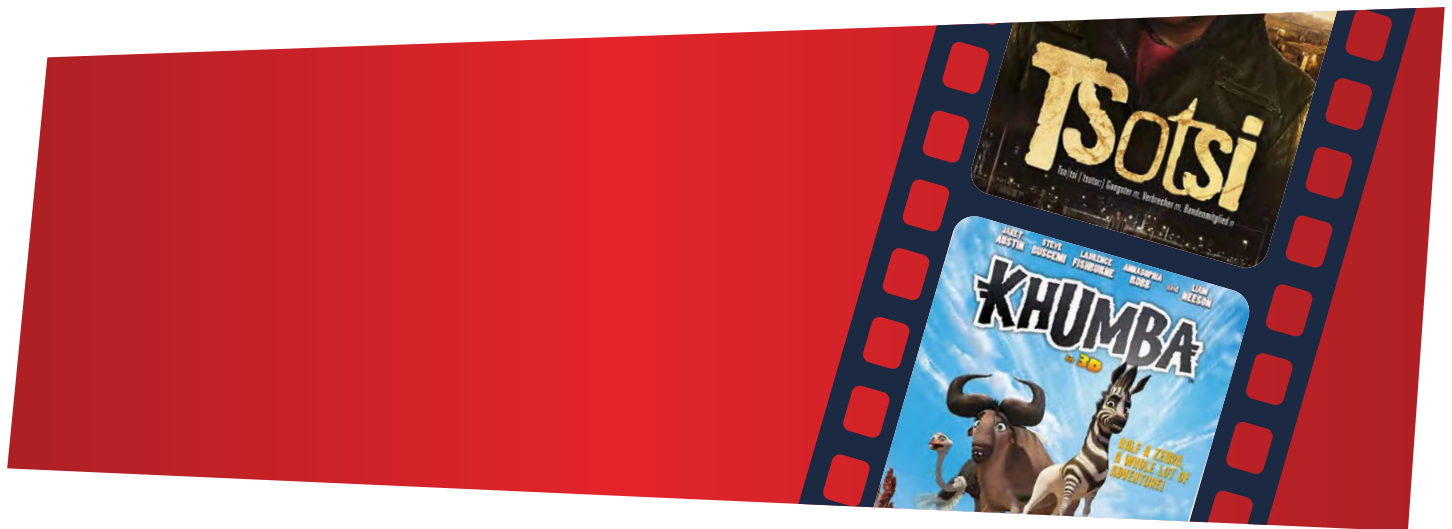




# ANNUAL REPORT

2022 / 2023



#LoveSAFilm



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





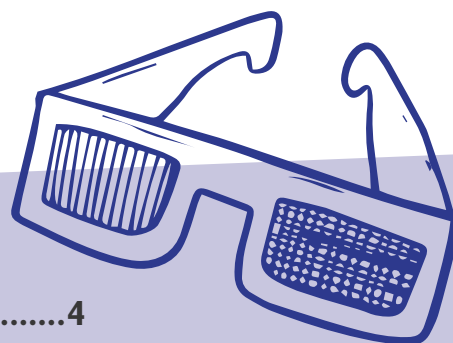
**national film and video foundation**  
SOUTH AFRICA  
an agency of the Department of Sport, Arts and Culture

# NATIONAL FILM AND VIDEO FOUNDATION

# 2022/23 Annual Report



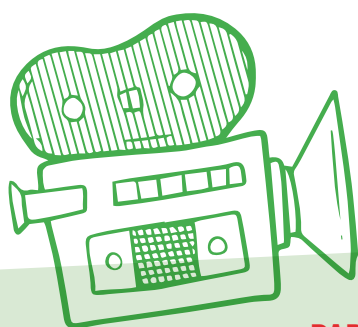
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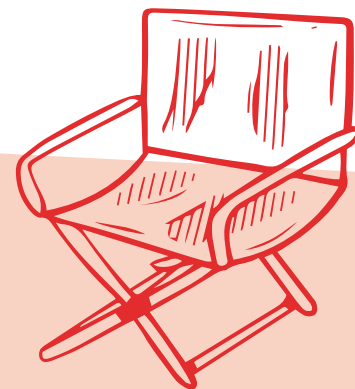
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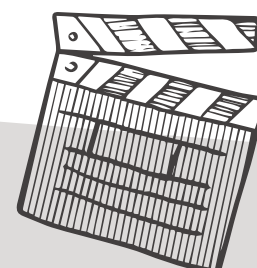
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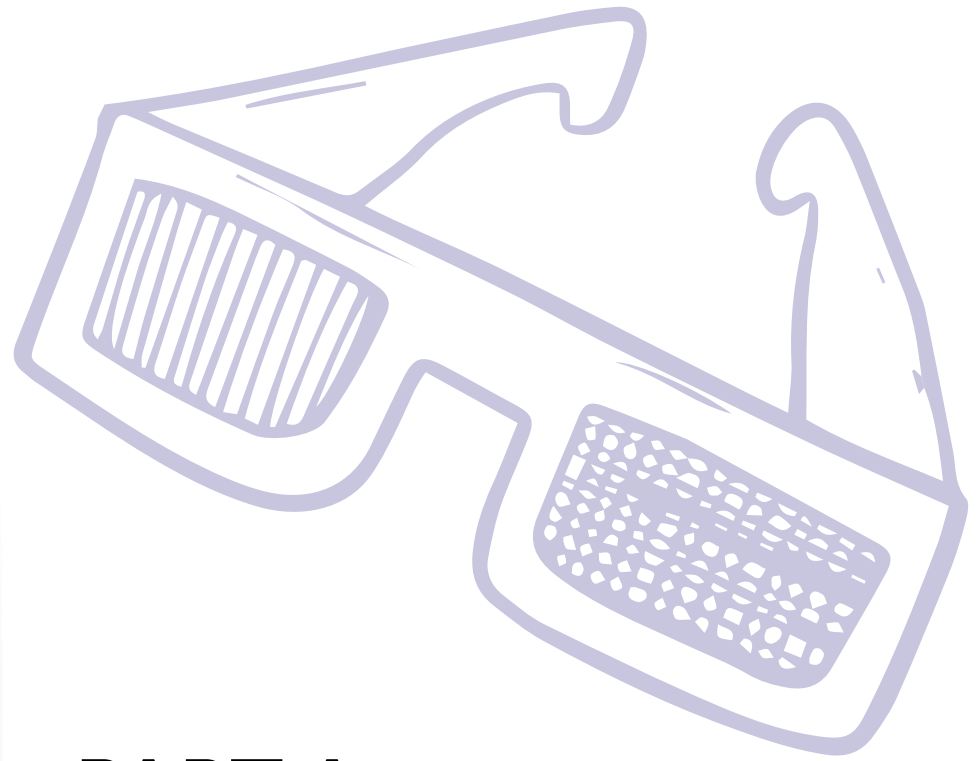


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# PART A

# GENERAL

# INFORMATION



PART A



PART B



PART C



PART D



PART E

# I. GENERAL INFORMATION

<b>REGISTERED NAME:</b>	National Film and Video Foundation
<b>REGISTRATION NUMBER (if applicable):</b>	Act 73 of 1997
<b>PHYSICAL ADDRESS:</b>	87 Central Street Houghton 2198
<b>POSTAL ADDRESS:</b>	Private Bag X04 Northlands 2116
<b>TELEPHONE NUMBER/S:</b>	+27 11 483 0880
<b>FAX NUMBER:</b>	+27 11 483 0881
<b>EMAIL ADDRESS:</b>	info@nfvf.co.za
<b>WEBSITE ADDRESS:</b>	www.nfvf.co.za
<b>EXTERNAL AUDITORS:</b>	Auditor-General
<b>BANKERS:</b>	First National Bank
<b>COMPANY/BOARD SECRETARY:</b>	Ms. Lindeka Moeng



## 2. ABBREVIATIONS/ACCRONYMS

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



### 3. Foreword by the Chairperson

**MS. THOLOANA NCHEKE**

#### Introduction

On behalf of the NFVF Council, it is my pleasure to present our 2022/23 Annual Report. As we look into the future, post-pandemic, the NFVF anticipates tremendous activity within the filming industry. The sector has transformed in numerous ways, from more integrated digital experiences to prioritising other platforms and features across purchasing decisions. Whilst there have been numerous challenges facing both the industry and the NFVF over the last 3 years, COVID-19 certainly was the largest and the most complex. In order to continue supporting the industry despite production having been staggered particularly at the peak of the pandemic, the NFVF made additional funding available for the development and production of projects as well as screenings of productions. By investing in development at this stage, we hoped to ensure a strong pipeline of projects moving into production once the COVID-19 restrictions were lifted. The Government's subsequent support through the Presidential Economic Stimulus Programme (PESP) was welcomed and the number of projects applied under PESP underlined the important role this development support played.

#### Presidential Economic Stimulus Programme (PESP)

The Presidency introduced an employment stimulus programme for the sector, and the NFVF was one of the vehicles used to disburse the funds. As new the Council, we joined the management team as they continued to implement the rollout of PESP3 and plan PESP4. I am immensely proud that as the Council, we managed to provide guidance and leadership for the successful implementation of PESP3. Targets envisioned by our shareholder; the Department of Sport, Arts and Culture (DSAC), were exceeded. The main highlights for PESP3 included a notable increase in the number of applications received, which can be attributed to a robust marketing and public awareness strategy that included roadshows across all provinces and partnerships with media houses. We also managed to successfully implement the 3-Tier Funding Model. The overall targeted number of jobs (a target of 9 000 jobs) that PESP3 projects were supposed to achieve were exceeded. To date, a total of 10 358 jobs have been created across all three streams. This exceeds the 8 101 jobs created in PESP1, even though PESP1 had four streams.



*“The NFVF achieved over 90% of its targets in the past three years. Our success is only possible with the support of our stakeholders”*

PESP3 implementation will end in December 2023 and additional jobs will be created in the next few months.

With, we plan to build on the gains from PESP3 by ensuring that there is continued focus on underserved provinces whilst also increasing emphasis on other key PESP indicators, namely race, gender, disability, and supporting youth-led projects. By finessing the implementation strategy used in PESP3 and incorporating lessons learnt from PESP3, we refined the application and evaluation criteria for tier 3, thus aligning the entry-level standard. We appointed more Panel members in PESP4 as this was one element that gave us challenges in PESP3. Terms of Reference were updated to also ensure continued alignment with the NFVF Act and mandated the NFVF to appoint a pool of experts to assist with the volume of applications. We introduced funding caps across all three streams and incorporated a separate cap for post-production. A stipend guideline was introduced for stream 2 to mitigate the exploitation of learners. The implementation periods for streams 2 & 3 were extended from three months to six months, to afford beneficiaries more time to implement their projects, as this was one of the other areas that proved to be a challenge in PESP1 & PESP3. As the Council, we took a decision that Panel members will not be allowed to adjudicate in the streams that they applied for grant funding. This is meant to safeguard the integrity of the deliberations and manage conflicts of interest.

## **Governance**

We are committed to ensuring that our governance structures remain efficient through effective compliance, monitoring and evaluation, and we remain continuously fighting against fraud and corruption. The Council therefore remains committed to the implementation of an appropriate corporate governance framework, guided by the prescripts of the NFVF Act, Public Finance Management Act, Treasury Regulations, and sound governance principles.

As outlined in the Acting Chief Executive Officer's report, the NFVF pursued its mandate in a range of ways. Over the last three years, we have sought to amplify our impact;

and so, I'm particularly pleased to report that the NFVF achieved over 90% of its targets in the past three years. I am also proud that NFVF together with the NFVF Council achieved two successive unqualified opinions which reflects our collective dedication to ensuring good governance, compliance and cultivating a high-performance culture.

Our success is only possible with the support of our stakeholders, and I would like to thank former Minister of Sport, Arts and Culture, the Honourable Minister Nathi Mthethwa, who championed the work of the film industry and ensured that the creative sector stays afloat throughout the pandemic. In the same breath, on behalf of the NFVF Council, I would like to welcome our new Minister of Sport, Arts and Culture, the Honourable Minister Zizi Kodwa MP.

## **Acknowledgements**

To our primary stakeholders — filmmakers, broadcasters, federations, and the industry at large, I would like to acknowledge your resilience and tenacity. You took a battering over the last three years, but the pandemic reminded all of us how fortunate we are to have so much creative talent in this country, and how much we missed it when we could not visit cinemas, theatres, and other live entertainment events.

I must also acknowledge the NFVF Council and the NFVF staff. The NFVF staff are a knowledgeable, experienced group of people whose combined expertise makes them a force to be reckoned with. I would also like to acknowledge Ms. Makhosazana Khanyile during her time as the Chief Executive Officer, particularly in building strong relationships across the sector and representing the NFVF in various forums and platforms. I wish her all the best in all her future endeavours.



**Ms. Tholoana Ncheke**  
NFVF Chairperson



## 4. Chief Executive Officer's overview

**MS. THOBELA MAYINJE**

### Introduction

The 2022/23 financial year proved to be a year that tested our true resilience and determination in recovering and striving for excellence, amidst the previous years of an unprecedented global pandemic that created very challenging conditions across the film industry value chain. Our business continuity plans were put to the test, and I am proud to say that we have weathered the storm and emerged stronger, continuing to pursue operational excellence and following through our long-term growth strategies as envisaged in the Vision 2030 plan.

As we navigate a new normal, there is still much uncertainty that lies ahead. With the tenacity that our film industry has shown and solid foundations of our vision, mission, and shared values, I am confident that the NFVF will be able to handle any challenge the future may bring.

### NFVF's Auditor-General Audit Outcome

The 2022/23 financial year audit process by the Auditor-General of South Africa (AGSA) yielded a better outcome than the previous financial year. In this regard, we communicated with our shareholder and all stakeholders on the steps to be taken to ensure that we keep improving on our performance as an organisation. With the help of an external service provider and inclusive of the NFVF staff, the NFVF Grant Schedule Provisions and Commitments have been prioritised to ensure the schedule is free from misstatements.

### 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 the public sector legislation. During the year under review, the NFVF ensured the following:

*“We have weathered the storm and emerged stronger, continuing to pursue operational excellence and following through our long-term growth strategies”*

- 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;
- Efficient NFVF office that successfully meets and responds to the needs of its various stakeholders; and
- An administration system that ensured productivity and quality service delivery to filmmakers, shareholders, and other relevant partners.

We look forward to the outcomes of the Auditor-General's findings in steering the organisation in the right compliance direction and ensuring a strengthened governance control.

## **Gender-Based Violence and Gender Equality within the Film Industry**

In ensuring the industry's equitable growth, the NFVF ensures that this is reflected in interventions that promote gender equity in the interests of driving social cohesion in the sector. The importance of promoting gender equity is most pronounced in interventions that address Gender-Based Violence (GBV) of any shape or form towards anyone, especially vulnerable groups such as women, children, the LGBTQIA++ community, and the elderly, among others.

Every year, South Africa brings awareness to GBV and Gender-Based Violence and Femicide (GBVF) related issues through the 16 Days of Activism Campaign. This is a global campaign aimed at fighting violence against women and children. The campaign raises awareness on the impact of violence and abuse while trying to rid society of abuse permanently.

As the fight against GBV and GBVF headlines all platforms around the world, the NFVF was posed with a challenge on how they could make a difference in tackling this human injustice and recognise that gender-based violence in South Africa is an ongoing and visible crisis, especially in the industry it serves. The theme for the 16 Days of Activism Campaign for 2022 was: "Socio Economic Rights and Empowerment to build Women's Resilience against Gender Based Violence and Femicide: Connect, Collaborate, Contract!"

The NFVF hosted an event in support of Sisters Working in Film and Television (SWIFT) launch of the Safety Contact Officers (SCO) programme in December 2022. The SCO Programme is an initiative that is aimed at creating safe spaces on SA Film and TV sets.

The 16 Days of Activism Against GBV event was an ideal platform for the NFVF and SWIFT to give an update to the industry on the SCO programme, the challenges and plans going for the future. The NFVF hosted and participated in events to bring awareness about GBV while trying to find solutions for this epidemic driven through the film industry.

## **Partnerships**

During the year under review, the NFVF secured a number of key partnerships, all in aid of the industry.

Below are some of the partnerships that the NFVF secured:

### ***Media, Information, Communication and Technology SETA (MICT SETA)***

The NFVF's partnership with the MICT SETA continued and saw the implementation of internship programmes that placed more graduate interns at various broadcasters, film commissions and production companies.

### ***Sheer Publishing Africa***

The NFVF entered into a partnership with Sheer Publishing Africa with the aim of uplifting and improving the knowledge, education and understanding of music licensing processes, tools, and production quality for NFVF beneficiaries and the industry at large. Sheer Publishing Africa will play an advisory role to the NFVF, specifically as it relates to music licensing, industry insights and statistics. Sheer and NFVF will also, by mutual agreement, deliver joint masterclass sessions at various events if they will lead to the advancement of each party's organisational pillars, through the fulfilment of the partnership agreement.



## Significant Achievements /Highlights

Despite the hardships endured because of the ongoing global pandemic, there were milestones achieved. While the year's successes are detailed under "programme reporting", I would like to highlight a few achievements:

The 2022/2023 financial year brought about opportunities for collaboration and strategic partnerships with organisations that have similar objectives to the foundation:

- The NFVF collaborated with streaming service Netflix and Indigenous Film Distribution to support the production of six micro-budget feature films from predominantly emerging producers and directors in 2022. The films are in different stages production set to be launched on the streaming service in the latter part of 2023.
- The NFVF and Netherlands Film Fund (NFF) launched the second year of the Thuthuka Co-development Fund to promote co-operation between South Africa and the Netherlands. Under this joint scheme, feature film projects will be co-developed between creatives from both territories to produce an original script.
- The NFVF supported the second Presidential Employment Stimulus Programme (PESP) successfully.
- The NFVF is currently facilitating and managing a project by the Department of Sports Arts and Culture (DSAC), which aims to shine a spotlight on unsung community heroes through the production of short documentaries emanating from each of the nine provinces for a second year.
- Canon has been onboarded as an equipment sponsor for NFVF's Female and Youth Filmmaker Project.

### *The Durban FilmMart (DFM)*

During the COVID-19 pandemic and national lockdown restrictions the Durban Film Mart took the form of a hybrid event, with sessions and panels taking place online and physically at Elangeni Hotel in Durban.

The 2022 programme focused on the evolution within the industry, the game changers working to bring inclusivity and access and the new spaces driving content creation. With Africa and the African Diaspora at the heart of the industry programme, DFM took steps in delivering an in-depth and dynamic programme featuring professionals from the mainstream, established independents, emerging alternative filmmakers who continue to disrupt the status quo with their work.

The NFVF hosted a masterclass on Marketing and Distribution, participated in a number of panel sessions under the following topics:

- State of The South African Audio-Visual Industry
- SA in Focus — Animation Round Table
- The Presidential Economic Stimulus Programme

Under the Durban International Film Festival, the NFVF hosted a number of sessions:

- The industry Transformation report session, which unpacked the findings identified
- FPB Regulatory Framework hosted in partnership with the NFVF on the Films and Publications Amendment Regulations
- Meet the funders — Presentation of the NFVF funding opportunities and how to apply for funding.



## Highlights of the 2022/2023 Financial Year

### Non-fiction Achievements:

**Azania Rises** - Featurette project that culminated in the work winning the award for best Animation at the Accra Indie Filmfest 2022.



Azania Rises Featurette has been selected for screening at the 4th Accra Indie Film Festival in Ghana.

**Dorpie**, premiered at the International Documentary Film Festival Amsterdam in November 2022 and received an invitation for the German premiere of the film at DOK.Fest Munich in 2023.

**True Patriot**, was screened at the Rapid Lion Johannesburg International Film Festival – Sunday, 5 March.

**Milisuthando**, - The film premiered in the US at the 2023 edition of the Sundance Film Festival.

### Fiction Achievements:

**District Six**, directed by Weaam Williams is on Amazon Prime.

**Four Walls**, directed by **Kgosana Monchusi** and **Juvaís Dunn** received their international stamp of approval with festival selections at NEIFF 2022 and BUEIFF 2023.

Four Walls actress **Enhle Mbali** won a best actress award for her role in the film at the **Screen ATX Film Festival**.

**Runs in the Family**, directed by Ian Gabriel premieres in Toronto at Inside Out Film Festival 2023.

**Hyperlink**, an anthology produced by Brown Flamingo Films, was selected and screened at the New York African Film Festival 2023.

**Father's Day**, directed by Tumelo Lekena has been nominated for Ignite Film festival for the best Youth Actor Award.

## The Year Ahead

The previous financial years including 2022/23 financial year, tested NFVF agility, relevance, and character like no other years before. In this regard, both the film industry and audiences faced many changes. The changes brought by COVID-19, which include digital disruption and generally dire economic conditions, will have far-reaching consequences not just for the year ahead but for many years to come globally.

### We Reimagined Our Working Model and Lived Our Values

In the midst of the pandemic in the previous financial years, the NFVF reimagined its working model, completing the internal administrative business transformation which ended with the approval of the remote working policy and in the process NFVF adopting a hybrid working model.

When these organisation changes were implemented, all NFVF employees at every level were coached and empowered to be innovation, accelerate risk-taking and discovery, and fully leverage our technology capabilities. With those perpetual changes and continuous threat, NFVF employees responded to new reality with care for the industry, with speed and agility in their work.

The pages that follow, in this Annual Report narrate how the NFVF rallied behind and tried to assist the film industry. It also features some of the NFVF highlights achieved during the year under review in accordance with our Shareholder's Compact.

## Acknowledgements/Appreciation

My deep appreciation goes to all the filmmakers, broadcasters, sponsors, partners and all stakeholders, without whom we could not have come this far. I would like to acknowledge the dedicated staff of the NFVF who use their skills so diligently towards the success of our mandate. We also remain reassured of support from our Council. Their exemplary leadership continues to be a guiding light to myself, the leadership and staff of this organisation towards our vision and mission.

A handwritten signature in black ink, appearing to read "Thobela Mayinje". The signature is written in a cursive style and is positioned above a horizontal line.

**Ms. Thobela Mayinje**

Acting - Chief Executive Officer

## 5. Statement of responsibility and confirmation of accuracy for the annual report

To the best of our knowledge and belief, we 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.

Yours faithfully



---

**Ms. Thobela Mayinje**  
Acting-Chief Executive Officer  
National Film and Video Foundation

31 March 2023

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and 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 2023.



---

**Ms. Tholoana Ncheke**  
Chairperson of NFVF Council  
National Film and Video Foundation

31 March 2023

## 6. STRATEGIC OVERVIEW

### 6.1 VISION

A South African agency enabling a transformed, diversified and sustainable creative media industry.

### 6.2 MISSION

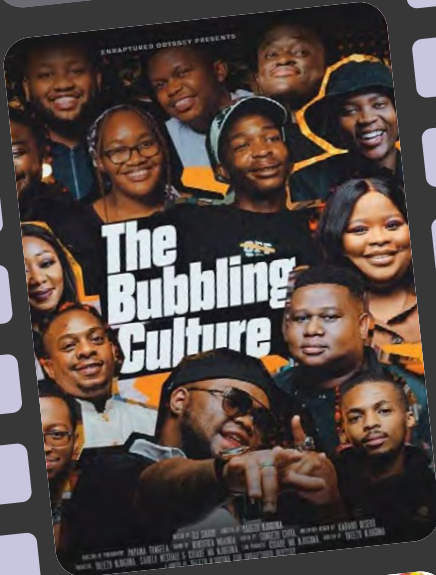
Driving industry growth by providing funding solutions, policy interventions, industry research and skills development initiatives. Serving as a gateway for collaborations amongst South Africans and the rest of the world.

