



ANNUAL REPORT

2020|21



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General
Information

I. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME

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Ms Anthea Mokoena

PR NUMBER

PR230/2021

ISBN NUMBER

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABBREVIATION	FULL NAME
AGASA	Associate General Accountant South Africa
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARCO	Audit and Risk Committee
AV	Audiovisual
AVRC	Audiovisual Resource Centre
CAGR	Compound Annual Growth Rate
CCI	Cultural and Creative Industries
CEO	Chief Executive Officer
DTIC	Department of Trade, Industry and Competition
DSACR	Department of Sport, Arts, Culture and Recreation
ETV	Entertainment Television
FPB	Film and Publication Board
GCIA	Gauteng Creative Industries Agency
GDE	Gauteng Department of Education
GGT2030	Growing Gauteng Together 2030
GPG	Gauteng Provincial Government
GTA	Gauteng Tourism Authority
ICT	Information Communication Technology
IDC	Industrial Development Corporation
IGR	Inter-Governmental Relations
ISD	Industry Supporting Development
JDA	Johannesburg Development Agency
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MIFF	Moscow International Film Festival
MTEF	Medium Term Expenditure Framework
MTFS	Medium Term Strategic Framework
NCC	National Consumer Council
NDP	National Development Plan
NFVF	National Film and Video Foundation
NPC	Non-Profit Company
OD	Organisational Design
PESTEL	Political, Economic, Social, Technological, Ecological, Legal
PFMA	Public Financial Management Act
PwC	PricewaterhouseCoopers
REMCO	Remuneration Committee
SABC	South African Broadcasting Corporation
SAC	Small Agency Council
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
SCM	Supply Chain Management
SOE	State-Owned Enterprises
SOP	Standard Operating Procedure
TMR	Transformation, Modernisation and Re-industrialisation
UIF	Unemployment Insurance Fund
VR	Virtual Reality

Ms M Hlophe

Ms M Hlophe

The Gauteng Film Commission (GFC) and the Department of Sport, Arts, Culture and Recreation play a dual and reinforcing significant role in people's lives. Primarily being to bring about social and economic relief to society securing a positive Happiness Index.

The GFC derives its mandate from our National and Provincial policy papers; the National Development Plan vision 2030, Growing Gauteng Together vision 2030 and Priority Six of the Medium-Term Strategic Framework (MTSF) 2019 - 2024. This cornerstone policy proposition poses as our guide in providing service delivery and improving the co-ownership of social products in Gauteng such as sport and arts, heritage landscape and culture amenities.

In achieving our strategic objective stipulated in the aforementioned policies, the Department's commemorative days, major events, libraries, archive service, recreational programmes, cultural and creative industries are at the strategic core of social economies and indirectly to our productive economies. The emergence of the COVID-19 pandemic has presented us with various challenges. Amongst these challenges are social distancing, and restricted numbers in our events. This has posed a challenge for our department in building a cohesive society and nation-building. Gatherings of different races, religious groups, and a variety of ethnicities plays a huge role in nurturing our social cohesion.

The COVID-19 pandemic did not only impede in building our social cohesion society but also put a delay in achieving our targets, particularly in delivering our services within communities.

The cultural, creative industries and GFC in particular managed to migrate much of their traditional physical activities to online events such as the commemorative month programmes, workshops and film festivals that were streamed online.

Notwithstanding the COVID-19 pandemic, GFC has mitigated the impact of the pandemic and established innovative ways to heighten service delivery and improving people's lives in Gauteng.

The GFC is our main entity under the department, tasked with transforming and implementing audio visual programmes. The GFC has strived to enhance its capacity to innovate and respond effectively in working in a proactive manner with all stakeholders to ensure a timeous response to emerging challenges.

Moreover, the key achievements under this reporting period were to migrate most of its programmes to online platforms in the advent of Covid-19. This resulted in reaching much broader audience across the Gauteng City Region, which reduced cost of hosting events and other related logistics.

GFC will need to leverage off strategic partnerships and implement new funding models to ensure it can raise additional resources to meet the growing demand for audio visual content development.

We have virtually celebrated the national and significant days during the year under review: The Freedom Day on the 27th April, Youth Day on the 16th June, Women's Day on the 09th August amongst

3. FOREWORD BY THE MEC – continued

others. We ventured to an online platform to massify our audience whilst maintaining the observations of the COVID-19 pandemic.

