to guide and review its plans to shape the film industry. It was at this session that the NFVF Council recommended the Funding Policy review to increase the funding caps. This review process is at an advanced stage and will be completed in due course.

Entity performance 2019/20'

On behalf of the NFVF Council, I am pleased with the NFVF's overall performance.

While under-funding remains an area of paramount concern, the NFVF Council is proud that the passion and commitment of its staff ensured that they continued to deliver results, despite limited resources. Collaborations formed with our key stakeholders have enabled the NFVF to create opportunities for numerous filmmakers, particularly the youth and women filmmakers from disadvantaged communities. We continue to position our film industry globally and regularly conduct research to improve our policies.

Infrastructure Development

Increasing access to production facilities and screening platforms for South African films is central to the NFVF objective. During the 2019/20 financial year, the Department of Arts and Culture allocated R7.7 million to the NFVF. The organisation used these funds to refurbish and reconfigure the Eastern Cape Film Hub project (Phase 1) to conform to the film hub's specifications. After completion of Phase 1 of the project, the film hub is now operational. I am pleased that as the first film hub in the Republic of South Africa, the Eastern Cape Film Hub officially opened its doors on 5 March 2020 in East London. The Honourable Minister of the Department of Arts and Culture, Nathi Mthethwa, officially launched the facility for the benefit of the film industry in the Eastern Cape.

NFVF will now embark on Phase 2 of the project. This will encompass various aspects such as:

- Completing electrical services and power upgrades in the building;
- Doing HVAC installations;
- Installing the disabled lift;

- Soundproofing the auditorium/cinema;
- Building the multifunctional studio;
- Constructing an additional training room; and
- Constructing a robotics-lighting lab.

NFVF Engagement with the African continent

During the period under review, the NFVF convened engagements and activities to ensure it strengthened its partnerships and structured collaborations with various stakeholders in Africa.

One such activity was the 2nd Annual Africa Focus session, which took place during the Durban International Film Festival (DIFF). The NFVF Council and its CEO facilitated the session, which featured a keynote address by the Director-General in the Department of Arts and Culture.

The focus of the session was to provide feedback for participants from countries that had participated at the African Pavilions at the Toronto International Film Festival (TIFF) and the Cannes Film Festival the previous year.

During this focus session, participants from Burkina Faso, Kenya, Namibia and Tunisia deliberated on critical questions involving aspects of the Pavilions that had worked, and those that had been unsuccessful. They also considered future improvements for the Pavilions and shared best practices aimed at promoting co-productions between South Africa and the rest of the continent. I am pleased that all countries have committed to participate even more in future.

The common theme throughout the session was the importance of collaboration within the continent; the whole forum agreed on the following outcomes namely, to:

- Encourage more intra-continental co-productions;
- Promote the establishment of an African Film Festival Forum/Federation;
- Support the establishment of an African Film Training Institutions Forum/Federation; and

- Encourage African filmmakers to prioritise film festivals and markets on the continent over the European platforms.

The French Pan-African Film and Television Festival of Ouagadougou, (FESPACO 2019)

The NFVF was part of the 50-year celebrations at the French Pan-African Film and Television Festival of Ouagadougou, (FESPACO) and South Africa was the country of focus at the festival, which took place in Ouagadougou in Burkina Faso. Accompanying this honour was the screening of several South African films in the panorama section of the festival. The Honourable Minister of the Department of Arts and Culture, Nathi Mthethwa led the South African delegation at the festival. One of the activities in Ouagadougou included a wreath-laying ceremony at the grave of the late former President of Burkina Faso, Mr Thomas Sankara.

While at the festival in Burkina Faso, the NFVF signed two Memorandums of Understanding (MOUs) with FESPACO and the Imagine Training Institute.

The Imagine Training Institute is a world-renowned training institution in Burkina Faso under the stewardship of Mr Gaston Kabore, an icon of African cinema.

The NFVF – FESPACO MOU will:

- Facilitate South African participation at FESPACO;
- Provide a networking platform for filmmakers of all nationalities;
- Identify key film festivals in South Africa as a platform to advance Burkinabe causes and *vice versa* for South Africa in Burkina Faso;
- Re-establish the Lionel Ngakane Award at FESPACO with the NFVF sponsoring the award; and
- Generally, ensure the promotion of African cinema in the two countries.

MOU with Imagine Training Institute

The MOU sought to revive the relationship between Imagine and the NFVF, which will expose young South African filmmakers to African cinema collaboration.

Areas of co-operation identified were:

- Skills exchange programme;
- Training young South African filmmakers across different film disciplines;
- Placing special emphasis on animation; and
- Conducting research.

Impact of COVID-19 on the film industry

The end of the financial year also saw the beginning of a new era for the country, which experienced the far-reaching effects of the COVID-19 pandemic. South Africa was subsequently placed under lockdown on 26 March 2020 to curb the infection rate. The rapid global phenomenon of COVID-19 and its fallout will leave the film industry facing unprecedented challenges, many of them changing every day. However, as the NFVF Council, we are positive that the organisation will respond adequately to the situation.

Acknowledgements

I would like to acknowledge the Honourable Minister of the Department of Arts and Culture, Nathi Mthethwa, for his leadership and continued support of the NFVF as well as the film industry and the Director-General, Mr Vusi Mkhize and his team for their efforts and continuous support.

I would like to acknowledge the NFVF leadership and its dedicated staff members.

They continue to contribute significantly towards realising our overall objectives of industry transformation, development, and promoting the local film and video industry in local and international markets.

I would also like to acknowledge and thank the NFVF Council members for their support and commitment. With the term of the current Council coming to an end soon, I would like to extend my sincere gratitude to my fellow Council members and members of the various NFVF Council Sub-Committees who have committed to serving the local film industry during their tenure.

Conclusion

In the financial year 2020/21, we shall ensure the smooth transitioning with the new Council and make sure that they are empowered to continue and lead in the execution of the NFVF mandate.



Mr Phillip Molefe

Chairperson of Council
National Film and Video Foundation



02

CHIEF EXECUTIVE OFFICER'S OVERVIEW



INTRODUCTION

The 2019/20 financial year was a year of conversations and forming relations for the NFVF. We reached out to the film industry for possible collaborations, made our programmes even more accessible and proactively engaged all levels of the sector. Festival activations, school programmes and industry-specific engagements brought even more people together. It is heartening that our dialogues encouraged openness and willingness from filmmakers to share insights, ideas and challenges that helped to understand each other better. These engagements signalled an excellent start towards more meaningful exchanges and dialogue.

The period under review is remembered for the 40th edition of the Durban International Film Festival (DIFF). Founded in 1979, DIFF is the oldest and arguably the continent's largest film event, which attracts both film-lovers and industry representatives from across the African continent and beyond. A riveting and diverse "DIFF 40" line-up included 189 films from around the globe, comprising 74 feature films, 25 documentaries and 90 short films.

The NFVF also continued to implement its key strategic priorities. The organisation continues to operate under a myriad of challenges and constraints, which include overextended staff, a fragmented industry and a funding shortage. Despite this, we continuously stretch ourselves to find creative ways of utilising the limited resources at our disposal. Therefore, I am pleased to report that the NFVF successfully delivered against most key areas of its 2019/20 Annual Performance Plan.

Supply chain management and good 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 IV Report and working within the parameters of public sector legislation.

During the year under review, the NFVF has:

- Ensured financial compliance with the NFVF Act, the Public Finance Management Act (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; and
- Maintained an administration system that ensured productivity and quality service delivery to filmmakers, shareholder and other relevant partners.

Achievements / Highlights

I am proud of the several achievements made during the period under review.

While programme reports have detailed these in the body of the Annual Report, I would like to highlight a few of them:

Training Development

The NFVF delegation that participated at the 2019 Annecy International Animated Film Festival in France included animation students, as part of the Human Capital Development aspect of our Annual Performance Plan under Training and Development. The NFVF presence at Annecy has boosted the partnership between France and South Africa in the animation space.

Development of content

In a constantly changing environment, the NFVF continues to support industry growth and the production of high quality and culturally relevant content. We are committed to backing South African talent, strengthening the film industry's participation in the global market and building audiences for South African content. These priorities ensure that the industry continues to innovate, expand and deliver meaningful stories to a diverse range of audiences.

A total of 80 scripts received funding for development. These projects came from different sub-sectors, which ranged from animation, documentary, fiction feature, fiction short-film, short documentary and TV format.

Marketing and Distribution

The NFVF provided financial support to filmmakers and distributors to promote their products at film markets and festivals. This support included innovative marketing and distribution – especially those that are in line with the NFVF's objectives – such as animation, digital and other new technologies/media.

There has been an increase in the total number of filmmakers financed for the filmmaker support programme. The number of funded filmmakers started with 73 filmmakers in 2015/16. It has since risen to 105 filmmakers supported in 2019/20, which includes both local and international markets.

The number of approvals for marketing and distribution grants has remained within the organisation's target of between 10 and 13 per annum, while the festival hosting grant increased to 21 festivals funded in the 2019/20 period.

Ms Makhosazana Khanyile
Chief Executive Officer
NFVF



South African movies at the Box Office

For the year 2019, South Africa released 190 films in cinemas, of which 22 were produced locally. The 22 titles earned a total of R59.7 million at the box office revenues, recording a significant increase of 18% compared to the financial year of 2018 / 2019.

Partnerships

The NFVF has continued to strengthen partnerships with various stakeholders within the sector, achieving great success in its approach to collaborate with, and influence relevant stakeholders. These included national, regional, provincial and local structures as well as some continental and international bodies. As a result, the NFVF signed various partnership agreements, including the following:

Tshimologong Digital Innovation

The NFVF and a South African start-up innovation hub, Tshimologong Digital Innovation Precinct, have strengthened their ties with international partners by signing official partnership agreements at the 2019 Annecy International Animated Film Festival.

The agreements are with Paris-based animation school Gobelins and the French Embassy in South Africa.

The objective of both these agreements is to grow the animation industry's skills pipeline by offering training, internships and scholarships to animators in Africa. It also presents the opportunity to enhance the linkages between African animation talent, producers, schools and institutions with their French counterparts.

Canadian Council on Africa (CCAFRICA)

The NFVF signed a partnership agreement with the Canadian Council on Africa (CCAFRICA). This not-for-profit organisation is the only Pan-Canadian and national organisation dedicated to promoting trade and economic development between Canada and the African continent.

The MOU will allow both parties to promote collaboration between Canadian investors and South African filmmakers in the distribution of South African audio-visual material internationally. In addition, the established relationships will serve to develop infrastructure that will benefit the exhibition of South African content internationally.

Cortex Hub

The NFVF signed a partnership agreement with the Cortex Hub, a technology incubator based in the Eastern Cape. It aims to create global Artificial Intelligence, Machine Learning and Data Science companies by providing skills and training in Artificial Intelligence and Machine Learning to local entrepreneurs.

The partnership will enhance African storytelling using technology.

This will enable filmmakers, editors and entrepreneurs to have access to resources and a state-of-the-art space at the recently launched Eastern Cape film hub to accelerate their passion.

South African film accolades at International Festivals

During the year under review, we have seen a number of our country's films receiving awards and nominations at various prestigious events. These include:

- The Award Ceremony, a short film directed by Mmabatho Montsho won Best Short Film and the Worldwide Women's Film Festival in the US in February 2020.
- Zulu Wedding, a romantic comedy directed by Linen Sekeleane was announced as the Best Narrative Feature Film at the Pan African Film Festival (PAFF) in Los Angeles in February 2020.
- Opus, a short film directed by Kgosana Monchusi won Best Narrative Short Film at the Silicon Valley African Film Festival in October 2019.
- Knuckle City, a hard-hitting sports drama directed by Jahmil X.T. Qubeka was screened in the Contemporary World Cinema section at the 2019 Toronto International Film Festival in September. It was selected as the South African entry for the Best International Feature Film at the 92nd Academy Awards, though it did not receive a nomination.
- 3 Teaspoons of Sugar, an animated short film directed by Kabelo Maaka was selected for the semi-finals of the Lagos International Festival of Animation (LIFANIMA).
- Milisuthando by Milisuthando Bongela was selected to participate at the 2019 IFP/No Borders event and at the 2019 pitch forum of the International Documentary Film Festival Amsterdam (IDFA).

South African Film and Television Awards (SAFTAs 14)

The South African Film and Television Awards (the SAFTAs), are now entrenched in our country's entertainment calendar. This event has become a significant tool to acknowledge and encourage the good work that film practitioners produce.

Due to the COVID-19 regulations, the 14th annual SAFTAs award ceremony was staged on social media platforms celebrating "#LoveSATalent" as its theme.

The year ahead

The NFVF will continue to embrace technology and entrench operational excellence in the execution of its key programmes, which are critical to ensure improved performance.

In addition, we shall invest in new infrastructure, as this is essential for driving new growth areas, particularly in post-production, animation and new media.

The organisation will prioritise the profiling of NFVF-supported festivals and markets to ensure that it invests in festivals that add value and growth to the industry. In this regard, it is necessary to carry out an impact assessment study on festival funding, given the fact that a lot of funding goes towards festival hosting.

In taking cognisance of the crucial need for transformation within the film industry, the NFVF will continue to participate in ongoing consultations within the Film/Audio-visual Reference Group. It regards this as a tactical structure for implementing the recommendations that emanated from the 2019 Film/Audio-visual Summit.

In the 2020/21 financial year, the NFVF will embark on a study to identify and quantify the economic impact arising from activities of companies or individuals in the film and television industry between April 2017 and April 2020. The study outcomes will better enable the NFVF and government to provide valuable insights into the South African film industry to both public and private stakeholders.

The study will also provide a business case for increased government funding and private investment into the industry. The GDP contribution of South Africa's creative economy has long been unstated or understated. Thus, the study will seek to emphasise the importance of investing in creative industries to stimulate economic growth, particularly in the face of major disruptions resulting from COVID-19.

Acknowledgements

My deep appreciation goes to all the filmmakers, broadcasters, sponsors, partners and all stakeholders, who continue to support our endeavours. I would like to acknowledge NFVF's dedicated executive team and staff who use their skills so diligently towards achieving our mandate. We also remain reassured of support from our Council and our Shareholder DAC and all its oversight teams.

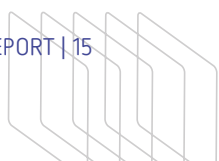
Yours faithfully



Ms Makhosazana Khanyile

Chief Executive Officer

National Film and Video Foundation



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

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor General.

The Annual Report is complete, accurate and free from any omissions.

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

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

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

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

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully



Ms Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation
30 September 2020



Mr Phillip Molefe
Chairperson of NFVF Council
National Film and Video Foundation
30 September 2020



06

STRATEGIC OVERVIEW





6.1. VISION

An inclusive, diverse and sustainable audio-visual ecosystem that tells South African stories to local and global audiences.

6.2. MISSION

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



Refer to our website for more on our mission values and strategic outcomes

6.3. VALUES

- Integrity;
- Respect;
- Equitable;
- Innovation;
- Collaborative;
- Service Centric; and
- Professionalism

6.4. STRATEGIC OUTCOME ORIENTED GOALS

1. Increase the number of people trained in the industry, particularly in areas of scarce skills;
2. Develop appropriate policy interventions for the South African film industry;
3. Increase the number of South African films produced and Previously Disadvantaged Individuals (PDIs) producing them;
4. Promote the South African Film Industry locally and internationally; and
5. Fulfil statutory and governance obligations of the NFVF as set out in relevant legislation.

The NFVF's strategic outcome-orientated goals are outlined in more detail on page 29..



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 No. 73 of 1997, as amended by the Cultural Laws Amendment Act No. 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; and
- To address historical imbalances in the infrastructure and distribution of skills and resources in the film and video industry.

8. ORGANISATIONAL STRUCTURE



PART

B

PERFORMANCE INFORMATION





I. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2020.

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 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 2020.

The external auditors have examined the National Film and Video Foundation performance information for the year ended 31 March 2020 and their report appears on page 75.

The Council has approved the performance information of the entity set out on page 31 to page 55.



Ms Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation
30 September 2020



2. AUDITOR'S REPORT: PRE-DETERMINED 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 75 of the Annual Report (Auditor's Report), published in Part E: Financial Information.

3. SITUATIONAL ANALYSIS

3.1. Service Delivery Environment

Production and development of content are at the core of the work the NFVF engages in – it is where the organisation fulfils its mandate most clearly. In this regard, it provides 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.

The NFVF continues to fund bursaries for youth interested in studying film. In addition, it enjoys a mutually beneficial relationship with its long-standing partners, the Media Information and Communication Technologies Sector Education and Training Authority (MICT-SETA). The MICT-SETA helps the NFVF secure additional funding for bursaries; over time, this has led to an exponential growth in the number of opportunities the organisation has been able to provide to disadvantaged individuals. Through the MICT-SETA, NFVF has also established a successful internship programme, which allows it to provide young people with an opportunity to develop skills and empower them with the necessary workplace experience.

NFVF is constantly reinforcing its quest to support small, medium and micro-enterprises (SMME's). The organisation has been particularly successful in its slate programmes (NFVF Enterprise Development), which encourage skills transfer through mentorship and internships.

The NFVF has mature governance processes in place, which ensure that it executes its mandate effectively and efficiently. The supply chain management process has been one of the instruments applied optimally within the organisation. However, in the past, poor planning sometimes compromised the process. The organisation has subsequently addressed this issue and foresees fewer challenges in future. The Council and its Committees – including the Audit Committee – continue to ensure sound governance across the NFVF's different business units.

Improved relations with various partners and subsequent strategic alignment in the implementation of programmes, have created a collaborative service delivery environment, which has led to greater efficiencies for our various stakeholders.

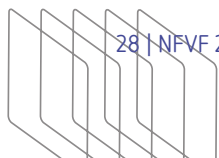
3.2. Organisational environment

The NFVF's 360 performance management system is still operating optimally. Therefore, both management and employees have seen value in the performance system, which takes into consideration the employee score and the overall organisational performance. Because of the performance review, the organisation has identified and executed relevant training needs.

3.3. Key policy developments and legislative changes

There have been a number of proposed laws, such as the Copyright Amendment Bill and the Performers Protection Bill of 2018, which will affect the audio-visual industry and the NFVF. The National Assembly has passed the legislation for these laws and sent them to the President for him to be signed into law. However, the President sent it back, citing that the legislation might not “pass constitutional muster [i.e. withstand a legal challenge on Constitutional grounds] and may therefore be vulnerable to constitutional challenge.”

The Minister of Labour issued a notice calling for interested parties to make submissions on the proposal to deem persons in the film and television industry as employees for the purpose of selected portions of South Africa's labour law. The Basic Conditions of Employment Act (BCEA) empowers the Minister to deem persons to be employees. This has the effect that persons – who may otherwise not be classified as employees for the purpose of employment legislation – would enjoy the rights (and obligations) of employees. The Minister called on interested parties to make submissions on the proposal.





3.4 Outlining the NFVF's Strategic Outcome-Orientated Goals

With its mandate of ensuring the equitable growth of South Africa's and video industry, the NFVF's strategic outcome-orientated goals are essential to its effective functioning.