### 6.3 VALUES

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

### 6.4 STRATEGIC OUTCOME ORIENTATED GOALS

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



THOHYANDOU	POLOKWANE	GIVANI	TZANEEN
LIBRARY HALL	LIBRARY GARDENS	NU METRO	MINITZANEEN
JUNE 18 - 25	JULY 02	JULY 02	JULY 09

SCREENING TIMES

## 7. LEGISLATIVE AND OTHER MANDATES

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

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

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



# 8. ORGANISATIONAL STRUCTURE



ACTING CHIEF EXECUTIVE OFFICER  
**Ms. Thobela Mayinje**



HEAD: INDUSTRY DEVELOPMENT & PROMOTIONS  
**Ms Yolanda Ncokotwana**



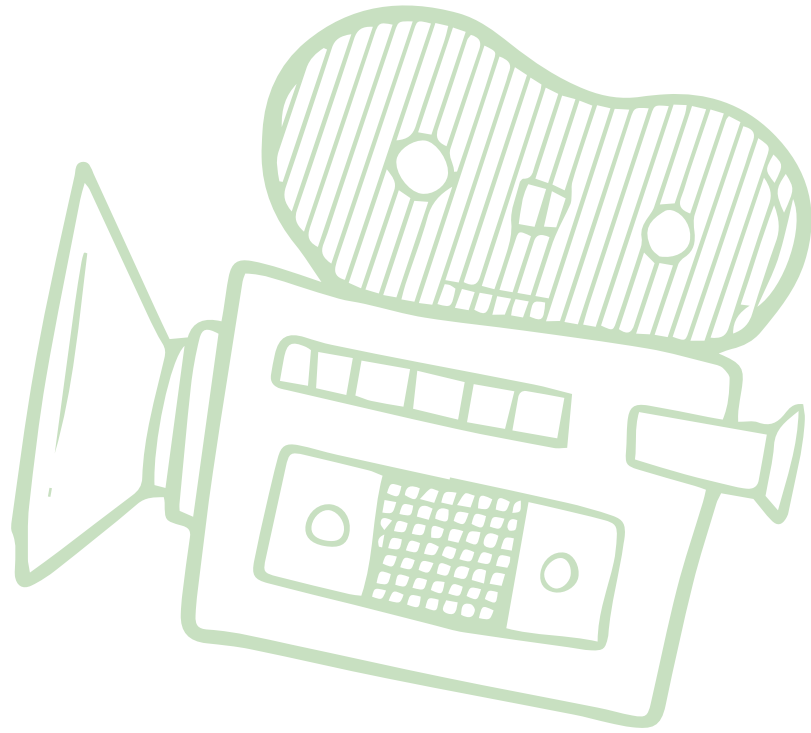
HEAD OF HUMAN RESOURCES  
**Ms. Thobela Mayinje**



HEAD: OPERATIONS  
**Ms Onke Dumeko**



CHIEF FINANCIAL OFFICER  
**Mr Peter Mkaneta**



# **PART B**

# **PERFORMANCE**

# **INFORMATION**



PART A



PART B



PART C



PART D



PART E

# I. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

## STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

As the Acting-Chief Executive Officer of the NFVF, I am responsible for the preparation of the Public Entity's performance information and for the judgements made in this information.

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 2023.

The NFVF performance information for the year ended 31 March 2023 has been examined by the external auditors and their report is presented on page 68.

The performance information of the entity set out on page 20 to page 51 was approved by the Council.



**Ms. Thobela Mayinje**  
Acting - Chief Executive Officer  
National Film and Video Foundation  
31 March 2023

## 2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 68 of the Annual Report (Auditor's Report), published in Part E: Financial Information

# 3. SITUATIONAL ANALYSIS

## Service Delivery Environment

Production and development of content is at the core of the work the NFVF engages in – it is where the mandate of the organisation is most clearly fulfilled by providing the film industry with critical financial support and technical expertise to take a film project from an idea to a product that can be screened.

Despite all the disruptions that came with the pandemic over the past two financial years, the NFVF remained remarkably focused on its mission of supporting and promoting the South African film industry. The NFVF swiftly adapted to the new reality by shifting its operations to a remote working model and leveraging digital platforms for various programs, workshops, and forums. By doing so, they not only ensured uninterrupted communication with stakeholders but also provided valuable opportunities for filmmakers to connect, collaborate, and share knowledge. The NFVF programmes also afforded opportunities to the previously marginalised and disadvantaged individuals to participate in the film and video industry.

The South African local film and television industry was impacted by the pandemic even in the financial year under review, with service delivery compromised as several productions were halted and some cinemas shut down, impacting distribution channels for the industry. To support the industry, the NFVF made some changes to some aspects of the Funding Policy to provide practical support to the industry.

Improved intergovernmental relations and subsequent strategic alignment in the implementation of programmes, created a collaborative service delivery environment which led to greater efficiencies for our various stakeholders. The NFVF further partnered with a number of national and international entities creating opportunities for South African filmmakers and opening up platforms for emerging black filmmakers. These include the partnership with the MICT SETA to roll out internship for recently graduated learners wanting to acquire workplace experience.

## Organisational Environment

The NFVF continues to operate under a myriad of challenges and constraints, especially but not exclusively, over extended staff, a fragmented industry and a shortage of funding. We continue to stretch ourselves to find ways to creatively utilise the limited resources at our disposal. The year under review saw the implementation of the job alignment process to all departments to ensure we optimise the existing resources.

Hopefully this alleviates some of the resource challenges identified. The 360-performance management system is still at its optimum and both employees and management have seen value in the performance system which takes into consideration the employee score and the overall organisation performance. As a result of the performance review, training needs were identified and executed.

## Key Policy Developments and Legislative Changes

There have been several 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.

## Strategic Goals

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

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

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

## Develop appropriate policy interventions for the industry

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. Often feedback is received from the industry, NFVF staff, internal audit, Council committees and the NFVF's panel members.

### *Increase number of South African films produced and PDIs producing them*

The production and development values have improved even though there is still limited funding sources available 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 documentary, fiction which included animation, female and youth filmmaker project. The NFVF continues to create opportunities and open the co-production platform for emerging black filmmakers by sourcing additional production funding (incentives) outside existing co-production treaties.

### *Promote the South African film industry locally and internationally*

The role of Marketing and Communications within the NFVF has grown in importance and focuses on the broad Marketing and Communications strategy of the NFVF. Furthermore, our objective is to create appetite for South Africans to watch local films and create awareness and the appreciation of South African produced films. We have seen the success at the box office of the many films produced by black filmmakers and funded through the NFVF's Marketing and Distribution.

This period has seen the implementation of the NFVF's global positioning strategy and effective promotion of South African films, the South African Film Industry, and the NFVF brand both locally and globally under the positioning statement of "#love SA film".

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

1. Opening 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. 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 roadshows 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 roadshows and activations at various festivals around the country.

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

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

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

# 4. PERFORMANCE INFORMATION BY PROGRAMME

## 4.1 PROGRAMME I: PRODUCTION AND DEVELOPMENT OF CONTENT

### Programme Description

#### Purpose of programme

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

of the film industry, the quality of films is also important to ensure widespread distribution and a loyal market. Feature films, documentaries, short films, and television concepts are all considered for development and production funding. Financial support also allows for diversity in the film industry so that filmmakers who would typically be unable to raise financing for their projects are not side-lined. The NFVF therefore can focus on creating a more equitable industry.

Strategic objectives related to production and development of content:

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





## Programme Performance Report

Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Production and Development of Content</b>							
<b>To provide funding for content development</b>	Commercially viable South African content development opportunities are identified and funded by the NFFV	Target the number of projects funded in development of South African content.	62 projects funded in development N/A	35 projects funded in development 5 animation development projects	56 projects funded in development 9 animation development projects funded	A deviation of 21 projects funded - Achieved A deviation of 4 animation projects funded - Achieved	When the APP for 2022/23 was finalised, Covid-19 regulations were still in place hence the target was lower; however, when regulations were relaxed there was a high demand for funding but also the NFFV funding policy with lower funding caps was still in place and therefore NFFV could fund more projects.
		Target the number of projects funded in production of South African content.	38 projects funded in production N/A	20 projects funded in production 5 animation production projects	38 projects funded in production 4 animation projects funded in production	A deviation of 18 projects funded - Achieved Not Achieved	When the APP for 2022/23 was finalised, Covid-19 regulations were still in place hence the target was lower; however, when regulations were relaxed there was a high demand for funding but also the NFFV funding policy with lower funding caps was still in place and therefore NFFV could fund more projects. Although there was an approval from Council that took place in March 2023 for other animation projects, however, the contracting process could not take place on time for the target to be categorised as achieved. In future the management will ensure that the timing does not compromise deliverables.
<b>Establish and maintain strategic partnerships with distribution platforms</b>	Number of initiated and maintained partnerships with distribution platforms	Initiate strategic partnerships with distribution platforms	N/A	Establish and maintain 4 strategic partnerships with distribution platforms	4 strategic partnerships with distribution platforms established and maintained	Achieved	N/A

Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations			
<b>Production and Development of Content</b>										
<b>Content development opportunities that enable social cohesion, nation building and transformation are identified and supported with funding.</b>	The NPFV establishes its own fund & seeks funding from partners & other industry stakeholders	Number of projects funded in development and projects in production that address historical imbalances and transformation.	Award female filmmaker project	Fund 1st year female filmmaker project	Funded 1st year female filmmaker project	Achieved	N/A			
			Award first time / youth filmmaker project	Fund 1st year new first time / youth filmmaker project	Funded 1st year youth filmmaker project	Achieved	N/A			
			Funded 2nd year of fiction slates	Fund the 3rd year of fiction slates	Funded 3rd year fiction Slate	Achieved	N/A			
			Award 1 animation Slate funded	Fund 1st year animation slate	Funded 1st year animation slate	Achieved	N/A			
			Funded 1st year documentary slate	Fund 2nd year documentary slate	Funded 2nd year documentary slate	Achieved	N/A			
			Funded 4 annual documentaries special projects	Fund 2 documentary special projects per annum	Funded 2 special documentaries	Achieved	N/A			
			0 potential partners for the film fund were secured	Secure 3 partners for the NPFV	0 partners secured for the film fund	Not Achieved	In order to give effect towards the implementation of the Film Fund, Council directed management to have further engagements with DSAC to finalise the modalities of the proposed funding vehicle			
			<b>Work with like-minded organisations to pool resources: The NPFV establishes its own fund and seeks funding from partners and other industry stakeholders</b>	Number of certified national films	Percentage of coproduction certification applications processed	Processed 91% of applications received	100% of the coproduction certification applications processed	Certified 100% of all applications received.	Achieved	N/A
						6 Co-production forums were held	3 Co-production forum activations	Activated at 4 co-production forums	Achieved	Additional forum was held with Nigeria at the Johannesburg Film Festival in January
			<b>Establish and nurture coproduction</b>							



## Significant Achievements

The 2022/2023 financial year brought about opportunities for collaboration and strategic partnerships with organisations that have similar objectives to the foundation:

- The NFVF collaborated with the globally renowned streaming service Netflix and Indigenous Film to support the production of six micro-budget feature films from predominantly emerging producers & directors in 2022. This partnership signals a major stride in the NFVF's commitment to promoting diversity, inclusivity and innovation within the sector.
- The films are in different stages of production and on completion will be launched on the streaming service in the latter part of 2023.
- The NFVF alongside the Netherlands Film Fund (NFF) have announced the launch of the third-year of the Thuthuka co-development initiative. This partnership aims to nurture and support co-productions between South Africa and the Netherlands, promoting collaboration in the film industry. The Thuthuka Co-development project provides a platform for filmmakers from both countries to come together, exchange ideas, develop projects, and facilitate opportunities for international distribution.
- The NFVF played a critical role in the successful implementation of the second Presidential Employment Stimulus Programme (PESP). As an organisation committed to promoting and developing the South African film industry, their involvement in supporting this initiative was invaluable. The PESP aimed to stimulate employment opportunities in various sectors of the economy, including the film industry.
- The NFVF is currently facilitating and managing a project by the Department of Sports Arts and Culture (DSAC) which aims to shine a spotlight on unsung community heroes through the production of short documentaries emanating from each of the nine provinces for a second year.
- Canon has been on boarded as an equipment sponsor for NFVF's Female and Youth Filmmaker Project. This strategic partnership is expected to contribute significantly towards empowering female and young filmmakers by providing them with state-of-the-art camera technology and associated equipment.

## Completed Fiction Films

- Runs in the Family
- Prime
- Real Estate Sisters
- Smart Casuals
- Inkabi (The Hitman)
- Soweto Blaze
- The Honeymoon
- Riel
- Masinga The Calling
- Mbokodo (Rock)
- The Fix
- Maestro's Hand
- Black Twitta (Web-Series)
- Four Walls (Web-Series)
- I used to love Him
- This is How
- Father's Day
- Love & Hustle
- Love, Sex and 30 Candles
- Covet
- Homecoming (Intsomi ye kresmesi)
- Skaapboer
- Mzansi Food Adventures (TV Pilot)

## Completed Non-Fiction Films

- The Radical
- Lobola A Bride's True Price
- Ilifa Lomboko
- Discarded
- Milisuthando
- Born Different
- Maintaining my child
- Dorpie
- Beyond the light barrier
- Beyond the Ball
- My Last Dream
- True Patriot
- Iyeza
- Knife by the Blade
- Manche, The African Saint
- My Last Dream
- The Windmill that Stands Tall
- Faces of Fortune
- Re-defining Ubuntu
- Book-ing She Comes
- Johaar Mosavel: A celebrated dancer
- Breaking Barriers – The Ricardo Fitzpatrick Story
- RantOMPI Mokoka – Sediba Sa Thuto le Pholo
- Ben Nomoyi – Portrait Of a Legend
- The Gooseberry Grandmother's Daughter

## Completed Animation Projects:

- Winternag
- Dorothy
- Thirst
- Azania Rises

### *Youth Filmmaker Project (Year 1):*

During the year under review, the NFVF commenced with the third instalment of the Youth Filmmaker Project, facilitated by Sisanda Henna Leadership/Sisanda Henna Films. The organisation also retained its project partners, the South African Broadcasting Corporation (SABC) and the KwaZulu Natal Film Commission.

The Youth Filmmaker Project targets previously disadvantaged youths to be guided in developing, writing and/or directing their own 24-minute debut short films which will become their calling cards in the international industry. Only the best ten scripts will be produced by the facilitating company. The program seeks aspirant, talented, and hardworking scriptwriters, scriptwriter-directors and directors to apply. This project is targeted towards aspirant young filmmakers who have a desire to break into the industry and would like to pursue a career in script-writing and/or directing. This program will ensure that each participant has a complete script and film that will form part of their portfolio in the future.

### *The theme chosen for Year 1 is Little Africa:*

Concepts in any genre that can celebrate the theme "Little Africa". From romance to action, horror, sci-fi and everything in between. The theme requires that the lead character or the second lead to be an African living in South Africa. The story does not have to revolve solely around it, but the context will provide us with insights into the perspective of a foreign African national residing in South Africa. The character can be of any gender, age, sexual orientation etc. They can even be possibly born in South Africa, but their roots are from elsewhere in the continent, but we see how this affects their vantage-point of the world.

A cohort of 17 filmmakers have been selected to be upskilled through development and production workshops, and on-the-job training. A total of ten films will be produced at the end of Year 1 of the programme.

### *Selected participants:*

1. Sthobile Hlope
2. Taze Mhlanga
3. Lesego Motlana
4. Valentino Zondi
5. Tebogo Ramaoka
6. Thozama Busakwe
7. Kabelo Mohlatole
8. Mangatsila Hlaise
9. Khule Mayisa
10. Yamkela Matshisi
11. Lihle Ndita
12. Dani Kyengo O'Neill
13. Chris Djuma
14. Raihaanah Sayed
15. Isaac Kasende
16. Wadelin McKuur
17. Nqanawe Shangase

### *Female Filmmaker Project (Year 1):*

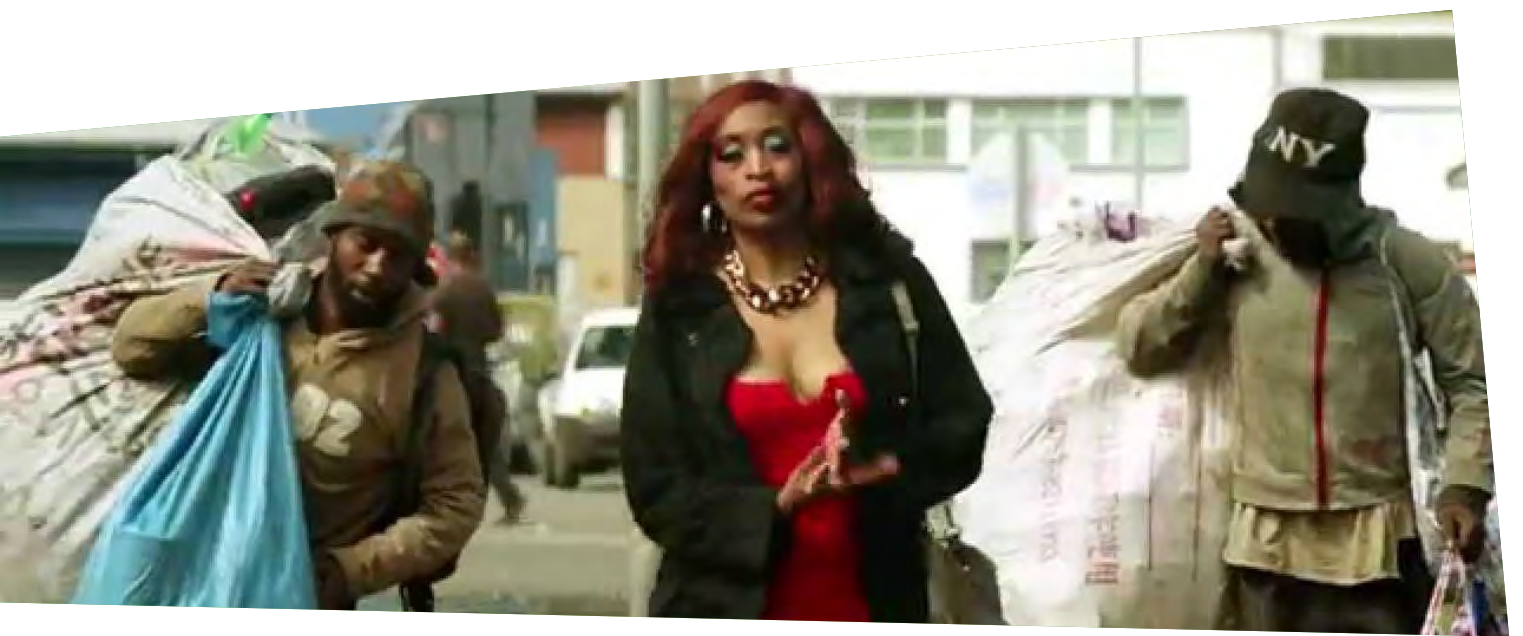
The NFVF also commenced with the third instalment of the Female Filmmaker Project, with the project being facilitated by Yellowbone Entertainment.

The objectives of the programme are to identify new voices, new talent and a new wave of female filmmakers especially amongst the youth and the emerging talent, and to grow this pool. The programme aims to nurture, support and to promote female filmmakers in South Africa through strategically developed training laboratories and workshops, and to seek out remarkable storytellers and develop regionally based filmmaking talent, which will bring new perspectives to the African and global audience.

### *The theme chosen for Year 1 is The Multiverse:*

Filmmakers have an opportunity to explore parallel realities in imaginative and creative ways, whether through science-fiction elements or grappling with issues across multiple universes.

A cohort of 12 filmmakers have been selected to be upskilled through development and production workshops. A total of ten films will be produced at the end of Year 1 of the programme.



#### Selected participants:

1. Samke Makhoba
2. Phumi Morare
3. Loren Loubser
4. Carla Roberts
5. Althea Jarvis
6. Hallie Haller
7. Kudakwashe Maradzika
8. Thembakuye Madlala
9. Zainah Hoseini
10. Zandile Mjekula
11. Thulile Mthembu
12. Nicole Fortuin

### HIGHLIGHTS FY 2022/2023

#### Non-fiction Achievements:

**Azania Rises**, Featurette project which culminated in the work winning the award for best Animation at the Accra Indie Film fest 2022.

**Azania Rises**, Featurette has been selected for screening at the fourth Accra Indie film festival in Ghana.

**Dorpie**, premiered at the International Documentary Film Festival Amsterdam in November 2022 and received an invitation for the German premiere of the film at DOK.Fest Munich in 2023.

**True Patriot**, was screened at the Rapid Lion Johannesburg International Film Festival - Sunday 5<sup>th</sup> March.

**Milisuthando**, premiered in the US at the 2023 edition of the Sundance Film Festival.

#### Fiction Achievements:

**District Six** directed by Weam Williams is on Amazon Prime.

**Four Walls**, a film directed by Kgosana Monchusi and Juvaís Dunn

- They received their international stamp of approval with festival selections at NEIFF 2022 and BUEIFF 2023.
- Actress Enhle Mbali won a best actress award for her role in the film at the Screen ATX Film Festival.

**Runs in the Family**, directed by Ian Gabriel premieres in Toronto at Inside Out Film Festival 2023 .

**Hyperlink**, an anthology produced by Brown Flamingo Films, was selected and screened at the New York African Film Festival 2023 .