GFC executed its programmes exceptionally well utilising these online platforms and will continue to deliver services and reach communities in this manner. Through the enhanced market penetration of Gauteng produced content; the GFC has for an example reached 24 914 beneficiaries on audience development projects, created training and mentorship projects, and extensively supported local film and documentaries. We can only improve from the impressive work shown.

Transformation of our heritage landscape is crucial for GPG because it can pay dividends immediately and for the years to come, revive our economy post COVID-19 pandemic through temporary and long-term job creation, attracting and retaining local and international tourism. We are tirelessly working on transforming our Gauteng Heritage landscape, the department has provided support services and maintenance to the Women's Living Heritage Monument, Kagiso Memorial and Recreation Centre and Boipatong Monument and Youth centre. The mentioned facilities are meant to preserve our heritage and history for future generations.

The Department and GFC will be working more closely in the coming year to operationalise the heritage monuments in Kagiso (Westrand) and Women's living monument in Tshwane to ensure facilities are accessible to the creatives within the communities. We will further be strengthening market access in ensuring fulfilment of the GFC's aim of contributing to socio-economic development through audio-visual industry.

I would like to thank the GFC Board of Directors and staff for ensuring that the Commission continues to work within the COVID-19 environment while fulfilling the Department's mission to promote Gauteng as a film destination of choice.

The pandemic has resulted in the tragic loss of lives, we pay homage to all the artists and athletes who lost their lives, may their legacies live on.

In conclusion, despite difficult challenges presented in 2020/2021, the GFC Board and the staff were committed to ensuring our people were not deprived of any services. On its way forward, the GFC is determined to position Gauteng to be everyone's choice destination for the film industry. It will play a significant role in harnessing social cohesion and nurturing nation-building.



Ms M Hlophe
Member of the Executive Council
18 August 2021

4. FOREWORD BY THE CHAIRPERSON



Ms B Mhaga

INTRODUCTION

Although we began the 2020/2021 financial year with a sense of uncertainty borne out of the global outbreak of the Novel Coronavirus (COVID-19), significant strides were made in understanding the virus as well as vaccine development. The South African government sought to introduce measures that would both manage the fallout from the virus as well as ensure that the economy would tick along. Despite this, we were also given a glimpse of the potential instability to our country caused by the dire socioeconomic challenges we continue to face.

Closer to home, the board and I continued to steer the organisation in a steadfast manner as we had outlined in the previous financial year. Over the past year the GFC, through its online programmes, nurtured emerging filmmakers and reached 81 762 audiences while providing opportunities for 7 747 non-accredited training individuals within the sector.

STRATEGIC RELATIONSHIPS

The GFC fostered closer relationships with industry role players such as Primestars SA for the matric class of 2020 school revision programme utilising cinemas as classrooms and Tshimologong Innovation Precinct for skills, audience development and research projects. Strategic partnerships are paramount in augmenting the resources for the GFC to reach broader sector and communities. Through the intervention of the Acting CEO, we managed to establish a partnership with Media Information and Communication

Technologies Sector Education and Training Authority (MICT Seta) that saw 30 bursaries and 30 internships realised for youths and unemployed young individuals respectively.

CHALLENGES FACED BY BOARD

The Board member constitution was a challenge when a number of members' terms came to an end and others resigned. The Board had to be dissolved and an interim Joint Advisory Committee (JAC) was instituted by the Executive Authority. It is planned that a new Board will be appointed in the 2021/22 financial year. Let me take this opportunity to thank my fellow committee members for their unwavering support of the organisation during these difficult times.

THE YEAR AHEAD

The Commission is in the second year of implementation of the approved 5-Year Strategic Plan 2020/21 – 2024/25, through the Annual Performance Plan (APP) 2020/21. The process of restructuring and organisational development is underway and should be completed in the next financial year (2021/2022). This is important to ensure optimum performance in the organisation and reaching the desired impact in the Gauteng filmmaking community.