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

The country's film industry is one of the key sectors that can provide job creation and economic growth, given the labour-intensive nature of film production. However, to ensure a sustainable industry that contributes to the national economy, an increase in skills development is pertinent for growth and development since an up skilled labour force directly affects the number of local film productions. The major skills gap that the NFVF has identified – such as screenwriting, directing and executive producing – continues to hinder the industry from sourcing adequate and alternative financing resources and models to produce films for local and international markets.

The NFVF has subsequently devised interventions to address these gaps.

The NFVF continues to commit itself to comply with the national policy of skills development. Moreover, it aims to ensure that the industry benefits from available resources to up skill itself and build sustainable production companies that can contribute to eradicating sector unemployment. The NFVF is also dedicated to forming partnerships with a variety of organisations to guarantee industry development. They place particular emphasis on grooming young people and women to enter the industry. This will also help those already building a career in film to secure their longevity by gaining crucial experience.

ii. Develop appropriate policy interventions for the industry

The NFVF undertakes an annual review of its policies to ensure that inefficiencies are addressed, to align with its NFVF strategic objectives and to ensure compliance with legislation. It often receives feedback from the industry, NFVF staff, internal audit, Council Committees and the NFVF's panel members.

iii. Increase the number of South African films produced and PDIs producing them

Production and development values have improved, despite limited funding sources to finance local film budgets. The NFVF is dedicated to building a sustainable industry and creating more content by continuing to fund slates projects such as documentaries, fiction that includes animation as well as female and youth filmmaker projects. The organisation continues to create opportunities and open up the co-production platform for emerging black filmmakers by sourcing additional production funding (incentives) outside existing co-production treaties.



iv. Promote the South African film industry locally and internationally

The roles of Marketing and Communications within the NFVF have grown in importance and focus on its broad Marketing and Communications strategy. Furthermore, our objective is to create an appetite among South Africans to watch local films and create awareness and appreciation of South African-produced films. We have seen box office successes of many films funded through the NFVF's Marketing and Distribution division that black filmmakers have produced.

This period has seen the implementation of the NFVF's global positioning strategy under its positioning statement "love SA film". This has succeeded in effectively promoting South African films, the South African film industry, and enhancing the NFVF brand both locally and globally.

Every year, the NFVF facilitates and guides the participation of filmmakers in festivals and markets abroad with the following aims:

1. Opening up markets for South African content:

- To find new markets for the distribution of South African feature films, documentaries and television concepts.

2. Securing partnerships for Co-production:

- To find new partners to co-produce, co-finance, distribute and/or sell South African feature films, documentaries and television concepts;
- To explore co-production challenges and opportunities with those countries with whom co-production treaties exist.

3. Skills Exchange and Skills Development Opportunities:

- To foster and build relations with institutions for best practice;
- To position South African filmmakers in global platforms aimed at professional and business skills development.

4. The positioning of the South African Film Industry as a filmmaking destination and a production partner:

- To market South Africa as a preferred filmmaking destination as well as a co-production partner.

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

In response to the NFVF mandate and objectives of increasing audience access to South African films, the NFVF continued to run a series of road shows and activations at various festivals countrywide.

As part of the NFVF's efforts to honour, celebrate and reward talent and create a full circle of interaction within the film and television industry, it administers the South African Film & Television Awards (SAFTAs). The NFVF's mandate is to host the SAFTA awards until such time as the South African Film and Television Academy is established. Held annually, the SAFTAs event is now in its 14th year of celebrating local talent.

The SAFTAs Award Ceremony aims to:

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

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

The NFVF has a fully functioning and efficient finance department, which includes a supply chain management function. Aside from adhering to the PFMA, the role of the department is to ensure that the NFVF fulfils its statutory obligations in terms of the NFVF Act and the PFMA and fully meets the needs of its stakeholders.

The NFVF is governed by a Council that is appointed by the Minister of Arts and Culture in terms of Section 6 of the NFVF Act. The NFVF also has an Audit Committee that assists the Council in providing the necessary governance oversight of the organisation.



4. PERFORMANCE INFORMATION BY PROGRAMME

4.1. Programme I: Training and Skills Development

PROGRAMME DESCRIPTION

Purpose of the programme

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

The major skills gaps as identified by the NFVF continue to hinder the industry from sourcing adequate and alternative financing resources and/or models.

These resources aim to produce films that could perform locally and internationally while providing audiences with engaging yet entertaining content. The most prominent gaps are in screenwriting, directing and executive producing.

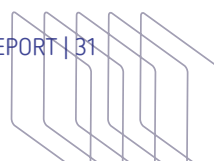
In this regard, the NFVF continues to intervene through in-house training programmes, funding for further studies and international mentorships mostly aimed at tier 1.

The NFVF continues to commit itself to comply with the national policy of skills development. This ensures that the film industry benefits from available resources to up skill itself, and build sustainable production companies that can contribute to eradicating unemployment in the creative industries.

The NFVF is also committed to forming partnerships with a variety of organisations to ensure that it achieves industry development. In this regard, the organisation places particular emphasis on mentoring young people to enter into the industry and for those who are already forming a career in film, to secure their longevity in the industry by gaining crucial experience.

Strategic objectives related to training and skills development focus on:

- Growth in the number of trained professionals;
- Increased number of supported programmes;
- Address industry skills gaps;
- Encourage skills transfer to PDIs; and
- Recognise learners that have completed NFVF training programmes.



PROGRAMME PERFORMANCE REPORT

Training and Development						
Strategic objectives	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement 2019/2020	Comment on deviations
Public Understanding of Arts and Culture	To provide bursaries to tertiary students	151 bursaries were awarded	Award 68 bursaries per annum	68 bursaries were awarded 64 (local)4 (International)	N/A	N/A
	To provide graduates with opportunities to gain workplace experience	30 interns were placed	Place 30 interns per annum	120 Interns were placed	90	Partnership with MICT–SETA provided additional funding
Human Capital Development	To provide funding to companies that provide training in specific gap areas within the audio-visual industry	2 Training companies were funded	3 Training Companies	3 Training Companies were funded to conduct training	N/A	N/A
	To provide filmmakers with industry skills to enhance talents	115 Film makers participated in Sediba programmes p.a.	60 Filmmakers to participate in Sediba Programme	70 Filmmakers participated in Sediba Programme	10	High demand of the programme and good attendance
	To expose students to the filmmaking business by attending local and international film festivals	12 students/ Film makers participated in Mentorship programmes	15 Students to participate in Mentorship Programme	32 Students participated in Mentorship Programme	17	High demand from students to participate; extra students were recruited for SAFTAs mentorship
			5 Students to participate at African Film Festival	6 students participated	1	High demand for the programme
	To expose school learners to diverse career opportunities within the filmmaking industry	Two Schools programmes were held; 556 learners participated	2000 learners to participate in School Programme	1 421 learners participated in NFVF School Programme	-579 – Not Achieved	NFVF conducted visits to identified schools; all the schools reported a low attendance

Significant achievements

There was an increase in the number of interns placed through additional funding from the NFVF-MICT-SETA partnership. In addition, an increased number of students participated in the NFVF Mentorship programme.

Key Programme Outputs

National bursaries, international scholarships and mentorship programmes remain key interventions in supporting emerging talent within the industry. During the year under review, the NFVF exposed 32 students to the business of filmmaking by attending local and international film festivals through the NFVF Mentorship Programme. These students were from various tertiary institutions within South Africa.

Strategy to overcome areas of under-performance

The NFVF schools programme, which aims to expose school learners to diverse career opportunities within the filmmaking industry, hit a snag due to various reasons.

The NFVF changed the approach towards the end of the financial year with the aim of ensuring it met its target. However, due to schools being busy with district tests, the NFVF was unable to meet the target of exposing 2000 learners to diverse career opportunities within the film industry. Shortcomings in our plans were identified and will be corrected moving forward. Of the students we were able to reach, we provided an engaging programme, which saw us deliver more than just a presentation on careers. We travelled with small crews and learners in different provinces were given an opportunity to shoot their own short films that they scripted and casted and performed in. We thank all the professionals that travelled with us to the different provinces to present alternative careers in a fun and practical way to hundreds of young learners.

Changes to planned targets

There were no changes to planned targets.

4.2. Programme 2: Policy and Research

PROGRAMME DESCRIPTION

Purpose of the programme

In ensuring that it assists in creating and maintaining not only an enabling regulatory environment, but also a thriving and empowering one, the Policy, Compliance and Research Programme provides comprehensive and accurate information to the NFVF. It does this by conducting research on the film and video industry to make policy recommendations to the NFVF Council. Research also provides critical information and key performance indicators of the South African film industry.

The purpose of the NFVF's policy department is three-fold:

- To monitor policies concerning the audio-visual industry for the benefit of the film and television industry;
- To make submissions in respect of those policies; and
- To supervise staff and engage with them in respect of the NFVF's internal policies and policy framework.

The programme drafts internal and external policies to make sure the NFVF is able to deliver on its various objectives.

The occasional development of several policies, laws and regulations has affected the film industry. Policy monitoring and intervention are important functions, which identify policies and laws that impact positively either on the NFVF, and/or the industry. Policy submissions that the department generates, seek to respond to the proposed laws and present alternative positions for consideration by the drafters of the proposed policies or laws.

Undertaking research projects and implementing subsequent policy interventions are critical to ensure that the film industry contributes to government imperatives such as job creation, social cohesion and enterprise development.

Strategic objectives related to policy, compliance and research are:

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

PROGRAMME PERFORMANCE REPORT

Policy, Compliance and Research						
Strategic objectives	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement 2019/2020	Comment on deviations
Business Development	To conduct and disseminate research on the SA film industry	4 Industry Research Reports were conducted and disseminated	Produce 2 Industry Reports and 2 Research reports	2 Industry report and 1 Research reports were conducted	-1 Not Achieved	Industry research report was delivered, but not to a satisfactory standard.
	Develop, review and implement NFVF Policies to ensure compliance with relevant legislation	3 Policy Manuals were developed	Develop and review 3 Policy Manuals	2 Policy Manuals were developed and reviewed	-1 Not Achieved	An HR Policy Manual was not approved, as it required further consultation.
		0	Conduct 2 Policy Workshops for staff	2 Policy Workshops were conducted	N/A	N/A
		4 quarterly policy monitoring reports were prepared	Produce 4 quarterly policy monitoring reports	4 quarterly policy monitoring reports were submitted	N/A	N/A
		4 quarterly policy monitoring reports were prepared	Complete 2 Policy and Legislative submissions	0	-2 Not Achieved	NFVF received no request for policy or legislative input from the relevant stakeholders.

Noteworthy Achievements

The NFVF formed part of the Advisory Panel for a DTI-initiated research study to review the “Film and Television (TV) sector in France, India, China and New Zealand as a baseline to determine applicability to the South African context”. The purpose of the study was to provide recommendations to improve the South African Film and TV Industry. In particular, it studied the synergy and cohesion between government role-players and independent distributors, broadcasters and cinema.

The Annual Box Office Report (January 2019 – December 2019)

The annual Box Office Report is a consolidation of South Africa's Top 25 reports, which shows the performance of films released at the Box Office. The report uses information collected from the following South African film distributors:

- Filmfinity;
- Empire Entertainment;
- United International Pictures;
- Indigenous Film Distributors;
- Blacksheep Films;
- Gravel Road Distribution; and
- Nolava International Film Distributors.

This report is compiled bi-annually; the first publication reports on the January – June period, followed by an annual box office report that covers the January – December period.

The report data is sourced from Filmfinity and the Box Office Mojo website (available online at Box Office Mojo, 2019).

Summary of key findings

- South Africa's total box office earnings for the year 2019 amounted to R1,2 billion, a decline of 6% when compared to 2018.
- For the year 2019, South Africa released a total of 190 films in cinemas, of which 22 were locally produced films.
- The 22 titles earned a total of R59,7 million in box office revenues, recording a significant increase of 18% compared to the year 2018.
- The NFVF partially funded seven of the 22 locally produced films. These films earned a total of R14,9 million.
- The market share of locally produced films in 2019 was 5%.
- The top-earning domestic films in 2019 were:
 - Kandasamy: The Wedding (this film ran for 13 weeks on circuit and earned a total of R19,2 million in box office revenues);
 - This was followed by Matwetwe, which took R6,5 million of box office gross for the 12 weeks it ran in cinemas; and
 - Losing Lerato was the third top-earning domestic film that ran for 23 weeks at cinemas with a cumulative box office gross of R4,9 million.
- The highest-grossing international films in South Africa were:
 - The Lion King (grossing over R120 million);
 - Avengers: End Game (at R104 million); and
 - Jumanji: The Next Level (at R70 million).
- The highest-earning genre overall was animation, followed by Action/Adventure/Sci-fi, and then Action/Adventure.
- A total of 48 3D/4DX/IMAX format films were released, which accounted for 68% of the total box office gross.

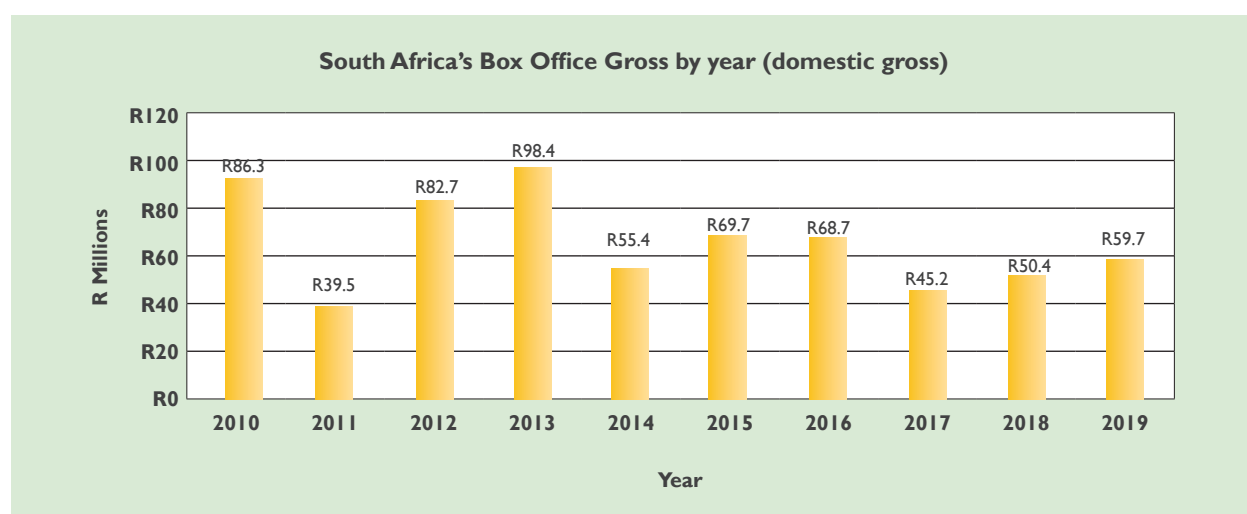


Figure 1: South Africa's box office gross by year, 2010 – 2019

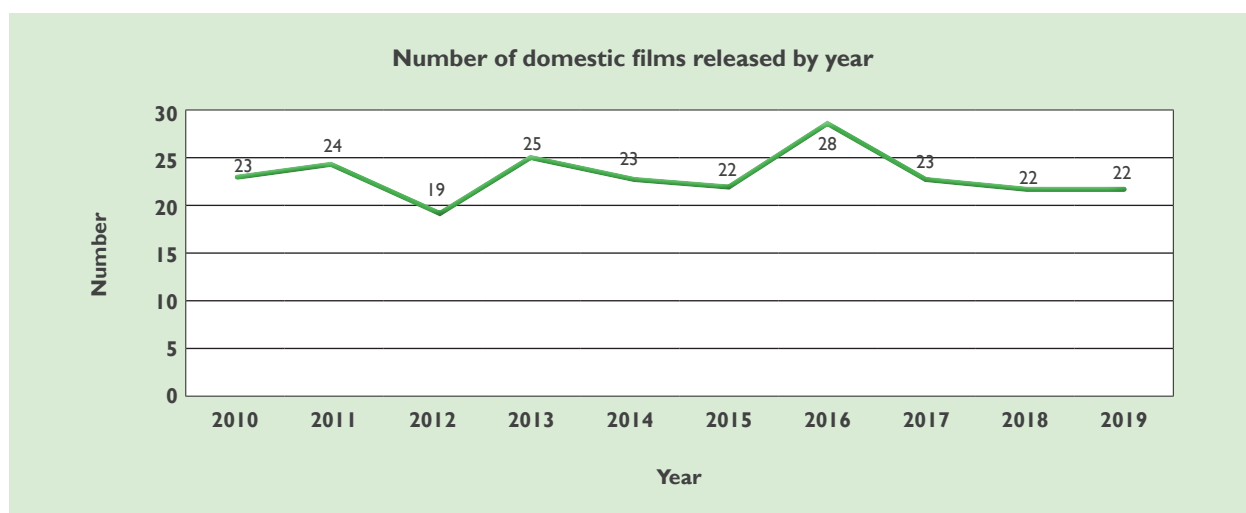


Figure 2: Number of domestic films released, 2010 – 2019

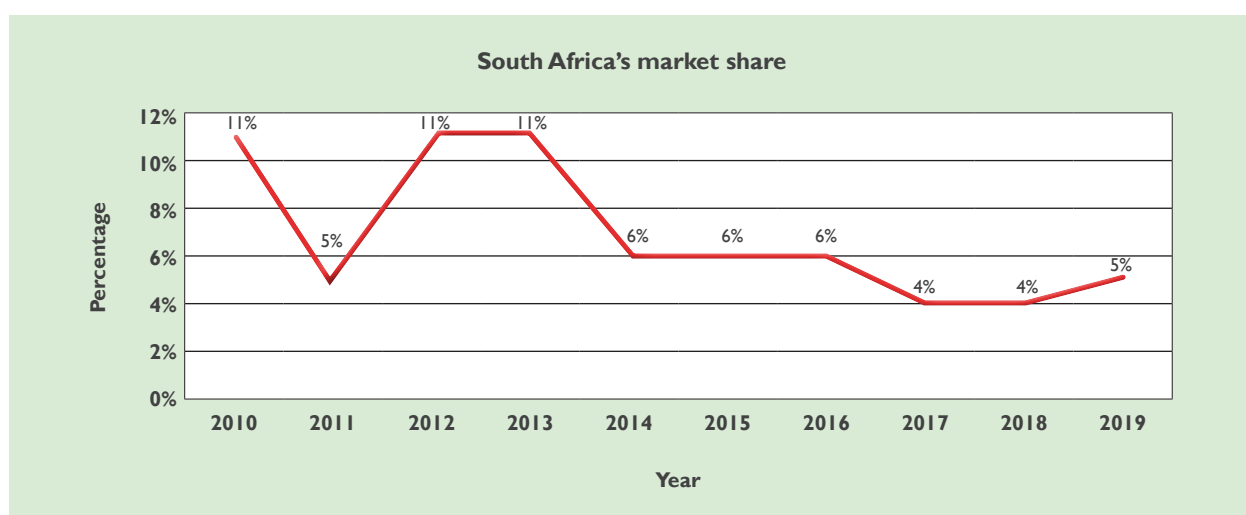


Figure 3: Market Share of SA-produced films, 2010 – 2019

Table 1: Top 10 – South African produced films

Top 10, SA Produced Films, 2019					
No#	Movie Title	No# of Weeks	No# of Screens	BOG at Release	Box Office Gross (BOG)
1	Kandasamys – The Wedding	13	52	R5 725 910	R19 253 079
2	Matwetwe	12	17	R980 762	R6 473 633
3	Losing Lerato	22	26	R821 224	R4 979 930
4	Zulu Wedding	12	59	R746 049	R4 372 428
5	Dominee Tienie	9	40	R578 849	R4 221 158
6	3 Days to Go	8	31	R892 936	R3 479 599
7	Fiel Se Kind	5	59	R823 748	R3 139 869
8	Blessers*	16	53	R663 508	R3 123 763
9	Love Lives Here*	11	41	R631 637	R2 866 485
10	Kings of Mulberry Street	11	30	R628 478	R2 406 840

Other NFVF involvement included:

- The NFVF formed part of the advisory group in the German Development Cooperation Programme, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) titled *Partnerships for Prevention of Violence against Women and Girls in Southern Africa*. The UN Women agreed on a partnership with, and through the South African media and creative industry sector, to implement a Flagship Project focusing on the prevention of gender-based violence (GBV) and potentially harmful gender stereotyping. GIZ is implementing a regional programme: *Partnerships for Prevention of Violence (PfP) against Women and Girls in Southern Africa*. Officially launched in December 2017 in three Southern African countries including South Africa, Lesotho and Zambia, the regional programme is being implemented over a three-year period. The main objective of the programme is to strengthen the co-operation between governmental, non-governmental and private sector role players to prevent violence against women and girls in Southern Africa.
- The NFVF made input into a study that GIZ conducted on **“Hindering and enabling factors for more gender-sensitive and non-stereotyped content in South African Entertainment Media”**. The objectives of this study were to gain a better understanding of the challenges and opportunities experienced in the entertainment television sector when creating and producing gender-sensitive and non-stereotyped stories, and informing the industry on how to promote more gender-sensitive content and portray characters in non-stereotypical roles.