**Father's Day**, directed by Tumelo Lekena has been nominated for Ignite Film festival for the best Youth Actor Award.

The below NFVF funded projects were selected to participate in the 2022 Gotham Week edition in New York:

- Apetown – produced by Bridget Pickering and directed by Kurt Orderson
- Laundry – written and directed by Zamo Mkhwanazi
- Mrs Plum – produced by Bridget Pickering and directed by Nomakhomazi Derwavin
- Pieces – produced by Khosi Dali and directed by Imran Humdalay

The following filmmakers were supported to attend the Junior Entertainment Talent Slate (JETS) edition in 2023:

- **Inyanga** - Josh Ackermann, Director
- **Extravagant ways to say goodbye** - Lise Kuhn, Director
- **King Dog** - Tumishu Masha, Producer
- **King Dog** - Bradly Katzen, Director & Writer

## KEY PROGRAMME OUTPUTS

### APPROVED PROJECTS – CYCLE I –2022/2023 Financial Year

#### NON-FICTION PROJECTS

##### Development – Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
40 Years on	Dr Phuthi Nkatlu	Seratu Trading	R 180 000.00
Village bank, the rise and the fall of VBS bank	Dowelanie Nenzhelele	Backpack Films	R 180 000.00
Medunsa: An unsung HBCU	Palesa Lebona	Watchdog Media	R 180 000.00
Part of the Pack	Emily Cross	N/A	R 154 750.00
Legs of Sisi	Phumezi Mapasa	Mountain Top Productions	R 125 500.00
The abandoned Bazaar	Rose Sebata	New Horrison Productions	R 180 000.00
Jabba X	Khanyisile Magubane	Zinokwada Media and communications	R 180 000.00
Mandela's Army	Sifiso Khanyile	Anaphora Films	R 180 000.00
The Story of an African Game	Luyanda Khanyile	Urban Villager	R 153 365.00
Mission Mwelase	Mariza Matshaya	Seismic Media (PTY) LTD	R 180 000.00
Weapon of struggle- Remembering Medu, the art ensemble for liberation culture	Ntshepeng Alexander	Fertile Ground Films	R 180 000.00
Nothing but Net	Sphumelele Sibeko	BS SS K2020537584	R 180 000.00

##### Production – Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Star Behind Icons	Davison mudzingwa	Mvura ya Afrika Productions (PTY) LTD	R 676 000.00
Puppetsula	Ngwako Machete	Khedja Holdings	R 200 000.00
What's next	Sibusiso Khwuzwayo	Sleeves up Media	R 200 000.00
Umfula/The River	Telmo Teis	VR Capture	R 200 000.00
Beyond the ball	Samuel Ntsanwisi	Samsrec Productions	R 450 000.00
Untitled: Miss South Africa	Aliki Saragas	Elafos Productions	R 500 000.00
Maintaining my Child	Zukiswa Boyce	Boyce Communications (PTY) LTD	R 150 000.00
Cape Helena	Damian Samuels	Fade2black Productions	R 500 000.00
Adipala to the World	Liezel Vermeulen	Go Trolley Films	R 500 000.00
Going the Distance-The life and fights of Theo Mthembu and Jacob Matlala	Zanele Mthembu	Brown Panther Films	R 500 000.00
Beyond the light barrier	Uga Carlini	Towerkop Productions	R 500 000.00
I thought prison was a silent place	Boitumelo Moroka	Time machine taxi productions	R 500 000.00
You're life on air	Rofhiwa Bologo	Outwit Media (PTY) LTD	R 500 000.00
Last Night a haircut saved my life	Roxanne Dalton	Alive Productions	R 200 000.00
Language of My soul	Gregory Molale	The Myrmidons	R 303 423.00
Ngubs-The life and times of Menzi Ngubane	Siyabonga Zungu	Soft Video Productions	R 500 000.00
Life of Kai	Benjamin Singiswa	Cantadora Productions	R 500 000.00
Plagued	Nicole Schafer	Thinking Strings Media	R 500 000.00

#### Post Production - Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Dorpie (Working Title)	Antoinette Engel	Far Horizon Films	R 290 000.00

#### Archive - Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Mutant	Nthato Mokgatsa	Teka Woekas	R 180 000.00
Still	Zikhethiwe Ngcobo	Fuzebox Entertainment	R 300 000.00

#### 2-3 Part length Production - Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Stand Up	Asi mathamba	Triangle Post animation	R 199 173.00
Home of Legends	Unathi Gwija	NU Communications	R 200 000.00

#### Short Film Development - Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Filmmaker Mapmaker (Working Title)	Sphumelelo Sibeko	White Goat Cine Art	R 88 717.00
Izingane Zodlame	Nontobeko Sibisi	Okay Sho Media	R 100 000.00
Just Because I am a street Kid	Mbalenhle Fikeni	N/A	R 100 000.00
The assassination of a warlord	Thabiso Xolo	Lexy Productions	R 84 000.00
Millenial Coconuts	Lwanda Tshabalala	Entle Communications	R 100 000.00
The new School	Matthew Robinon	Trevely Films (PTY) LTD	R 100 000.00
Ukuhlambulula Kwo Mhlaba	Rutendo Ngara	Ancient Wisdom Africa	R 100 000.00
Traumas of Teachers	Kwazikwenkosi	Divine Voice	R 100 000.00
Embrace	Maboroko Ramusi	N/A	R 100 000.00
The adolescent	Ayanda Ntokozo Sibisi	Hamilre Production	R 100 000.00

#### Short Film Production - Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Journey To self Discovery	Tanelle Welf-Dixon	T3 Task Team Tanelle	R 150 000.00
Returned Soldiers	Howar Mashile Nthite	Room 53 Films (PTY) LTD	R 150 000.00
Grandna Documentary	Marlena Madzhiga	Limitless Generation and Prosperity	R 110 000.00

#### Production Web Series - Documentaries

Project Name	Applicants Name	Production Company	Amount Allocated
Women & Youth who Farm	Sithabisile Zulu	DMVirgo (PTY) LTD	R 200 000.00

## FICTION PROJECTS

### *Development - Animation*

Project Name	Applicants Name	Production Company	Amount Allocated
Die Dom Mannetjie	Charles Banderhost	N/A	R 250 000.00
Cosmic Rays	Trace Lee Rainers	Stiletto Entertainment	R 399 964.00
Knitty Ville	Clare Louis	Katanimate Animation Studios	R 400 000.00
My Paraffin TV	Althea Jarvis	Althea Jarvis	R 250 000.00
Unseen	Jason Jacobs	Jason Jacobs (PTY) LTD	R 400 000.00
The Candidate	Bethuel Mangena	Tlouborwa Media	R 250 000.00
Khoth' Ekhothayo	Linton Nkambule	Linton Nkambule	R 250 000.00
The Mom and Daughter Clean-upCrew	Kabelo Maaka	Cabblow Studios	R 400 000.00
Oarona	Thandiwe Mhlauli	Studio Yezi	R 250 000.00

### *Development - Feature Length*

Project Name	Applicants Name	Production Company	Amount Allocated
A silent Drowning	Carmen Sangion	Majesty Pictures/Sang sang Entertainment	R 230 000.00
Mieta	Carla Fonseca	Mieta Films SPVC (PTY) LTD	R 230 000.00
Scrap Metal	Tertius Kapp	Entopic	R 230 000.00
Eziko	Babalwa Baartman	Sanusi Chronicles	R 230 000.00
Problematik	Tshego Khanyile	Zinc Pictures	R 230 000.00
Requiem of Ravel's Bolero	Sara Gouveia	Lionfish Productions	R 230 000.00
Te Voet	Theo E Davids	Gemini Twins Films	R 200 000.00
The Day and Night of Brahma	Sheetal Magan	Atman Media	R 180 000.00
Woman in Film	Mthokozisi Ndlovu	Piction Films	R 200 000.00

### *Development - Short Films*

Project Name	Applicants Name	Production Company	Amount allocated
For Claudia	Melany Ismail	Third Person Films	R 100 000.00
Numen	Silo Dimba	Ape Media	R 100 000.00
Trap of Love (Formely Trap of sin)	Gavin Wildschutt-Prins	Gavin Wildschutt-Prins	R 100 000.00
Two Slice ka Peanut Butter	Kanne Puso	Bro n Designs	R 100 000.00
Black Streets	Yursa Peters	Yursa Peters	R 100 000.00
Breathe Simone	Agnes Pietersen	Agnes Pietersen	R 100 000.00
Finder Findher	Chuma Mapoma	Nomagungqu	R 100 000.00
Igazi	Sekedi Sambo	Sekedi Sambo	R 100 000.00
Ilenia	Djibril Cullis	K20211687824	R 100 000.00
Imvevane (The Butterfly)	Portia Ndudane	Amadeyi Productions	R 100 000.00
Izambulo	Mthokozisi	Bees Knees Films	R 85 000.00
Possibilities of Dissapearance	Terence Makapan	Terence Makapan	R 100 000.00
Saloota	Naomi Ntshaba	Kwelanga Pictures	R 100 000.00
Still Breathing	Mokhadi Modjadji	Mokgadi Modjadji	R 100 000.00
The Forefathers	Dakalo Kwindi	Handbook Media Edition (PTY) LTD	R 100 000.00
The Sleepover	Lihle Ndita	Ndita Media Productions	R 100 000.00
Tinder Love and Cray	Sihle Ngidi	Sirius Films	R 100 000.00
Village Runner	Tumelo Nkwanca	Amandla Studios (PTY) LTD	R 100 000.00

### Development - TV Formats/Concepts

Project Name	Applicants Name	Production Company	Amount Allocated
Blondie	Sean Steinberg	Multiplyme	R 250 000.00
Blood in the Soil	Delon Baker	Mannequin Films	R 250 000.00
Indignation	Jordy Sank	Sanktuary Films	R 250 000.00
Pieces	Indhrannie Pillay	Urban Vision Consulting	R 250 000.00
Wild Pantry	Jemima Spring	Mycelium Medica Colab	R 249 100.00

### Production - Animation

Project Name	Applicants Name	Production Company	Amount Allocated
Post Birth	Siyabonga Mbele	Sacred Pictures	R 550 000.00
The Stonemason	Erentia Bedeker	Wrecless Creative (PTY) LTD	R 550 000.00
Growing Ghetto	Matshidiso Rammosi	Bad Bees	R 350 000.00
The Weeping riparian: A riverine Rabbit's tale	Onthatile Nthate	Blackhut Films	R 250 000.00

### Production - Feature

Project Name	Applicants Name	Production Company	Amount allocated
Get Happy	Carolyn Carew	Free women Films (PTY) LTD	R 1 800 000.00
The Dam	Claudia Noble-Areff	Dark Waters Productions	R 1 200 000.00
Vlees van My Vlees (Flesh of my Flesh)	David Horler	Proper Film	R 1 800 000.00
God's Work	Sithabile Mkhize	Maverick Resistance Productions	R 1 800 000.00
Mrs Plum	Nomakhomazi Dewavrin	Mrs Plum (PTY) LTD	R 1 800 000.00
Sis Dolly	Liza de Villiers	Luna Films International	R 1 800 000.00
Uhlanjululo	Zamo Mkhwanazi	Kude Media	R 1 800 000.00
Apetown	Bridget Pickering	Apetown Production	R 1 800 000.00

### Production - Short Films

Project Name	Applicants Name	Production Company	Amount allocated
B(L)IND:The Sacrifice	Cait Pansegrouw	Urucu	R 200 000.00
Fragments	Warda Mallick	Shoot97 Productions	R 250 000.00
King Geroge	Brent Palmer	Ring Binder	R 250 000.00
Sidewalk	Kevin Schrooder	Beyond Reel Entertainment	R 200 000.00
The Wait	Imran Hamdulay	Nieces and Nephews Film Company	R 250 000.00
Brakwater	Jason Jacobs	Jason Jacobs (PTY) LTD	R 200 000.00
Entabeni	Nobulali Kama	Coffee Stain Productions	R 200 000.00
Father's Day	Tumelo Lekena	Bunzi Bear Pictures (PTY) LTD	R 200 000.00
Matshidiso	Thato Maluleke	Atlegang Consortium	R 200 000.00
Mbokodo	Nakesa Ndou	Nakesa Ndou Mediums	R 200 000.00
Slow Fruit	Kwazikwenkosi Ntombela	Divine Voice Media	R 200 000.00
Thjelete (Money)	Karabo Mokoena	Yellowrose Productions	R 200 000.00

### Production – TV Pilot

Project Name	Applicants Name	Production Company	Amount Allocated
So That's how it works	Michelle Botha	Bizzy Hands Puppet Company	R 250 000.00

### Post Production

Project Name	Applicants Name	Production Company	Amount Allocated
Deadly Minds	Lizette Khan	Tung n Cheek Productions	R 450 000.00
Homecoming: Intsomi ye Krismesi	Nkuli Sibeko-Botman	Homecoming Movie (PTY) LTD	R 450 000.00

### Canada - South Africa Co-development

Project Name	Applicants Name	Production Company	Amount Allocated
Pharming	Luke Rous	RHP International	CN\$19,425
Aversion	Graeme Raubenheimer	Born-Rauby Productions	CN\$23,238
The Rising	Marlow de Mardt	DO Productions PTY LTD	CN\$25,900

### Thuthuka Fund

Project Name	Applicants Name	Production Company	Amount Allocated
The Spiral House	Katherine Leach- Lewis	Up A Gum Tree Productions	R704 000.00
Pamela	Deidre Jantjies	Na Aap Productions	R714 688.00

### Unsung Community Heroes

Project Name	Applicants Name	Production Company	Amount Allocated
A Woman of Substance	Khanyisile Magubane	Zinokwanda Media and Communications	R500 000.00
Bridging the disconnect	Rudzani Muthambi	Rudzani Muthambi Properties	R500 000.00
Katrina: The Last Matriarch	Davison Mudzingwa	Mvura Ya Afrika Productions (Pty) Ltd	R500 000.00
Liberation Machine	Mariza Matshaya	Seismic Media PTY Ltd	R500 000.00
The Story of Freddy Rikhotso	Morrel Shilenge	Rents Minds	R500 000.00
Siyavuta, Theatre of the Past – Ta'Moss	Mpendulo Myeni	Pathways Productions	R500 000.00
The Art and Craft of Nomabali	Papama Mngandi	The Architectural Others	R500 000.00
The Buntus of Ebukhosini	Lerato Mileng	RatoMillion Media	R500 000.00
The Eyes of Zuzile Zungu	Kagiso Gabela	East South Productions	R200 000.00
The Rebel Chieftainess - Mme Makwena Matlala	David Mothoa	Dorkay Holdings	R500 000.00



## APPROVED PROJECTS – CYCLE 2 –2022/2023 FINANCIAL YEAR

### Fiction Projects

#### ANIMATION SHORT FILMS

Project Name	Applicant's Name	Production Company	Approved Amount
My BIG Name	Busisiwe Ntintili	The Ntintili Factory (Pty) Ltd MIMA Initiative	R550 000.00
A Strange Force	Thishiwe Ziqubu	Triggerfish Animation Studios	R550 000.00
Tribe Short (Nyezi)	Khayelihle Mbele	Ndiani Studios PTY	R550 000.00
Musings Of A Quiet Rebel	Zinzi Nkenene	Odd Films	R550 000.00
Nights On Pluto	Thetogo Mahasha	Cinema Charismatic (Pty) Ltd	R550 000.00
Naledi	Lola Aikins	Golden Tales Animation Cinema	R350 000.00
Death Chess	Bongani Ndlovu	Caps Lock Media Group	R344 000.00
Learning With Mbali	Asisipho Cwele	Force Productions	R350 000.00

#### ANNUAL DOCUMENTARY SPECIAL PROJECTS ENVIRONMENT AND BELONGING

Project Name	Applicant's Name	Production Company	Approved Amount
Kujichagulia	Rae Human	Azania Rising Productions	R250 000.00
Nothing to Masterpierce	Magofe Mahlaela	TEG Media	R249 140.00
Sustainable Seams	Simphiwe Nyawose	Somdanger Concepts	R250 000.00
The Hive Queens	Sibusiso Mavimbela	Master Muthi Films	R250 000.00
Kasi's Zero Waste	Omelga Mthiyane	Algemo Pictures	R250 000.00
Umhlaba Wokhokho (Land of our ancestors)	Nondumiso Buthelezi	Zenkosi Films	R250 000.00

#### LANGUAGE AS RESISTANCE

Project Name	Applicant's Name	Production Company	Approved Amount
The First Man	Ian Jonkers	Griqua EC Production	R750 000.00
Kamdeboo	Denver Breda	Monanai Films	R750 000.00





RecoupmenSchedule	Total recoupable grants are as follows:
Grants allocated in 2003	R12 690 774.00
Grants allocated in 2004	R8 630 000.00
Grants allocated in 2005	R4 990 000.00
Grants allocated in 2006	R4 300 000.00
Grants allocated in 2007	R3 550 000.00
Grants allocated in 2008	R1 934 000.00
Grants allocated in 2009	R3 309 000.00
Grants allocated in 2010	R3 700 000.00
Grants allocated in 2011	R6 984 845.00
Grants allocated in 2012	R17 758 735.00
Grants allocated in 2013	R14 854 735.00
Grants allocated in 2014	R12 923 500.00
Grants allocated in 2015	R18 089 369.00
Grants allocated in 2016	R25 525 452.00
Grants allocated in 2017	R28 717 374.00
Grants allocated in 2018	R1 261 766.00
Grants allocated in 2019	R40 147.49
Grants allocated in 2020	R24 942.01
Grants allocated in 2021	R1 017 815.60
Grants allocated in 2022	
Total Recoupable Grants	R170 302 455.10

## SOUTH AFRICAN FILMS CERTIFIED

### Certifications

#### 1. Treaties

There were four treaty developments in in the 2022/2023 Financial Year:

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

**France** – amendment to make provision for television and other platforms. The current agreement provides for feature lengths films for cinema only.

**Kenya** – the treaty was signed in December 2022 in Nairobi, Kenya.

**India** – drafts were exchanged between the governments of India and South Africa regarding the audio-visual co-production treaty between the two countries.

#### 2. Co-productions

During the 2022/2023 financial year, one project was certified for co-production, three for advance rulings and one for final ruling.

Project Name	Treaty	Ruling
Music is My Ilfe – Joseph Shabalala and Ladysmith Black Mambazo	SA/UK	Final

Two (2) applications were issued with certificate of nationality:

Project Name	Production Company	Producer(s)	Director(s)
Riding with Sugar	Riding with Sugar (Pty) Ltd	Helena Spring; Sunu Gonera	Sunu Gonera
Behind Funny	Mannequin Pictures (Pty) Ltd	Delon Bakker, Kyle Ambrose, Mogambury Pather	Mark Haines

## 4.2 PROGRAMME 2: SKILLS DEVELOPMENT

### Programme Description

#### Purpose of programme

The announcement of lockdown in South Africa encouraged the NFVF to adopt new methods of delivering training programmes. Building a sustainable film industry requires rigorous interventions and programmes that will eliminate the structural impediments such as poor education and lack of the required skills. In addressing skills shortages, the NFVF offers bursaries to deserving students and provide various training interventions to the industry. The other methods adopted during lockdown was to conduct virtual e-learning classes covering different topics. These programmes were successful as they resulted in many participants attending the sessions.

Pre-lockdown, The NFVF had already identified major skills gaps that continue to hinder the industry from sourcing adequate and alternative financing resources and or models to produce films that could perform locally and internationally while providing audiences with engaging yet entertaining content. These gaps were dominant in screenwriting, directing and producing. To that end the NFVF continues to intervene through the in-house training programmes, funding for further studies and through international mentorships.

Despite the challenges of the **2022/2023 Financial Year**, the training and development department managed to achieve its annual targets by using alternative ways of implementing the programmes without contravening the COVID-19 regulations.

Strategic objectives related to training and skills development:

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



Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Skills Development</b>							
A transformed filmmaking ecosystem through Capacity Building, especially for previously disadvantaged individuals	Provide graduates with an opportunity to gain workplace experience	Identify and place interns in relevant industry institutions	65 Interns were placed	35 Interns	55 Interns were placed	Additional 20 interns placed - Achieved	MICT SETA made more funding available hence the additional 20 interns placed
	Strategic partnerships established and maintained for the benefit of the film industry	Establish and maintain strategic relationships with production companies and SETAs towards the absorption of bursary holders and trainees	N/A	Establish and maintain 3 strategic relationships with production companies and SETAs towards the absorption of bursary holders and trainees	Maintained 3 strategic relationships with production companies and SETAs towards the absorption of bursary holders and trainees	Achieved	N/A
Refurbish and re-engineer the NRVF bursary scheme for superior sustainable results	PDI identified for higher learning opportunities	Bursaries awarded to previously disadvantaged individuals in line with specific criteria	56 bursaries were awarded	Award 31 national bursaries and 4 international bursaries	73 Students were funded	A deviation of 38 more project funded - Achieved	More students from public Institutions were approved
Job creation for unemployed youth – COVID 19 intervention	Youth provided with practical work experience while creating jobs	Assist government to create employment opportunities for unemployed youth – COVID-19 intervention	11 Youth were appointed as coordinators	11 Youth appointed	11 youth were appointed	Achieved	N/A
Capacitate previously disadvantaged Training Providers	Fund scarce practical training initiatives to close film industry skills gap	Provide funding to qualifying training providers that meet defined criteria	3 Training providers were funded	3 Training initiatives funded	4 Training Providers were funded	A deviation of 1 more project funded - Achieved	All 4 Providers did not have full accreditation, so they didn't receive the maximum funding cap of R350K per project
Training interventions identified for previously disadvantaged filmmakers	Filmmakers provided with practical industry skills to ensure sustainability	Provide 60 filmmakers with industry skills to enhance their craft	64 filmmakers participated in the Sediba programme	60 Filmmakers participating in the Sediba programmes	75 filmmakers participated in the Sediba Programme	A deviation of 15 more filmmakers participated - Achieved	There was more demand as the workshops were done in the under serviced Province
Expose students to the business of filmmaking – including mentoring and coaching to facilitate their transition into the industry	Students are mentored in the business of filmmaking including skills exchange programmes and exposure to film festivals	Complete reports on mentorship program	16 students participated in Mentorship programme 5 Students participated at African Film Festivals	15 students participating in Mentorship programmes 5 Students participating at African Film Festivals	24 students were placed for mentorships and participated in African Film Festivals	Exceeded by 4 participants - Achieved	Partnership with Production Companies ensured more participation



## Significant Achievements

Despite the challenges of the 2022/2023 Financial Year, the training and development department managed to achieve its annual targets by using alternative ways of implementing the programmes without contravening the COVID-19 regulations.

## Changes to Planned Targets

There were no changes in the planned targets.

### 4.3 PROGRAMME 3: POLICY, COMPLIANCE AND RESEARCH

#### Programme Description

##### Purpose of programme

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

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

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

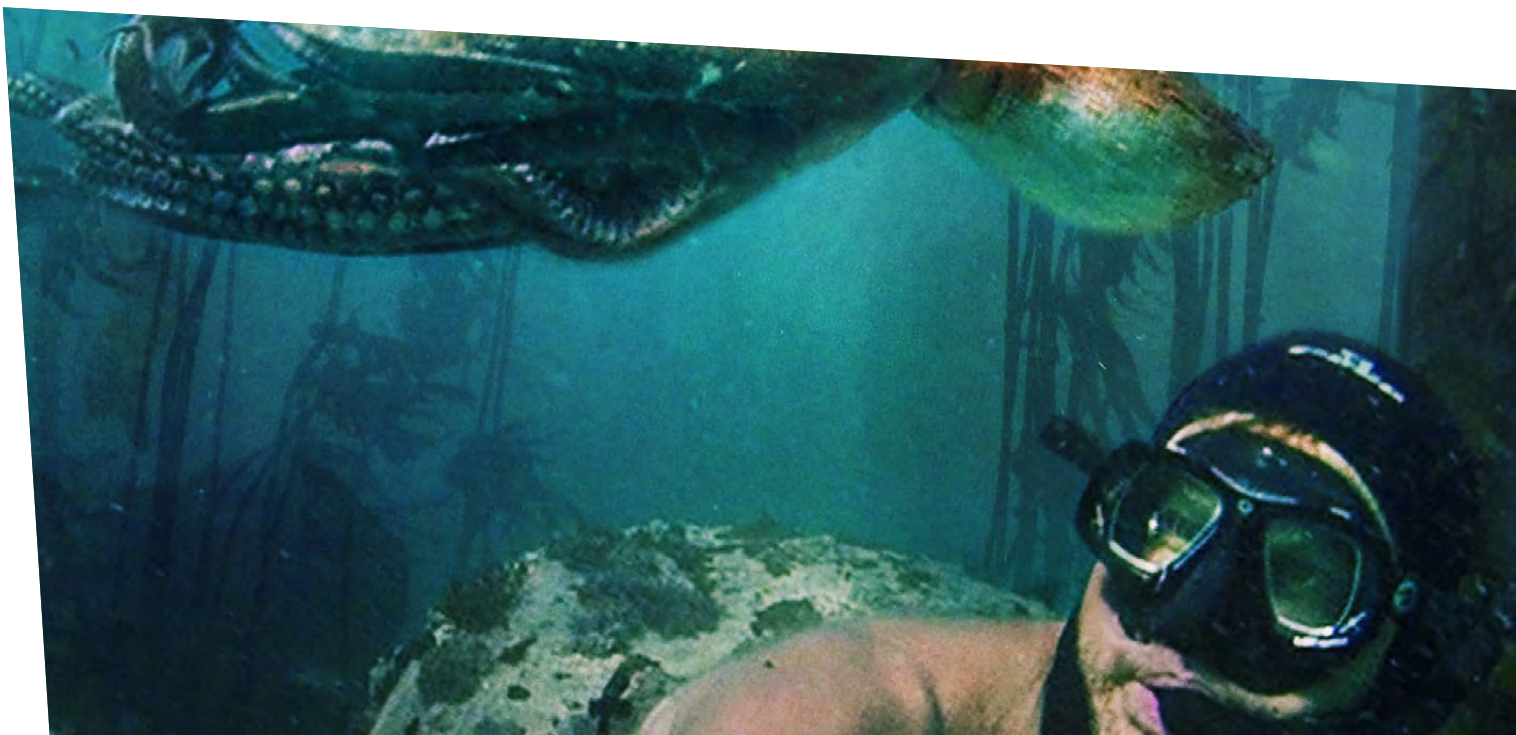
The programme ensures that internal and external policies are drafted to make sure the NFVF is able to deliver on its various objectives.