IN MEMORIAM

The JAC members and I would like to pass our heartfelt condolences to the families of our departed thespians and TV personalities, some of whom succumbed to the complications of COVID-19. Amongst

4. FOREWORD BY THE CHAIRPERSON

– continued

many we have lost, we remember Sam Phillips, Bob Mabena, Vinolia Mashego, Shaleen Surtie-Richards, Jovan Muthray, Mama Mary Thwala, Sipho Ngema, Allen Boo, Big Boy Maja, Karabo Makhubela, Lindiwe Ndlovu, Noxy Maqhashalala, Luzuko Nteleko, Mutodi Nesheshe, Nokuzola “Sis Ouma” Mlangane, Shona Ferguson and Menzi Ngubane. The audiovisual sector is poorer without you all.

ACKNOWLEDGEMENTS AND APPRECIATION

The JAC and I would like to thank the MEC, Ms. Mbali Hlophe, for the department's support in delivering our mandate as an organisation over the past year. I would also like to thank my fellow Board members and Joint Advisory Committee for their input and guidance.

The performance and dedication of the GFC staff led by Acting CEO Keitumetse Lebaka is highly appreciated in particular during this time of the COVID-19 pandemic.

CONCLUSION

In closing, despite the turbulent and unpredictable nature of the year under review, we can take heart from the steadfast manner and resilience the organisation has shown. We have had to draw on the remarkable spirit shown by our staff members to endure and keep

fighting. The organisation continues to be a work in progress, but with significant gains being made under the guidance of an extremely diligent and willing Committee.

Going forward, our ability to remain dynamic in an ever-changing world will be crucial in ensuring our survival as well as growth. To all our stakeholders please continue to social distance, wear your masks, wash your hands regularly, use your sanitisers and vaccinate. As a country, if we work together we will beat this virus.



Ms B Mhaga

Chairperson of the Board
31 July 2021

Ms K Lebaka

Ms K Lebaka

The GFC has adapted to the challenges posed by the COVID-19 pandemic, and diligently continued to service the industry during the 2020/21 financial year. The GFC received its allocation through the Department of Sport, Arts, Culture and Recreation (DSACR), and is mobilising for additional resources through strategic partnerships and funding initiatives.

The budget allocation for 2020/21 was R38.4 million (2019/20: R37.5 million), an increase of 2% from the previous financial year:

Total assets increased by R1.7 million during the financial year under review. The total is R4.7 million (2020/21) compared to R3 million (2019/20). The increase is due to cash and cash equivalents available at year end. The GFC did not spend all its budget, and the significant cash balance had an impact on increased total assets. There was a significant increase in accounts receivables and property, plant and equipment.

SPENDING TRENDS

The additional budget allocated to the GFC following a budget adjustment has assisted the entity in dealing with the baseline in relation to its budget. Overall operating expenses increased by 6% over the past year: R37.5 million for the current financial year under review and R35 million for the previous financial year (2020). Overall, the Gauteng Film Commission was negatively impacted by the budget cuts on compensation, which were implemented by National Treasury in an effort to reduce public sector wage will.

CAPACITY CONSTRAINTS AND CHALLENGES

The position of the Chief Executive Officer (CEO) remained vacant for the majority of year. This position was filled in an acting capacity. The GFC managed to implement the outputs outlined for the first year of the five-year strategy during the financial year under review, but the issue around structure remains pending the Organisational Design (OD) finalization. The continued COVID-19 restrictions meant targets had to be readjusted downwards, or removed, due to capacity constraints. Details of these targets are outlined in Section B: Institutional Programme Performance Information.

The following positions are still vacant for the current financial year under review: CEO, Senior Manager: Marketing and Communications, Research Manager, Projects Manager, Marketing Manager and Finance Officer. In the interim, acting positions were implemented to fulfil certain roles.

The OD project was initiated to address the capacity constraints and to align the structure to the five-year strategy. The process is at an advanced stage and the structure will be implemented once challenges are resolved with the relevant union and approval obtained from the Board.

NEW AND DISCONTINUED ACTIVITIES

The new indicators were introduced to disaggregate the production support into sub-programmes such as feature films, documentaries

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

– continued

and emerging filmmakers. The enhanced market penetration of Gauteng produced content – box office performance of GFC-supported productions – was removed due to cinemas largely not being operational. The international audiovisual productions using GFC logistical database services, as well as the development and implementation of the directory and grading system for crew and audiovisual skills, was also removed due to restrictions on international travel and capacity constraints.

REQUESTS FOR ROLLOVER OF FUNDS

GFC was granted surplus retention for 2019/20 financial year amounting to R1,2 million, following a request that was made to Treasury to roll over funds to assist the organisation in funding ISD projects, this was also a plan to assist the creative industry which was struggling during lock down restrictions.