Strategy to overcome areas of under-performance

The NFVF undertakes to increase stakeholder engagement before, during and after research and policy development processes to ensure consistent communication.

The NFVF will continue to engage the Department of Arts and Culture (DAC) to ensure it provides support so that film-related policies and legislation go through the necessary processes and there is efficient facilitation to obtain approval by the Minister.

Changes to planned targets

There were no changes to planned targets.

SOUTH AFRICAN FILM CERTIFICATIONS

Certifications

1. Treaties

There were three treaty developments in 2019/20, namely:

Canada – this involved making amendments to the existing agreement to be in line with current developments. The current treaty was signed in 1997.

France – the treaty was amended to make provision for television. The current agreement makes provision for feature-length films for cinema only.

Kenya – NFVF provided a draft to our Kenyan counterparts and we await their feedback.

2. Co-productions

During the 2019/20 financial year, the NFVF certified 28 projects for co-production, 10 for advance rulings and 18 for final rulings.

Project Name	Treaty	Ruling
Vagrant Queen	SA/Canada	Advance
Stolen	SA/UK	Advance
Settlers	SA/UK	Advance
Kruger	SA/UK	Advance
The Rogue	SA/UK	Advance
Murder Commission Istanbul	SA/Germany	Advance
Girl Taken	SA/Ireland	Advance
Untold – Story of Joseph Shabalala	SA/UK	Advance
Dreams of the Moon	SA/Canada	Advance
The Outside Room	SA/UK	Advance
Dead in the water	SA/Canada	Final
In the Outback	SA/Germany	Final
Love on safari	SA/Canada	Final
Indian Detective	SA/Canada	Final
Love jacked	SA/Canada	Final
Harvesters	SA/France	Final
A Fool's Paradise	SA/Netherlands	Final
Premium Nanny	SA/Germany	Final

The organisation issued the following seven applications with certificates of nationality:

Project Name	Production Company	Producer(s)	Director(s)
The Night Outside	Saturn Film (Pty) Ltd	Bridget Pickering	Elan Gamaker
The Fix	FixFilm (Pty) Ltd	Greig Buckle and Kelsey Egan	Kelsey Egan
Love Lives Here	Love Rejects (Pty) Ltd	Mokopi Shale, Dumisani Gumbi and Khethiwe Ngcobo	Norman Maake
Vergeet my nie	Voetstoots Film (Pty) Ltd	Danie Bester, Andea de Jager and Dries Scholtz	Andre Velts
Heks (Her Mask)	Her Paintings (Pty) Ltd	Mari van Heerden	Rein Swart
I am all girls	Inception Film Company (Pty) Ltd	Jozua Malherbe, Lucia Meyer-Marais, Jarrod de Jong, Simon Swart, Wayne Fitzjohn	Donovan Marsh
Forgiven	Forgiven The Movie (Pty) Ltd	Craig Jones and Veeral Ranchod	Bruce MacDonald

4.3 Programme 3: Production and Development of Content

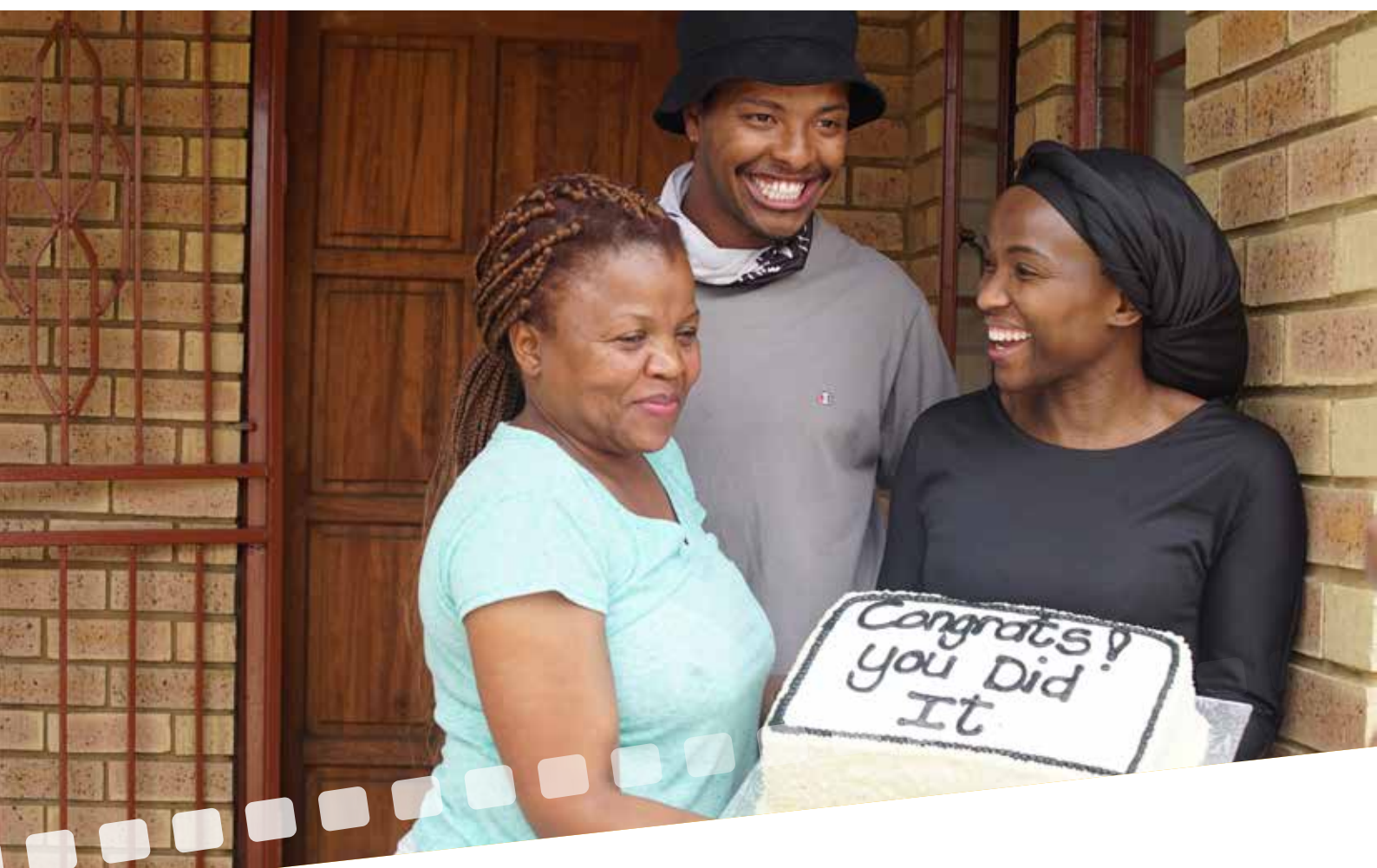
PROGRAMME DESCRIPTION

Purpose of the programme

Production and development of content are at the core of the work the NFVF engages in – it is where the organisation

fulfils its mandate most clearly. It does this 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 sidelined. The NFVF therefore, is able to focus on creating a more equitable industry.

Strategic objectives related to production and development of content are:

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

PROGRAMME PERFORMANCE REPORT

Production and Development of Content						
Strategic objectives	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement 2019/2020	Comment on deviations
Business Development	To fund the development and production of South African content	80 projects were funded in development	Fund 70 projects in development p.a.	80 development projects funded	10	High demand and NFVF involvement in the KZNFC made for a TV Quality Booster Initiative.
		46 projects funded in production	Fund 42 projects in production per annum	46 production projects funded	4	High demand and NFVF involvement in the KZNFC resulted in a TV Quality Booster Initiative
		1 Women Filmmaker slate was funded	Fund 3rd year Women Filmmaker slate	1	N/A	3-year Ongoing target
		1 First time/ Youth Filmmakers was funded	Fund 3rd year Youth Slate	1	N/A	3-year Ongoing target
		3 fiction slates were funded	Fund 1st year fiction slate	1	N/A	3-year Ongoing target
		1 animation slate was funded	Award 1 new animation slate	0	-1 Not Achieved	Further research to be conducted to find the most effective models/ funding strategies to roll out the target
		1 documentary slate was funded	Award 1 new documentary slate	1	N/A	N/A
Co-Productions	To certify National Films	Certified 90% of all applications were received	Certify 100% of all applications received	100% was achieved – All applications were received and certified	N/A	N/A
		3 Co-production Activations were implemented.	Implement 3 Co-production activations per annum.	3	N/A	N/A



SIGNIFICANT ACHIEVEMENTS

No significant achievement was noted; however, the total funding granted for both script development and production remained the same as 2018/19.

Completed Fiction Films

- Bhai's Café
- Barakat
- Seriously Single
- The Fragile King
- Down So Long
- Barney and his Friends
- African America
- Opus
- The Award Ceremony
- Before Today
- The Pool
- Insila kaShaka
- Yin Yang
- Two Hues
- Identity Crisis
- Ruby & Roach
- Songs about my Mother
- Sadla
- Knuckle City
- Address Unknown
- Salvation

Completed Non-Fiction Films

- A New Country
- Becoming Human
- Blend
- By all Means Necessary
- How to Steal a country
- I'm Still in Love with Kwaito
- Influence
- Letters to Nana
- Mother to Mother
- San dance!: A Journey to the Heart of San Dance Culture
- The Bisho Massacre: Who Pulled the Trigger?
- When the Flame Speaks
- Womb Dance

YOUTH FILMMAKER PROJECT (YEAR 2):

The NFVF, in partnership with the Department of Trade and Industry (DTI), funded ten short films that were developed and produced by ten young South African filmmakers.

Triangle Media Post and Animation Studios are the facilitators of the NFVF project.

The following ten short films were produced under the theme, "Love":

- Light Bulb Moments
- Lobola
- Isambulo
- Sengimkhetile
- Samson
- Unyembezi Lwentuthwani
- Swela
- Rent
- Feminine Lotus
- Lucille

FEMALE FILMMAKER PROJECT (YEAR 2):

The NFVF, in partnership with the KwaZulu-Natal Film Commission, funded 11 short films that were developed and produced by ten young filmmakers from South Africa.

Zinc Pictures are the facilitators of the NFVF project.

Ten short films produced under the theme "This is not Arthouse Anthology" are:

- Black Spot
- Fruitful Emissions
- Grey Matter
- Moshidi's Child
- My Business
- Pretty's Daughter
- Thavhazimbi
- Twelve
- The Cuddler
- The Rose
- UXolile

HIGHLIGHTS FY 2019/20

Love Lives Here, a feature-length romantic comedy directed by Norman Maake, opened at cinemas nationwide on 5 April 2019.

Bhai's Cafe, a South Africa-Meets-Bollywood romantic comedy directed by Maynard Kraak, officially closed the 40th Durban International Film Festival in July 2019. The film was officially released in cinemas nationwide on 14 February 2020.

Kings of Mulberry Street, a comedy-drama film produced, written and directed by Judy Naidoo, opened in cinemas nationwide on 28 June 2019. The film has also been selected for screening at a few international film festivals, most notably, at the 24th Schlingel International Film Festival and the St. Louis Film Festival.



3 Teaspoons of Sugar, an animated short film directed by Kabelo Maaka, showcased at the Annecy Digital Festival in July 2020. The film was also selected for the semi-finals of the Lagos International Festival of Animation (LIFANIMA).

Sadla, a short film, written, directed and produced by Zamo Makhwanazi premiered at the Sundance Film Festival in January 2020. This is the first narrative film directed by a black South African to be showcased at the festival.

Zulu Wedding, a romantic comedy directed by Lineo Sekeleane of Luju Pictures & Productions opened in cinemas nationwide on 11 October 2019. The film was announced as the Best Narrative Feature Film at the Pan African Film Festival (PAFF) in Los Angeles in February 2020.

Knuckle City, a hard-hitting sports drama directed by Jahmil X.T. Qubeka, opened in cinemas nationwide on 28 February 2020. It was screened in the Contemporary World Cinema section at the 2019 Toronto International Film Festival in September. The film was selected as the South African entry for the Best International Feature Film at the 92nd Academy Awards, but was not nominated.

Netflix acquired *Seriously Single*; a romantic comedy co-directed by Katileho and Rethabile Ramaphakela and set its release date for 31 July 2020. The Emerging Black Filmmaker Transformation Fund (EBFTF), a combined initiative by the NFVF, IDC and the DTI funded the project.

Address Unknown, a short fictional film inspired by the forced removals in District Six and directed by Nadine Cloete, was showcased at the BlackStar Film Festival in Philadelphia in the USA in August 2020.

Grey Matter, a short film directed by Samantha Tobela, is part of the NFVF Female Filmmaker Project. It is also an official selection for the 2020 virtual Durban International Film Festival (DIFF).

Salvation, a drama written and directed by Carmen Sangion, opened in cinemas nationwide on 25 October 2019.

Uncovered, an action film directed by Zuko Nodada, opened in cinemas on 12 August 2019. Netflix has acquired the film and has made it available for worldwide streaming on its platform.

The Award Ceremony, a short film directed by Mmabatho Montsho, won Best Short Film at the Worldwide Women's Film Festival in the US in February 2020.

Opus, a short film directed by Kgosana Monchusi, won Best Narrative Short Film at the Silicon Valley African Film Festival in October 2019.

Milisuthando, directed by Milisuthando Bongela, was selected to participate at the 2019 IFP and at the pitch forum of the 2019 International Documentary Film Festival Amsterdam (IDFA).

Buddha in Africa received two accolades at the 2020 South African Film and television awards (SAFTAs), namely, for Best Director (Nicole Schafer) and Best Documentary Feature.

KEY PROGRAMME OUTPUTS

Approved Projects – Cycle I – FY 2019/20

Project Name	Applicant's Name	Production Company	Approved Amount
CYCLE I – 2019/20			
Development – Documentaries			
Drug Mule Diaries	Dan Jawitz	Known Associates Entertainment	R150 000.00
Letter to my Grandmother	Mark Kaplan	Grey Matter Media	R100 000.00
Mathekwana's Children	Coetzee Zietsman	Meropa Communications	R150 000.00
Welcome to Sharpeville	Rehad Desai	Uhuru Productions	R150 000.00
Yellow	Stanford Gibson	Boondogle Films	R150 000.00
Nawar: She Who Guards Herself	Sara Gouveia	N/A	R100 000.00
Development – Short Documentaries			
Nowhere Land	Sifanelwe Mhlongo	Crave Pictures	R99 900.00
Zulu People Obsession With The Sky Decoded	Michael Zulu	Zulu Graphic Novels	R100 000.00
Production – Documentaries			
Influence	Neil Brandt	StoryScope (Pty) Ltd	R350 000.00
Tear Salted Sea	Riaan Hendricks	Picture Enlightened Pictures	R350 000.00
The Man in the Hat	Julie Laurenz	Pillay Laurenz Media & Communications (Pty) Ltd	R350 000.00
The untold story of Dr Joseph Shabalala and Ladysmith Black Mambazo	Phumelelo Mbele	Nine to Five Creative Agency	R350 000.00
Development – Animation			
A Little Bird Told Me	Charles Badenhorst	Fopspeen Moving Pictures	R140 000.00
Spirit Child	Isaac Mogajane	Diprente Films	R250 000.00
The Stonemason	Erentia Bedeker	N/A	R250 000.00
Development – Feature Length			
Being Bessie	Stefanie Sycholt	N/A	R200 000.00
Frankie & Felipe	Dries Scholtz	Filmchrome (Pty) LTD	R200 000.00
Rage	Lwazi Manzi	Spier Films	R200 000.00
Remembering Sutherland	Terry-Jo Thorne	N/A	R200 000.00
Rogue Agent	Mthokozisi Ndhlovu	Piction Films	R200 000.00
Sympathy	Siya Mayola	Paxinos Productions	R200 000.00
The Rat's Tail	Zuko Nodada	The Final Chapter	R200 000.00
The Village Thieves	Thabo Mphelo	Thabo Mphelo Films (Pty) Ltd	R200 000.00
Them	Trent Kok	Dogs Folly Films	R200 000.00
We	Sihle Hlophe	Passion Seed Communications	R200 000.00
Development – Short Film			
Time and Tide	Lamar Bonhomme	N/A	R100 000.00
Fiancé for Hire	Nelisiwe Ngobeni	N/A	R100 000.00
Heart Attack	Minenhle Luthuli	N/A	R100 000.00
Love Hard	Menga Nhlabathi	Getsum Media	R 99 900.00