The film industry is impacted by a number of policies, laws and regulations that are developed from time to time. Policy monitoring and intervention is an important function that identifies policies and laws that impact either positively on the NFVF and/or the industry. Policy submissions generated by the department seek to respond to the proposed laws and present alternative positions for consideration by the drafters of the proposed policies or laws.

Research projects undertaken and 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:

- Policy formulation
- Sectoral information management (reliable source of film industry information)
- Proposed regulations



## Programme Performance Report

Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Skills Development</b>							
Agile policies developed to enhance a compliance culture and enable content creators	Policies developed to enhance a compliance culture	Develop or review the NFVF policies to ensure compliance with relevant legislation: Number of manuals reviewed	6 policy manuals were reviewed and developed	2 Policy manuals reviewed per annum	3 Policies reviewed and developed.	Target exceeded by 1 policy - Achieved	There were more policies required for organisational effectiveness.
	Completed policies shared with the industry and available on content platform	Implement the NFVF policies to ensure compliance with relevant legislation: Number of policy workshops conducted	N/A	Conduct 2 policy workshops for staff	2 Policy workshops were conducted.	Achieved	N/A
Contracts are accurately captured and managed using the contract management system	Proper capturing and management of contracts and functioning of the system	Implement the NFVF policies to ensure compliance with relevant legislation: Number of quarterly policy monitoring reports issued	4 quarterly policy monitoring reports were prepared	Produce 4 quarterly policy monitoring reports per annum	4 quarterly monitoring reports produced.	Achieved	N/A
		100% compliance through the NFVF's contract management system	Updated Manual contract management system managed to ensure 100% compliance	Ensure 100% compliance with the contract management system	Ensured 100% compliance with the contract management system	Achieved	N/A

## Significant Achievements

### Audience Research Report

The Audience Research study aims to gain insights about audience consumption trends with specific attention to local content (South African produced content) and to use that knowledge to help films (features, documentaries, and animation projects) circulate more widely within South Africa and abroad. It also aims to gain an understanding of the developments relevant to the consumption of the South African and global video and film content, and the findings provide insights that will inform the strategy to create content that is better consumed and distributed as widely as possible. Understanding the film-viewing patterns of South African audiences and their socio-economic environment is key to the development of audiences who are the consumers of South African film and video.

#### Key findings of the study:

The report details the profiles according to the age group, gender, economic status, marital status, level of education, location, and race.

- The largest group of film and TV-watching respondents (29%) are aged between 20 - 34 years, followed by 5 - 14 years at 24% and 35-49 years at 23%. In terms of racial group, 34% of the respondents aged between 20 - 34 years are Black/African while 3% are White; Asian/Indian and Coloured were 15% and 16% respectively.
- 51% of the TV and film consumer respondents were female and 49% male.
- The highest number of respondents (38%) were those who had attained a National Senior Certificate (NSC) (Grade 10-12) and were in the age group 15-19 years; in this cohort, 83% held this qualification. A high number (49%) of respondents aged 20-34 years also indicated NSC as their highest level of educational achievement.
- The majority (79%) of the film and TV consumer respondents of the audience survey were Black/African while the other races were White (9%), Coloured (9%), Indian/Asian (2%). Of the total, 95% of the respondents aged between 15-19 are Black/African and the majority (68%) of the respondents aged 65 years and above are White.
- 55% of the respondents indicated they were single while 33% indicated they were married. The rest were divorced (3%), separated (1%), widowed (2%), or cohabiting (4%).
- The province that had the largest number of respondents indicating that they watch South African films and TV was Gauteng (26%), followed by KwaZulu-Natal (20%),

Western Cape (13%), Eastern Cape (12%), Limpopo (8%), Mpumalanga (8%), North West (6%), Free State (5%) and Northern Cape (3%).

### Results

This report shows that the sustainability of the film industry relies on the increasing consumption of content by consumers who will pay to access relevant quality products that they wish to consume. The findings portray that some consumer habits had definitely changed over time as a large number (80%) of respondents indicated that they preferred to watch films in the comfort of their home rather than to just go out. This can be attributed to the impacts of COVID-19 which have greatly affected consumer behaviours in relation to consumption of film.

The report shows the analysis of distribution and exhibition platforms for producers in South Africa. Among the distributors who responded to the survey 92.3% considered internet streaming VoD to be the fastest growing television platform in the South African viewing market while 7.7% indicated that electronic home entertainment was the fastest growing. A total of 53% of the respondents indicated that South African audiences were not enjoying value for money on SABC, 1,2,3, eTV and DSTV, while 47% felt that the R265 TV annual licence fee was commensurate with the low standard of content aired on SABC, which they described as being of poor quality with too many repeats.

### Box Office Report

#### Background

This report analyses the performance of theatrical films released at the South African box office. It examines total annual revenue, trends, and key drivers of audience consumption. The report highlights the performance of films released in 2022, determinants of box office revenue, trends of films released between 2013 and 2022, the long-term impact of the COVID-19 pandemic in the South African film industry, and the outlook.

### Results

The South African box office saw a steady increase in revenue in 2022, growing by 67% (to R647.8 million from R387.4 million in 2021). This was driven by an increase in cinema admissions, which grew by 61% overall (from 4.6 million in 2021 to 7.3 million in 2022). A total of 200 titles were released at the Box Office, 11 of which were domestic films. These films (SA produced) contributed only 2% to total revenue (RSA GBO = R12.8 million).

The majority of revenue was generated by the top 20 films, which accounted for 79% of total revenue. The highest-grossing film was Top Gun: Maverick, with gross earnings of R74.5 million. One South African film, Bones 3: Son of Bones, made it to the top-performing chart, grossing R10.5 million and attaining the 16th spot overall.

A multivariable analysis of gross Box Office revenue showed that the determinants of revenue were the number of people admitted to cinemas and the number of theatres the movies were shown in. The model showed that movies shown in more theatres and with a high share of attendance generated higher revenues. This can be partly explained by the relaxation of COVID-19 restrictions on mobility and social gatherings from 2021 onwards.

## Ten-year trend

A 10-year trend analysis showed that the revenue of all films produced in South Africa fluctuated but followed a downward trend overall, declining from a peak of R101.2 million in 2013 to R2.6 million in 2021. The trend analysis further revealed that the COVID-19 pandemic severely impacted the South African film industry in terms of revenues earned.

## Conclusion

Although the number of films released annually has risen since COVID-19 (albeit moderately), the revenues generated are still well below pre-pandemic levels. In 2022, revenues were 67% higher than in 2021 but 47% lower than in 2019. While the continued growth in Box Office revenues post the pandemic is encouraging, it is still being determined when and if revenues will return to pre-pandemic levels due to significant shifts in the film and audio-visual industry.

Recent trends in the industry have led to intense competition over viewers for entertainment products, including films. Therefore, understanding what factors influence film revenue is essential for filmmakers. This can help them make more informed decisions about film distribution, marketing, and even what potential platforms bring the most revenue. Ultimately, understanding the key drivers of audience engagement is substantively important to film producers as it is likely a major determinant of the financial success of their films.

In the interests of continuous improvement for organisational effectiveness and to ensure governance control measures are in place, the following policies were developed and reviewed were conducted:

## NFVF Funding Policy

It is to outline in detail the principles and procedures governing the administration of the NFVF funding. It is intended to enable applicants to apply for a grant and to provide a framework for the NFVF to evaluate such applications and grant the funding to those applicants who have been approved based on eligibility and compliance.

Key Amendments made to the Funding policy:

- Definitions - Revised and new
- Application Process – Languages, Harassment, Application Criteria, Conflict-of-Interest

### Funding Exclusions - TV Formats, Recoupment

- Grant Disbursements - Time Limit, Grant Payments
- Production & Development- Development Grants - Funding Caps, Documentation Required, Distribution Plans
- Production & Development Slates - Appointment Process of Production Slate Companies

### Production-Fiction - Web Series

Education & Training - Application Criteria, Bursary Payments, Documentation Required, Qualifying Expenses, Transformation Mandate, Training of Service Providers

### Marketing & Distribution -

- Film Festival Hosting - Eligibility, FPB Certificate
- Marketing and Distribution - Eligibility, Funding Caps
- VOD Platforms - Funding Caps, Tiers, Qualifying Expenses, Evaluation Criteria
- Film Festivals and Markets Attendance - Eligibility, Attendance, Funding Caps
- Public Screenings - Funding Caps, Tiers, Qualifying Expenses, Evaluation Criteria

### Conflict of Interest Policy

The policy provides further detail in relation to members' existing legal obligations in respect of conflicts of interest to ensure that decisions taken by the council, committees, advisory panels and independent contractors are arrived at through diligent processes and in the best interests of the NFVF in order to avoid any prospects of legal challenges arising from such decisions.

### Changes to Planned Targets

There were no changes to planned targets.



## 4.4 PROGRAMME 4: MARKETING AND DISTRIBUTION

### Programme Description

#### Purpose of programme

The Marketing and Communications role within the NFVF is designed to promote the National Film and Video Foundation as well as the South African film industry both locally and internationally. The on-going campaign, “#Love SA Film” launched in 2019, aims to create an appreciation for local films and a drive towards taking the South African Film industry to new heights. This call to action is designed to inspire industry support through the merits of appreciation and love.

The role of distribution at the NFVF is to support filmmakers who require funding assistance through the Marketing & Distribution grant allocation and to assist filmmakers in engaging with distribution agencies and platforms.

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

- Increase awareness of the South African film industry.
- Position South Africa as a film making destination of choice.
- 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.
- Promote South African filmmakers (technical expertise and film products).

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

#### 1. Marketing and Distribution Grant

- Provides financial support to South African independent 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 which contribute towards audience development. NFVF continues to provide this critical financial support to local long-standing festivals.

#### 3. Markets and Film Festivals attendance

- Provides financial travelling support to South African filmmakers to attend global festivals and markets. This assists filmmakers in promoting their films, seeking distributors, financiers, broadcasters and also to develop their filmmaking skills by attending film workshops.

#### 4. NFVF Activations at Local and International Markets and Festivals (which aim to increase audience access to SA films)

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



Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Market, Distribution, Policy Support and Partnerships</b>							
Facilitate access to markets and gateway for global partnerships	Showcase SA content to strategic markets.	Develop and implement an integrated marketing campaign	N/A	1 Integrated marketing campaign updated annually	1 Integrated marketing campaign updated annually	Achieved	N/A
Support the creative media industry's content development commercial viability	Position NRVF as a reliable source of the film industry information	Number of distribution workshops hosted as evidenced through the workshop portfolio of evidence	N/A	Host 2 Marketing and Industry related workshops inclusive of research information dissemination workshop per annum	2 Marketing and Industry related workshops inclusive of research information dissemination workshop per annum hosted	Achieved	N/A
	SA filmmakers supported to showcase their work at markets and festivals	Number of research campaigns conducted	N/A	Develop and Conduct 1 research communication brand campaign	1 research communication brand campaign developed and conducted.	Achieved	N/A
	Showcase SA content to strategic markets.	Local brand activations to promote the NRVF	34 brand activations were implemented	4 Brand Activation per annum	18 Brand Activations achieved per annum.	Target exceeded by 14 Brand Activations - Achieved	There was more opportunity to create brand visibility. There was also opportunity to support more special calls.
Monitoring and record keeping of industry statistics, including funding models.	NRVF reliable and credible source of film industry information	Conduct and disseminate research projects on the South African creative media industry per annum to track	3 Industry Reports and 2 Research Reports were conducted	4 Industry/research reports to be produced per	2 industry reports and 2 research reports	Achieved	N/A
Provide platform for recognition of creative media industry practitioners	Recognition of stakeholders in the SA Film and Video Industry	Impact-centric and industry validating SAFITAs awards are efficiently and effectively planned and hosted successfully	Successfully planned, coordinated and Hosted the Virtual Awards (SAFITAs 15) online	1 SAFTA awards	Planned, coordinated and host the SA Film and TV Awards (SAFITAs)	Achieved	N/A

Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Market, Distribution, Policy Support and Partnerships</b>							
Position the NNFV and the South African creative media industry as the production destination of choice through glocal activations	Strategically position the NNFV and the SA Film Industry through international activations	Number of participations through post-travel reports	Activated at 4 International Festivals.	Participate at 4 international festivals	Participated at 4 international festivals	Achieved	N/A
Position the NNFV and the South African creative media industry as the production destination of choice through glocal activations	NNFV and the SA Film Industry presence in Africa through festivals and markets activations	Number of participations through post-travel reports	Activated at 1 African Focus Festivals and Market	Participate at 3 African Focus Festivals and Markets	Participated at 3 African Focus Festivals and Markets	Achieved	N/A
South African content creators supported to showcase their work at markets and festivals	NNFV support for filmmakers to showcase their craft at markets and festivals	Number of participations through post-travel reports	30 Filmmakers were funded to attend Markets and Film Festivals	Fund 10 content creators to attend markets, film and other creative media festivals	49 Filmmakers funded to attend Markets and Film Festivals	39 additional grants awarded - Achieved	There was a greater demand for attendance given the increased number of festivals which had resumed in-person implementation as per on-going COVID-19 industry recovery.
Strategic positioning of the NNFV and deliberate empowerment of industry practitioners at strategically identified glocal festivals aligned to the NNFV mandate	Strategically identified National Festivals aligned to NNFV mandate Local activations and promotional events	Number of participations through post-travel reports	Activated at 14 National Festivals	Participate at 12 National festivals	Participated at 13 National Festivals	Target exceeded by 1 - Achieved.	There was more demand which mitigated support

Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Market, Distribution, Policy Support and Partnerships</b>							
Strategic positioning of the NFVF and deliberate empowerment of industry practitioners at strategically identified global festivals aligned to the NFVF mandate	Promote film industry and social cohesion through NFVF participation at DSAC activations	Post-activation reports	Activated at 2 DSAC activations	2 DSAC activations	2 DSAC activations	Achieved	N/A
Strategic support for creative media events (festivals) and in-person, virtual or hybrid public screenings that meet set criteria and promote South African content	Support and growth for the national festivals	Number of grants awarded for National Festivals	17 Festival Grants awarded to National Festivals	Award 9 National grants	14 Grants Awarded to National Festivals	Achieved	There was a greater demand for Tier 2 and Tier 3 national festivals primarily during Q1.
Strategic support for creative media events (festivals) and in-person, virtual or hybrid public screenings that meet set criteria and promote South African content	Promote audience development and local content	Number of public screenings initiatives hosted to promote SA content	Hosted 7 Public Screenings to promote SA content	Award 6 Public screenings grants	9 Public Screening Grants Awarded	Achieved	There was increased demand given that this was the first year NFVF awarded grants for screenings through a special call.
Strategic Support for the film industry on gender, equality and diversity	Promote dialogue for filmmakers on gender equality and diversity	Host educational workshops for filmmakers in all tiers on issues of gender based violence	2-panel discussions were conducted on gender equality and diversity	To conduct 2 panel discussion for filmmakers on gender equality and diversity	2 panel discussion conducted for filmmakers on gender equality and diversity	Achieved	N/A

Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Market, Distribution, Policy Support and Partnerships</b>							
Establish and facilitate strategic relationships with global markets; promote the creative media industry by awarding marketing and distribution grants for content creation and experiential projects	Support growth for the film industry through awarding of marketing and distribution of grants for south-African content	Award marketing distribution grants partnerships	15 Marketing and Distribution grants awarded	9 Marketing Distribution grants	10 Marketing and Distribution Grants awarded.	Achieved	There was more demand which mitigated support.
Establish global strategic partnerships to provide strategic technical, funding and other support to NNFVF programmes and provide access to markets	Partners identified and vetted for mutually beneficial considerations	Number of ratified agreements with partners identified and vetted for mutually beneficial considerations	Identified 17 partners and signed contracts	Sign and maintain 5 Partnership agreements	18 Identified partners and signed agreements	Achieved	There were more partners identified given the growing need to support the industry across the board
Develop audiences for South African content	Number of audience development programme hosted	Host audience development programmes	N/A	Host audience 4 development	4 audience development programmes hosted	Achieved	N/A
Promote South Africa as a destination for productions	Number of global positioning to promote SA creative media industry	Global brand positioning by producing print adverts to promote the South African creative media industry	N/A	Organise 1 global brand positioning by producing print advert to promote SA creative media industry	1 global brand positioning organised by producing print advert to promote SA creative media industry.	Achieved	N/A
Facilitate investment opportunities for production infrastructure	Number of investment opportunities facilitated for production infrastructure	Organise and facilitate investment opportunity for production infrastructure	N/A	Organise and facilitate 1 investment opportunity for production infrastructure	1 investment opportunity organised and facilitated for production infrastructure implemented	Achieved	N/A
Manage and engage stakeholders regularly	Engaged stakeholders and industry on film development matters	Stakeholder-Relations Management (Internal & External)	26 Stakeholder engagements were held	Engage 20 Stakeholder per annum (including Provincial Depts)	21 Stakeholder Engagement were held	Achieved	Developments in the industry necessitated that NNFVF have more engagements with the industry - Achieved

## 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 the country. During this financial year, festival grants were awarded to semi-experienced and emerging film festivals to further develop them to perform at greater heights, especially in the underserved provinces.

The NFVF will continue to ensure that funding of the festival is spread across the country, while targeting different audiences such as learners, students, and women to ensure transformation in the film industry.

### **Markets and Festivals Attendance Grant:**

The markets and festival attendance grant is to position South Africa filmmakers at film markets and festivals with the aim to pitch projects to potential buyers, distributors, funders and to develop international audiences for South African films. In this financial year we funded 30 filmmakers to participate at festivals and markets such as Cannes International Film Festival, Cameroon Film Festival, Annecy Animation Film Festival, Lake International Pan African Film Festival, Oslo Films from the South Festival, Amajuba Film Festival, Sheffield Documentary Meet Market and Rotterdam International Film Festival. Films below were selected to screen at various international film festivals:

Film Title	Festival
African Moot	HOTDOCS Canadian International Film Festival
Trapped	Pan African Film Festival
Bompi	Pan African Film Festival
Celebrating Herstory Through Song	Gecheon International Music and Film Festival
Mirror Mirror	Toronto International Film Festival
The Domestic	Screamfest LA
Atlantis	The African Movie Festival in Manitoba
Valley of Thousands Hills	African Diaspora International Film Festival
IWeldun Media	Pan African Film Festival
The Good Black Project	The Sundance Film Festival
'STORY OASIS (Previously known as STILETTO ENTERTAINMENT)	Rotterdam International Film Festival

### **Marketing and Distribution Grant:**

The NFVF offers funding for marketing and distribution to assist SA filmmakers to sell and distribute their films to local and international audience. In this financial year ten projects were awarded this grant of which five were from

Gauteng, two were from the Western Cape, two were from Kwa Zulu Natal and one from the Mpumalanga. The NFVF will continue to ensure that funding is spread across the country and more projects are developed and submitted for this funding from provinces such as Northern Cape, Eastern Cape, Mpumalanga, Free State, the North West and Limpopo as the underserved provinces.

### **Activations at Local Festivals:**

#### **1. Kwasukasukela Film Festival**

Kwasukasukela Film Festival is a developmental festival aimed at encouraging communities to transform their stories told from generations to generations into films, documentaries, and television programs. This festival is about sharing stories, developing disadvantaged communities, and enabling them to tell their stories through camera lenses. Kwasukwasukela Film Festival is also an audience development festival aimed at encouraging the community to watch and appreciate our South African stories in a film format, and through art.

The NFVF, in partnership with the festival, was committed to developing this necessary audio-visual sector initiative aimed at enriching, educating and entertaining Jozini audiences on film and content generation.

The NFVF imparted knowledge and skills, through masterclasses and on-hand training on directing, scriptwriting and make-up. Three film practitioners assisted with the masterclasses and on-hand training of attendees for a period of three days. The objective of the below mentioned programme was to equip the emerging filmmakers with the relevant knowledge and skills to perform at their utmost best. These were critical workshops that would assist in addresses the issue of sustainability. The programs created a platform to further promote and support local talents by offering them an opportunity to showcase their crafts and sharing their expertise.

#### **2. The Durban FilmMart (DFM)**

After the COVID-19 pandemic and national lockdown restrictions, the Durban Film Mart took the form of a hybrid event, with sessions and panels taking place online and physically at Elangeni Hotel in Durban.

The 2022 programme focused on the evolution within the industry, the game changers working to bring inclusivity and access and the new spaces driving content creation. With Africa and the African

Diaspora at the heart of the industry programme, DFM took steps in delivering an in-depth and dynamic programme featuring professionals from the mainstream, established independents, emerging and alternative filmmakers who continue to disrupt the status quo with their work.

The NFVF hosted a masterclass on Marketing and Distribution, and also participated in a number of panel sessions under the following topics:

- State of The South African Audio-Visual Industry
- SA In Focus - Animation Round Table
- The Presidential Economic Stimulus Programme

Under the Durban International Film Festival, the NFVF hosted a number of sessions:

- The industry Transformation report session which unpacked the findings identified.
- FPB Regulatory Framework hosted in partnership with the NFVF on the Films and Publications Amendment Regulations.
- Meeting the funders. Presentation on the NFVF funding opportunities and how to apply for funding.

### **Global Positioning**

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

#### **1. IFPI/GOTHAM**

Gotham Week is the oldest and largest forum in the USA for the discovery of new projects in development and new voices on the independent film scene which took place from the 17th to the 23rd of September 2022. Gotham Week is made up of the Screen Forward Conference, a week-long series of panel discussions open to attendees as well as the public, and the Project Forum.

The NFVF in partnership with the KZN Film Commission once again participated at GOTHAM. The following below were the supported projects that participated:

- Apetown – produced by Bridget Pickering and directed by Kurt Orderson
- Laundry – written and directed by Zamo Mkhwanazi
- Mrs Plum – produced by Bridget Pickering and directed by Nomakhomazi Derwavin
- Pieces – produced by Khosi Dali and directed by Imran Humdalay

#### **2. Berlinale/JETS**

The Berlinale Co-Production Market brings together around 600 international high-profile film producers and financiers, focusing on international co-productions. It is the Berlinale event with the highest concentration of a target group active in the business of international co-production gathered at the same location at the same time. The Berlinale Co-Production Market, therefore, offers a good setting for promotional activities for this thoroughly selected international industry target group.