SUPPLY CHAIN MANAGEMENT

The GFC's supply chain management (SCM) was reviewed and streamlined to assist the entity in fulfilling its procurement obligations of preferential consideration given to historically disadvantaged individuals. The policy targets are consistent with the provisions of the Public Financial Management Act (PFMA) and its regulations.

The entity also reports on its SCM targets on a quarterly basis in the accounts it submits to the Board, the Department and the provincial legislature.

AUDIT REPORT MATTERS

In relation to the 2020/21 internal audit annual plan, these audits were approved: Performance Audit; Human Resources Audit; Financial Management Audit; Compliance Review, Follow Up Audit and Annual Financial Statements Review. All action plans related to matters raised by the Auditor-General of South Africa (AGSA) in the 2019/20 financial year have been resolved.

OUTLOOK

In the year ahead, the GFC will build and formalise strategic partnerships with industry role players and private sector investors in order to support the sector and have far reaching impactful projects in 2021/22. Reports on research in audiovisual disruptive technologies and gaming will be delivered in the year ahead to ensure substantive support of strategic direction and the organisation's new projects.

Revenue generation as a project remains a key priority for us as the GFC. As such we were able to secure funding for 2019/2020 financial year from the MICT SETA to offer 30 Internships and 30 Bursaries which were circulated to the AV industry as part of our commitment to impact the sector through skills development. Furthermore, we have allocated and dedicated resources within the GFC with the primary objective of ensuring that we meet this critical funding need as we believe that significant impact in our sector, can only be achieved through a collective effort.

ECONOMIC VIABILITY

The advent of the COVID-19 pandemic, and abiding with the Disaster Management Act, posed a challenge to the sustainability of the industry and the GFC's ability to execute its programmes in achieving its set mandate. Thus, a comprehensive business continuity plan was developed and implemented, along with revised Annual Performance Plan (APP) programmes geared towards online platforms.

TAX EXEMPTION

SARS has exempted the GFC from paying income tax.

ACKNOWLEDGEMENTS

I would like to acknowledge the leadership of our visionary MEC, Ms. Mbali Hlophe for her unwavering support, the stewardship of the Board of Directors and the GFC's management and staff for their commitment to achieving the targets, and delivering on its mandate. The overall performance bears testimony to our collective teamwork.



Ms K Lebeka
Acting Chief Executive Officer
31 July 2021

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

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the standards applicable to the public entity.

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2021.

Yours faithfully



Ms K Lebaka
Acting Chief Executive Officer
31 July 2021



Ms B Mhaga
Chairperson of the Board
31 July 2021

7. STRATEGIC OVERVIEW



VISION

The GFC has set its vision to be:

'A champion for a transformed, sustainable and dynamic audiovisual industry that celebrates the diverse cultures of the Province.'



MISSION

The stated mission of the GFC is:

- To promote regional content and the telling of South African stories
- To develop and support audiovisual content creators and enterprises
- To facilitate and improve the ease of doing audiovisual business in Gauteng
- To promote Gauteng as a preferred audiovisual destination
- To attract investment into the Gauteng audiovisual industry



VALUES

In working towards the achievement of the mandate and vision set out above, the GFC subscribes to these internal values:

- | | |
|-----------------------|--|
| Accountability | <ul style="list-style-type: none"> • Do what we say we will do, then follow through on whether it has been done correctly • Take ownership of the task to ensure it gets done correctly the first time around • Display the right attitude to the task at hand • Deliver the best that we can |
| Team focus | <ul style="list-style-type: none"> • Working together to assist each other and to enable all departments to succeed • Sharing of knowledge and insights towards a common purpose |
| Innovation | <ul style="list-style-type: none"> • Listen to and understand needs, and create new approaches to what we do • A focus on cutting-edge, best-in-class and 'outside the box' approaches and solutions |
| Activism | <ul style="list-style-type: none"> • Use all available opportunities to promote and lobby for desired social and economic change • Strive to participate in all key government activities as an opportunity to lobby for our programmes • Exude positive energy in engaging with others about our desire and plans to move our province forward |
| Integrity | <ul style="list-style-type: none"> • Value openness, honesty, consistency and fairness • Act in good faith in all our day-to-day activities • Display humility in our actions • Commit to ethical behaviour and focus on justice and fairness • Exercise care not to disclose confidential information |

8. LEGISLATIVE AND OTHER MANDATES

The Gauteng Film Commission is non-profit company (NPC) operating as Schedule 3C. The strategic goals of the GFC were developed as a response to the mandate of the DSACR, the objects of the NDP, the revised mandate of the provincial government, as well as the key macro and micro environment challenges and strategic issues the GFC should address. Further, given the need to ensure synergy and seamless integration, these high-level strategic objectives are aligned to the DSACR and the 14 provincial MTSF outcomes.