Project Name	Applicant's Name	Production Company	Approved Amount
Mier	Oliver Swartz	Nitfia Pictures	R 100 000.00
Never Coming Back	Kaizer Mokgobu	Nextway Productions	R 95 000.00
Pizza and Cigarettes	Josh Ryba	Artist and Legends	R 100 000.00
Please Don't Leave Me Here	Amy Rinquest	N/A	R 100 000.00
The Child's Room	Rebaone Lobelo	N/A	R 83 430.00
The Drive By Club	Tebogo Mabaso	TKN Holdings (T/A Uprooted Media)	R 97 388.00
The Men Who Stare At The Sky	Nomawonga Khumalo	Daveyton Computers	R 100 000.00
Tselane	Theoline Maphutha	N/A	R 100 000.00
Production – Animation			
The Prels	Zakes Mda	The Prels of Ukhahlamba (Pty) Ltd	R 433 220.00
Time Sliders	Clare Louis	Katanimate Studios	R 1 300 000.00
Production – Feature Length			
Ka Lifu Laka	Reabetswe Moeti	Rare View Media	R 1 300 000.00
Skaapboer	Valente Bosch	Skaapboer (Pty) Ltd	R 1 200 000.00
The violence in this place	Nolitha Mkulisi	Brown Flamingo Productions	R 1 250 000.00
Post-Production – Feature Length			
Barney and his Friends	Steven Markovitz	Big World Cinema	R 450 000.00
Production – Micro Budget/Made for TV Movies			
Ibhasi lika Mdaphuna	Zandile Cele	Eka Phiwe	R 60 000.00
Production – Short Film			
Backroom	Phuthi Nakene	Naledi Films	R 200 000.00
Dorothy	Natasje Van Niekerk	The Storyteller Pod (Pty) Ltd	R 200 000.00
Okovi	Tokoloho Masemene	Shinra Tensei	R 250 000.00
Ruby & Roach	Dorothea Nel	Abyss Productions	R 150 000.00
Songs about my mother	Mlingane Dube	Artistry Media	R 150 000.00
Production – Web Series			
Meet The Artist	Okuhle Magcaba	Wecreatives Media	R 200 000.00
CYCLE 2 – 2019/20			
Development – Documentaries			
Night Train	Kevin Harris	Rainbow Independent Film & TV Productions cc	R 150 000.00
A Fair Price for My Life	Ben Cashdan	Fair Price Media (Pty) Ltd	R 150 000.00
I am a Jew	Pearl Munonde	Nwachasiya Investment	R 150 000.00
I am Chuma	Wendy Spinks	Zeropoint Studios (Pty) Ltd	R 150 000.00
Mdantsane Home of Boxing	Pumlani Veto	N/A	R 101 000.00
Plastic Hair	Yolanda Mogatusi	1000 Hugs Films	R 100 000.00
The life and death of Coline Williams	Charlene Houston	Amilcar Matthews (Pty) Ltd	R 150 000.00
Development – Short Documentaries			
Born Different	Mpho Ragophala	Bakwena Clan Production	R 99 400.00
Durban Inner city regeneration	Nasiphi Debe	Kuthathu	R 61 500.00

Project Name	Applicant's Name	Production Company	Approved Amount
Lesotho The Weeping Mother Land	Lwazi Duma	Lwazi Duma Entertainment	R41 000.00
MissUnderstood	Lesiamo Khoali	Konekt Concepts	R100 000.00
The Journey To Self- Discovery	Sinazo Mona	N/A	R100 000.00
Production – Documentaries			
Jumping the Line	Thami Nakasa	Native of Nowhere Film Productions	R750 000.00
Discarded	Sheona Mitchley	Five Star Media	R350 000.00
Milisuthando	Milisuthando Bongela	The Good Black Project	R300 000.00
People of The Rain	Maanda Ntsandeni	Rebel Infinite Productions	R350 000.00
The Radical	Richard Gregory	Good Work	R350 000.00
Truck Mama	Portia Cele	Moonbow Productions	R350 000.00
When Shadows Move	Aliki Saragas	Elafos Productions	R350 000.00
Production – Short Documentaries			
Knife by the blade	Reshoketjwe Joyce	African Monarch Productions	R150 000.00
Production – Archive			
Hard Livings	Jason Staggle	Kyros Media	R250 000.00
Development – Animation			
Musing of a quiet rebel	Zinzi Nkenene	Natives at Large	R 100 000.00
Zandi	Moses Tshingwala	Sketchy Lines (Pty) Ltd	R 250 000.00
Development – Feature Length			
Forbidden	Nicola Hanekom	N/A	R 200 000.00
Mkhulu Wase Next Door	Xolelwa Nhlabatsi	Blackweather Productions	R 200 000.00
Time After Time	Shanna Freedman	Impi Film and Media KZN (Pty) Ltd	R 200 000.00
Development – Short Film			
O Jawa Ke Eng	Eric Thoka	N/A	R 100 000.00
She - Negotiator	Ndanduleni Jeffrey Manthakha	N/A	R 90 000.00
Steadeville (Expropriation with compensation)	Mxolisi Sikhakhane	Roadsigns Media	R 100 000.00
Super Delinquent Squad	Sheldon Bengtson	N/A	R 100 000.00
The Withering	Kenneth Gwele	N/A	R 100 000.00
Umendo	Sinazo Mona	N/A	R 100 000.00
When the Glove Dies	Savyra Meyer-Lippold	Savyra (Pty) Ltd	R 100 000.00
Development – TV Format			
Dead Prepared	Kelly Dillon	Play Nice Pictures	R 200 000.00
Taito and the Word Bricks	Leoni Roux	N/A	R 200 000.00
The Colonies Strike Back	Ngaire Blankenberg	Cuto Investments (Pty) Ltd, with Greenacres Films and Tigerlily Productions	R 120 000.00
Working Wives	Pamella Nyeke	Ndiani Studios	R 200 000.00
Production – Feature Length			
Masinga: The Calling	Richard Green	Impi Films and Media KZN	R 1 300 000.00

Project Name	Applicant's Name	Production Company	Approved Amount
Production – Short Film			
Exo Sapien	Tarha McKenzie	Alto Media (Pty) Ltd	R 150 000.00
Lefuma & Pheello	Neiloe Whithead	Black Seed Film Hub	R 150 000.00
Pusha Pressa Phanda	Richard Lukunku	Open Eye Myrrh (Pty) Ltd	R 150 000.00
Sam the hedgehog	Michael Clark	Maan creative (Pty) Ltd	R 150 000.00
The Depth of Repression	Cohen Davids	Nefelibata Productions	R 150 000.00
Production – Web Series			
Intsomi Ya La'Cherry	Okuhle Dyosopu	Outsider Bay	R 200 000.00
CYCLE 3 2019/20			
Development – Documentaries			
MAQOMA	Ntokozo Mbuli	Sugar Beans Pictures (Pty) Ltd	R149 500.00
The Kingdom of Masindi	Dowelanie Nenzhelele	N/A	R150 000.00
Production – Archive			
The Colonel's Stray Dogs	Khalid Shamis	Tubafilms	R250 000.00
Production – Documentaries			
Murder in Paris –Pourquoi / Why, Dulcie September?	Enver Samuel	EMS Productions cc	R350 000.00
Iyeza MEDICINE Biopiracy	Sibongile Nene	Nandi Publishers	R350 000.00
Babalwa's German Cut	Vukile Pokwana	Koloni Consulting Enterprise	R350 000.00
Mother City	Miki Redelinghuys	Plexus Films	R350 000.00
Development – Animation			
Bru & Boegie	Mike Scott	N/A	R250 000.00
Development – Feature Length			
Semi Soet 2	Anel Alexander	N/A	R200 000.00
The Fury	Tim Greene	N/A	R200 000.00
Development – TV Format/TV Concepts			
Muti	Mukunda Dewil	Incognito Productions	R200 000.00
Special Projects			
Documentary Slate			
Women in Doc Documentary Slate	Thandi Davids	StoryScope	R4 500 000.00
CMF and NFVF Co-Development Incentive			
Acts of Man	Sean Drummond	Be Phat Model Film Company	R220 000.00
Shippd	Dawid Wicht	Film Afrika Entertainment	R170 000.00
Rand Club	Brett Michael Innes	Ponte Film (trading as Nostalgia Productions)	R230 000.00
Emerging Black Filmmaker Transformation Fund			
Chasing Vice	Mmabatho Kau	Raindrop Media	RI 400 000.00
Family Roots	Lukhanyo Sikwebu	Lamla Films	RI 400 000.00
The Violence in this Place	Nolitha Mkulisi	Brown Flamingo Productions	R150 000.00
Ka Lefu Laka	Reabetswe Moeti	RareView Media	R100 000.00



KZNFC Made for TV Quality Booster Initiative	
Category	Amount Allocated
Development Funding	R200 000.00
Production Funding	R750 000.00

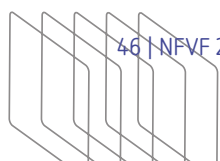
Recoupment Schedule Total recoupable grants are as follows:	
Grants allocated in 2003	R12 690 774
Grants allocated in 2004	R8 630 000
Grants allocated in 2005	R4 990 000
Grants allocated in 2006	R4 300 000
Grants allocated in 2007	R3 550 000
Grants allocated in 2008	R1 934 000
Grants allocated in 2009	R3 309 000
Grants allocated in 2010	R3 700 000
Grants allocated in 2011	R6 984 845
Grants allocated in 2012	R17 758 735
Grants allocated in 2013	R14 854 735
Grants allocated in 2014	R12 923 500
Grants allocated in 2015	R18 089 369
Grants allocated in 2016	R25 525 452
Grants allocated in 2017	R28 717 374
Grants allocated in 2018	R46 900 000
Grants allocated in 2019	R30 770 000
Total Recoupable Grants	R245 627 784

Strategy to overcome areas of under-performance

There remains a disparity in provincial representation, which the NFVF is addressing by holding funding and application workshops in all provinces to encourage under-represented provinces to submit applications for funding.

Changes to planned targets

There were no changes to planned targets.





4.4 Programme 4: Marketing and Distribution

PROGRAMME DESCRIPTION

Purpose of programme

The role of Marketing and Communications within the NFVF are to promote the National Film and Video Foundation as well as the South African film industry, both locally and internationally. The roles have continued to grow in importance and continue to focus on the broad Marketing and Communications strategy of the NFVF.

The aims of the “Love SA Film” campaign launched this year are to create an appreciation for local films and take the South African film industry to new heights. This means everything the organisation does to promote and develop the South African film industry focuses on the love and appreciation of our industry.

Developing and promoting the productions of South African film for distribution around the continent and global audience.

The NFVF provides support through grants that enable the promotion of the South African film industry in the following categories:

1. Marketing and Distribution Grant

- Provides financial support to independent South African filmmakers or local distributors to market and distribute their films through various platforms.

2. National Film Festival Grant

- Provides financial support to individuals or organisations to host local film festivals that contribute towards audience development. NFVF continues to provide this critical financial support to long-standing local festivals.

3. Attendance of Markets and Film Festivals

- Provides financial travelling support to South African filmmakers to attend global festivals and markets. This assists filmmakers to promote their films and seek distributors, financiers, broadcasters. It also develops their filmmaking skills by attending film workshops.

4. NFVF Activations at Local and International Markets and Festivals aimed at increasing audience access to SA films

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

Strategic objectives related to marketing and distribution:

- Increase awareness of the South African film industry;
- Recognise South Africa as a film-making destination;
- Develop and maintain relations with distribution stakeholders;
- Increase awareness of funding opportunities in the NFVF;
- Elicit more funding applications from underserved areas;
- Increase distribution access points for filmmakers; and
- Promote South African filmmakers (technical expertise and film products).



PROGRAMME PERFORMANCE REPORT

Marketing and Distribution						
Strategic objectives	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement 2019/2020	Comment on deviations
Promotional Events	To develop audiences for SA Films and Content	12 Festival Grants were awarded to National Festivals	Award 9 Festival Grants National Festivals	22 Festival grants were awarded to National Festivals	N/A	More local festivals applied some who are in previously disadvantaged areas and funds were available to fund more events.
	To position SA filmmakers at film markets and festivals	111 Filmmakers received funding to attend Markets and Film Festivals	Fund 86 Filmmakers to attend Markets and Film Festivals	Funded 105 Filmmakers for film festivals	N/A	There was a high demand from the filmmakers to attend festivals and budget was available.
	Local activations and one DAC activation and promotional event to showcase SA Film and Content	Activated at 13 National Film Festivals	Activate at 12 National Festivals	Activated at 14 National Festivals	2	The NFVF funded and held more National Festivals.
		Activated 1 DAC activation and hosted three Public Screenings	Host 1 DAC Activation and 1 Public Screening	Activated 2 DAC activations and Hosted 2 public screenings	1 1	Two provinces hosted "We are Africa Month celebrations."
	To position the NFVF and the SA Film Industry through international activations	Attended 5 International Festivals	Activate at 4 International Festivals	Activated at 6 International Festivals	2	NFVF participated in a higher number of international festivals.
		3 African Focus Festivals	Activate at 3 Africa Focus Festivals	Activated at 3 Africa Focus Festivals	N/A	N/A
		Activated 2 Strategic Markets	Activate at 2 Strategic Markets	Activated at 3 Strategic Markets	1	NFVF was invited to participate in a Strategic Market, which was not part of the plan.
	Local Brand Positioning to promote the NFVF and SA Film Industry	16 brand activations were implemented	Execute 16 Brand Activations per annum	Completed 16 Total brand activations per annum	N/A	N/A
	Plan, co-ordinate and host successful SA Film and TV Awards (SAFTAs)	Successfully planned, coordinated and hosted SAFTAs (Episode 13)	Plan, coordinate and host the (SAFTAs)	Planned, coordinated and hosted the Virtual SA Film and TV Awards (SAFTAs) online	Achieved – Due to COVID-19 and the national lockdown, the awards ceremony could only take place online	N/A

Marketing and Distribution						
Strategic objectives	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement 2019/2020	Comment on deviations
Promotional Events (continued)	Stakeholder Relations management (Internal and External)	16 Stakeholder engagement were held during the financial year	Hold 16 Stakeholder Engagements per annum	16 Stakeholder engagements were held during the financial year	N/A	N/A
	Implement a communication campaign to create top-of-mind awareness (Internal & External)	Implemented 16 communications campaigns	Implement 16 communication campaigns per annum	22 Communication campaigns were implemented per quarter	N/A	N/A
Distribution/ Infrastructure	To assist SA filmmakers to sell and distribute local films	142 titles were uploaded	Upload 25 titles per annum	7	18	There was a dispute with service provider and the contract expired and no titles were uploaded for the past 3 quarters.
	Implement film hub strategy	1 film hub site was identified	Implement 1 film hub site	1 site was implemented in Eastern Cape	N/A	N/A
Distribution of South African Content	To assist SA filmmakers to sell and distribute local films	12 Marketing and Distribution grants were awarded	Award 12 Marketing and Distribution Grants	Awarded 13 Marketing and Distribution grants	1	More funds were available – Some applicants requested less funding.
	Audience Development and positioning the NFVF and SA Film Industry and Content	15 awareness and industry events were implemented	Implement 2 awareness programmes and 2 NFVF Industry Events per annum	Hosted and supported 6 industry support programmes	2	There was a need for industry support and information.

SIGNIFICANT ACHIEVEMENTS AND KEY PROGRAMME OUTPUTS

Festival grants awarded to national film festivals:

The focus of the festival grant programme was to ensure film activity and audience development in all nine provinces of the country. During this financial year, festival grants were awarded to festivals in predominantly underserved provinces such as Mpumalanga, North West, Limpopo and Free State. The Western Cape and Gauteng were also represented in the approvals. The Northern Cape and Eastern Cape were reached through local film activations.

The NFVF funded four new festivals namely, the Northern Cape Film Festival, the Mabonakude Film Festival, Kwasukusukela and the Cherry Film Festival.

The NFVF will continue to ensure that it spreads festival funding across the country while targeting different audiences such as learners, students and women.

ACTIVATIONS AT LOCAL FESTIVALS

Durban International Film Festival

Africa's premier film event, the Durban International Film Festival (DIFF), is hosted by the University of KwaZulu-Natal's Centre for Creative Arts. Arguably, the continent's biggest film event, DIFF is a ten-day celebration of world-class cinema, which attracts both film lovers and industry representatives from across Africa and beyond. The event is regarded as an important hub for the African film industry and screens world

premiere feature films, documentary and short films from around the globe with a special focus on African film. The festival also features the Wavescape Surf Film Festival as well as several important industry initiatives including:

- A programme of seminars and workshops with notable industry figures;
- Talents Durban (in cooperation with the Berlinale Talents); and
- The 10th Durban FilmMart co-production market, (in partnership with the Durban Film Office).

DIFF offers a platform for training, exhibition of films and audience development. Thus, it promotes the development of the local industry and provides a strategic exhibition platform for local product alongside international films within a professionally implemented and reputable cultural experience.

At this event, the NFVF was able to assist filmmakers with platforms to market their content. One example is the NFVF's 3rd Annual Speed Dating session.

This event is a matchmaking session for filmmakers seeking funding, distribution and co-production partnerships with potential partners that can assist in achieving these needs. The NFVF also launched the Creative Producer Indaba, which aimed to provide professional training and empower Africa's emerging producers.

A master class hosted in partnership with Doctor Rebekah Louisa Smith covered the main problems filmmakers experience on the festival circuit and offered solutions to solve them.

Virtual Reality (VR) was the focus of this year's DFM session and outlined new ways of creating and developing content.

Encounters Documentary Film Festival

The Encounters Festival marked its 21 years of celebrating South African and international documentaries with local audiences in Cape Town and Johannesburg. In keeping with tradition, the Festival presented the best selection of prize-winning and award-nominated documentary films from the continent and abroad.

The crème de la crème of the documentary community featured a selection of South African and international world premieres, as well as a programme covering an eclectic spectrum of themes.

Encounters support documentary filmmakers through an industry programme consisting of workshops, master classes, business meetings and presentations that focus on increasing opportunities and transforming the industry. The programme seeks to empower established and emerging filmmakers, film students, practitioners and stakeholders.

In addition to the above, the NFVF activated at a number

of other local festivals such as the Cherry Film Festival, the Kwasukasukela Film Festival, the Cape Town Animation Film Festival, the Durban International Film Festival, the Limpopo Film Festival, the Nature Environment Wildlife Festival and the Africa Human Rights Film Festival in the Kalahari.

As the focus on the NFVF's transformative role of providing funding and empowering programmes to the industry becomes even greater, it will continue to communicate this to broader audiences.

South African Film and Television Awards (SAFTAs)

The NFVF is the custodian of the South African Film and Television Awards.

The SAFTAs is an annual project designed to:

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

The SAFTAs is the only ceremony that recognises the film- and television-making fraternity across all disciplines and dedicates awards for excellence across the value chain in front of, and behind the camera. The essence of the awards is encapsulated in the values of the NFVF, which are:

- Creativity;
- Freedom of Expression;
- Entrepreneurship; and
- Transformation.

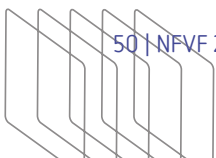
This year, amid the COVID-19 pandemic, the NFVF staged a virtual show for the 14th annual SAFTAs award ceremony, on 29 April 2020 across online and social media platforms. It celebrated the theme of “**#LoveSATalent**”.

GLOBAL POSITIONING

The NFVF led South African delegations at the following international festivals and markets:

Cannes Film Festival

The Cannes International Film Festival is one of the world's oldest and most prestigious film festivals. The 2019 edition of Cannes was the first opportunity for some of the film bodies in Africa to collaborate and present a united African film industry at the festival. As a communication and networking platform for the African film industry, the Africa Hub exposed participants at Cannes who wanted to know more about the film industry in various African countries to projects by African filmmakers



and producers.