Through a partnership with the 10th Silweskermees, the NFVF participated in a programme hosted by Jana Wolff from Berlinale to adequately prepare two selected filmmakers for the 2023 Berlinale Co-Production Programme which took place on 28 March 2022.

The two filmmakers who took part in the Co-Production Market where Gabriella Blumberg and Jordy Sank .

After a number of years, the NFVF hosted the South African delegation under SA Pavilion at the Marriott Hotel. This was done in partnership with Wesgro, Durban Film Mart, Gravel Road Distribution and the Eastern Cape Development Corporation. The pavilion provided the SA delegation and filmmakers with a platform to host meetings with a number of critical stakeholders.

Junior Entertainment Talent Slate (hereinafter referred to as "JETS") initiative was founded by William Peschek from WEP Productions based in Frankfurt, Germany. JETS is an initiative to create co-production opportunities for selected emerging projects by encouraging various financing and distribution strategies for the international market. JETS embraces filmmakers and producers from various countries including South Africa, Canada, Ireland, Germany, Norway, Netherlands, Austria and the United Kingdom to prepare them for the international market through a pitching session in front of an international jury and mentoring sessions given by senior producers, distributors, sales agents and financing companies.

Through the JETS partnership, 5 (five) projects were selected (all fictional and fell under the category of a 1st, 2nd, or 3rd feature film production). The selected filmmakers participated in the programme which included meeting fellow filmmakers and producers from other countries leading to project discussions



and finding partnerships. The participants met with the jury and received advice and assistance in financing and distributing their projects.

The following below were the supported filmmakers that participated:

- Tassyn Michelle Munro
- Adriaan Louw Venter
- Caroline Emmajane
- Doherty Benjamin
- Lloyd Maier
- Stephen Lorenzo
- Sanele Zulu
- Gabe Gabriel

## **Gender-Based Violence and Gender Equality Within the Film Industry**

### **1. GBV Engagements**

In ensuring the industry's equitable growth, the NFVF ensures that this is reflected in interventions that promote gender equity in the interests of driving social cohesion in the sector. The importance of promoting gender equity is most pronounced in interventions that address Gender-Based Violence (GBV) of any shape or form towards anyone, especially vulnerable groups such as women, children, the LGBTQIA++ community, and the elderly, among others.

Every year, South Africa brings awareness to GBV and GBFV-related issues through the 16 Days of Activism Campaign. This is a global campaign aimed at fighting violence against women and children. The campaign raises awareness of the impact of violence and abuse while trying to rid society of abuse permanently.

As the fight against GBV headlines all platforms around the world, the NFVF was posed with a challenge on how they could make a difference in tackling this human injustice and recognise that gender-based violence in South Africa is an ongoing and visible crisis, especially in the industry it serves. The theme for the 16 Days of Activism Campaign in 2022 was: "Socio-Economic Rights and Empowerment to build Women's Resilience against Gender-Based Violence and Femicide: Connect, Collaborate, Contract!"

The NFVF hosted an event in support of Sisters Working in Film and Television and Film (SWIFT) and launched the Safety Contact Officers (SCO) programme in December 2022. The SCO Programme is an initiative that is aimed at creating safe spaces in SA Film and TV sets.

The 16 Days of Activism Against GBV event was an ideal platform for the NFVF and SWIFT to give an update to the industry on the SCO programme, the challenges and plans for the future. The NFVF hosted and participated in events to bring awareness about GBV while trying to find solutions for this epidemic driven through the film industry.

### **2. SWIFT Safety Contact Officer**

Through a virtual event on 7 December 2022, the NFVF hosted a session focusing on the progress since the introduction of Safety Contact Officers (SCO's) in 2020. The session focused on the Safety Contact Officer initiative, how it has improved the industry working environment for women in film and television, the current gaps and what more can be done. The session further unpacked issues relating to GBV and propose solutions as well as in-roads done to improve diverse gender participation by SWIFT, production companies, government entities and broadcasters.

The session included the following industry participants:

- Lindi Ndebele-Koka – Board member and Head of Advocacy (SWIFT)
- Onke Dumeko - Head of Operations (NFVF)
- Nosipho Maketo van den Bragt – CEO (Chocolate Tribe Production)
- Candice Tennant – Producer (Tshedza Picture)
- Flavia Motsisi – Commissioning Editor (MNet)

### **3. 16 Days of Activism X Four Walls Series**

On 10 December 2022 in support of the 16 days of activism, the #NFVF hosted a 4-way conversation with the cast and crew of the South African 9-part series, Four Walls on Instagram. The series follows the life of Grace Molotsi, a married nurse who feels trapped and at her worst end due to an abusive husband who has made life and her home a living nightmare. The film also speaks to the shocking crime statistics in South Africa as Molotsi's house is invaded by two thugs on the run from a cash in transit.

The participants included:

- Actor: Jeff Jackson Morgianho (@jeffjacksona)
- Actress: Enhle Mbali Mlotshwa (@enhlembali\_)
- Director/Producer: Kgosana Monchusi (@kgosanamonchusi)
- Host: Radio Presenter, Tlou Tlolane (@tlou\_tlolane)



#### 4. SAFTAs Code of Conduct Policy

In order to respond to the prevalence of GBV in the industry, the NFVF developed a code of conduct policy which will hold all stakeholders who participate in the SAFTAs accountable to the standards of behaviour which discourage misconduct and enable the SAFTAs to disqualify entrants based on the merits of the policy.

### Partnerships

#### *JETS (Berlinale)*

The NFVF entered into a partnership with WEP Productions, the founding company behind the Junior Entertainment Talent Slate (JETS) initiative. JETS provides co-production opportunities for selected emerging projects that are aimed at securing finance and distribution opportunities from the global market. The initiative embraces filmmakers from various countries, including South Africa, Canada, Germany, Norway, Austria, United Kingdom, Netherlands, to name a few.

The objective of the partnership was to assist three projects selected from South Africa to full-time participants of the programme. The benefits of the three projects selected, included opportunities to meet and make connections with fellow filmmakers from the respective countries, meeting with the jury and receiving advice on collaboration strategies and potential collaborative commitments on the selected project. Benefits of taking part at the Berlinale film week and being accredited to attend the European Film Market. The initiative is reviewed and renewed annually, between the NFVF and WEP.

#### *MICT SETA*

The NFVF's partnership with MICT SETA has proven to be instrumental in the successful implementation of internship programs. By collaborating with MICT SETA, the NFVF has been able to expand its reach and placed more than 150 graduate interns at various broadcasters, film commissions and production companies.

#### *SHEER PUBLISHING AFRICA*

The NFVF entered into a partnership with Sheer Publishing Africa with the aim of uplifting and improving the knowledge, education and understanding of music licensing processes, tools, and production quality for NFVF beneficiaries and the industry at large. Sheer Publishing Africa will play an advisory role to the NFVF specifically as it relates to music licensing, industry insights and statistics. Sheer and NFVF will

also, by mutual agreement, deliver joint masterclass sessions at various events if they will lead to the advancement of each party's organisational pillars, through the fulfilment of the partnership agreement.

#### *UNSUNG HEROES*

During the 2021/22 and 2022/23 financial years, the NFVF and DSAC entered into two partnerships for the development, training and delivery of an anthology of ten productions which highlighted and celebrated the contribution of various anti-apartheid heroes whose stories have not been told. The stories are sourced from across the country, and the winning pitched story ideas are then selected for development and production into the anthology series.

The first which resulted in ten films, were finalised and screened during South Africa's Cultural Season in Tanzania which took place from 17 November to 4 December 2022. The selection of the project for the second season of the *Unsung Heroes* anthology was completed in early 2023, which allows another ten projects being awarded the opportunity to be developed and produced. It is expected that the productions will be completed ahead of Heritage month, and thus will be available for screening from September 2023. The total budget for the two seasons is R10.5 million, which has been made available by the Department of Sport, Arts and Culture.

#### *The African Export Import Bank (AFREXIM)*

The AFREXIM (CANEX) and the NFVF entered into an agreement for the implementation of the Creative Africa Nexus programme – a multifaceted intervention aimed at supporting and developing Africa's growing creative sector:

The collaboration resulted in various activations, speaking opportunities and associated branding rights, as well as the NFVF garnering the recognition of one of the sponsors of CANEX WKND, a three-day gathering of creatives held in Abidjan from 25 to 27 November 2022.

#### *SAFTAS 16*

The broadcast partnership with SABC was renewed timeously to align with the e-branding of the channel from SABC 3: The Stage Is Yours to S3: Open Up. The broadcast on Multichoice's *Mzansi Magic* included additional SAFTAs brand visibility on *kykNet*, *kykNET&kie*, *Mzansi Magic*, *Showmax*, *I Magic*, and *M-Net*. The NFVF additionally secured Netflix as an industry partner to focus on celebratory elements for all nominees through press packages with proudly South African brands and/or events.

## Strategy to Overcome Areas of Under Performance

There were no areas of underperformance.

## SPECIAL PROJECTS: PRESIDENTIAL EMPLOYMENT STIMULUS PROGRAMME

### Presidential Economic Stimulus Programme (PESP)

During 2022/23, the NFVF instituted PESP3 across three streams:

- **Stream 1:** Production Open Call - Production proposals in fiction and non-fiction scripts e.g. (but not limited to) documentaries, television concepts (and any other audio-visual proposals); with an ability to create ten or more jobs.
- **Stream 2:** Training Open Call - Training and development initiatives and proposals (including graduate development programmes) with a demonstrated job creation ability of ten or more jobs.
- **Stream 3:** Marketing and Distribution Open Call – Marketing and Distribution strategy proposals such as public screenings, film festivals/markets hosting targeting job creation of ten or more jobs.

Business Recovery, which was the fourth stream in PESP 1 was excluded from the official allocation letter to the NFVF by the DSAC.

The budget allocation for the 22/23 FY of R152,3 million was split as follows:

A project allocation cost of 96% (R145 578 000.00), to be disbursed by 31 March 2023 reflecting:

- Stream 1: Production open call – R107 775 769.70 – 7000 jobs targeted.
- Stream 2: Skills Development open call – R25 618 230.30 – 1300 jobs targeted.
- Stream 3: Marketing & Distribution open call – R12 184 000.00 – 700 jobs targeted.
- An administration allocation cost of 4% at R6 722 000.00.

Targets envisioned by the DSAC were exceeded. The main highlights for PESP3 included a notable increase in the number of applications received, this can be attributed to a robust marketing strategy which included roadshows across all provinces and partnership with media houses. The overall targeted number of jobs (a target of 9 000 jobs) that PESP3 projects were supposed to achieve, was exceeded. To date, a total of 11 312 jobs have been created across all three streams. This exceeds the 8 101 jobs created in PESP1 even though PESP1 had four streams. PESP3 implementation will conclude in December 2023 for Stream 1 beneficiaries where additional jobs will be created.

The NFVF also planned for PESP4 utilising the same streams. Key elements in the planning for PESP4, which will be implemented during the 2023/24 and 2024/35 financial years include the following:

- In PESP4 the NFVF has planned to build on the gains for PESP3 by ensuring that there is laser focus on underserved provinces.
- More emphasis will also be given to the other key PESP indicators, race, gender, disability, and age (youth). By fine tuning the implementation strategy used in PESP3 and incorporating lessons on what did not work well in PESP3, the NFVF prioritised refining the application and evaluation criteria for tier three and aligned it to the entry-level standard.
- More panel members are planned to be appointed in PESP4 as this was one element that gave us challenges in PESP3. Terms of Reference were updated to ensure that they were in line with the NFVF Act and mandated the NFVF to appoint a pool of experts to assist with the volume of applications.
- Funding caps were introduced across all three streams and a stipend guideline was introduced for stream 2 in PESP4 to mitigate against the potential exploitation of learners.
- The implementation periods for streams 2 & 3 were extended from three months to six months to afford beneficiaries more time to implement their projects as this was one of the areas that proved to be a challenge in PESP1 & PESP3.
- Panel members will not be allowed to adjudicate in the streams that they applied for grant funding to mitigate against possible risks of intellectual property theft and other challenges experienced in previous PESP implementations.



## 4.5 PROGRAMME 5: ADMINISTRATION AND HUMAN RESOURCES

### Programme Description

#### Purpose of programme

The Administration and Human Resources departments provide strategic oversight of the performance and overall service delivery of the NFVF. The overall objective is to improve efficiency and effectiveness in the management of

the NFVF. The administration department is responsible for ensuring good corporate governance and effective internal controls. The human resources department ensures that the NFVF is adequately staffed to deliver on its mandate and service delivery objectives.

Strategic objectives related to administration and human resources.

- Maintenance of efficient and effective systems of financial, legislative, and administrative controls
- Sound leadership, governance, and management

Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Administration and Human Resources - Improved NFVF culture</b>							
To ensure coherence and accountability towards achieving organisational mandate	Complete an accurate management report	Submit Quarterly reports to Council, DSAC and Treasury	4 Quarterly Reports submitted to DAC, National Treasury and Council	4 Quarterly reporting to Council, DSAC, and Treasury	4 Quarterly reports were submitted to Council, DSAC and Treasury	Achieved	N/A
		Obtain an unqualified Audit opinion.	12 Monthly and 4 Management accounts completed and submitted	Prepare 12 monthly and 4 Quarterly Management Accounts –	12 monthly and 4 quarterly Management accounts prepared	Achieved	N/A
	Complete high-standard, accurate and presentable financial statements		Annual Financial Statement were prepared	Unqualified audit opinion on the 2021/22 AFS	NFVF received an unqualified audit opinion on the 2021/22 AFS	Achieved	N/A
	Complete accurate supply chain management report on compliance	Compliance to supply chain management processes.	4 quarterly reports on Supply Chain Management confirming compliance to regulations and SCM policy. With a 100% compliance. The acceptable failure rate on compliance must be between 85%- 90%.	Submission of quarterly reports on Supply Chain Management confirming compliance to regulations and SCM policy with a 100% compliance	Quarterly reports submitted on Supply Chain Management confirming compliance to regulations and SCM policy. With a 100% compliance - Achieved	Not Achieved	The target is not achieved as there were some non-compliance with the SCM policy for the year under review i.e. irregular expenditure
Updated Risk Register based on continual identification and assessment of risks	Internal Audit Progress Report	Effective management of SLAs and infringement reports. IT report on stability of the ICT infrastructure, supported by ICT policies	4 Quarterly ICT Reports were submitted including SLA infringement and incident reports with a target of 100% SLA compliance and up to 85% acceptable failure rate.	4 ICT Reports including SLA infringement and incident reports with a target of 100% SLA compliance and up to 85% acceptable failure rate.	4 ICT Reports were submitted including SLA infringement and incident reports with a target of 100% SLA compliance and up to 85% acceptable failure rate.	Achieved	N/A
		Effectively Managed Risk register	1 annual risk assessment workshop was held	Conduct 1 annual risk assessment workshop	The annual risk assessment workshop was held on the 15 February 2023	Achieved	N/A
		Implementation of three year rolling internal audit plan based on the outcome of the risk assessment	12 Internal Audits were conducted	100% implementation of the approved internal audit plan	Approved Internal Audit Plan was implemented	Achieved	N/A



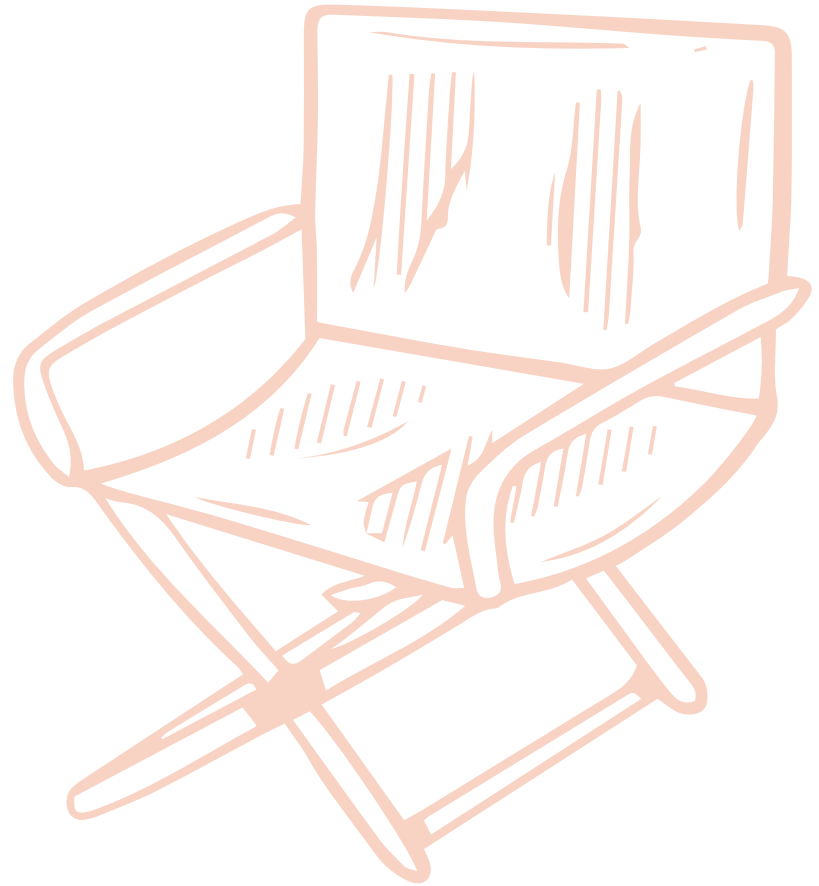
Outcome	Output	Performance Indicator	Actual Achievement 2021/2022	Planned Target 2022/2023	Actual Achievement 2022/2023	Deviation from planned target to Actual Achievement 2022/2023	Comment on deviations
<b>Administration and Human Resources - Improved NFVF culture</b>							
Implement Audit Action Plan		Develop Audit Actions plan to address the root cause of the audit findings	Audit Action plan to address the root course of the audit findings was developed and implemented	Audit action plan implemented after each annual audit and no recurring audit findings	Audit Action plan to address the root course of the audit findings was developed and implemented - Achieved	Achieved	N/A
Align all employee performance	Effectively Managed Performance management system focused on KPAs	Measure and align all employee performance to service delivery	All performance contracts have been signed and biannual performance reviews have been conducted.	Biannual Performance reviews will be conducted and contract to be signed	Bi-annual performance reviews achieved, and all performance contracts signed	Achieved	N/A
Capacitate and empower employees with relevant skills and knowledge		Number of interventions to capacitate and empower employees with relevant skills and knowledge to assist with service delivery	38 Staff trained	15 staff to be capacitated and empowered	35 employees were trained	An additional 19 employees trained - Achieved	Additional training for staff in various programmes conducted to close identified skill gaps.
Employee engagements	Employee Engagement Effectively managed, Employee Wellness Programmes	Conduct employee wellness engagements.	2. employee wellness engagement were conducted	To conduct 2 employee wellness engagements	2 Employee Wellness Engagements conducted	Achieved	N/A
		Conduct other employee engagements	2 employee engagements were held	2 employee engagements	3 Employees Engagements conducted	Extra focus groups conducted on organisational values - Achieved	NFVF values have been incorporated as part of staff performance contracts hence the need to engage employees and re-familiarise them.

### Strategy to Overcome Areas of Under Performance

There were no areas of underperformance.

### Changes to Planned Targets

There were no changes to planned targets.



# PART C

# GOVERNANCE



PART A



PART B



PART C



PART D



PART E

## 1. INTRODUCTION

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

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

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

The Council and Management believe that the organisation has substantially applied and complied with the principles incorporated in the Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance for South Africa 2002, as well as the Protocol on Corporate Governance in the Public Sector 2002.

## 2. EXECUTIVE AUTHORITY

The Executive Authority of the NFVF is the Minister of Sport, 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 2022/23
- 1st Quarterly Report – 31st July 2022
- 2nd Quarterly Report – 31st October 2022
- 3rd Quarterly Report – 31st January 2023
- 4th Quarterly Report – 30th April 2023

## 3. THE ACCOUNTING AUTHORITY

### Introduction

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

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

### The role of the Council is to:

- carry out its statutory mandate under the NFVF Act.
- define and ensure compliance with the values and objectives of the NFVF.
- establish policies and plans to achieve those objectives; 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:

- 26 May 2022
- 30 May 2022
- 29 July 2022
- 25 August 2022
- 27 October 2022
- 8 December 2022
- 27 January 2023
- 9 February 2023
- 24 March 2023



Name	Designation	Date appointed	Date resigned	Other Committees (e.g.Audit committee)	No. of Meetings attended
Ms Tholoana Ncheke	Chairperson	01 December 2020			16
Dr Jeremiah Mofokeng	Deputy Chairperson	01 December 2020		Human Resources and Ethics Committee	17
Mr Maijang Mpherwane	Council Member	01 December 2020		Audit and Risk Committee member	11
Adv Senzo Ncube	Council Member	01 December 2020		Audit and Risk Committee member	13
Mr Sanele Zondi	Council Member	01 December 2020	31 May 2021		-
Mr Louis Itumeleng Seeco	Council Member	01 December 2020		Human Resources and Ethics Committee	14
Ms Julie Hall	Council Member	01 December 2020		Human Resources and Ethics Committee	14
Mr Sibongiseni Mkhungo	Council Member	01 December 2020		Human Resources and Ethics Committee	15
Ms Marjorie Letoaba	Council Member	01 December 2020			
Ms Nomfundo Matlala	Council Member	01 December 2020		Human Resources and Ethics Committee	14
Ms Lala Tuku	Council Member	15 June 2021		Human Resources and Ethics Committee	5
Ms Unathi Malunga	Council Member	21 June 2022	26 October 2022	Human Resources and Ethics Committee	4
Nobuntu Dubazane	Council Member	21 June 2022	26 October 2022	Human Resources and Ethics Committee	4

#### Remuneration of Council Members

Name	Council Remuneration (R'000)	HR & Ethics or Audit & Risk Committee (R'000)	PESP Sessions (R'000)	Total (R'000)
Ms Tholoana Ncheke	99,764.50	-	110,492.50	210,257.00
Dr Jeremiah Mofokeng	69,067.00	49,110.50	86,377.62	204,555.12
Mr Maijang Mpherwane	31,389.00	56,805.00	21,135.00	109,329.00
Adv Senzo Ncube	63,546.00	75,840.00	50,121.00	189,507.00
Ms Nobuntu Dubazane	19,215.00	12,093.00	2,484.00	33,792.00
Mr Louis Itumeleng Seeco	83,343.00	61,770.00	17,685.00	162,798.00
Ms Julie Hall	31,368.00	65,445.00	53,976.00	150,789.00
Mr Sibongiseni Mkhungo	35,349.00	94,323.00	14,200.00	143,872.00
Ms Lala Tuku	7,614.00	39,300.00	2,080.00	48,994.00
Ms Unathi Malunga	-	25,476.00	-	25,476.00
Ms Nomfundo Matlala	37,299.00	82,347.00	35,739.00	155,385.00

## 4. RISK MANAGEMENT

### Nature of risk management

Risk Management encompasses the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the NFVF. The realisation of the organisation's business strategy depends on its ability to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk through the NFVF's risk management system enables the organisation to anticipate and respond to changes in its business environment, and to take informed decisions in conditions of uncertainty.

#### *Risk management strategies to identify risks and manage the risks*

A Risk Assessment Workshop was conducted with Council, Audit Committee members and the Executive Management team during February 2023 to review and update the NFVF Risk Register. Based on the outcomes of the risk assessment, a revised strategic risk register was developed and approved by Council which would be tracked on a quarterly basis through the Audit and Risk Committee.