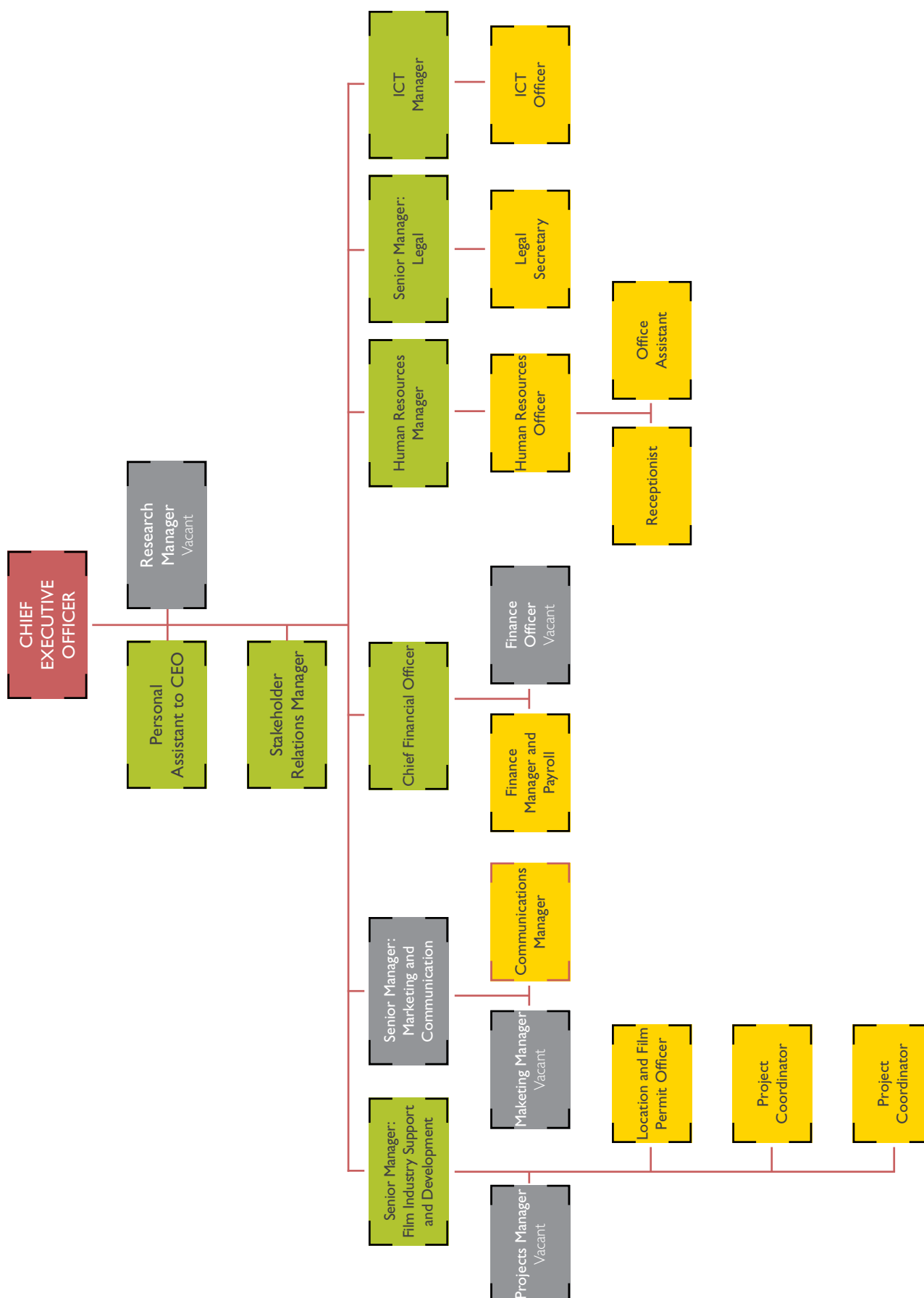
Under the strategic theme of the 6th Administration of the Gauteng Provincial Government: 'Growing Gauteng Together – Our Roadmap to 2030' (GGT2030), and informed by instructing legislation and policy, the Gauteng Film Commission defines its mandate purpose as:

To mediate between the interests of the state, industry, and society in the Gauteng audiovisual sector.