As part of the Hub, there were discussions about the most important industry-related issues. These included Building Viable Filming Destinations, Education and Professional Development, Content Financing, Leadership, Diversity and the Business of Film, Technology and Innovation, Distribution and Content Sourcing, Partnership Development and Contract Management, Policy Development and International Cooperation as well as Policy Development and International Cooperation.

South Africa was highlighted in a number of sessions such as a panel discussion on the incentives and locations that South Africa has to offer; co-financing, co-production, distribution and content monetisation for unregulated markets and women in the business of film, to name a few.

Since the festival continues to be an important showcase for global films, the NFVF utilises the platform to support the most promising as well as experienced filmmakers by funding their travel to the festival. Cannes offers an opportunity to determine a particular country's image of its cinema; hence, the NFVF uses a vigorous selection process.

This year, the NFVF supported 13 filmmakers to attend the festival. Out of the 13, four were part of the South African's first-time participation at the Doc Corner.

Two of the filmmakers it supported were youth, whose film was selected to screen at the Short Film Corner.

Annecy International Animated Film Festival and MIFA

The Annecy Animation Film Festival and Market (MIFA) provided a productive environment to build professional relationships within the French audio-visual sector. The event consisted of formal conference sessions and keynote briefings from experienced industry figures that focused on topical issues such as exploring new animation business models. It also featured a range of pitching sessions to enable participants the opportunity to pitch their projects to interested parties/funders.

This year, the NFVF supported 11 filmmakers and four students as part of its festival attendance grant funding.

The NFVF collaborated with the following organisations that share the same vision and objectives:

- French Embassy in South Africa – IFAS
- Tshimologong
- Gobelins Animation College
- Animation South Africa (ASA)
- KwaZulu-Natal Film Commission
- Department of Trade and Industry (DTI)

Toronto International Film Festival (TIFF)

The Toronto International Film Festival has become one of the most beloved cinematic events in the world, universally regarded as an ideal platform for filmmakers to launch their careers and premiere their new work. The Festival has been described as “the most important film festival in the world – the largest, the most influential, and the most inclusive.”

TIFF is dedicated to presenting the best of international and Canadian cinema and creating transformational experiences for film lovers and creators of all ages and backgrounds. This festival offers screenings, lectures, discussions, workshops, events, professional development as well as opportunities to meet, hear and learn from filmmakers from around the world.

The 2019 edition of TIFF was a first for some and a second opportunity for other film bodies in Africa to collaborate and present a united African film industry.

The Africa Hub acted as a communication and networking platform for the African film industry. In this regard, it facilitated exposure to projects by African filmmakers and producers to all TIFF participants who wanted to know more about the film industry in various African countries.

The festival continues to have an integral relationship with South Africa, judging by the number of competing films by South African filmmakers in each year.

This number often determines how well a film will do in cinema, since a reasonable number of the audience members that attend the festival are not filmmakers, but part of the general public.

This year, the NFVF supported nine filmmakers to attend two festivals that took place concurrently, namely TIFF and The Caribbean Tales festival, which is held in Canada. Out of the nine funded filmmakers, four participated in the Caribbean Tales. The filmmakers represented South Africa well in all aspects. At Caribbean Tales, our talented artists walked away with three of four prizes.

Ayanda Halimana achieved second place for her pitch of One Day in June, while Sylvia Vollenhoven won Audience Award for Buckingham Palace as well as the Jury 1st Prize award for the same film.

The NFVF's CEO Makhosazana Khanyile played a key role as one of the respected Jury members at the 10th Annual Caribbean Tales Incubator (CTI) Big Pitch Breakfast.

Another South African filmmaker, Jahmil X.T. Qubeka acted as a worthy ambassador at TIFF with his film “Knuckle City,” which received positive reviews.





NATIONAL DAY CELEBRATIONS

Women's Month

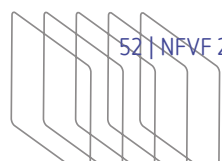
One of the roles of the organisation during the year under review was to celebrate Women's Day through content that women create in the film industry. The NFVF collaborated with Pusha Panda Trading to host a two-day weekend event at the Soweto Theatre. The weekend featured numerous activities such as short film screenings from the NFVF-funded female slate, and a panel discussion of women in film. The main objectives of this initiative were to inspire emerging female filmmakers and young women as well as provide a platform for them to highlight their work.

STRATEGIC MARKETS

BFI London Film Festival

Every year, the BFI London Film Festival presents a selection of the best in world cinema by presenting audiences in London and across the UK with a wide array of films that represent a thrilling variety of languages, genres and filmmaking styles.

While the NFVF had never participated at the BFI before, the KZN Film Commission has been a steady presence at the festival for the past three years. The 63rd edition of the BFI London Film Festival took place from 2-13 October 2019.



In addition, the NFVF collaborated with the South African High Commissioner in the UK and the KwaZulu Natal Film Commission to hold a 3rd South African/UK film Finance and Co-production forum. During this event, NFVF CEO, Ms Makhosazana Khanyile was part of the discussion panel and presented an overview of the South African film industry.

It was gratifying to hear local producers who had been attending the KZN Film Commission showcases, testifying about their experiences in shooting in KZN as well as hearing from producers planning to come and shoot on location in South Africa. Film enjoys huge support; this is further enhanced by the South African High Commissioner in the UK, Her Excellency Thembi Tambo. She has continued her support of the KZN film Commission over the years, allowing them to use the in-house theatre at the High Commission. The aim of the NFVF's travel was to create relationships with BFI festival organisers that would be beneficial to South African filmmakers. To that end, we are proud to announce that two filmmakers will be participating in the Financiers Market in the next financial year, giving them an opportunity to access global funding.

MIPCOM

The NFVF collaborated with the Industrial Development Corporation in leading a delegation of distributors and service production companies to MIPCOM with the objective to find new partners to co-produce, co-finance, promote and sell South African content. This new strategic approach intends to address the gap in the distribution of local content.

AFRICA FOCUS

Rwanda Film Festival

The 15th Annual Rwanda Film Festival was held in the country's capital city Kigali from 19-26 October 2019. The festival's core purpose is to showcase African films from the continent and the Diaspora to the Rwandan community in Kigali and beyond. Attracting African filmmakers from all over the world, this event featured many screenings in three venues in Kigali, namely, the Kigali Cinema and the Kigali Cultural village.

The NFVF's participation at the festival was purely a fact-finding mission to identify future initiatives for collaboration in the interest of growing the love for film.

Supporting filmmakers to attend film festivals locally and globally

In an effort to expand the South African filmmaker footprint, the NFVF supports filmmakers to attend various other film festivals and markets around the world through a grant system. To qualify for funding support, the filmmaker should have been invited to attend a festival, forum or market to participate in screening, forums or have a compelling reason and solid itinerary in his/her country of choice.

Overall NFVF funded 105 filmmakers to attend various international film markets and an amount of R2.5 million in the 2019/20 Financial Year was utilised for this important exercise.

Seventy Five (75) filmmakers were for the international festivals and only 30 for local festivals. A variety of reasons for attendance include invitations to be in competition, for screening, participating in panel and also attending pitches.

- 16th Edition of the African Film Festival – Spain
- 9th International Documentary Masterclass “Interdoc 2019” – Serbia
- African Film Festival, Dallas – United States of America
- Annecy – France
- Cannes International Film Festival – France
- Cape town International Film Market & Festival – South Africa
- Caribbean Tales International Film Festival - Canada
- Carthage Film Festival – Tunisia
- Columbus Black International Film Festival – United States of America
- DC Black Film Festival – United States of America
- Durban International Film Festival – South Africa
- Edinburgh Film Festival – Scotland
- Fantasia International Film Festival – Canada
- Hot Docs – Blue Ice Group Documentary – Canada
- Independent Filmmaker Project (IFP) – United States of America
- Input 2019 Television Conference – Thailand
- Jackson Hole Wildlife Film Festival – United States of America
- Locarno International Film Festival – Switzerland
- MIPCOM – France
- National Arts Festival – South African
- Nature Environment Filmmakers Congress – South Africa
- New York African Film Festival – United States of America
- Seoul International Film Festival – Korea
- Sheffield Doc/Fest – United Kingdom
- Sheffield International Film Festival – United Kingdom
- Show Low International Film Festival – United States of America
- Sunny side of the Doc – France
- Taormina Film Festival – Italy
- Toronto International Film Festival – Canada
- Transilvania International Film Festival – Romania
- Venice International Film Festival – Italy
- Zanzibar International Film Festival – Tanzania

Strategy to overcome areas of under-performance

There were no areas of under-performance.

Changes to planned targets

There were no changes to planned targets.



4.5 Programme 5: Administration and Human Resources

PROGRAMME DESCRIPTION

Purpose of the programme

The NFVF's Administration and Human Resources departments provide strategic oversight of the organisation's performance and overall service delivery. The overall objective of these departments 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 NFVF Human Resources department ensures adequate staffing 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; and
- Sound leadership, governance and management.

PROGRAMME PERFORMANCE REPORT

Administration and Human Resources						
Strategic objectives	Performance Indicator	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement 2019/2020	Comment on deviations
Entity Management	Effective reporting	Quarterly Reports were submitted to the DAC, National Treasury and Council	Quarterly reporting to Council, DAC and Treasury	4 Quarterly Reports were submitted to the DAC, National Treasury and Council	N/A	N/A
Finance Administration	Effective governance	Unqualified audit report was produced	Monthly Management Accounts	12 Management accounts submitted	N/A	N/A
Risk Management	Risk register	A risk assessment workshop was conducted in Feb 2018	Conduct an annual risk assessment workshop	Risk assessment workshop was conducted	N/A	N/A
Internal Audit	Internal audit function	8 Audits were completed	Complete 4 internal audits annually	4 Internal Audits were completed	N/A	N/A
Performance Management System(PMS)	To measure and align employee performance to service delivery	The PMS was fully implemented	Implement PMS	PMS was fully implemented	N/A	N/A
Human Resources Development	To capacitate employees with skills and knowledge to assist with service delivery	14 staff were trained	Train 4 staff	14 staff were trained	N/A	N/A
	Labour and Compliance	Annual HR policies were reviewed	Ensure compliance with legislation	Annual HR Policy Manual was not reviewed	Not achieved	Protracted negotiations with labour unions delayed the target.
Payroll System	Implement approved salary structure	Council approved and implemented annual increases	Implement approved structure	Council approved and implemented structure and annual increase	N/A	N/A

Strategy to overcome areas of under-performance

There were no areas of under-performance.

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. These incorporate the National Film and Video Foundation Act (as amended by the Cultural Laws Amendment Act No. 36 of 2001) and the Public Finance Management Act No. 1 of 1999). They also take into account the Protocol on Corporate Governance in the Public Sector (Notice 637 of 2002), as well as the King Report on Corporate Governance in South Africa, 2002 ("King Report").

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

The NFVF Council and Management ensure that they review their processes and practices on an ongoing basis. They do this to guarantee adherence to good corporate governance practices, which the organisation continually benchmarks against international best practice.

The Council and Management believe that the organisation has substantially applied and complied with the principles incorporated in the Code of Corporate Practices and Conduct – as set out in the King Report on Corporate Governance for South Africa 2002 – as well as in 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 2019/20
- 1st Quarterly Report – 31 July 2019
- 2nd Quarterly Report – 31 October 2019
- 3rd Quarterly Report – 31 January 2020
- 4th Quarterly Report – 31 April 2020

3. THE ACCOUNTING AUTHORITY

INTRODUCTION

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

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

THE ROLES OF THE COUNCIL ARE TO:

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

In accordance with section 8(1) of the NFVF Act, Council meetings were held on:

- 30 May 2019
- 22 August 2019
- 5 December 2019
- 30 January 2020 (Special Council Meeting)
- 25 March 2020

Name	Designation	Date appointed	Date resigned	Other Committees (e.g. Audit committee)	No. of Meetings attended
Mr Phillip Molefe	Chairperson	01 May 2017		EXCO	9
Ms Zimkhitha Zatu	Deputy Chairperson	01 May 2017		EXCO	9
Adv Dimakatso Qocha	Council Member	01 May 2017		HR & Ethics Committee and EXCO	13
Ms Zanele Mthembu	Council Member	01 May 2017			5
Mr Mfundo Ntsibande	Council Member	01 May 2017			4
Dr Siphelo Ngcwangu	Council Member	01 May 2017			5
Dr Jeremiah Mofokeng	Council Member	01 May 2017		EXCO	8
Mr Kgotso Motsoane	Council Member	01 July 2018		HR & Ethics and Audit Committee	9
Mr Richard Nosworthy	Council Member	30 April 2019		Audit Committee	9
Mr Shadrack Bokaba	Council Member	30 April 2019		HR & Ethics Committee	8
Prof. Sheila Mmusi	Council Member	30 April 2019			5

Remuneration of Council Members

Name	Remuneration	Other allowances	Other	Total
Mr Phillip Molefe	147,941	-	-	147,941
Ms Zimkitha Zatu	106,199	-	-	106,199
Adv Dimakatso Qocha	138,428	-	-	138,428
Ms Zanele Mthembu	51,975	-	-	51,975
Mr Shadrack Bokaba	75,873	-	-	75,873
Mr Mfundo Ntsibande	-	-	-	-
Dr Siphelo Ngcwangu	79,373	-	-	79,373
Dr Jeremiah Mofokeng	94,961	-	-	94,961
Mr Richard Nosworthy	63,030	-	-	63,030
Mr Kgotso Motsoane	-	-	-	-
Prof. Sheila Mmusi	43,791	-	-	43,791

4. RISK MANAGEMENT

NATURE OF RISK MANAGEMENT

Risk Management encompasses the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the NFVF. The realisation of the organisation's business strategy depends on its ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders.

Sound management of risk through the NFVF's risk management system enables the organisation to anticipate and respond to changes in its business environment, and to take informed decisions in conditions of uncertainty.

Risk management strategies to identify risks and manage the risks

A Risk Assessment Workshop will be conducted with Audit Committee members and the Executive Management team to review and update the NFVF Risk Register.

5. INTERNAL CONTROL

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

During the year under review, the NFVF has:

- Ensured financial compliance with the NFVF Act and the PFMA as well as financial and legal compliance with other statutory bodies (e.g. SARS);
- Ensured an efficient NFVF office that successfully meets the needs of its various stakeholders;
- Maintained an administration system that ensures the productivity and quality of the NFVF office;
- Overall, maintained an effective and efficient supply chain management system;
- Identified and managed risks by holding an annual risk workshop, which culminated in an annual internal audit plan and a risk register;
- Ensured good corporate governance by having regular committee meetings including the Audit Committee, Human Resources Committee and Exco etc. as well as having a fully functioning and efficient internal audit function; and
- 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 FUNCTION

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

Thus, the activities that the Internal Audit Function performs 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;
- Appraising the economy, effectiveness and efficiency with which resources are employed;
- Evaluating the effectiveness of controls over the reliability and integrity of information for management purposes; and

- Ascertaining the level of the NFVF's compliance with relevant policies, plans, procedures, laws and regulations.

The NFVF's internal audit was performed by Sizwe Ntsaluba Gobodo.

SUMMARY OF AUDIT WORK DONE

During the 2019/20 financial year, a risk assessment was conducted. Based on the outcomes of the assessment and in terms of the three-year rolling internal audit plan, the following audits were conducted:

- Project Funding and bursary review
- Audit of pre-determined objectives
- Supply chain management review
- Risk Management maturity assessment
- Follow up review

KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

The primary purpose of the NFVF's Audit Committee is to assist the Council in fulfilling its oversight responsibility, which relate to reviewing its financial activities in terms of the NFVF Act and the PFMA. The review of these financial activities focuses on responsibilities regarding safeguarding of assets, operating effective systems of internal control, financial management and preparing annual financial statements:

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

ATTENDANCE OF AUDIT COMMITTEE MEETINGS BY AUDIT COMMITTEE MEMBERS:

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Phuthanang Motsielwa	External member	Audit Committee chairperson			6
Mochele Noge	External member	Audit Committee Member			7
Zanele Nkosi	External member	Audit Committee Member			5
Richard Nosworthy	Internal	Council Member			4
Mr Kgotso Motsoane	Internal	Council Member			7
Tendayi Rafemoyo	External member	Internal Audit (SNG)			7
Makhosazana Khanyile	Internal	CEO			7
Zanoxolo Koyana	Internal	CFO			7
Mbali Buthelezi	Internal	Former CFO			1
Lesego Seenelo	External	Former Audit Committee Chairperson			1

7. FRAUD AND CORRUPTION

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

8. MINIMISING CONFLICT OF INTEREST

The NFVF has developed a conflict of interest policy that the Council has approved. All Council, committee and panel members are required to sign a declaration of conflict of interest form at every meeting. In addition, staff members must sign a declaration of conflict of interest form on an annual basis.

9. 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 organisation's acceptable business conduct and practices.

The Code of Conduct is reviewed together with the organisational policies and procedure on an annual basis. Staff members are made aware of the Code of Conduct and any revisions during the annual workshop and induction for new employees. In the event of a breach of the Code of Conduct, the organisation follows normal HR processes as outlined in its HR policies.

10. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NFVF complies with the Occupational Health and Safety (OHS) Act, and contributes to the workman's compensation. All staff is made aware of the health and safety requirements, which include, but are not limited to the following:

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

11. COMPANY SECRETARY

The Company Secretary plays two pivotal roles in Managing the affairs of the NFVF Council, Council Sub-Committees (including Panels) by providing guidance and support to the NFVF Council and Sub Committees. The Company Secretary also provide secretariat services and administrative support to the Council and Sub Committees (including panels). Further the Company Secretary is a liaison official between management and the Council and between the Council and the Shareholder, thus giving effect to the governance protocol.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, which has been confirmed by 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, which consists of the members listed hereunder, has met the required three times per annum as per its approved charter. During the year under review, the Committee met on 27 May 2019, 29 July 2019, 29 October 2019 and 5 March 2020.

NAME OF MEMBER

Ms Phuthanang Motsielwa – External member (Chairperson)
Ms Zanele Nkosi – External member (appointed 14 December 2018)
Mr Mochele Noge – External member
Mr Kgotso Motsoane – Council member (appointed 30 September 2018)
Mr Richard Nosworthy – Council member

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and liabilities and working capital are efficiently managed. In line with the PFMA and the King IV Report on Corporate Governance requirements, internal audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the internal auditors and the Auditor General's Audit Report on the Annual Financial Statements, it was noted there were no reported material non-compliances with prescribed policies and procedures. This is as a result of the emphasis on strengthening our control environment during the 2019/2020 financial year.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the NFVF revealed certain weaknesses, which continue to be addressed so as to strengthen the risk maturity of the public entity.

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

- Audit of pre-determined objectives
- Financial Management and Follow-up Reviews
- IT General Control Review
- IT Security Review
- Human Resources Management
- Stakeholder Management
- Supply Chain Management

The following were areas of concern:

- IT Control Environment

Systems Controls continue to be reviewed and enhanced in order to strengthen the IT Control Environment.

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

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

PERFORMANCE MANAGEMENT

Part of the responsibilities of the Audit Committee includes the review of performance management.