As part of implementing the risk treatment plans, the NFVF has undertaken the following:

- Signed a shareholders compact with DSAC.
- Continued to lead industry-wide initiatives to improve funding for the industry
- Reviewed its Finance, HR, IT and business-related policies and procedures
- Updated the funding policy, amongst others
- Reviewed and approved the Council and Audit Committee Charters
- Council evaluation of all committees
- Review of NFVF reputation and image and undertake steps to re-instate a good reputation.

## 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 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.
- Automated its supply chain management system in order to ensure 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.
- Ensured that all the Policies and Procedures are in line with the prescribed legislations, laws and best practices.

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

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

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

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

The NFVF's internal audit was performed by an Outsourced service provider whose reports were tabled and reviewed by the Audit and Risk Committee

### Summary of audit work done

During the 2022/23 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 predetermined objectives
- Supply chain management review
- Risk Management maturity assessment
- ICT Review
- Grant Funding and provisions
- Follow up review

### Key activities and objectives of the audit committee

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

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

### Attendance of Audit Committee meetings by Audit Committee members:

Name	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Zanele Nkosi	External member	Audit Committee chairperson	April 2021	-	5
Ulandi Exner	External member	Audit Committee Member	April 2021	-	6
Molobeng Serame	External member	Audit Committee Member	July 2021	-	6
Adv. Senzo Ncube	Internal	Council Member	June 2021	-	5
Maijang Mpherwane	Internal	Council Member	June 2021	-	1
Keith Salimane	External member	Internal Audit	September 2020	-	6
Makhosazana Khanyile	Internal	CEO	April 2019	March 2023	6
Peter Makaneta	Internal	CFO	January 2022	-	6



## 7. FRAUD AND CORRUPTION

The NFVF has a fraud prevention plan in place. All new staff are inducted on the plan and regular workshops are held with all staff to familiarise them with the plan. The NFVF is also a participant in the DSAC's fraud and corruption campaign. Management did a fraud risk assessment and developed treatment plans to address the weaknesses of fraud risks identified. Management also had a fraud awareness session to staff.

## 8. MINIMISING CONFLICT OF INTEREST

The NFVF has developed a policy for conflicts of interest that has been approved by Council. All Council, committee and panel members are required to sign a declaration of conflict of interest at every meeting. Staff members must sign a declaration of conflict of interest 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 their employment at the NFVF. The code sets out the acceptable business conduct and practices.

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

## 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 are made aware of the health and safety requirements including but not limited to the following:

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

## 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 2022.

### COMMITTEE RESPONSIBILITY

The Committee has complied with its responsibilities as arising from section 51(1)(a) of the PFMA and Treasury Regulations 27.1. For the year under the review, the Committee also adopted an appropriate formal charter to ensure regulation of its affairs and has discharged all its responsibilities according to this charter.

### COMMITTEE TENURE

During the year under review, the Committee consisted of the following members:

- Ms Zanele Nkosi (Chairperson)
- Ms Ulandi Exner
- Ms Molobeng Serame
- Adv Senzo Ncube
- Mr Maijang Mpherwane

### THE EFFECTIVENESS OF INTERNAL CONTROL

The PFMA requires the accounting authority to ensure that the organisation has and maintains effective, efficient and transparent systems of financial, risk management and internal control.

In line with this, the Committee conducted a thorough review of the significant matters raised by both the internal and external audit processes. An evaluation of financial controls and action plans implemented to address any identified deficiencies was also performed. Although action plans were designed to address issues as identified in the prior year, the following weaknesses were still noted in the internal controls.

- Grant funding contract management

The Committee recommends management develop proper processes to respond to the weaknesses. The Committee will monitor implementation thereof.

### INTERNAL AUDIT

Internal audit is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all the significant areas of the organisation and its operations.

The Committee has the responsibility of ensuring that the function is independent, resourced and has the necessary skills and authority to enable it to discharge the responsibilities effectively. The function has unrestricted access to the Committee.

In the financial year under review, the Committee reviewed and approved the three-year rolling and an annual risk-based plan. Activities of the function were monitored quarterly against this plan. The following internal audit work was completed during the year under review:

- Audit of predetermined objectives
- Grant funding contract management
- Asset management
- Corporate governance review
- Risk management
- Supply chain management
- Cyber security review
- Follow-up on prior year findings
- IT policies & strategy review

### RISK MANAGEMENT

Risk is a fundamental pillar of effective governance and enabler of strategy. The Committee plays a crucial role in reviewing and overseeing the systems and processes of risk management within the entity.

During the year under review, the committee analysed and reviewed the entity's annual assessment processes. The committee also performed a review of the risk framework and strategy.

As part of strengthening the processes of risk management, in the current year, management embarked on a risk maturity assessment process. Although the Committee has noted progress when it comes to risk management, some weaknesses still need to be addressed. On a quarterly basis, the Committee will be monitoring the implementation of actions addressing the weaknesses identified as part of the maturity assessment.

### QUALITY OF QUARTERLY MANAGEMENT REPORTS

The Committee received and consistently reviewed both financial and non-financial information and ensured that monthly and quarterly reporting processes were in accordance with the PFMA and all relevant legislation.

### SUMMARY OF MAIN ACTIVITIES UNDERTAKEN BY THE COMMITTEE DURING YEAR UNDER REVIEW

- Review of quarterly financial statements and unaudited annual financial statements;
- Monitoring and implementation of corrective action plans to address AGSA and internal audit findings;
- Review of process to ensure compliance with relevant laws and regulations;
- Quarterly performance information report and annual report
- Review of operational risk and strategic register
- Review of ARC and internal audit charter
- Approve the terms of engagement of the external auditor, including fees
- Review of fraud prevention policy
- Review of funding policy
- ICT governance review
- Consideration of legal matters

## EVALUATION OF FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION

The Committee has:

- Reviewed and discussed the annual financial statements and performance information as prepared by entity.
- Reviewed the AGSA's management reports and management responses thereto.
- Reviewed significant adjustment resulting from the audit.
- Reviewed any changes in accounting policies and practices; and

- Reviewed the entity's compliance with applicable regulatory provisions.

The Committee is satisfied that these statements comply, in all material respects, with the requirements of the PFMA, 1999, as amended, and South African Statements of GRAP. The committee has recommended that management develop action plans to address findings raised.

## AUDITOR'S REPORT

The Committee has met with and reviewed the Auditor-General of South Africa's management and audit reports for the financial year ended 31 March 2023. The Committee concurs and accepts the audit opinion and conclusions of the external auditor on the annual financial statements, annual performance report and annual report.

## APPRECIATION

The committee extends its gratitude to the NFVF Council as an accounting authority, senior management team, internal audit, and AGSA for their unwavering support and commitment throughout the year under review. Their collaborative efforts have been instrumental in upholding the principles of transparency, accountability, and sound governance within the organization.



**Ms. Zanele Nkosi**

Chairperson of the Audit Committee  
National Film and Video Foundation  
31 July 2023

## 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 NFVF
Developing and implementing a preferential procurement policy?	No	NFVF is in the process of developing the preferential procurement policy
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable to NFVF
Developing criteria for entering partnerships with the private sector?	No	The criteria will be developed in this current financial year





# PART D

# HUMAN RESOURCE MANAGEMENT



PART A



PART B



PART C



PART D



PART E

# I. INTRODUCTION

## Overview

### *The HR priorities for 2022/2023 and their impact*

The Human Resource (HR) department is key in ensuring that the National Film and Video Foundation (NFVF) is able to effectively deliver on its mandate and strategic objectives. The primary objective of the HR department is to ensure that the NFVF has the right people, in the right roles. The main focus of the HR department has been on key strategic interventions aimed at enhancing organisational effectiveness.

Key priorities entailed the following:

- Recruitment and Placement
- Performance Management
- Training and Development
- Employee Engagement
- Organisational Culture Intervention

### **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 the Council were filled within the period under review, with an exception of two (2) positions, IT Specialist and HR Officer. A total of eleven (11) vacancies have been filled through a fair and transparent recruitment process, aligned to our recruitment strategy. The occupation of the nine (11) vacancies has been key in meeting our annual targets and achieving our overall mandate.

### **Performance Management:**

The NFVF's performance management is based on a 360° methodology. Our performance management system allows for a comprehensive performance assessment of staff. Performance assessments are conducted bi-annually (mid-year and year-end of the financial year). These assessments have been key in identifying employee skill gaps for urgent address. The performance management system offers staff an opportunity to measure their individual contribution to the overall organisational performance.

### **Training and Development:**

Training priorities are identified when performance reviews are conducted. Each line manager and employee have a duty to address any skill gaps identified. Those gaps automatically form part of each employee's Personal Development Plans (PDP's) on the performance contracts and are addressed within agreeable timeframes. It is of utmost importance that skill gaps are addressed, as they contribute in improving efficiency and high performance. The HR department has been instrumental in ensuring that skill gaps identified are addressed through various training initiatives, and the following interventions have been achieved:

- Intermediate Excel Course
- Project Management
- Report Writing Skills
- Contract Management
- Health & Safety, Fire Fighting and First Aid
- Professional Skills for Secretaries and Administrators
- SAGE Pastel Payroll
- Generally Recognised Accounting Principles (GRAP) Training
- Monitoring and Evaluation Course
- Academic support through staff bursaries

The training initiatives undertaken form part of a Works Skills Plan (WSP) and Annual Training Report (ATR) document submitted to the Media, Information and Communication Technologies (MICT SETA).

The continuous re-assessment of skills ensures that employees are placed in the best position to respond to industry requirements and are reflective of a changing industry. The above initiatives are aligned to the organisation's talent management strategy.

### **Employee Engagement:**

Employee engagement sessions are key in defining the nature of relationship between various departments, how they inter-depend on each other, and how that relationship translates in achieving the overall business objectives. Several staff engagement sessions have taken place, with the aim of addressing various factors affecting staff:

- Financial wellness workshops
- Culture intervention engagement sessions
- Conflict management and grievance procedure workshop
- Sexual harassment workshop
- Various employee wellness initiatives through the ICAS

ICAS is the NFVF's wellness partner and enables employees and their dependants to access the following services:

- 24 hours a day telephonic counselling with a qualified professional
- Up to eight sessions of face-to-face counselling with a qualified professional in an area of your choice
- Life Management: legal and financial telephonic advice
- Telephonic health and medical support services
- Musculoskeletal Health support for issues such as, back pain and neck pain
- Access to the electronic e|Care service that provides a wealth of health and wellness-related information

In the past year, ICAS has been visible to staff, offering monthly engagement sessions covering various topics. The NFVF employees have further benefitted greatly from these services, from individual consultations to companywide workshops.

Management continues to encourage staff and their immediate family members to make use of ICAS services.

#### **Organisational Culture Intervention**

The NFVF has sourced the services of Strat Align to provide organisational culture interventions for a period of three (3) years, focusing on an effective phased approach, shifting the current culture challenges to more conducive culture, where staff members are able to work together, live the organisational values and build a more sustainable and positive workplace.

The NFVF will follow a four-phased culture transformation process which include:

- Diligence
- Diagnosis
- Design
- Delivery

The leadership have been key in the process and will continue to be involved.

#### **Skills Development for 11 youth through employment opportunities**

In April 2021, 11 youth coordinators were recruited to equip them with employment opportunities. The NFVF has created a pipeline to absorb its previous interns to fulfil such requirements. The 11 youth coordinators have been assigned to the various business units within the organisation to provide further support to them and to equip them with skills. The contracts for the 11 youth coordinators were extended for a further period from April 2022 – March 2023 as they proved to be valuable resources to the business units.

#### **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:

- To continue building and sustaining an organisational culture that facilitates and accelerates change.
- Flexible HR information system that supports remote working arrangements.
- Develop a customised, integrated Talent Management Framework including but not limited to career pathing architecture, succession planning, performance management and incentives.



## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

### Personnel cost by programme

Programme	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Training & Skill Development	1,053,614.52	4.31%	2	526,807.26
Policy, Compliance & Research	5,530,177.33	22.65%	8	691,272.17
Production & Development	4,173,959.97	17.09%	6	695,695.99
Marketing & Distribution	3,209,248.70	13.14%	6	534,874.78
CEO Office, Finance, HR & Admin	10,452,133.02	42.80%	14	770,466.11
<b>Total</b>	<b>24,419,133.54</b>	<b>100%</b>	<b>36</b>	<b>678,309.27</b>

### Personnel cost by salary band

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top management	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
<b>TOTAL</b>	<b>24,419,133.54</b>	<b>100%</b>	<b>36</b>	<b>678,309.27</b>

### Performance rewards

Programme	Performance rewards (R'000)	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%
<b>TOTAL</b>	<b>950,184.15</b>	<b>202,396.82</b>	<b>100%</b>

### 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 (R'000)
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 & Skills Development	2	2	2	0	0.00%
Legal, Policy & Research	8	8	8	0	0.00%
Production & Development	6	6	6	0	0.00%
Marketing & Distribution	6	6	6	0	0.00%
HR, Finance & CEO	14	15	14	1	2.70%
<b>TOTAL</b>	<b>36</b>	<b>37</b>	<b>36</b>	<b>1</b>	<b>2.70%</b>

## 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%
<b>TOTAL</b>	<b>36</b>	<b>37</b>	<b>36</b>	<b>1</b>	<b>2.70%</b>

## 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
<b>Total</b>	<b>33</b>	<b>9</b>	<b>6</b>	<b>36</b>

## Reasons for staff leaving

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



### Labour relations: misconduct and disciplinary action

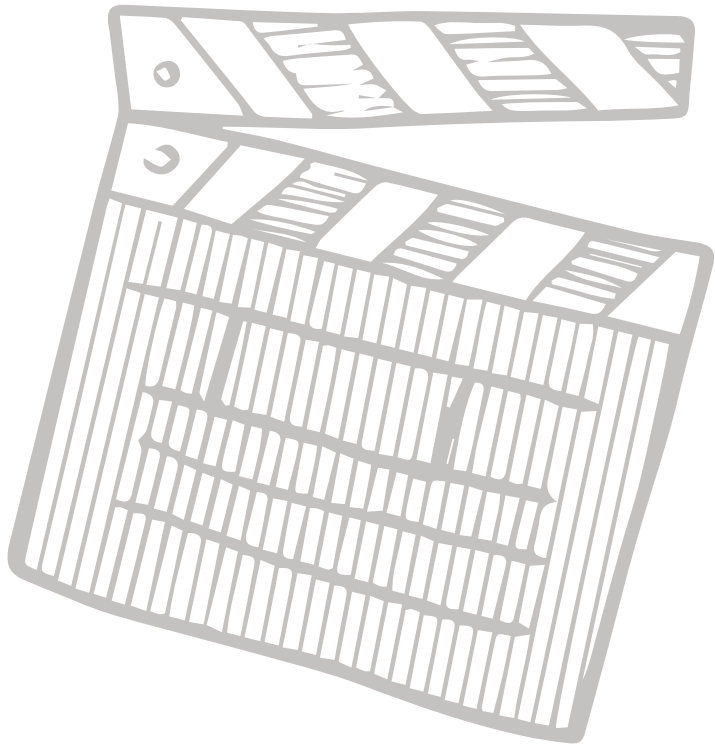
Nature of disciplinary action	Number
Verbal warning	0
Written warning	2
Final written warning	0
Dismissal	1

### Employment equity status

Levels	Male			
	African	Coloured	Indian	White
	Current	Current	Current	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
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>

Levels	Female			
	African	Coloured	Indian	White
	Current	Current	Current	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
<b>TOTAL</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>





# PART E FINANCIAL INFORMATION



PART A



PART B



PART C



PART D



PART E

## General Information

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Country of incorporation and domicile                      South Africa

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Nature of business and principal activities                      Film and Video

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Registered office    87 Central Road  
Houghton  
2198

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Controlling entity    Department of Sport, Arts and Culture

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Bankers    First National Bank

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Auditors    Auditor-General of South Africa

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Secretary    Ms. Lindeka Moeng

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Company registration number    Act 73 of 1997

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Level of assurance    These annual financial statements have been audited in compliance  
with the applicable requirements of the Companies Act 71 of 2008.

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# I. Report of the auditor-general to Parliament on 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 77 to 113, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as 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 2023, and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 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 responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters

### Irregular and fruitless and wasteful expenditure

7. As disclosed in the note 36 to the financial statements, fruitless and wasteful expenditure of R7 100 503 from prior years has not yet been resolved.
8. As disclosed in note 37 of the financial statements, irregular expenditure of R7 828 204 from prior years has not been resolved.

### Restatement of corresponding figures

9. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the entity at and for the year ended 31 March 2023.

### Responsibilities of accounting authority for the financial statements

10. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with 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.
11. 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 accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the auditor for the audit of the financial statements

12. 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. 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

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
15. I selected the following programme presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected the programme that measure the entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programmes	Page numbers	Purpose
Programme I – Content development	20 - 32	To provide funding for content development

16. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.
17. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
  - the indicators are well-defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
  - the targets can be linked directly to the achievement of the indicators and are specific, time-bound and measurable to ensure that it is easy to understand

what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance conclusion.
19. I did not identify any material findings on the reported performance information of Programme I – content development.

### Other matter

20. I draw attention to the matter below.

#### Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievements.

#### Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Content development programme. Management subsequently corrected all misstatements and I did not include these material findings in this report.
23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.
24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance

management of the entity's, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### Financial Statement and Annual Report

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

### Expenditure management:

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R869 861 as disclosed in note 37 to the annual financial statement, as required by Section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused as a result of contracts that had expired.

### OTHER INFORMATION IN THE ANNUAL REPORT

29. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements, the report of the audit of annual performance report and the report on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibilities 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 programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. Other information prior to the date of the audit report was received. The auditors will read this information and determine if there is any 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.

### INTERNAL CONTROL DEFICIENCIES

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
34. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the unqualified opinion with other findings and, the findings on the annual performance report and the material findings on compliance with legislation included in this report.
35. Senior management did not adequately review the processes of preparing financial statements, the performance report and compliance with legislation. Misstatements identified during the audit of provisions were material and led to material amendment of the financial statements.
36. Senior management did not implement an effective monitoring of the action plans as repeat findings were identified during the audit of provisions and compliance. Controls over the daily and monthly processing and reconciling of transactions were also not implemented.

*Auditor General*

Johannesburg

31 July 2023



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

- the auditor's responsibility for the audit
- the selected legislative requirements for compliance testing.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT

#### Professional judgment and professional scepticism

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 selected programmes and on the entity's compliance with selected requirements in key legislation.

#### Financial statements

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.
- conclude on the appropriateness of the 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 relating to events or conditions that may cast significant doubt on the ability of the entity's 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 my opinion on the financial statements. My conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a entity to cease operating as a going concern
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communication with those charged with governance
- 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.
- I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



## Compliance with legislation – selected legislative requirements

I. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No. 1 of 1999 (PFMA)	PFMA 51(1)(b)(i) PFMA 55(1)(a) PFMA 55(1)(b) PFMA 55(1)(c)(i) PFMA 51(1)(b)(ii) PFMA 53(4) PFMA 51(1)(e)(iii) PFMA 51(1)(b)(ii) PFMA 51(1)(a)(iv) PFMA 56(1) PFMA 56(2) PFMA 57(b)
Treasury Regulations for departments,	TR 31.1.2(c')
trading entities, constitutional institutions and public entities (TR)	TR 30.1.1 TR 30.1.3(a) TR 30.1.3(b) TR 30.1.3(d) TR 30.2.1 TR 16A9.1(b)(ii) TR 16A9.1(e) TR 16A9.1(f) TR 33.1.1 TR 33.1.3 TR 16A 6.1 TR 16A6.2(a) & (b) TR 16A6.2(e) TR 16A 6.3(a) TR 16A 6.3(b) TR 16A 6.3(c) TR 16A 6.3(d) TR 16A 6.3(e) TR 16A 6.4 TR 16A 6.5 TR 16A 6.6 TR 16A8.2 (1) and (2) TR 16A 8.3 TR 16A 8.3(d) TR 16A 8.4 TR 16A 9 TR 16A 9.1 TR 16A9.1 (c) TR 16A 9.1(d) TR 16A 9.1(e) TR 16A 9.2 TR 16A 9.2(a)(ii) TR 16A 9.2(a)(iii) TR 8.2.1 TR 8.2.2
Public service regulation	PSR 18 PSR 18 (1) and 18(2)
PRECCA	PRECCA 34(1)
CIDB Act	CIDB Act 18(1)
CIDB Regulations	CIDB Regulation 17 CIDB Regulation 25(7A)
PPPFA	PPPFA 2.1(a) PPPFA 2.1(b) PPPFA 2.1(f)

Legislation	Sections or regulations
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; Paragraph 3.4(a); 3.4(b) Paragraph 3.9 Paragraph 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a); 3.4.2(b); 3.3.1; Paragraph 4.1
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
NT instruction note 1 of 2021/22	Paragraph 4.1

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<b>GRAP</b>	Generally Recognised Accounting Practice
<b>DSAC</b>	Department of Sport, Arts and Culture
<b>ECDC</b>	Eastern Cape Development Corporation
<b>ECPACC</b>	Eastern Cape Provincial Arts & Culture Council
<b>KZN</b>	KwaZulu-Natal
<b>MANCO</b>	Management Committee
<b>MICT-SETA</b>	Media, Information and Communication Technologies Sector Education and Training Authority
<b>NFVF</b>	National Film and Video Foundation
<b>PESP</b>	Presidential Employment Stimulus Programme

# 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 Generally Recognised Accounting Practice (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 board of members 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 2024 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 Sport, 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 Sport, Arts and Culture has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the board of members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors.