This is to ensure the intended impact statement was defined as:

The audiovisual industry is a major contributor to Gauteng's positioning as the hub of Africa's creative and cultural industries, and thereby contributes to job creation and socio-economic transformation.

9. ORGANISATIONAL STRUCTURE





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Performance
Information Reporting

I. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (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, with material findings being reported under the 'Performance Information Reporting' heading in the auditor's report.

Refer to page 60 of the Report of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. SERVICE DELIVERY ENVIRONMENT

The changes to the economy as result of the COVID-19 lockdown had far reaching effects on the audiovisual sector's value chain linkage. The total estimated impact on the total output of the COVID-19 shutdown for the cultural and creative industries (CCI) is -R53.3 billion, which in turn impacted the economy by -R99.7 billion in 2020 – *Nelson Mandela University, Covid-19 Impact Survey Report - SA Cultural Observatory, May 2020*.

The entire audiovisual value chain was affected as companies have cancelled or postponed assignments, and this directly affected production companies, crewing agents, talent agents, catering companies, facilities (studios), location agents, accounting services, and supporting services etc.

Furthermore, applications to Unemployment Insurance Fund (UIF) are only accessible to permanent staff, which disadvantages a large number of CCIs namely independent contractors/freelancers, sole proprietors, camera, lighting, grips, wardrobe, make-up, stunts, SFX, and post-production workers among others.

Challenges within the sector

- Short-term contract nature of much CCI work leads to job and income insecurity
- Gender and racial bias still evident in some sub-sectors
- Linked to regional development through tourism
- On-the-job training limited

Opportunities within the sector

- Medium and micro enterprises with low barriers to entry
- Based on talent rather than qualifications
- Restructure funding and employment conditions
- Tax relief for freelancers/employees and rebates for production companies

GFC has seen the impact that COVID-19 has had on the audiovisual industry in Gauteng and has resolved to assist production companies supported in the 2019/2020 financial year. The plan includes:

- Cancelled or rescheduled events due to the outbreak have been moved to a later date, however payments thereof were subsequently processed
- Production companies who are yet to complete projects were paid 50% of the balance owing, and remainder will be settled in the new financial year
- Applications that are directly linked to addressing the pandemic were prioritised and reviewed in accordance with GFC's internal processes
- Project application appraisals continued to be presented on a quarterly basis through the projects committee, after the lifting of the lockdown regulations

Furthermore, the GFC undertook to develop a standard operating procedure in this financial year to guide the industry and the GFC's work environment to effectively deal with the pandemic. The standard operating procedure (SOP) was compiled to help the industry and GFC staff to carry out complex routine operations during the COVID-19 lockdown. The SOP's aim was to achieve efficiency, quality outputs and uniformity of performance, while reducing miscommunication and failure to comply with the National Disaster Act.

2.2. ORGANISATIONAL ENVIRONMENT

The advent of the pandemic catapulted the GFC into adapting to the new normal and as a result, most programmes were implemented online. The organisation had the services of two acting CEOs to assist in stabilising executive leadership function with Mr Shane Maja from Department of Sport, Arts, Culture and Recreation, and later Ms Keitumetse Lebaka from SETA. The position of Marketing and Communication Senior

2. SITUATIONAL ANALYSIS

– continued

Manager was vacant for the year so senior management oversaw its functions.

In the later part of the year under review, the GFC began a process of organisational design to create a structure that will be able to support the five-year plan service delivery model. There have been challenges in its implementation due to processes that were halted. Other vacant positions have not been filled until the completion of the organisational design (OD) process, which hampers the effective delivery of certain outputs and services.