The Audit Committee has performed the following functions in terms of the performance of the NFVF:

- Reviewed and commented on compliance with statutory requirements and performance management, best practices and standards;
- Reviewed the reported non-compliance with legislation;
- Reviewed the quarterly performance reports; and
- Reviewed and commented on the entity's performance management system and recommendations for its improvement.

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 responses thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed any significant adjustments resulting from the audit.

The Committee is satisfied that these statements comply, in all material respects, with the requirements of the PFMA, 1999, as amended, and the 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 Audit Committee concurs and accepts the conclusions of the Auditor-General 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-General.



Phuthanang Motsielwa

Chairperson of the Audit Committee
National Film and Video Foundation
30 September 2020



13. B-BBEE Compliance Performance Information

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law.	No	This is not applicable to the NFVF
Developing and implementing a preferential procurement policy.	No	NFVF is in the process of developing a preferential procurement policy
Determining qualification criteria for the sale of state-owned enterprises.	No	This is not applicable to the NFVF
Developing criteria for entering into partnerships with the private sector.	No	The criteria will be developed when a Partnerships and Distribution Manager is appointed



PART

D

HUMAN RESOURCES



I. INTRODUCTION

Overview

HR PRIORITIES FOR 2019/2020 AND THEIR IMPACT

The Human Resources department plays a key role in ensuring that the NFVF is able to deliver on its mandate and strategic objectives effectively. The primary objective of the NFVF'S HR department is to ensure that the organisation has the right people in the right roles. The focus of the HR department has been on key strategic interventions, aimed at enhancing organisational effectiveness. Key priorities entailed the following:

- Recruitment and Placement;
- Job Profiling and Alignment;
- Performance Management;
- Training and Development; and
- Employee Engagement.

Recruitment and Placement

One of the most important objectives of the HR department is to align the organisational structure to the organisation's strategic objectives. This ensures that the NFVF has the right people, with the right skills, in the right roles. The positions approved by Council were filled within the period under review, with the exception of one position - IT Specialist. The department has filled nine vacancies through a fair and transparent recruitment process aligned to its recruitment strategy. Filling these nine vacancies has been vital in meeting the department's annual targets and achieving its overall mandate.

Job Profiling and Alignment

In order to ensure that staff responds optimally to industry needs, and in an effort to optimise the Industry Development and Promotions (IDP) department, the HR department conducted a detailed review of its current structure, capabilities, competencies and outputs.

The departure point for optimising the outputs was to consider aligning the department's objectives to all NFVF's strategic outcome-orientated goals.

The outcome of this exercise resulted in the recommendation of separating the Marketing, Events and Distribution from the IDP department. The implementation achieved among other things, better role clarification, increased collaboration and enhanced integration.

Performance Management

The NFVF bases its performance management on a 360° methodology. Its performance management system allows for a comprehensive performance assessment of staff.

Performance assessments are conducted bi-annually (mid- and end-year).

These assessments have been crucial in identifying employee skill gaps for urgent address. The performance management system offers staff an opportunity to measure their individual contribution in the overall organisational performance.

Training and Development

Training priorities are identified when performance reviews are conducted. Each line manager and employee has a duty to address any identified skill gaps. Those gaps automatically form part of each employee's Personal Development Plans (PDPs), and are addressed within agreeable timeframes. It is of utmost importance that the department addresses skill gaps to help improve efficiency and high performance. The HR department has been instrumental in ensuring that it addresses the identified skill gaps through various training initiatives.

In this regard, it has achieved the following interventions:

- Executive Development Programme;
- Management Advancement Programme;
- New Managers Programme;
- Fundamentals of Project Management;
- Various skills programmes; and
- Academic support through staff bursaries.

The training initiatives undertaken form part of a Workplace Skills Plan (WSP) and Annual Training Report (ATR) document submitted to the SETA. These initiatives are also aligned to the organisation's talent management strategy.

The continuous re-assessment of employee skills ensures that they are reflective of a changing industry and are, therefore, in the best position to respond to industry requirements.

Employee Engagement

Employee engagement sessions are essential in defining the nature of relationships between various departments, how they inter-depend on each other and how these relationships help achieve overall business objectives.

Several staff engagement sessions have taken place with the aim of addressing various factors affecting staff, which includes:

- Employee participation in the redesigning and aligning of job specs;
- Team Dynamics session;
- Conflict Management and Grievance Procedure workshop;
- Sexual Harassment workshop; and
- Various employee wellness initiatives through ICAS Southern Africa.

Plans for the year ahead

The HR department will continue to drive key strategic interventions aimed at enhancing organisational effectiveness. Some key priorities for the year ahead include the following:

- Building and sustaining an organisational culture that facilitates and accelerates change;
- Conducting Job Profiling and Alignment for support departments;
- Implementing a flexible HR information system that supports remote working arrangements; and
- Solidifying the Talent Management Framework.

2. HUMAN RESOURCES 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 and Skills Development	1,053,614.52	4.31%	2	526,807.26
Policy, Compliance and Research	5,530,177.33	22.65%	8	691,272.17
Production and Development	4,173,959.97	17.09%	6	695,695.99
Marketing and Distribution	3,209,248.70	13.14%	6	534,874.78
CEO Office, Finance, HR and Admin	10,452,133.02	42.80%	14	770,466.11
Total	24,419,133.54	100%	36	678,309.27

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	1,926,825.20	7.89%	1	1,926,825.20
Senior Management	4,843,101.43	19.83%	3	1,614,367.14
Middle Management	10,134,066.12	41.50%	14	723,861.87
Professional qualified	7,160,306.68	29.32%	16	447,519.17
Semi-skilled	216,984.59	0.89%	1	216,984.59
Unskilled	137,849.52	0.56%	1	137,849.52
TOTAL	24,419,133.54	100%	36	678,309.27

PERFORMANCE REWARDS

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0%
Senior Management	285,725.57	95,241.86	30.07%
Middle Management	369,725.95	52,817.99	38.91%
Professional qualified	270,445.12	30,049.46	28.46%
Semi-skilled	14,186.78	14,186.78	1.49%
Unskilled	10,100.73	10,100.73	1.06%
TOTAL	950,184.15	202,396.82	100%

TRAINING COSTS

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee
528,000.00	528,000.00	100%	14	48,000.00

EMPLOYMENT AND VACANCIES BY PROGRAMME

Programme	No. of Employees as at 31 March 2020	2019/2020 Approved Posts	No. of Employees as at 31 March 2020	Vacancies as at 31 March 2020	% of vacancies
Training and Skills Development	2	2	2	0	0.00%
Legal, Policy and Research	8	8	8	0	0.00%
Production and Development	6	6	6	0	0.00%
Marketing and Distribution	6	6	6	0	0.00%
HR, Finance and CEO	14	15	14	1	2.70%
TOTAL	36	37	36	1	2.70%

EMPLOYMENT AND VACANCIES BY SALARY BAND

Programme	No. of Employees as at 31 March 2020	2019/2020 Approved Posts	No. of Employees as at 31 March 2020	Vacancies as at 31 March 2020	% of vacancies
Top Management	1	1	1	0	0.00%
Senior Management	3	3	3	0	0.00%
Middle Management	14	14	14	0	0.00%
Professional qualified	16	17	16	1	2.70%
Semi-skilled	1	1	1	0	0.00%
Unskilled	1	1	1	0	0.00%
TOTAL	36	37	36	1	2.70%

EMPLOYMENT CHANGES

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
Top Management	2	0	1	1
Senior Management	3	2	2	3
Middle Management	10	5	1	14
Professional qualified	16	2	2	16
Semi-skilled	1	0	0	1
Unskilled	1	0	0	1
Total	33	9	6	36

REASONS FOR STAFF LEAVING

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	2	5.41%
Dismissal	1	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	3	8.11%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	2
Final Written warning	0
Dismissal	1

EMPLOYMENT EQUITY STATUS

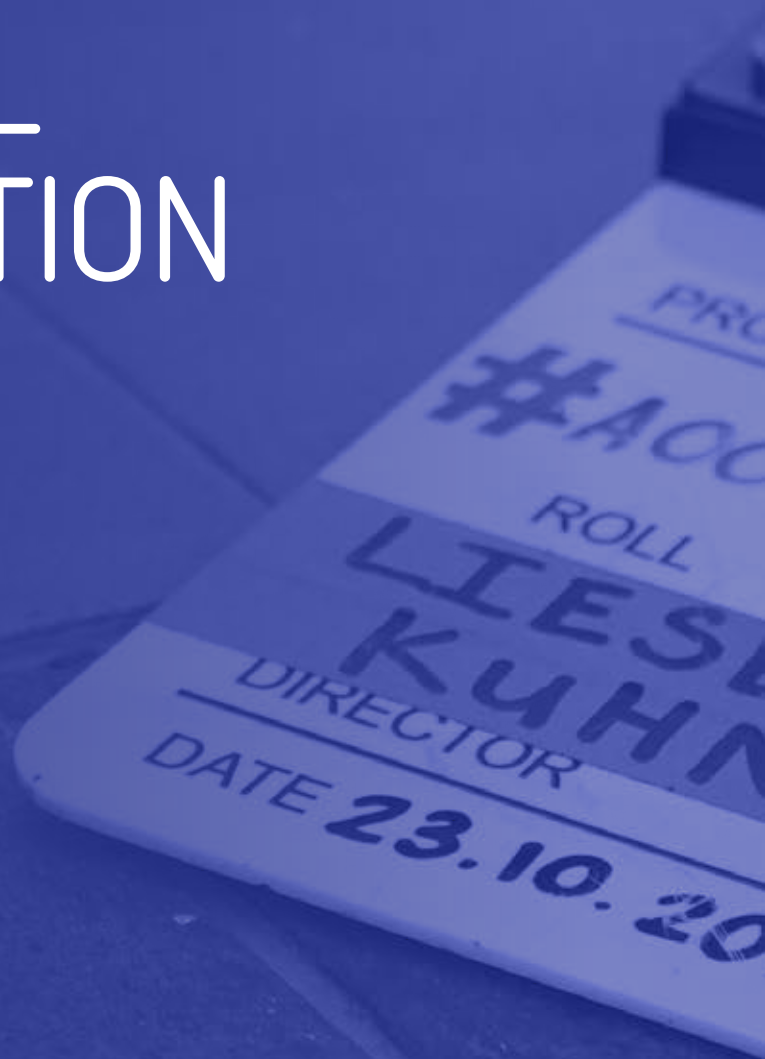
Levels	MALE			
	African Current	Coloured Current	Indian Current	White Current
Top Management	0	0	0	0
Senior Management	1	0	0	0
Middle Management	5	0	0	0
Professional qualified	4	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	10	0	0	0

Levels	FEMALE			
	African Current	Coloured Current	Indian Current	White Current
Top Management	1	0	0	0
Senior Management	2	0	0	0
Middle Management	9	0	0	0
Professional qualified	12	0	0	0
Semi-skilled	1	0	0	0
Unskilled	1	0	0	0
TOTAL	26	0	0	0



PART E

FINANCIAL INFORMATION





NATIONAL FILM AND VIDEO FOUNDATION ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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The annual financial statements set out on page 79 to 110 were approved by the Accounting Authority on 31 May 2020 and are signed by:



Mr Phillip Molefe
Chairperson
NFVF

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Members	P Molefe (Chairperson) Z Zatu (Deputy Chairperson) M Khanyile (Chief Executive Officer) Z Mthembu D Qocha M Ntsibande S Ngcwangu K Motsoane S Bokaba S Mmusi J Mofokeng R Nosworthy
Registered office	87 Central Street Houghton 2198
Postal address	Private Bag X04 Northlands 2116
Auditors	Auditor-General of South Africa
Legislative Act	National Film and Video Foundation Act 73 of 1997
Telephone number	+27 11 483 0880
Email address	info@nfvf.co.za
Website address	www.nfvf.co.za

ABBREVIATIONS

AFS	Annual Financial Statements	MICT-SETA	Media, Information and Communication Technologies Sector Education and Training Authority
CCMA	Commission for Conciliation, Mediation and Arbitration	MOU	Memorandum Of Understanding
DAC	Department of Arts and Culture	NFVF	National Film and Video Foundation
ECDC	Eastern Cape Development Corporation	PFMA	Public Finance Management Act
ECPACC	Eastern Cape Provincial Arts and Culture Council	SAFTAs	South African Film and Television Awards
GRAP	Generally Recognised Accounting Practice	SCM	Supply Chain Management
IFAS	Institut Français d'Afrique du Sud	SETA	Sector Education and Training Authority
KZN	KwaZulu-Natal	UIF	Unemployment Insurance Fund
MANCO	Management Committee		



ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a

manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Sports, Arts and Culture for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the Department of Sports, Arts and Culture has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The annual financial statements set out on pages 79 to 110, which have been prepared on the going concern basis, were approved by the accounting authority on 30 September 2020 and were signed on its behalf by:



Ms Makhosazana Khanyile
Chief Executive Officer
National Film and Video Foundation



Ms Zimkhitha Zatu
Deputy Chairperson
National Film and Video Foundation

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Film and Video Foundation set out on pages 79 to 110, which comprise the statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. 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 2020, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with SA standard of GRAP and the requirements of the 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. 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 material findings on the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the entity's. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the entity for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Production and development of content	39

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. The material findings in respect of the reliability of the selected programme are as follows:

Programme – Production and development of content

Various indicators

15. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. This was due to the entity reporting on projects approved as funded whilst no disbursements have been made to the filmmaker for funding. I was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported performance information. The supporting evidence provided indicated that the achievements of these indicators were as follows:

Indicator description	Reported achievement	Audited value
To fund the development of South African content	80	61
To fund the production of South African content	46	31

16. I did not identify any material findings on the usefulness of the reported performance information for the programme: Production and development of content.

Other matter

17. I draw attention to the matter below. My conclusion is not modified in respect of this matter.

Achievement of planned targets

18. Refer to the annual performance report on pages 32 to 39 for information on the achievement of planned targets for the year and explanations provided for the under- and over achievement of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraph 15 of this report.

Report on the audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

20. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements of revenue and grant expenses identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information

22. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the council report, audit committee's report and human resource management information. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. The other information I obtained prior to the date of this auditor's report is a draft annual report and the final annual report is expected to be made available to us after 30 September 2020. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard. When I do receive and read the final annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.
27. The accounting officer did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The entity did not have adequately implemented monitoring and reviewing controls to ensure that financial and performance reports submitted for auditing were accurate and complete.
28. Senior management lacked the necessary implementation of controls over financial and performance reporting and compliance with key legislation. As a result, there were inadequate year-end reconciliations, a lack of review of reports and a lack of monitoring over proper control implementation. Furthermore, there was a lack of a proper record management system that could support the information reported in the financial statements and the annual performance report. As a result, material errors were identified during the audit process.
29. Senior management did not ensure that adequate reviews are performed on the submitted financial statements to ensure that they are accurate and complete and compliant with the GRAP, which resulted in material amendments to the annual financial statements.

Auditor - General

Johannesburg
30 September 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the reported performance information and compliance with legislation included in this audit report.

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. 1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for the selected programme and on the entity's compliance with respect to the selected subject matters.

Financial statements

2. 2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also

conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Film and Video Foundation ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause an entity to cease continuing as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated
Assets			
Current Assets			
Cash and cash equivalents	3	145,450,428	94,110,761
Receivables from exchange transactions	4	2,651,259	1,929,842
Receivables from non-exchange transactions	5	4,656,132	14,222,341
Prepayments	6	425,506	380,913
		153,183,325	110,643,857
Non-Current Assets			
Property, plant and equipment	7	13,232,683	5,326,921
Intangible assets	8	1,085,423	1,386,656
Rental deposit	9	339,974	339,974
		14,658,080	7,053,551
Total Assets		167,841,405	117,697,408
Liabilities			
Current Liabilities			
Trade and other payables	10	1,533,357	7,548,969
Provisions	11	56,200,012	56,889,090
Income received in advance	12	14,546,703	1,010,836
		72,280,072	65,448,895
Non-Current Liabilities			
Operating lease liability	13	791,174	859,429
Provisions	11	47,043,267	47,839,815
		47,834,441	48,699,244
Total Liabilities		120,114,513	114,148,139
Net Assets		47,726,892	3,549,269
Accumulated surplus		47,726,892	3,549,269

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2020	2019 Restated
Revenue			
Revenue from exchange transactions			
Rendering of services	14	3,934,760	8,921,344
Other income	15	1,108,009	222,420
Investment income	16	6,092,582	3,592,586
Total revenue from exchange transactions		11,135,351	12,736,350
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	17	162,568,353	143,008,622
Total revenue		173,703,704	155,744,972
Expenditure			
Employee related costs	18	(24,082,093)	(23,369,204)
Council remuneration	19	(1,102,920)	(1,054,329)
Depreciation and amortisation		(2,234,055)	(2,701,914)
Lease rentals on operating lease		(4,056,361)	(4,050,863)
Debt impairment		(1,623,860)	(651,650)
Auditors remuneration	20	(871,077)	(720,308)
Grant expenses	21	(85,875,802)	(96,012,269)
General expenses	22	(9,679,913)	(10,509,414)
Total expenditure		(129,526,081)	(139,069,951)
Surplus for the year		44,177,623	16,675,021

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Balance at 1 April 2018	(5,625,754)	(5,625,754)
Changes in net assets		
Surplus for the year as previously reported	16,774,471	16,774,471
Total changes	16,774,471	16,774,471
Opening balance as previously reported	11,148,717	11,148,717
Adjustments		
Prior year adjustments (Refer to note 35)	(7,599,448)	(7,599,448)
Restated balance at 1 April 2019	3,549,269	3,549,269
Changes in net assets Surplus for the year	44,177,623	44,177,623
Total changes	44,177,623	44,177,623
Balance at 31 March 2020	47,726,892	47,726,892

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2020	2019 Restated
Cash flows from operating activities			
Receipts			
Other receipts (Amounts received in advance)		20,756,799	-
Government grants and subsidies		162,543,792	133,506,822
Interest income		6,092,582	3,592,586
Exchange		3,934,760	18,323,144
Other Income		1,132,570	222,420
		194,460,503	155,644,972
Payments			
Employee costs		(23,858,373)	(23,377,203)
Suppliers		(109,423,880)	(101,624,509)
		(133,282,253)	(125,001,712)
Net cash flows from operating activities	23	61,178,250	30,643,260
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(9,383,977)	(356,829)
Purchase of other intangible assets	8	(454,606)	(171,812)
Net cash flows from investing activities		(9,838,583)	(528,641)
Net increase in cash and cash equivalents		51,339,667	30,114,619
Cash and cash equivalents at the beginning of the year		94,110,761	63,996,142
Cash and cash equivalents at the end of the year	3	145,450,428	94,110,761

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis

Figures in Rand	Approved budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Rendering of services	-	-	3,934,760	3,934,760	33.1
Other income	-	-	1,108,009	1,108,009	33.2
Interest received - investment	3,600,000	3,600,000	6,092,582	2,492,582	33.3
Total revenue from exchange transactions	3,600,000	3,600,000	11,135,351	7,535,351	
Revenue from non-exchange transactions					
Transfer revenue					
Government grants & subsidies	140,308,000	140,308,000	162,568,353	22,260,353	33.4
Total revenue	143,908,000	143,908,000	173,703,704	29,795,704	
Expenditure					
Employee related costs	(27,624,000)	(27,624,000)	(24,082,093)	3,541,907	33.5
Remuneration of councillors	(1,502,000)	(1,502,000)	(1,102,920)	399,080	33.6
Depreciation and amortisation	(1,978,000)	(1,978,000)	(2,234,055)	(256,055)	33.7
Lease rentals on operating lease	(4,500,000)	(4,500,000)	(4,056,361)	443,639	
Debt Impairment	-	-	(1,623,860)	(1,623,860)	33.8
Auditors remuneration	(853,000)	(853,000)	(871,077)	(18,077)	
Grant expenses	(98,216,000)	(98,216,000)	(85,875,802)	12,340,198	33.9
General expenses	(9,235,000)	(9,235,000)	(9,679,913)	(444,913)	33.10
Total expenditure	(143,908,000)	(143,908,000)	(129,526,081)	14,381,919	
Surplus before taxation	-	-	44,177,623	44,177,623	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	44,177,623	44,177,623	

The annual financial statements of the NFVF have been prepared in accordance with the effective South African Standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board.