The annual financial statements set out on pages 76 to 113, which have been prepared on the going concern basis, were approved by the Council on 30 May 2023 and were signed on its behalf by:



**Ms Tholoana Ncheke**  
Chairperson

## Statement of Financial Position

as at 31 March 2023

	Note(s)	2023	2022 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Operating lease asset	5	195 773	52 597
Prepayments	6	56 966	314 593
Rental deposit	7	492 060	492 060
Receivables from exchange transactions	8	1 800 383	119 594
Receivables from non-exchange transactions	9	2 353 166	2 781 241
Cash and cash equivalents	10	220 846 809	201 115 356
		<b>225 745 157</b>	<b>204 875 441</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	14 451 930	11 036 325
Intangible assets	4	1 341 745	939 251
Operating lease asset	5	136 638	332 411
		<b>15 930 313</b>	<b>12 307 987</b>
		<b>241 675 470</b>	<b>217 183 428</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Provisions	11	32 542 823	34 257 487
Income received in advance	12	7 837 804	14 422 774
Unspent conditional grant (PESP)	13	17 802 458	1 862 737
Payables from exchange transactions	14	2 694 523	2 052 282
Payables from non-exchange transactions	15	6 681 922	2 320 181
		<b>67 559 530</b>	<b>54 915 461</b>
<b>Non-Current Liabilities</b>			
Provisions	11	54 737 431	62 743 202
		<b>122 296 961</b>	<b>117 658 663</b>
<b>Net Assets</b>			
Accumulated surplus		119 378 509	99 524 765
		<b>119 378 509</b>	<b>99 524 765</b>

\* see note 33

## Statement of Financial Performance

	Note(s)	2023	2022 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rendering of services	18	11 854 070	5 153 734
Other income	19	33 083 395	3 009 292
Investment income	20	11 987 964	5 838 439
<b>Total revenue from exchange transactions</b>		<b>56 925 429</b>	<b>14 001 465</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies	21	291 089 589	237 222 780
<b>Total revenue</b>	16	<b>348 015 018</b>	<b>251 224 245</b>
<b>Expenditure</b>			
Employee related costs	22	(29 641 523)	(30 643 876)
Council remuneration	32	(1 620 858)	(1 765 991)
Repairs and maintenance	24	(103 056)	(37 746)
Depreciation and amortisation	25	(2 699 994)	(2 566 431)
Lease rentals on operating lease	17	(3 395 429)	(4 126 503)
Debt Impairment		(2 777 949)	-
Auditors remuneration		(924 808)	(1 038 708)
Settlement	23	-	(600 000)
Grant expenses	26	(276 792 465)	(170 827 977)
General Expenses	27	(9 600 113)	(8 106 016)
<b>Total expenditure</b>		<b>(327 556 195)</b>	<b>(219 713 248)</b>
Loss on disposal of assets		(605 079)	
<b>Surplus for the year</b>		<b>19 853 744</b>	<b>31 510 997</b>

\* see note 33



## Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Opening balance as previously reported	66 793 725	66 793 725
Prior period errors (note 33)	1 220 043	1 220 043
<b>Balance at 01 April 2021 as restated*</b>	<b>68 013 768</b>	<b>68 013 768</b>
Changes in net assets		
Surplus for the year as previously reported	32 107 310	32 107 310
Prior period error (note 33)	(596 313)	(596 313)
Total changes	31 510 997	31 510 997
<b>Balance at 01 April 2022 as restated</b>	<b>99 524 765</b>	<b>99 524 765</b>
Changes in net assets		
Surplus for the year	19 853 744	19 853 744
Total changes	19 853 744	19 853 744
<b>Balance at 31 March 2023</b>	<b>119 378 509</b>	<b>119 378 509</b>

## Cash Flow Statement

	Note(s)	2023	2022 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Other receipts (Amounts received in advance)		-	1 000 000
Government grants and subsidies		308 466 193	145 955 768
Interest income		11 987 964	5 838 439
Rendering of services		3 977 350	5 115 303
Other Income		32 694 358	3 009 292
		<b>357 125 865</b>	<b>160 918 802</b>
<b>Payments</b>			
Employee costs		(29 063 862)	(31 243 876)
Suppliers and beneficiaries		(301 207 376)	(200 151 868)
		(330 271 238)	(231 395 744)
<b>Net cash flows from operating activities</b>	28	<b>26 854 627</b>	<b>(70 476 942)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(6 643 281)	(1 684 489)
Proceeds from sale of property, plant and equipment	3	80 209	-
Purchase of other intangible assets	4	(560 099)	(476 590)
<b>Net cash flows from investing activities</b>		<b>(7 123 171)</b>	<b>(2 161 079)</b>
<b>Net increase in cash and cash equivalents</b>		<b>19 731 456</b>	<b>(72 638 021)</b>
Cash and cash equivalents at the beginning of the year		201 115 356	273 753 377
<b>Cash and cash equivalents at the end of the year</b>	10	<b>220 846 812</b>	<b>201 115 356</b>

\* see note 33

## Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference (Refer to note 39)
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rendering of services	-	1 900 171	<b>1 900 171</b>	11 854 070	<b>9 953 899</b>	39.1
Other income	-	-	-	33 083 395	<b>33 083 395</b>	39.2
Investment income	-	9 367 391	<b>9 367 391</b>	11 987 964	<b>2 620 573</b>	39.3
<b>Total revenue from exchange transactions</b>	-	<b>11 267 562</b>	<b>11 267 562</b>	56 925 429	<b>45 657 867</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	149 210 000	-	<b>149 210 000</b>	291 089 589	<b>141 879 589</b>	39.4
<b>Total revenue</b>	<b>149 210 000</b>	<b>11 267 562</b>	<b>160 477 562</b>	<b>348 015 018</b>	<b>187 537 456</b>	
<b>Expenditure</b>						
Employee related costs	(25 481 218)	(5 919 280)	<b>(31 400 498)</b>	(29 641 523)	<b>1 758 975</b>	39.5
Council remuneration	(1 553 076)	(776 538)	<b>(2 329 614)</b>	(1 620 858)	<b>708 756</b>	39.6
Repairs and maintenance	(33 038)	(350 000)	<b>(383 038)</b>	(103 056)	<b>279 982</b>	39.7
Depreciation and amortisation	(1 494 000)	(1 100 000)	<b>(2 594 000)</b>	(2 699 994)	<b>(105 994)</b>	39.8
Lease rentals on operating lease	(2 542 494)	(1 316 068)	<b>(3 858 562)</b>	(3 395 429)	<b>463 133</b>	39.9
Debt Impairment	-	-	-	(2 777 949)	<b>(2 777 949)</b>	39.13
Auditors remuneration	(900 000)	(500 000)	<b>(1 400 000)</b>	(924 808)	<b>475 192</b>	39.10
Grant expenses	(1 111 907 502)	(16 716 601)	<b>(1 128 624 103)</b>	(276 792 465)	<b>(148 168 362)</b>	39.11
General expenses	(5 298 672)	(5 587 244)	<b>(10 885 916)</b>	(9 600 113)	<b>1 285 803</b>	39.12
<b>Total expenditure</b>	<b>(149 210 000)</b>	<b>(32 265 731)</b>	<b>(181 475 731)</b>	<b>(327 556 195)</b>	<b>(146 080 464)</b>	
<b>Operating surplus</b>	-	<b>(20 998 169)</b>	<b>(20 998 169)</b>	20 458 823	<b>41 456 992</b>	
Loss on disposal of assets	-	-	-	(605 079)	<b>(605 079)</b>	
<b>Surplus for the year</b>	-	<b>(20 998 169)</b>	<b>(20 998 169)</b>	<b>19 853 744</b>	<b>40 851 913</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	-	<b>(20 998 169)</b>	<b>(20 998 169)</b>	<b>19 853 744</b>	<b>40 851 913</b>	

The annual financial statements of the NFVF have been prepared in accordance with applicable GRAP standards including any interpretations, guidelines and directives issued by the Accounting Standards Board. The NFVF budget is prepared in compliance with section 16(2) of the NFVF Act 73 of 1997.

# 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 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

### I.2 Summary of significant accounting policies

The following are the principal accounting policies of the NFVF which are prepared on an accrual basis and in all material respects, consistent with those applied in the previous year. The annual financial statements of the NFVF have been prepared on the historical cost and going concern basis.

#### Going concern

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

### I.3 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 judgements 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. These estimates are revisions to accounting estimates and 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.

### I.3.1 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:

#### Receivables from exchange transactions

NFVF 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.

#### Leases

Management has applied its judgment and has classified all lease agreements that the NFVF is party to as operating leases as the leases do not transfer substantially all risks and rewards of ownership to the foundation.

### I.4 Revenue from non-exchange transactions

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.

In a non-exchange transaction, the NFVF either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions other than taxes.

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

#### Government grants

Government grants received by the NFVF relates to financial support that the Foundation receives as a Public Entity in order to carry out its mandate. All government grants are recognised in the Statement of Financial Performance for the year to which they relate in line with GRAP 23.

## Accounting Policies (continued)

### 1.5 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.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

### Interest revenue

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

### 1.6 Property, plant and equipment

Property, 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 of property, plant 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, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

Item	Depreciation method	Average useful life
Furniture and fittings	Straight-line	10 years; 6 years
Office equipment	Straight-line	6 years
Computer hardware	Straight-line	10 years; 7 years; 3 years
Leasehold improvements	Straight-line	10 years & can vary based on type

## Accounting Policies (continued)

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.

### 1.7 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 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, asset or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably. Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Intangible assets are amortised over their estimated useful lives, using the straight-line method.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	10 years
Website and licenses	Straight-line	5 years; 2 years can vary based on licence term

Useful lives are assessed annually.

### 1.8 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 and / or type of assets installed

### 1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of 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 amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost



## Accounting Policies (continued)

### Receivables

Financial asset measured at amortised cost  
Financial asset measured at amortised cost  
Financial liability measured at amortised cost.

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, petty cash and deposits held at banks. Cash and cash equivalents are initially measured at fair value and subsequently measured at amortised cost.

### 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 reporting 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.

### 1.10 Value Added Tax

NFVF is a public authority, as defined in the VAT Act and the activities of public authorities are generally out-of-scope for VAT purposes. NFVF is therefore not required to register for VAT.

### 1.11 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 operating lease payments and the straight lining of the operating lease is recognised as an operating lease asset or liability.

### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

## Accounting Policies (continued)

### 1.12 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 service amount. The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

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 are impaired. If such indication exists, the recoverable service amount of the asset is estimated in order to determine the extent of the impairment loss. Value in use is estimated by using either the depreciable replacement cost approach, restoration cost approach or the service unit approach, as required by GRAP 21.

If the recoverable service amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable service amount. That reduction is an impairment loss. 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 service 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.

### 1.13 Income received in advance

Income received in advance is received before providing any benefits. This unearned income is shown on the liability side of the Statement of financial position. This is excluded from the Statement of Financial Performance.

Income received in advance is unwinded from the liability once the benefits are realised.

### 1.14 Rental deposit

Rental deposit means a deposit of money to secure rental agreement, other than a deposit which is exclusively in advance payment of rent.

Rental deposit is recognised as an asset in the statement of financial position.

### 1.15 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

NFVF has the following short term employee benefits - salaries, cellphone allowances for designated officials, leave and bonuses.

#### Short-term employee benefits

The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

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.

#### Defined contribution plan

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.

### 1.16 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

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.

## Accounting Policies (continued)

Provisions are not recognised for future operating losses.

### Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the financial statements. Contingencies are disclosed in note 30.

#### 1.17 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

#### 1.18 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.

#### 1.19 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.

#### 1.20 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 2022 to 31 March 2023. 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.

#### 1.21 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.

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

## Accounting Policies (continued)

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

### 1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

NFVF will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

NFVF will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.23 Foreign exchange transactions

The NFVF does certain transactions in foreign currencies. Transactions in foreign currencies are initially accounted for at the ruling exchange rate on the date of the transaction. Trade payables denominated in foreign currency are reported at the statement of financial position date by applying the exchange rate on that date. Exchange differences arising from the settlement of trade payables, or from reporting of trade payables at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period during which they arise.

### 1.24 Segment reporting

Management has considered the GRAP 18 statement on segment reporting requirements and NFVF has not identified any separately reportable segments in its operations. NFVF operates as a single segment from its head offices in Gauteng Province supporting and promoting the SA Film Industry nationwide (all nine South African Provinces).

## Notes to the Annual Financial Statements

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

NFVF 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 2023 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
GRAP 25 (as revised): Employee Benefits	01 April 2023	No impact on the financial statements
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	No impact on the financial statements
Guideline: Guideline on the Application of Materiality to Financial Statements		Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Impact to be assessed
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
Improvements to the standards of GRAP	01 April 2023	Impact to be assessed
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Impact to be assessed

## Notes to the Audited Annual Financial Statements (continued)

	2023			2022		
<b>3. Property, plant and equipment</b>						
	<b>Cost / Valuation</b>	<b>Accumulated depreciation and accumulated impairment</b>	<b>Carrying value</b>	<b>Cost / Valuation</b>	<b>Accumulated depreciation and accumulated impairment</b>	<b>Carrying value</b>
Furniture and fittings	1 142 931	(1 042 221)	100 710	2 853 636	(2 118 143)	735 493
Office equipment	183 718	(146 881)	36 837	360 501	(258 485)	102 016
Computer hardware	2 662 759	(1 426 987)	1 235 772	3 890 002	(1 979 637)	1 910 365
Leasehold improvements	17 153 227	(4 074 616)	13 078 611	11 257 908	(2 969 457)	8 288 451
<b>Total</b>	<b>21 142 635</b>	<b>(6 690 705)</b>	<b>14 451 930</b>	<b>18 362 047</b>	<b>(7 325 722)</b>	<b>11 036 325</b>

### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	735 493	35 000	(332 864)	(336 919)	100 710
Office equipment	102 016	-	(15 929)	(49 250)	36 837
Computer hardware	1 910 365	402 471	(194 017)	(883 047)	1 235 772
Leasehold improvements	8 288 451	6 205 810	(142 478)	(1 273 172)	13 078 611
	<b>11 036 325</b>	<b>6 643 281</b>	<b>(685 288)</b>	<b>(2 542 388)</b>	<b>14 451 930</b>

### Reconciliation of property, plant and equipment -2022

	Opening balance	Additions	Depreciation	Total
Furniture and fittings	1 160 705	26 995	(452 207)	735 493
Office equipment	152 394	-	(50 378)	102 016
Computer hardware	1 588 659	1 059 807	(738 101)	1 910 365
Leasehold improvements	8 756 787	597 686	(1 066 022)	8 288 451
	<b>11 658 545</b>	<b>1 684 488</b>	<b>(2 306 708)</b>	<b>11 036 325</b>

### Pledged as security

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

### Assets under construction

### Cumulative expenditure recognised in the carrying value of property, plant and equipment

Leasehold improvements	-	597 686
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## Notes to the Audited Annual Financial Statements (continued)

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 288 691	(415 312)	873 379	728 591	(316 003)	412 588
Specialised software	595 688	(127 322)	468 366	595 688	(69 025)	526 663
<b>Total</b>	<b>1 884 379</b>	<b>(542 634)</b>	<b>1 341 745</b>	<b>1 324 279</b>	<b>(385 028)</b>	<b>939 251</b>

### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	412 588	560 099	(99 308)	873 379
Specialised software	526 663	-	(58 297)	468 366
	<b>939 251</b>	<b>560 099</b>	<b>(157 605)</b>	<b>1 341 745</b>

### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	393 671	197 843	(178 926)	412 588
Specialised software	303 734	278 748	(55 819)	526 663
	<b>697 405</b>	<b>476 591</b>	<b>(234 745)</b>	<b>939 251</b>

### Pledged as security

No items of intangible assets were pledged as security by the entity.

### 5. Operating lease asset

Non-current assets	136 638	332 411
Current assets	195 773	52 597
	<b>332 411</b>	<b>385 008</b>

The NFVF leases its equipment (photocopiers etc.) on a straight line basis and therefore there is no operating lease liability. Buildings are leased over a period of 3-5 years on average.

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

### Operating lease commitments

The NFVF 5-year lease with ALW Estates ended on 31 December 2021. The rental was on month to month whilst the NFVF is finalising a new lease with the new building owners (Sakhumnotho) as the previous owner (ALW Estates) sold the building. A new lease contract was concluded in January 2022. The lease expense incurred for the year ended 31 March 2023 is R3 395 428,72 (2022: R4 126 503,57).

### 6. Prepayments

April rent	-	240 122
Internet lines and telephones	-	30 852
Insurance premium	54 475	41 186
Alarm system	2 491	2 433
	<b>56 966</b>	<b>314 593</b>

### 7. Rental deposit

#### Rental deposit

Opening balance as at 1 April	492 060	492 060
Additional deposit	-	-
<b>Closing balance as at 31 March</b>	<b>492 060</b>	<b>492 060</b>

### 8. Receivables from exchange transactions

Trade receivables	2 786 752	1 495 000
Provision for bad debt	(1 495 000)	(1 495 000)
Other debtors	508 631	119 594
	<b>1 800 383</b>	<b>119 594</b>

#### Trade and other receivables pledged as security

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.

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

### Trade receivables ageing

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2023, no receivables were past due but not impaired.

The ageing of trade receivables is as follows:

Current	1 781 805	1 19 594
30+ days	4 923	-
60+ days	-	-
90+ days	13 654	-
120+ days	-	-
150+ days	-	-
180+ days	1 495 000	1 495 000
	<b>3 295 382</b>	<b>1 614 594</b>

### Reconciliation of provision for impairment of trade and other receivables

Opening balance	(1 495 000)	(1 495 000)
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### 9. Receivables from non-exchange transactions

MICT-SETA	2 343 339	-
DSAC - Covid Relief Payments	2 777 949	2 777 949
Recoverable amount from staff member	9 827	3 292
DSAC - Covid Relief Payments - Provision	(2 777 949)	-
	<b>2 353 166</b>	<b>2 781 241</b>

### Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security by the entity.

### 10. Cash and cash equivalents

Cash and cash equivalents consist of:

Petty Cash	710	1 045
First National Bank	106 335 065	93 293 249
Corporation for Public Deposits	114 511 034	107 821 062
	<b>220 846 809</b>	<b>201 115 356</b>

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

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

The entity has the following bank accounts:

- First National Bank Cheque Account - 62016286438
- First National Bank Call Account - 62017151242
- First National Bank Business Credit Account - 8812 7100 0095 4003
- CPD - 9516449
- PESP - First National Bank Public Sector Business Account - 63001092591

### Cash and cash equivalents pledged as collateral

No cash and cash equivalents were pledged as collateral by the entity.

## 11. Provisions

### Reconciliation of provisions - 2023

	Opening Balance	Adjustments/ Movements	Total
Provision for leave pay	2 169 676	(183 903)	1 985 773
Provision for grants issued by NFVF	93 170 652	(9 808 402)	83 362 250
Provision for performance bonus	1 660 361	271 870	1 932 231
	<b>97 000 689</b>	<b>(9 720 435)</b>	<b>87 280 254</b>

### Reconciliation of provisions - 2022

	Opening Balance	Adjustments/ Movements	Total
Provision for leave pay	2 117 939	51 737	2 169 676
Provision for grants issued by NFVF	107 018 013	(13 847 361)	93 170 652
Provision for performance bonus	1 820 654	(160 293)	1 660 361
	<b>110 956 606</b>	<b>(13 955 917)</b>	<b>97 000 689</b>

Non-current liabilities

54 737 431

62 743 202

Current liabilities

32 542 823

34 257 487

Total Provisions

**87 280 254**

**97 000 689**

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

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

### Provision for Performance Bonus

A provision for performance bonus is recognised for any money due to employees when performance bonus is due and payable. The performance bonus will be expected and realised within the following financial year after the audit outcomes.

## 12. Income received in advance

### Department of Sports, Arts and Culture

Opening balance as at 1 April

14 422 775

14 020 460

Utilised during the year

(6 584 971)

(597 685)

Received during the year

-

1 000 000

**7 837 804**

**14 422 775**

Income received in advance relates to the funds received from DSAC 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.

## 13. Unspent conditional grant (PESP)

The Presidency has made a special employment stimulus programme available to the sector to disburse via the National Arts Council and the National Film and Video Foundation. The Presidential Employment Stimulus Programme (PESP) is geared towards employment creation and retention initiatives for artists, creatives, heritage sector workers and cultural workers.

The Presidential Employment Stimulus Programme aims to assist practitioners and their projects as well as companies that incurred losses (actual and planned/existing, new and those that were at concept stage) during the COVID-19 lockdown period.

National Treasury has entrusted a total of R152 million to the NFVF and which will be administered, according to guidelines set, as follows:

Objective 1: Creation of new employment opportunities: (stream 1-3).

## Notes to the Audited Annual Financial Statements (continued)

	2023		2022			
<b>2023 - Split</b>						
	Allocation	Paid to date	PESP accruals	Balance available	Jobs proposed	Jobs created
Stream 1	107 775 770	(93 423 690)	-	14 352 080	8 972	2 317
Stream 2	25 618 230	(23 056 407)	(2 561 823)	-	1 505	2 376
Stream 3	12 184 000	(10 965 601)	(1 218 399)	-	871	1 594
Administration	6 722 000	(5 987 180)	-	734 820	-	-
Interest earned	852 821	-	-	852 821	-	-
Opening balance	1 862 737	-	-	1 862 737	-	-
<b>TOTAL</b>	<b>155 015 558</b>	<b>(133 432 878)</b>	<b>(3 780 222)</b>	<b>17 802 458</b>	<b>11 348</b>	<b>6 287</b>

### 2022 - Split

	Allocation	Paid to date	Balance available	Jobs proposed	Jobs created
Stream 1	84 534 772	(83 480 862)	1 053 910	6 375	3 816
Stream 2	22 513 038	(22 242 526)	270 512	1 200	1 093
Stream 3	12 950 000	(12 950 000)	-	705	572
Stream 4	13 002 190	(13 002 190)	-	675	1 552
Administration	7 000 000	(6 461 685)	538 315	-	-
	<b>140 000 000</b>	<b>(138 137 263)</b>	<b>1 862 737</b>	<b>8 955</b>	<b>7 033</b>

### 2022

	Opening Balance	Paid to date	Balance Available
Stream 1	84 534 772	(83 480 862)	1 053 910
Stream 2	1 250 000	(979 488)	270 512
Stream 3	-	-	-
Stream 4	3 982 125	(3 982 125)	-
Administration	3 373 412	(2 835 097)	538 315
	<b>93 140 309</b>	<b>(91 277 572)</b>	<b>1 862 737</b>



## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
<b>14. Payables from exchange transactions</b>		
Trade payables	543 615	1 532 121
Accruals	66 324	235 519
Accrued expense - Liberty life	338 528	-
Accrued expense - Medical aid	159 156	-
Accrued expense - 13th cheque	281 222	284 642
Accrued expense - Trade Union	1 965	-
Accrued expense - sundry creditors	609 304	-
Retention - EC Film Hub	694 409	-
	<b>2 694 523</b>	<b>2 052 282</b>
<b>15. Payables from non-exchange transactions</b>		
Accruals - PESP grant expense	3 780 222	-
Accruals - grant expense	253 373	201 580
SABC -Woman in Documentary	250 000	-
DSAC Short Film Project - Unsung Heroes and Brick film festival	2 398 259	1 679 750
DSAC Dubai Film Expo 2021	68	438 851
	<b>6 681 922</b>	<b>2 320 181</b>
<b>16. Revenue</b>		
Rendering of services	11 854 070	5 153 734
Other income	33 083 395	3 009 292
Interest received - investment	11 987 964	5 838 439
Government grants & subsidies	291 089 589	237 222 780
	<b>348 015 018</b>	<b>348 015 018</b>
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Rendering of services	11 854 070	5 153 734
Other income	33 083 395	3 009 292
Interest received - investment	11 987 964	5 838 439
	<b>56 925 429</b>	<b>14 001 465</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Transfer revenue</b>		
Government grants & subsidies	291 089 589	237 222 780

## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
<b>17. Lease rentals on operating lease</b>		
<b>Premises</b>		
Contractual amounts	3 252 588	4 055 888
<b>Equipment</b>		
Contractual amounts	142 841	70 615
	<b>3 395 429</b>	<b>4 126 503</b>

### 18. Rendering of services

South African Broadcasting Corporation	600 000	1 464 000
Independent Filmmaker project	-	60 649
Covid 19 - Documentaries short films	-	300 000
Gauteng Film Commission	-	350 000
DSAC Dubai Expo	-	1 561 151
Short Film project - Unsung Heroes	4 441 490	820 250
EC - Film hub	6 584 970	597 685
ECDC	217 884	-
WESGRO	9 726	-
	<b>11 854 070</b>	<b>5 153 735</b>

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.

### 19. Other income

Grants contracts cancelled	32 954 123	795 735
SABC - Bad debts recovered	-	1 623 860
Recoupments	129 272	589 697
	<b>33 083 395</b>	<b>3 009 292</b>

Other income from grants contracts cancelled during the year relates to contracts that were cancelled due to grants previously approved, which were subsequently cancelled as a result of the recipients failing to meet the contract requirements.

### 20. Investment revenue

#### Interest revenue

Interest income - bank deposits	11 987 964	5 838 439
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## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
<b>21. Government grants and subsidies</b>		
<b>Operating grants</b>		
Department of Sports, Arts and Culture - annual allocation	149 210 000	145 920 000
PESP - realisation income	137 618 100	91 267 012
MICT-SETA - Scarce skills grant	4 261 489	35 768
	<b>291 089 589</b>	<b>237 222 780</b>
<b>22. Employee related costs</b>		
Basic	25 607 004	26 007 555
Medical Aid	1 226 379	1 423 734
Unemployment Insurance Fund	109 771	125 793
Skills Development Levy	277 322	354 234
Provident Fund	1 765 422	1 801 281
Leave pay charge	478 142	590 632
Cellphone Allowance	177 483	340 647
	<b>29 641 523</b>	<b>30 643 876</b>
<b>23. Settlement</b>		
Settlement - former executive	-	600 000
This relates to the settlement and conclusion of the CCMA case between NFVF and former executive for unfair dismissal. This has been reported in the prior year annual report contingencies.		
<b>24. Repairs and maintenance</b>		
Repairs and maintenance	103 056	37 746
The repairs and maintenance costs were for operational purposes and were expensed when they were incurred. Only R188 related to an asset - a vacuum cleaner.		
<b>25. Depreciation and amortisation</b>		
Property, plant and equipment	2 542 390	2 331 686
Intangible assets	157 604	234 745
	<b>2 699 994</b>	<b>2 566 431</b>

## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
<b>26. Grant expenses</b>		
Development and production of content	87 003 266	39 049 858
Skills development and training	12 679 999	10 599 210
Industry research and policy development	2 145 893	1 302 076
Marketing and distribution	31 517 836	23 554 277
Grant administrative expenses	1 790 879	2 712 575
Presidential Employment Stimulus Programme	141 654 591	93 609 981
	<b>276 792 464</b>	<b>170 827 977</b>

### 27. General expenses

Accounting and internal audit fees	974 525	504 310
Advertising	212 173	399 560
Administration	66 915	70 366
Cleaning	132 393	126 163
Penalties and interest	3 562	170 784
Computer expenses	2 070 350	1 237 368
Consulting and professional fees	4 283 068	3 348 455
Flowers	38 861	36 222
Hire	9 003	12 375
Insurance	204 612	123 556
Postage and courier	62 968	16 564
Printing and stationery	14 176	4 394
Security	71 033	297 360
Staff welfare	85 067	341 559
Subscriptions and membership fees	30 085	38 604
Telephone and fax	17 608	134 751
Training	389 293	330 301
Travel - local	287 940	64 490
Assets expensed	8 189	23 799
Property payments	429 647	496 993
Sundry expense	132 581	238 125
Venue expenses	76 064	89 917
	<b>9 600 113</b>	<b>8 106 016</b>

## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
<b>28. Cash generated from (used in) operations</b>		
Surplus	19 853 744	31 510 997
<b>Adjustments for:</b>		
Depreciation and amortisation	2 699 994	2 566 431
(Gain)/Loss on sale of assets	605 079	-
Debt impairment	2 777 949	-
(Decrease) / increase in operating lease	52 597	(736 733)
(Decrease) / increase in provisions	(9 720 434)	(12 849 674)
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(1 680 787)	(112 463)
Receivables from non-exchange transactions	(2 349 873)	2 474 204
Prepayments	257 627	(114 389)
Payables from exchange transactions	642 239	(4 656 567)
Payable from non-exchange transactions	4 361 741	2 305 950
Income received in advance	(6 584 970)	402 315
Presidential Employment Stimulus Programme (PESP)	15 939 721	(91 267 013)
	<b>26 854 627</b>	<b>(70 476 942)</b>

### 29. Commitments

#### Commitments approved but not yet contracted for

• Beneficiary Grants	34 843 645	76 183 250
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## Commitments as per procurement plan

### Already contracted for but not provided for

Service provider employee health and wellness service to the NFVF	140 297	200 190
Media Monitoring	263 668	416 319
Travel Management Services	2 936 423	5 264 866
Internal auditors	289 160	589 593
IT-Email backup	110 520	166 795
Office lease	6 508 482	-
Water dispensers	54 393	60 996
Short terms insurance	156 224	374 324
Contractor for EC Film Hub	422 180	-
Project Management PESP	4 491 958	-
ICT services	346 158	291 147
Multi-Purpose Printers and Digital duplicators	21 248	162 415
Grant Management System	227 203	547 355
PR services	138 750	1 395 735
Offsite Storage Management	33 690	74 491
Internet Line Upgrade & Telephones	547 943	917 346
Financial Model	242 313	265 938
Hiring of pots and plants	40 544	77 722
Culture Intervention	336 566	520 895
Project Management - EC Film Hub	39 332	264 669
Architecture Engineering Services - EC Film Hub	14 281	163 126
Quantity Surveyor Services - EC Film Hub Civil and Structural Engineering - EC Film Hub	147 920	147 920
Electrical and Mechanical engineering services - EC Film Hub	46 513	46 513
Website Hosting and Maintenance SAFTAs Audit	24 183	154 308
	78 480	126 568
	-	11 960
SAFTAS judging system	-	278 364
Mobile Communications	539 250	867 015
Audience Research	400 373	800 745
Job grading and salary benchmarking	-	183 339
Pastel solution software	-	21 405
Property market analysis	-	112 700
Sage support	402 131	-
Response handling services for internship programme	563 171	-
Payroll System	263 034	-
Financial Accounting Services	568 286	-
Risk management	303 858	-
	<b>20 698 532</b>	<b>14 504 759</b>

### Total commitments

#### Total commitments

Beneficiary grants	34 843 645	76 183 250
Authorised operational expenditure	20 698 532	14 504 759
	<b>55 542 177</b>	<b>90 688 009</b>



## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due - Building</b>		
- within one year	3 056 815	-
- in second to fifth year inclusive	3 833 047	-
	<b>6 889 862</b>	<b>-</b>

The NFVF entered into a lease for the use of buildings. The basis on which rent is charged by the lessor is per specified amounts and escalations in the lease agreement. No contingent rent is payable. The lease expenditure is straightlined and charged to the Statement of Financial Performance.

#### Minimum lease payments due - Printers

- within one year	44 897	-
- in second to fifth year inclusive	-	-
	<b>44 897</b>	<b>-</b>

The NFVF entered into a lease for the use of printers. The basis on which rent is charged by the lessor is per specified amounts and escalations in the lease agreement.

### 30. Contingencies

#### 2023

##### 1. High Court Johannesburg South

There is a litigation case at the Johannesburg High Court against NFVF by a service provider whose contract was cancelled due to contractual disputes after the service provider failed to honour terms of the agreement. The plaintiff is claiming damages of R31m against NFVF for loss of revenue and the NFVF is challenging this claim and has made its own counter claim in terms of the contractual obligations. The matter is set down for the 10th October 2023 at High Court.

##### 2. Accounting Surplus

A cash surplus amounting to R150,775,526 for the 2022/2023 financial year, must be declared to the National Treasury in terms of section 53(3) of the PFMA and if the approval to retain is not granted then the funds be surrendered to National Treasury as per Instruction No.12 of 2020/21. The cash surplus was calculated using a formula prescribed by National Treasury through the National Treasury Instruction No.12 of 2020/2021.

#### 2022

##### 1. High Court Johannesburg South.

There is a litigation case at the Johannesburg High Court against NFVF by a service provider whose contract was cancelled due to contractual disputes after the service provider failed to honour terms of the agreement. The plaintiff is claiming damages of R31m against NFVF for loss of revenue and the NFVF is challenging this claim and has made its own counter claim in terms of the contractual obligations. This matter will now undergo a mediation process as provided for in the SLA and court process would be a last resort should the mediation process not yield desirable results..

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

### 2. Accounting Surplus.

A cash surplus amounting to R121,564,336 for the 2021/2022 financial year, must be declared to the National Treasury in terms of section 53(3) of the PFMA and if the approval to retain is not granted then the funds be surrendered to National Treasury as per Instruction No.12 of 2020/21. The cash surplus was calculated using a formula prescribed by National Treasury through the National Treasury Instruction No.12 of 2020/2021..

### 3. SAFTAS case.

A letter demanding R1,000,000 in compensation for damages was received from a SAFTAS'15 nominee on 02 September 2021. There has not been any recent legal development from this claim.

### 31. Related parties

Relationships

Controlling entity

Department of Sport, Arts and Culture

#### Related party balances

#### Amounts included in Trade receivable (Trade Payable) regarding related parties

DSAC - EC and NW Film Hubs income received in advance

(7 837 804) (14 422 775)

Presidential Employment Stimulus Programme (PESP)

(17 802 458) (1 873 297)

#### Provision for doubtful debts related to outstanding balances with related parties

SABC

- 1 623 860

SABC bad debts recovered

- (1 623 860)

Department of Sport, Arts and Culture

Grant Allocation

149 210 000 145 920 000

Short Film Project - Unsung heroes

2 238 259 2 500 000

Dubai expo

68 2 000 000

DSAC BRICKS film Festival

160 000 -

#### Other Government Entities

Gauteng Film Commission

- 350 000

MICT-SETA

2 343 339 35 768

SABC

1 186 000 1 764 000

SABC - Woman in Documentary

(250 000) -

#### Council Remuneration

Council remuneration fees

1 620 858 1 765 991

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

### Remuneration of management

#### Executive management

##### 2023

Name	Basic salary	13th Cheque & Performance Bonus	Allowances	Leave pay and other benefits	Company Contributions	Notice payout	Total
Head: Human Resources- Ms T Mayinje	1 024 370	182 419	12 000	140 748	(14 820)	-	1 344 717
Head: Industry Development - Ms Y Ncokotwana	980 456	167 692	41 788	98 046	130 085	-	1 418 067
Chief Executive Officer- Ms M Khanyile (Resignation)	1 872 455	444 975	18 000	233 411	109 265	157 262	2 835 368
Head: Operations- Ms OA Dumeko	987 175	157 635	12 000	119 983	148 232	-	1 425 025
Chief Financial Officer- Mr KP Makaneta	1 257 465	104 789	12 000	149 813	222 516	-	1 746 583
	<b>6 121 921</b>	<b>1 057 510</b>	<b>95 788</b>	<b>742 001</b>	<b>595 278</b>	<b>157 262</b>	<b>8 769 760</b>

##### 2022

Name	Basic salary	13th Cheque & Performance Bonus	Allowances	Leave pay and other benefits	Company Contributions	Notice payout	Total
Head: Human Resources- Ms T Mayinje	973 736	180 302	12 000	-	172 586	-	1 338 624
Head: Production & Development - Ms Y Ncokotwana (Acting)	734 916	135 661	210 290	-	121 255	-	1 202 122
Chief Executive Officer- Ms M Khanyile	1 779 900	593 300	18 000	-	225 418	-	2 616 618
Chief Financial Officer- Mr Z Koyana (Resignation)	473 787	69 094	4 000	96 528	(17 690)	144 330	770 049
Head: operations- Ms N Mda (Terminated)	611 008	73 739	6 000	31 598	88 669	-	811 014
Head: Operations- Ms OA Dumeko (Acting)	672 000	56 000	127 084	-	107 535	-	962 619
Chief Financial Officer- Ms N Madlala (Temporary)	1 154 637	-	-	-	83 605	-	1 238 242
Chief Financial Officer- Mr KP Makaneta	314 366	-	3 000	-	61 469	-	378 835
	<b>6 714 350</b>	<b>1 108 096</b>	<b>380 374</b>	<b>128 126</b>	<b>842 847</b>	<b>144 330</b>	<b>9 318 123</b>

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

### 32. Council Remuneration

Non-Executive Honorary Council services:

#### Non-executive

#### 2023

	Council Remuneration	Audit & Risk Committee Remuneration	EXCO Remuneration	Other Fees	Total
Ms Tholoana Ncheke (Chairperson)	99 764	-	-	110 492	210 256
Dr Jeremiah Mofokeng (Deputy Chairperson)	69 067	-	49 111	86 378	204 556
Mr Louis Seeco	83 343	-	61 770	17 685	162 798
Ms Julie Hall	31 368	-	65 445	53 976	150 789
Mr Everseen Mkhungo	35 349	-	94 323	14 200	143 872
Ms Ulandi Exner	7 776	44 712	-	-	52 488
Ms Nomfundo Matlala	37 299	-	82 347	35 739	155 385
Ms Molobeng Serame	28 674	-	-	16 038	44 712
Ms Lala Tuku	7 614	-	39 300	2 080	48 994
Ms Zanele Nkosi (Chairperson of Audit and Risk Committee)	19 126	69 778	-	-	88 904
Mr Majiang Mpherwane	31 389	56 805	-	21 135	109 329
Ms Nobuntu Dubazana (Resigned 2022)	19 215	-	12 093	2 484	33 792
Mr Shadrack Ncube	63 546	75 840	-	50 121	189 507
Ms Unathi Malunga (Resigned 2022)	-	-	25 476	-	25 476
	<b>533 530</b>	<b>247 135</b>	<b>429 865</b>	<b>410 328</b>	<b>1 620 858</b>

## Notes to the Audited Annual Financial Statements (continued)

	2023		2022		
2022	Council Remuneration	Audit & Risk Committee Remuneration	Exco Remuneration	Other fees	Total
Ms Tholoana Ncheke (Chairperson)	1 18 300	-	23 584	147 538	289 422
Dr Jeremiah Mofokeng (Deputy Chairperson)	87 713	-	19 230	110 326	217 269
Adv Senzo Ncube	88 182	32 076	-	78 132	198 390
Mr Sanele Zondi	34 536	23 328	-	17 982	75 846
Mr Louis Seeco	88 182	-	8 634	69 546	166 362
Ms Julie Hall	80 628	-	17 268	65 820	163 716
Mr Everseen Mkhungo	88 182	-	-	66 468	154 650
Ms Matefo Majodina	-	7 776	-	-	7 776
Ms Ulandi Exner	-	32 076	-	34 344	66 420
Ms Nomfundo Matlala	96 816	-	-	98 574	195 390
Ms Zanele Nkosi (Chairperson of Audit and Risk Committee)	7 182	45 110	-	43 212	95 504
Ms Molobeng Serame	3 240	8 748	-	30 132	42 120
Mr Nare Thupana	-	7 776	-	-	7 776
Ms Lala Tuku	42 852	-	-	42 498	85 350
	<b>735 813</b>	<b>156 890</b>	<b>68 716</b>	<b>804 572</b>	<b>1 765 991</b>

### 33. Prior-year adjustments

#### Property, plant and equipment and depreciation

Increase in property, plant and equipment as a result of recognition of assets previously not in the accounting records. This also resulted in increase in prior year depreciation expense. The error was corrected retrospectively.

#### Provisions (grants issued provision) and Grant expenses

Grants provision was previously overstated as balances of some contracts were incorrectly captured. This also resulted in increase in Grant expenses. Further, allocation of grants provision to current and non-current was previously done based on a percentage of 35% and 65%. Current year split was done based on review of actual contracts and is supported by the schedule. The error was corrected retrospectively.

#### Operating lease asset and Lease Rentals on operating lease

The error results from recognition of operating lease asset emanating from smoothing of the operating lease payments previously not included in the accounting records. This resulted in increase in lease asset and decreased in lease rentals on operating lease. The error was corrected retrospectively.

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

### Unspent conditional grant (PESP)

The amount reported in the financial statement was incorrect. An adjustment to align the financial statements to the correct amount in the accounting system was not effected by audit report date. The error was corrected retrospectively.

### Payables from exchange transactions

The error results from unidentified transactions recorded in the accounting system. The error was corrected retrospectively.

### Payables from non-exchange transactions and Rendering of services

The error results from the realisation of income from conditional grant as a result of reclassifying an expense as a conditional grant expense. The error was corrected retrospectively.

### Cash Flow-Reclassification Suppliers & Beneficiaries and Repairs and Maintenance

The increase cash paid to Suppliers & Beneficiaries and decrease in repairs and maintenance is as a result of reclassification of to Repairs and Maintenance balance to suppliers and beneficiaries.

### Statement of financial position

#### 2021

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment		11 566 117	117 405	11 683 522

#### 2022

	Note	As previously reported	Correction of error	Re-classification	Restated
Provisions non- current		(34 047 974)	-	(28 695 228)	(62 743 202)
Provisions current		(63 064 183)	111 468	28 695 228	(34 257 487)
Property, plant and equipment		10 943 898	92 427	-	11 036 325
Operating lease asset		-	385 008	-	385 008
Unspent conditional grant (PESP)		(1 873 297)	10 560	-	(1 862 737)
Payables from exchange transactions		(2 052 347)	65	-	(2 052 282)
Payables from non-exchange transactions		(2 344 381)	24 200	-	(2 320 181)
		<b>(92 438 284)</b>	<b>623 728</b>	<b>-</b>	<b>(91 814 556)</b>

## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
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### Accumulated surplus

#### 2021 and 2022

	Note	As previously	Correction of error	Restated reported
Accumulated surplus		66 793 725	1 220 043	68 013 768

#### 2022

	Note	As previously	Correction of error	Restated reported
Depreciation and amortisation		(2 541 453)	(24 978)	(2 566 431)
Lease rentals on operating lease		(4 511 512)	385 009	(4 126 503)
Rendering of services		5 115 303	38 431	5 153 734
Grant expenses		(169 833 202)	(994 775)	(170 827 977)
Surplus for the year		<b>(171 770 864)</b>	<b>(596 313)</b>	<b>(172 367 177)</b>

### Cash flow statement

#### 2022

	Note	As previously reported	Re-classification	Restated
Cash flow from operating activities				
Suppliers and beneficiaries		(200 114 122)	(37 746)	(200 151 868)
Repairs and maintenance		(37 746)	37 746	-
		<b>(200 151 868)</b>	<b>-</b>	<b>(200 151 868)</b>

## 34. Risk management

### Financial 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 2022, 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.



# Notes to the Audited Annual Financial Statements (continued)

2023

2022

## 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.

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 year	220 846 809	201 115 400
	-	-
	<b>220 846 809</b>	<b>201 115 400</b>

### 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 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

## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
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### Exposure to credit risk

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

Cash and cash equivalents	220 846 809	201 115 356
Receivables from exchange transactions	1 800 383	1 19 594
Receivables from non-exchange transactions	2 353 166	2 781 241
Prepayments	56 966	314 593
Rental deposits	492 060	492 060

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.

### 35. 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 (next 12 Months) as it still has future grant support from the shareholder. The NFVF has received a grant letter from its shareholder (DSAC) confirming grants allocation for the next 3 years 2022/23 to 2024/25.

### 36. Fruitless and wasteful expenditure

Opening balance	7 100 503	5 026 841
Opening balance as restated	7 100 503	5 026 841
Add: Expenditure identified - current	195 676	2 048 170
Add: Expenditure identified - prior period	-	25 492
Closing balance	<b>7 296 179</b>	<b>7 100 503</b>

Expenditure identified in the current year include those listed below:

Labour case settlement of ex HOD	-	600 000
Legal fees for the ex HoD labour matter	-	1 152 888
SARS penalties and interest	-	170 784
Labour settlement with ex CFO	-	144 330
Interest on late payment of supplier invoices	3 563	5 660
Non-cancellable refunds	192 113	-
	<b>195 676</b>	<b>2 073 662</b>

# Notes to the Audited Annual Financial Statements (continued)

2023

2022

## Amounts recoverable

Based on our assessment, none of the fruitless and wasteful expenditure disclosed is recoverable and as such we have requested approval for the condonement thereof.

## Recoverability steps taken/criminal proceedings

Management is in the process of obtaining approval to condone this fruitless and wasteful expenditure. Consequence management has been initiated for one staff member for the SARS penalty. Since most of this expenditure emanated from labour matters, management would not be instituting any criminal proceedings.

## 37. Irregular expenditure

Opening balance	16 932 850	15 435 425
<b>Opening balance as restated</b>	<b>16 932 850</b>	<b>15 435 425</b>
Add: Irregular Expenditure - current	869 861	1 497 425
Less: Irregular expenditure - Condoned by Accounting Authority	(9 974 507)	-
<b>Closing balance</b>	<b>7 828 204</b>	<b>16 932 850</b>

Incidents/cases identified in the current year include those listed below:

	Steps taken		
Old expired contracts	New service providers appointed	71 091	263 330
SCM 3 quotes not followed	Employee/s left organisation	-	103 456
New lease rentals (no signed contracts)	New Lease signed on 31 May 2022	798 770	1 130 639
		<b>869 861</b>	<b>1 497 425</b>

In order to mitigate the irregular expenditure, Management has cancelled all expired contracts and new service providers have been appointed. We have sent a memo to National Treasury to request a condonation of the irregular expenditure. Consequence management is currently being initiated against staff member(s) who incurred the irregular expenditure.

## Cases under investigation

Prepayment relating to the High Court Johannesburg South (Note 27 - Contingencies)	-	1 495 000
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## 38. Segment information

Management has considered the GRAP 18 statement on segment reporting requirements and NFVF has not identified any separately reportable segments in its operations. NFVF operates as a single segment from its head offices in Gauteng Province supporting and promoting the SA Film Industry nationwide (all nine South African Provinces).

## Notes to the Audited Annual Financial Statements (continued)

2023

2022

### 39. Explanation for budget differences

#### Material differences between budget and actual amounts

- 39.1. The increase is due to the spending that occurred this financial year on the E.C. FilmHub and on the Unsung Heroes Projects.
- 39.2. The increase is due to realisation of income from grants cancellation that was not anticipated during the budget process.
- 39.3. The investment increased due to more cash held in the bank during year as a result of the timing differences of paying grant beneficiaries.
- 39.4. Revenue increased from prior year due to an additional allocation in the PESp3 grants and realisation of the income received in advance for the work done in the EC Hub.
- 39.5. Employee cost increased at less than expected, due to filling of vacancy taking long.
- 39.6. Concil remuneration is less than budget due to less council meetings held than anticipated.
- 39.7. The decrease is due to less repairs and maintenance carried out during the year.
- 39.8. The increase is due to additional assets procured during the financial year.
- 39.9. The actual rental amount is less than budgeted amounts due to the lease smoothing and the monthly rental decrease as compared to prior year.
- 39.10. This was due to anticipated budget overruns and inflationary increases which did not materialise.
- 39.11. There has been an increase in grant expenses predominantly due to an increase in the grants allocation to PESp3 beneficiaries as well more grants disbursed to beneficiaries than the previous year.
- 39.12. The difference is because the budget was based on an expectation of increase in costs (the offices were opened-up due to a reduction in Covid-19 related restrictions).
- 39.13. 39.13 The increase in debt impairment is due to provision for Covid 19 grant funding expense incurred in previous years and the refund was not received from the department and the collectability is doubtful.

## Notes to the Audited Annual Financial Statements (continued)

	2023	2022
<b>40. Compliance with section 16(2) of the NFVF Act 73 of 1997</b>		
	<b>2022/2023</b>	<b>2021/2022</b>
Budget (Note 18)	149 210 000	145 920 000
<b>Allocation at 75/25</b>		
Grant beneficiaries	111 907 500	109 440 000
Administration	37 302 500	36 480 000
<b>Allocation at 70/30</b>	<b>149 210 000</b>	<b>145 920 000</b>
Grant beneficiaries	-	102 144 000
Administration	-	43 776 000
	<b>-</b>	<b>145 920 000</b>

The budget split of NFVF in terms of the NFVF Act 16(2) is 75/25, but the operational needs of the NFVF necessitated 70/30 split in prior year. NFVF did not receive a deviation approval by the Minister to use 70/30 split in the current year. Overall, budget spent was contained within 75/25 split as prescribed.











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