ACCOUNTING POLICIES

I. BASIS OF PREPARATION

The annual financial statements of the NFVF have been prepared in accordance with the effective South African Standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board.

I.1 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.

I.2 Significant judgements and sources of estimation uncertainty

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 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 11 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 determines whether 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 notes 7 & 8). These estimates are based on managements experience, knowledge and current expectations.

Judgements

Leases

Management has applied its judgment to classify all lease agreements that the NFVF is party to as operating leases if the lease does not transfer substantially all risks and rewards of ownership to the foundation, or the other recognition criteria is met in terms of GRAP 13 to classify leases as operating leases.

I.3 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.

Revenue from Non-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.

ACCOUNTING POLICIES

1.3 Revenue (continued)

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.

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

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

1.4 Property, plant and equipment

Plant 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 property and equipment is recognised 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, plant and equipment is 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.

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

Useful life

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

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.

Leasehold improvements

A leasehold improvement is a customisation of leased property. A lessee may want to invest in leasehold improvements in order to adjust the characteristics of office or production space to its specific needs. A leasehold improvement is considered an asset of the lessee if the lessee paid for it. If so, the lessee records the investment as a fixed asset.

Upon termination of a lease, all leasehold improvements become the property of the landlord.

The leasehold improvements should be amortised over the shorter of:

- term of the lease, or
- useful life of leasehold improvements

1.5 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

ACCOUNTING POLICIES

1.5 Intangible assets (continued)

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:

Item	Useful life	Rate
Intangible assets	10 years	10% p.a
Computer software	2 - 5 years	20% - 50% p.a

Useful lives are assessed annually.

1.6 Impairment of assets

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

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

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

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

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

1.7 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.

1.8 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:

Classification

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 stated at the nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximate fair value due to the short period to maturity of these instruments. Trade and other receivables from exchange transactions are disclosed separately from trade and other receivables from non-exchange transactions. Trade and other receivables in exchange for which the entity gives approximately equal value to another entity are recognised as trade and other receivables from exchange transactions. Trade and receivables received without directly giving approximately equal value in exchange are recognised as trade and other receivables from non-exchange transactions.

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 fair value.

ACCOUNTING POLICIES

1.8 Financial instruments (continued)

Trade payables

Trade and other payables are measured at fair value at initial recognition, 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.

1.9 Provisions and contingencies

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 11 to the Annual Financial Statements. The amount of a provision is the present value of the amount 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.

Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised but disclosed when identified.

1.10 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).

1.11 Comparative figures

Where necessary, comparative figures are adjusted when material errors that have been identified in the current year. The changes are done and disclosed in accordance with GRAP.

1.12 Presentation currency

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

1.13 Employee benefits

Short-term employee benefits

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

ACCOUNTING POLICIES

1.13 Employee benefits (continued)

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.

1.14 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 with any organization owned by SA government are disclosed in the Annual Financial Statements.

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

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

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register.

1.16 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.

1.17 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 2019 to 31 March 2020. The budget and accounting basis are the same; both are on the accrual basis. The budget information is prepared using a classification on the nature of expenses in the Statement of Financial Performance.

1.18 Foreign exchange transactions

The NFVF does certain transactions in foreign currencies and prepares its financial statements on the accrual basis, and translates its AFS into a presentation currency. All transactions are effected on the closing rate i.e. the spot rate on the date of receipt of invoice. All foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of transaction.

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2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 20: Related parties	1 April 2019	The impact of the Standard is not material.

Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	1 April 2020	Not expected to impact results but may result in additional disclosure
• Guideline: Guideline on the Application of Materiality to Financial Statements	No effective date	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	1 April 2020	Not expected to impact results but may result in additional disclosure

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

First National Bank

Corporation for Public Deposits

Petty cash

45,505,159	42,569,822
99,940,269	51,538,939
5,000	2,000
145,450,428	94,110,761

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

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4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

South African Broadcasting Corporation	1,623,860	-
Golden Nugget	2,645,000	-
Kunene Makopo Risk Solutions	-	180,000
KZN Film Commission	-	151,600
Department of Arts and Culture	-	248,541
GE Media	-	1,501,301
Recoverable amount from staff member	6,259	-
	4,275,119	2,081,442
Less: Provision for bad debt		
KZN Film Commission	-	(151,600)
South African Broadcasting Corporation	(1,623,860)	-
	2,651,259	1,929,842

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.

Trade and other receivables ageing

Current	2,645,000	1,832,901
30-60 days	1,623,860	-
Greater than 90 days	6,259	248,541
Less: Provision for doubtful debts	(1,623,860)	(151,600)
	2,651,259	1,929,842

5. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

MICT-SETA	4,200,000	2,800,050
Department of Arts & Culture - BRICS Film Festival	456,132	11,422,341
Less: Provision for bad debt		
MICT-SETA	-	(50)
	4,656,132	14,222,341

None of the above 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.

No receivables from non-exchange transactions have been impaired during the year under review.

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6. PREPAYMENTS

Prepayments	425,506	380,913
	425,506	380,913

Prepayments relate to rent expense which was paid in March for the month of April.

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7. PROPERTY, PLANT AND EQUIPMENT

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	6,815,104	(3,385,981)	3,429,123	6,508,123	(2,496,617)	4,011,506
Office equipment	444,743	(239,865)	204,878	420,505	(178,933)	241,572
Computer hardware	5,257,416	(3,037,649)	2,219,767	3,643,353	(2,569,510)	1,073,843
Leasehold improvements	7,438,694	(59,779)	7,378,915	-	-	-
Total	19,955,957	(6,723,274)	13,232,683	10,571,981	(5,245,060)	5,326,921

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	4,011,506	306,982	(889,365)	3,429,123
Office equipment	241,572	24,237	(60,931)	204,878
Computer hardware	1,073,843	1,614,064	(468,140)	2,219,767
Leasehold improvements	-	7,438,694	(59,779)	7,378,915
	5,326,921	9,383,977	(1,478,215)	13,232,683

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Asset Written Off	Depreciation	Total
Furniture and fittings	4,779,652	135,052	(69,365)	(833,833)	4,011,506
Office equipment	287,541	19,072	-	(65,041)	241,572
Computer hardware	1,528,066	205,389	(58,106)	(601,506)	1,073,843
	6,595,259	359,513	(127,471)	(1,500,380)	5,326,921

The total additions for the period amounted to R9,383,977 (2019: R359,513).

Leasehold improvements in the current year amounted to R7,414,133. The leasehold improvements is for the refurbishment and development of Film Hub done at the Eastern Cape Film Hub on property leased from ECDC.

No impairments were made to property and equipment during the current financial year. Management has considered the impact of GRAP 17 on the Financial Statements for the period ended 31 March 2020.

Pledged as security

No items of property, plant and equipment have been pledged as security.

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8. INTANGIBLE ASSETS

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	5,164,859	(4,322,406)	842,453	4,710,252	(3,669,921)	1,040,331
Specialised software	1,039,476	(796,506)	242,970	1,039,476	(693,151)	346,325
Total	6,204,335	(5,118,912)	1,085,423	5,749,728	(4,363,072)	1,386,656

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Computer software	1,040,331	454,606	(652,484)	842,453
Specialised software	346,325	-	(103,355)	242,970
	1,386,656	454,606	(755,839)	1,085,423

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	1,932,132	202,812	(1,094,613)	1,040,331
Specialised software	453,246	-	(106,921)	346,325
	2,385,378	202,812	(1,201,534)	1,386,656

The total additions for the year amounted to R454,606 (2019: R202,812). 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.

9. RENTAL DEPOSIT

Opening balance as at 1 April

339,974

339,974

Additional deposit

-

-

Closing balance as at 31 March

339,974

339,974

The NFVF leases its building from ALW Estates until 31 December 2021. The total deposit held by ALW Estates will be refunded to the NFVF on termination of the lease.

10. TRADE AND OTHER PAYABLES

Trade payables

410,231

4,691,279

Accrued expense - Liberty life

-

3,494

Accrued expense - Discovery

170,405

29,565

Accrued expense - 13th cheque

402,784

326,203

Accrued expense - sundry creditors

549,937

2,498,428

1,533,357

7,548,969

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10. TRADE AND OTHER PAYABLES (CONTINUED)

The 13th cheque is guaranteed and is recognised for the amount due to employees.

The carrying amount approximates fair value because of the short period of settlement 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. The prior year amount has been restated as a result of the identified prior year reclassification of 13th cheque accrual.

11. PROVISIONS

Reconciliation of provisions - 2020

	Opening Balance	New grants	Utilised during the year	Payments and reversals made during the year	Originated during the year	Total
Provision for leave pay	1,114,009	-	(1,114,009)	-	1,589,906	1,589,906
Provision for Grants issued by NFVF	101,864,082	56,649,688	-	(58,145,107)	-	100,368,663
Provision for performance bonus	1,750,814	-	(1,750,814)	-	1,284,710	1,284,710
	104,728,905	56,649,688	(2,864,823)	(58,145,107)	2,874,616	103,243,279

Reconciliation of provisions - 2019

	Opening Balance	New grants	Utilised during the year	Payments and reversals made during the year	Originated during the year	Total
Provision for leave pay	725,663	-	(421,259)	-	809,605	1,114,009
Provision for Grants issued by NFVF	77,986,726	100,647,580	-	(76,770,224)	-	101,864,082
Provision for performance bonus	1,243,154	-	(1,243,154)	-	1,750,814	1,750,814
	79,955,543	100,647,580	(1,664,413)	(76,770,224)	2,560,419	104,728,905

Non-current liabilities

47,043,267

47,839,815

Current liabilities

56,200,012

56,889,090

Total Provisions

103,243,279

104,728,905

Provision for leave pay

A provision for leave is recognised for leave due to employees at period end and calculated using the Basic Conditions of Employment Act rates. The provision is expected to be realised within the following financial year when the employees utilise the leave, resign or retire.

Provision for Grants issued by NFVF

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 projects / contract milestones being achieved by grant beneficiaries. Management determined calculations of current and non-current portions estimates based on historical trend.

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12. INCOME RECEIVED IN ADVANCE FROM NON-EXCHANGE TRANSACTIONS

Department of Sports, Arts and Culture

Opening balance as at 1 April

1,010,836

1,010,836

Utilised during the year

(7,438,694)

-

Received during the year

20,974,561

-

14,546,703

1,010,836

Income received in advance relates to the funds received from DAC to identify potential sites, develop a business case for the establishment of Film Hubs and for the refurbishment and development of the Film Hub identified in Eastern Cape. The purpose of the film hub is to provide local filmmakers editors and digital entrepreneurs by giving them access to a shared workspace with high-speed internet and resources to help accelerate their passions and chosen fields. The Eastern Cape Film Hub in Buffalo City Municipality in the Eastern Cape Province was launched on 5 March 2020. The launch was a collaboration between NFVF, the ECDC, ECPACC, and Cortex Hub.

Included in the balance is additional allocation of R13,200,000 received towards the end March 2020 which will be utilised to fund phase 2 improvements.

13. OPERATING LEASE LIABILITY

Non-current liabilities

791,174

859,429

Equipment and land and buildings

The NFVF leases its equipment (photocopiers etc.) on a month to month basis and therefore there is no operating lease liability. Buildings are leased over a period of 5 years at monthly payments of R338,030.

Operating lease commitments

2020

Building

Up to 1 year

4,495,831

2 - 5 years

3,594,466

2019

Building

Up to 1 year

4,124,615

2 - 5 years

8,090,297

The NFVF renewed its lease with ALW Estates for a further 5 year period (1 January 2017 to 31 December 2021). The basis on which rent is charged by the lessor is per specified amounts and increases in the contract. The lease expenditure is straightlined and charged to the Statement of Financial Performance. The lease expense incurred for the year ended 31 March 2020 is R4,056,361 (2019: R4,050,863).

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14. RENDERING OF SERVICES

Namibian Film Commission - Youth Filmmaker	-	250,000
South African Broadcasting Corporation	1,636,338	-
M-Net	-	640,000
GE Media	1,501,900	1,360,000
KZN Film Commission	100,000	394,460
Ster Kinekor	140,000	-
Kunene Makopo Risk Solution	-	80,000
Duekom	-	396,202
Gauteng Film Commission	-	100,000
Recoupment	-	260,319
IFAS	22,550	-
Culture, Arts and Traditional Affairs - North West	-	5,000,000
Independent Development Corporation	533,972	440,363
	3,934,760	8,921,344

Revenue received from exchange transactions relate mainly to sponsorships and partnership agreements with stakeholders for projects and NFVF events. The NFVF entered into partnership agreements with private sector companies.

15. OTHER INCOME

Other income	956,409	222,420
Bad debts recovered	151,600	-
	1,108,009	222,420

Other income relates to recoveries from ex-employees due to litigations.

Bad debts recovered is for amount recovered from KZN Film Commission.

16. INVESTMENT REVENUE

Interest revenue

Interest income - bank deposit	6,092,582	3,592,586
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17. GOVERNMENT GRANTS AND SUBSIDIES

Department of Sports, Arts and Culture - annual allocation	140,308,000	133,382,000
National Treasury: Compliance Grant	95,000	90,000
MICT-SETA: Mandatory Grant	29,459	34,822
Department of Sports, Arts and Culture - Film Hub	7,438,694	-
MICT-SETA - Scarce skills grant	14,697,200	9,501,800
	162,568,353	143,008,622

The Film Hub income relates to recognition of revenue in respect of amounts received in advance for the refurbishment and development of Film Hub done at the Eastern Cape Film Hub on property leased from ECDC.

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18. EMPLOYEE RELATED COSTS

Basic	18,266,947	16,273,743
13th cheque and performance bonus	1,902,113	2,306,527
Medical aid - company contributions	1,082,416	1,332,956
Unemployment Insurance Fund	62,281	115,419
Skills Development Levy	194,464	183,530
Provident Fund	1,595,830	2,178,864
Leave pay provision charge	757,317	809,605
Cellphone Allowance	220,725	148,800
Trade Union	-	19,760
	24,082,093	23,369,204

Remuneration of executive management

2020	Basic Salary	13th Cheque and Performance Bonus	Allowances	Leave Pay and Other Benefits	Employer Contributions	Total
Chief Executive Officer - S Bokaba (contract ended)	134,380	-	1,500	93,824	-	229,704
Chief Executive Officer - M Khanyile	1,700,000	-	18,000	-	209,886	1,927,886
Chief Financial Officer - M Buthelezi (resigned)	635,739	80,916	5,660	32,856	83,676	838,847
Chief Financial Officer - Z Koyana	750,429	-	3,000	-	36,558	789,987
Head: Production & Development	1,308,000	-	12,000	-	175,350	1,495,350
Head: Production & Development (acting)	-	-	118,884	-	-	118,884
Head: Operations (resigned)	471,305	66,934	4,260	91,520	49,102	683,121
Head: Operations	158,050	13,171	1,450	-	220,992	393,663
	5,157,903	161,021	164,754	218,200	775,564	6,477,442

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18. EMPLOYEE RELATED COSTS (CONTINUED)

2019	Basic Salary	13th Cheque and Performance Bonus	Allowances	Leave Pay and Other Benefits	Employer Contributions	Total
Chief Executive Officer - Z Mkosi (resigned)	251,178	41,863	3,000	112,085	36,626	444,752
Chief Executive Officer - S Bokaba	1,282,263	-	15,000	-	-	1,297,263
Chief Financial Officer - N Madlala	400,000	-	148,742	37,979	-	586,721
Chief Financial Officer - M Buthelezi	1,010,687	56,062	9,000	-	127,431	1,203,180
Head: Marketing & Communication (resigned)	247,632	34,393	2,000	171,906	16,509	472,440
Head: Policy & Research (resigned)	140,399	23,400	1,000	438,351	16,509	619,659
Head: Corporate Services (resigned)	159,630	26,605	1,000	448,468	13,735	649,438
Head: Production & Development	1,225,661	175,663	12,000	-	163,472	1,576,796
Head: Operations	859,634	46,098	7,770	-	97,708	1,011,210
	5,577,084	404,084	199,512	1,208,789	471,990	7,861,459

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.

19. COUNCIL REMUNERATION

Non-Executive Honorarium Council services:

Current Council	Date of appointment		
Mr Phillip Molefe (Chairperson)		147,941	140,117
Ms Zimkhitha Zatu (Deputy Chairperson)		106,199	117,537
Ms Pamela Mashiane (Resigned)		-	103,906
Mr Thabiso Masudubele (Resigned)		-	61,297
Dr Siphelo Ngcwangu		79,373	90,267
Dr Jeremiah Mofokeng		94,961	125,553
Adv Dimakatso Qocha		138,428	148,658
Mr Shadrack Bokaba		75,873	10,479
Ms Zanele Mthembu		51,975	110,826
Mr Kgotso Motsoane		137,544	110,913
Prof Sheila Mmusi	30 April 2019	43,791	-
Mr Richard Nosworthy	30 April 2019	63,030	-
Audit Committee Members	Date of resignation		
Ms Phuthanang Motsielwa		54,396	16,927
Ms Lesego Sennelo (Resigned)	29 July 2019	17,284	17,849
Mr Mochele Noge		40,535	-
Ms Zanele Nkosi		29,480	-
Mr Richard Nosworthy		22,110	-
		1,102,920	1,054,329

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20. AUDITORS REMUNERATION

Audit fees	871,077	720,308
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21. GRANT EXPENSES

Training and bursaries	17,931,885	9,996,330
Development and production of content	42,722,319	45,744,844
Research projects	61,622	365,297
Local and global positioning	25,159,976	39,905,798
	85,875,802	96,012,269

22. GENERAL EXPENSES

Accounting and internal audit fees	1,073,694	1,214,960
Advertising	257,778	399,001
Administration	2,499,060	2,040,116
Computer expenses	1,006,621	924,648
Consulting and professional fees	1,199,076	938,430
Venue and facilities	432,010	417,080
Printing and publications	580,328	364,962
Equipment hire	16,765	12,959
Telephone and fax	199,986	252,989
Training	796,385	691,712
Travel - local	609,431	2,407,112
Property payments	1,008,779	845,445
	9,679,913	10,509,414

23. CASH GENERATED FROM OPERATIONS

Surplus	44,177,623	16,675,021
Adjustments for:		
Depreciation and amortisation	2,234,055	2,701,914
(Decrease) / increase in operating lease	(68,255)	272,310
Increase in employee related provisions	9,793	922,471
Movements in provisions	(1,495,419)	23,877,356
Asset write off	-	127,471
Changes in working capital:		
Receivables from exchange transactions	(721,467)	(1,929,842)
Other receivables from non-exchange transactions	9,566,259	(14,222,341)
Prepayments	(44,593)	(380,913)
Trade and other payables	(6,015,613)	2,599,813
Income received in advance	13,535,867	-
	61,178,250	30,643,260

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24. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance as restated

Add: Fruitless and wasteful expenditure - current period

Add: Fruitless and wasteful expenditure -expenditure relating to previous years discovered in current year

Less: Amount written off - current

Closing balance

-	-
958,164	-
4,068,677	-
-	-
5,026,841	-

Management is investigating the fruitless and wasteful expenditure incurred.

Expenditure identified in the current year include those listed below:

	Disciplinary steps taken		
Services not utilised - Internet services	Expenditure under investigation	23,268	-
Maintenance for platform not in use - The design of digital film Distribution Platform for South African Content	Expenditure under investigation	934,896	-
		958,164	-

Fruitless and wasteful expenditure was incurred on month-to-month contracts for payments made with no services rendered.

Fruitless and wasteful expenditure was on the development of the distribution platform and there was maintenance cost incurred. The platform was not fit for purpose for the NFVF and there was no benefit derived.

Fruitless and wasteful expenditure: expenditure relating to previous years discovered in current year

Maintenance for platform not in use - The design of digital film Distribution Platform for South African Content

Expenditure under investigation

4,068,677	-
4,068,677	-

25. IRREGULAR EXPENDITURE

Opening balance

Add: Irregular expenditure - current

Add: Irregular expenditure relating to previous years discovered in current year

Closing balance

9,591,296	8,508,056
2,366,356	1,083,240
2,872,925	-
14,830,577	9,591,296

Details of irregular expenditure

	Steps taken		
Expired contracts	Procurement process in place to mitigate further irregular expenditure	733,317	-
Expenditure exceeded contract value	Procurement process in place to mitigate further irregular expenditure	1,465,545	-
SCM process not followed	Procurement process in place to mitigate further irregular expenditure	167,494	-
Overall budget overspending	Procurement process in place to mitigate further irregular expenditure	-	1,083,240
		2,366,356	1,083,240

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25. IRREGULAR EXPENDITURE (CONTINUED)

Management is investigating the irregular expenditure incurred.

Irregular expenditure relating to previous years discovered in current year.

	Steps taken		
Expired contracts	Procurement process in place to mitigate further irregular expenditure	207,136	-
Expenditure exceeded contract value	Procurement process in place to mitigate further irregular expenditure	2,665,789	-
		2,872,925	-

26. FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments

2020

Financial assets	Carrying amount	Fair value
Receivables from exchange transactions	2,651,259	2,651,259
Receivables from non-exchange transactions	4,656,132	4,656,132
Cash and cash equivalents	145,450,428	145,450,428
	152,757,819	152,757,819

Financial liabilities	Carrying amount	Fair value
Trade and other payables	1,533,357	1,533,357
Non-current provisions	47,043,267	47,043,267
Current provisions	56,200,012	56,200,012
Income received in advance	14,546,703	14,546,703
Operating lease liability	791,174	791,174
	120,114,513	120,114,513

2019

Financial assets	Carrying amount	Fair value
Receivables from exchange transactions	1,929,842	1,929,842
Receivables from non-exchange transactions	14,222,341	14,222,341
Cash and cash equivalents	94,110,761	94,110,761
	110,262,944	110,262,944

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26. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

Financial liabilities	Carrying amount	Fair value
Trade and other payables	7,548,969	7,548,969
Non-current provisions	47,839,815	47,839,815
Current provisions	56,889,090	56,889,090
Income received in advance	1,010,836	1,010,836
Operating lease liability	859,429	859,429
	114,148,139	114,148,139

27. RISK MANAGEMENT

The Council is responsible for strategic risk-management within the NFVF and tasks the Audit Committee with ensuring effective risk management. The purpose of the NFVF risk-management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk-management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed. The NFVF risk policy sets out the minimum standards of risk management to be adopted and adhered to by all units within the NFVF. The risk-management strategy, which has been reviewed and updated in March 2016, 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.

Management's responsibilities

Management is responsible for the identification, assessment and control of all key risks facing the NFVF, functions and to report on any material changes to the risk profile and any losses incurred as a result thereof. The 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.

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.

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.

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27. RISK MANAGEMENT (CONTINUED)

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:

Within 1 years	145,450,428	94,110,761
1 to 5 years	-	-
	145,450,428	94,110,761

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 amounts invested will result in more interest being earned in investment income in the Statement of 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 estimates to a reasonably possible change in interest rates to cash and cash equivalents, with all other variables held constant, to the Foundation's closing balance

Increase in interest rate of 1%	1,454,504	941,108
Decrease in interest rate of 1 %	(1,454,504)	(941,108)

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. The Foundation has invested any surplus cash with the Corporation for Public Deposits. Foreign exchange rates are monitored and payments made on favourable rates.

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27. RISK MANAGEMENT (CONTINUED)

Exposure to credit risk

Cash and cash equivalents	145,450,428	94,110,761
Receivables from exchange transactions	2,651,259	1,929,842
Receivables from non-exchange transactions	4,656,132	14,222,341

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.

Liquidity risk

The NFVF's risk to liquidity relates to 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 2020.

Financial Assets

	2020 %	2020 Carrying Amount	2019 Carrying Amount
Receivables from exchange transactions			
Current	62 %	2,645,000	1,832,901
30-60 Days	38 %	1,623,860	-
60-90 Days	- %	-	-
Greater 90 days	- %	6,259	248,541
Less: Provision for doubtful debts	- %	(1,623,860)	(151,600)
	100 %	2,651,259	1,929,842

NFVF does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current or prior year.

Financial Liabilities

2020

	Less than 3 months	3 - 6 months	6 - 12 months	Total
Trade and other payables	741,040	792,317	-	1,533,357
	741,040	792,317	-	1,533,357

2019

	Less than 3 months	3 - 6 months	6 - 12 months	Total
Trade and other payables	7,548,969	-	-	7,548,969
	7,548,969	-	-	7,548,969

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28. RELATED PARTIES

Relationships

DAC Executive Authority

Related party balances

Amounts due by related parties

	2020	2019
DAC	456,132	11,422,341

In the prior year, the amounts due to the related parties was disclosed as R11,173,801. The amount was understated by R248,540. The error was corrected retrospectively.

Income in advance from related parties

	2020	2019
DAC	14,546,703	1,010,836

Related party transactions

Amounts received from related parties

	2020	2019
DAC	140,308,000	133,382,000

The NFVF is an agency of the DAC and receives its annual allocation as a grant in order to fulfil its mandate in accordance with the NFVF Act 73 of 1997.

Refer to Note 18 Employee related costs for executive management remuneration.

29. COMMITMENTS

Authorised operational expenditure

Already contracted for

	2020	2019
• Design digital film Distribution Platform for South African Content	-	1,029,981
• Internal Audit Services	222,694	395,668
• Animation Training for High School Learners	-	250,000
• Management of internal and external communications on behalf of NFVF	86,957	1,014,462
• Service provider to provide employee health and wellness service to the NFVF	340,487	-
• Media monitoring	276,128	-
Total	926,266	2,690,111

Total operational commitments

	2020	2019
Already contracted for	926,266	2,690,111

NFVF has a contract with travel management services company. The service provider charges 2.5% management fees based on usage.

30. 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 as it still has future grant support from the shareholder.

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31. SEGMENT REPORTING

Management has considered the GRAP statement on segment reporting requirements and NFVF has not identified any separately reportable segments in its operations.

32. EVENTS AFTER THE REPORTING DATE

The lockdown of the Country by the State President on 26 March 2020 in terms of Section 27(1) of the Disaster Management Act due to the COVID-19 Pandemic had impact on many industries and each department and its entities had to come up with strategies to assist its sector.

The NFVF came up with the initiative of the Relief Fund to support and assist independent freelance practitioners, technical and production crew in the film and television industry who have been affected and infected by the COVID-19 pandemic. The Foundation resolved to approve the support for the industry. The Foundation completed a budget adjustment for 2020/ 2021 and managed to free up R12,000,000. The Foundation made proposal to use an estimated surplus of R28,000,000 as at 31 March 2020 to fund the COVID-19 Relief Fund projects, and the overall total funds that were made available was R40,000,000.

On 27 April 2020 the Foundation approved R40 million to support the identified projects relevant to its mandate.

The appointed company, Golden Nuggets had delays in receiving sponsorship money and that presented a challenge to the event as SAFTAs 14 were to be held in two weeks time (on 27 & 28 March 2020) and they requested R2.6 million to pay for production while awaiting the sponsorship money. The company presented Purchase Orders from potential sponsors that proved that they were approved for the sponsorship money, but were awaiting the payment of the funds at the end of March 2020, which was not a date after the awards. There was addendum to the original contract which was signed to commit that they would repay the funds and the company paid an amount of R1,150,000 of the R2.6 million and the balance of R1,495,000 is still owed and finalisation of this annual report.

33. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Items with a variance above 10% have been explained.

- 33.1 Funds received from MICT-SETA received to fund interns and Bursaries. It is dependant on the SETA approval. The entity received for funds than anticipated.
- 33.2 Funds generated from different source including recoveries, received more than anticipated.
- 33.3 The interest earned depended on the balance at the bank. The bank balance was consistently higher than anticipated due to other receipts and amounts received in advance.
- 33.4 Government grants and subsidies is over budget due amounts recognised as income from the income received in advance which was not budgeted for during the budget process. This amount is only recognised as revenue when all the conditions are met.
- 33.5 Employee cost is under budget due vacancies that were not filled during the year including vacancies at senior management.
- 33.6 This expenditure depended on the Council meetings held and other Council related expenses. Less meeting were held than anticipated.

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33. BUDGET DIFFERENCES (CONTINUED)

- 33.7 There were new assets that were procured during the year that had impact on the planned depreciation.
- 33.8 Debt impairment was not budgeted for, as management did not anticipate any debtors to be impaired during the year. The impaired debtor related to the SABC.
- 33.9 Grants relating to research and policy development, marketing and distribution, of R10,000,000 was not spent, which resulted in underspending. Targets were also not met for festival, SAFTAs and branding as a result of COVID-19.
- 33.10 General expenses are dependant on usage and services required by the organisation. Services such as legal fees, rental of photocopies and the services required were more than anticipated. Insurance services was also under budgeted and more expenditure was incurred on utilities more than anticipated.

34. CONTINGENCIES

There is a labour relations matter between NFVF and the former employee. The case is still pending and NFVF might be taken to the CCMA for the matter. The amount is not yet known at year end.

35. PRIOR PERIOD ERRORS

Trade and other payables

While preparing financial statements of the organisation for the period ended 31 March 2020, it was noticed that there were expenses that were omitted in last year's accounts in respect of various operating expenses. This resulted in the understatement of creditors and expenses in the year ending 31 March 2019. The error was corrected retrospectively.

Council remuneration

It was discovered that council remuneration in the prior year was understated. One of the council member's fees were not settled in the prior year and no accrual was raised. This resulted in council remuneration and accruals being understated. The error was corrected retrospectively.

Property, plant and equipment

In the prior year, the depreciation on certain items of property, plant and equipment was not accurately recognised. This resulted in depreciation expense being understated and property, plant and equipment being understated. The error was corrected retrospectively.

Receivables from exchange transactions

Income from MICT-SETA was not recognised in the prior year. This resulted in income and receivables from exchange transactions being understated in the prior year. The error was corrected retrospectively.

Intangible assets, amortisation expense and trade and other payables

Certain items of intangible assets were recognised as assets in the current year. These items met the recognition criteria for intangible assets in the previous year and were therefore supposed to be included in intangible assets in the previous year. As a result, no amortisation expense was recognised in the previous year. This resulted in intangible assets, amortisation expense and payables being understated in the previous year. The error was corrected retrospectively.

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35. PRIOR PERIOD ERRORS (CONTINUED)

Provisions

In the 2017 financial year, certain provisions were not recognised. This resulted in provisions and grant expenses being understated in the 2017. The error was corrected retrospectively against the opening accumulated surplus and the provisions.

Statement of financial position

Increase in trade and other payables	-	2,879,239
Decrease in property, plant and equipment	-	45,604
Increase in receivables from non exchange transactions	-	(2,800,000)
Increase in intangible assets	-	(25,395)
Increase in provisions	-	7,500,000
Decrease in opening accumulated surplus	-	7,599,448

Statement of financial performance

Increase in rendering of services	-	(2,900,000)
Decrease in employee related costs	-	(8,000)
Increase in depreciation and amortisation	-	51,209
Increase in grant expenses	-	2,282,521
Increase in council remuneration	-	87,175

General expenses

Increase in administration	-	43,354
Decrease in computer expenses	-	(4,840)
Increase in consulting and professional fees	-	10,563
Decrease in venue and facilities	-	(6,128)
Decrease in printing and publications	-	(85,295)
Decrease in telephone and fax	-	(5,985)
Increase in travel - local	-	634,876
Decrease in profit for the year	-	99,450

36. COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

Receivables from non-exchange transactions were previously included in trade receivables. The comparatives for receivables from non-exchange transactions are disclosed separately in line with the disclosure requirements of GRAP.

The 13th cheque accrual was previously included in provisions. The 13th cheque is guaranteed and therefore the amount is recognised as an accrual and included in trade payables. The comparatives for provisions were adjusted to reflect this reclassification.

The MICT-SETA grant for scarce skills was included previously disclosed as revenue from exchange transactions. This resulted in revenue from non-exchange being understated and revenue from exchange transactions being overstated. In the current year this grant was reclassified to revenue from non exchange transactions. The comparatives for revenue were adjusted to reflect this reclassification.

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36. COMPARATIVE FIGURES (CONTINUED)

Certain general expenses were included in administration costs in the previous year. In the current year, general expenses are disclosed separately in line with the disclosure requirements of GRAP. This resulted in comparative figures being reallocated in order to reflect this reclassification.

Statement of financial position

2019

		As previously reported	Correction of error	Reclassification	Restated
Provisions - current	11	(49,715,293)	(7,500,000)	326,203	(56,889,090)
Trade and other payables	10	(4,343,527)	(2,879,239)	(326,203)	(7,548,969)
Receivables from exchange transactions	4	13,352,183	-	(11,422,341)	1,929,842
Receivables from non-exchange transactions	5	-	2,800,000	11,422,341	14,222,341
		(40,706,637)	(7,579,239)	-	(48,285,876)

Statement of financial performance

2019

	As previously reported	Correction of error	Reclassification	Restated
Services rendered	15,523,144	100,000	(6,701,800)	8,921,344
Government grants and subsidies	133,506,822	2,800,000	6,701,800	143,008,622
Debt impairment	-	-	(651,650)	(651,650)
Auditors remuneration	-	-	(720,308)	(720,308)
General expenditure	-	-	720,308	720,308
General expenses				
Accounting and internal audit fees	(585,428)	-	(629,532)	(1,214,960)
Administration	(5,485,933)	(43,354)	3,489,171	(2,040,116)
Advertising	(70,783)	-	(328,218)	(399,001)
Computer expenses	(929,488)	4,840	-	(924,648)
Consulting and professional fees	(504,932)	(10,563)	(422,935)	(938,430)
Printing and publications	(194,372)	85,295	(255,885)	(364,962)
Property payments	(486,951)	-	(358,494)	(845,445)
Telephone and fax	(118,201)	5,985	(140,773)	(252,989)
Training	-	-	(691,712)	(691,712)
Travel - local	(1,766,770)	(634,876)	(5,466)	(2,407,112)
Venue and facilities	(418,702)	6,128	(4,506)	(417,080)
	138,468,406	2,313,455	-	140,781,861

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37. COMPLIANCE WITH SECTION 16(2) OF THE NFVF ACT 73 OF 1997

	2019/2020	2018/2019
Total budget	140,308,000	133,382,000
Grant allocation (75%)	105,231,000	100,035,600
Operations allocation (25%)	35,077,000	33,346,400
Total budget	140,308,000	133,382,000

Actual budget of NFVF as per the decision of the Foundation to assess the 75/25 which was approved to be increased to 70/30.

Revenue	Budget	Actual	Variance
Grant budget allocation	140,308,000	140,308,000	-
Budgeted interest	3,600,000	6,092,582	2,492,582
	143,908,000	146,400,582	2,492,582

Allocations

Skills development and training	13,000,000	17,931,885	(4,931,885)	-38% (a)
Development and production of content	49,770,000	42,722,319	7,047,681	14% (b)
Research and policy development	2,896,000	61,622	2,834,378	98% (c)
Marketing and distribution	32,550,000	25,159,976	7,390,024	23% (d)
70% allocation	98,216,000	85,875,802	12,340,198	6%
30% Operations allocation				
Operations expenses fund from grants	42,092,000	36,477,250	5,614,750	13% (e)
Interest allocation	3,600,000	6,092,582	(2,492,582)	-69% (f)
Total actual operations expenses	45,692,000	42,569,832	3,122,168	
	143,908,000	128,445,634		

Analysis of the 75/25 versus the approved budget of 70/30

Annual budget	Grant expenditure	Operations expenditure	
Allocation at 75/25	105,231,000	35,077,000	140,308,000
Allocation at 70/30	98,216,000	42,092,000	140,308,000
	(7,015,000)	7,015,000	-

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37. COMPLIANCE WITH SECTION 16(2) OF THE NFVF ACT 73 OF 1997 (CONTINUED)

**Actual grant expenditure and operations as %
spent against total budget**

Grant expenditure (Actual)	85,875,802	61% (g)
Operations expenditure (Actual)	36,477,250	26% (h)
	<u>122,353,052</u>	

- (a) Overspending finance from the MICT-SETA grants.
- (b) The production and development was fully awarded and the actual was based on the funding amount approved.
- (c) There was under performance as two research projects were not done.
- (d) Contribution to the unspent funds is the over budget in marketing and distribution, but also targets not met for festivals, SAFTAs and branding.
- (e) The operations expenditure had underspending in some areas including salaries due to vacancies at senior management.
- (f) More interest collected dependent on the bank balance.
- (g) There is unspent R10 million in grants relating to research and policy development and marketing and distribution as targets were not met. The targets were over achieved in the training and bursaries and on the production and development, however overall net result was underspending. There were also delays in grant payout as that depended on the achievement of the milestones as NFVF does not pay without deliverables from beneficiaries.
- (h) The operations actual was over by 1% above the legislated 25%, but it was lower than the NFVF approved budget of 30% which was meant to address financial pressures.



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