2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The draft white paper on audiovisual content services policy framework aims to create a new policy environment in which the audiovisual sector can grow in the manner outlined below:

- Ensures access to broadcasting services by all the citizens, including people with disabilities
- Creates certainty and stability, by improving regulatory capacity
- Facilitates competition and allows market entry by new entrants
- Strengthens the public broadcaster

The GFC welcomes the proposed policy amendments and looks forward to their implementation, in particular those relating to licensing and spectrum allocations that will benefit content creators.

2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The advent of the pandemic catapulted the GFC into adapting to the new normal and as a result, most programmes were seamlessly implemented online. In so doing, programmes and services reached a wider audience through themed initiatives such as Africa Month, Youth Month, Women's and Heritage Month.

The above-mentioned initiatives were primarily implemented through these activities:

- Online master classes: Series of virtual masterclasses with youth, women and industry practitioners providing educational sessions to positively contribute to the transformation of the sector while battling with effects of COVID-19. Engaged on topics affecting the industry, allowing robust discussions to find solutions to key challenges faced in the youth and new entrants in the industry.
- Training virtual lectures: Facilitated various workshops aimed at helping film SMMEs, youth and emerging filmmakers better understand the South African film business landscape. This assisted film productions to grow their businesses and expand into the global market
- Online (short) film festival: The film festival was hosted through watch parties using various digital platforms. The content sourced and screened was strictly non-commercial that had been produced by film school students from various film institutions. We will also create a virtual awards voted for by audiences.

In support of the GFC's desired impact that, "The audiovisual industry is a major contributor to Gauteng's positioning as the hub of Africa's creative and cultural industries, and thereby contributes to job creation and socio-economic transformation", the contribution and focus of the supporting outputs that contributed to achieving the organisation's outcomes and government's strategic priorities are outlined below:

OUTCOME 1: ENHANCED CONTRIBUTION OF GAUTENG'S AUDIOVISUAL INDUSTRY TO SOCIO-ECONOMIC DEVELOPMENT	
Contribution to Gauteng provincial priorities (GGT2030)	Key interventions and outputs of the annual performance plans under the year in review
Priority 1: Economy, jobs and infrastructure • Prioritise creative industries as a strategic growth area • Support programmes aimed at creating long-term employment through projects supported • Finalise and implement the revised provincial creative industries strategy • Supported launch the Film Friendly Gauteng Campaign, which will enjoy excellent support from both industry suppliers, service providers and the industry • Strategic relationships between public and private sector stakeholders	• Optimised Gauteng's location advantage through facilitating 378 permits • Developed in kind packages to attract foreign investment through 4 collaborations • Played a developmental role for emerging and intermediary filmmakers, as well as a facilitative role for established filmmakers by supporting a total of 18 productions • Increased the number of local and international productions produced in Gauteng by facilitating ease of doing business • Developed a partnership and funding strategy that focuses on engaging and establishing relationships with industry and investor role players
OUTCOME 2: INCREASED SUPPORT FOR REGIONAL CONTENT AND THE TELLING OF SOUTH AFRICAN STORIES	

2. SITUATIONAL ANALYSIS

– continued

Contribution to Gauteng provincial priorities (GGT2030)	Key interventions and outputs of the annual performance plans under the year in review
Priority 3: Safety, social cohesion and food security - Support and develop content that profiles South African and regional stories and values - Increase interaction across space, race and class	9 script development programmes and research support was provided to emerging filmmakers - Supported total of 34 emerging filmmakers with content development - Played a developmental role for emerging and intermediary filmmakers, as well as a facilitative role for established filmmakers
Considerations in relation to women, youth and people with disabilities	- The emphasis of GFC content and production support programmes was on the youth, with a targeted focus on women and people with disabilities - The quantum of women, youth and people with disabilities benefiting from these programmes was disaggregated when reporting on the achievement of targets

OUTCOME 3: ENHANCED MARKET PENETRATION OF GAUTENG-PRODUCED CONTENT

Contribution to Gauteng provincial priorities (GGT2030)	Key interventions and outputs of the annual performance plans under the year in review
Priority 1: Economy, jobs and infrastructure - Successfully export Gauteng-created content into global and regional markets - Expansion in new and traditional creative industry markets	- Create sustained exposure to all stakeholder groups with film materials and publicity - Effective marketing support for GFC content cinema releases and additional release platforms - Support the roll-out of an online streaming platform - Manage a focused international marketing and festival strategy - Support audience development interventions

OUTCOME 4: INDUSTRY TRANSFORMED THROUGH TRAINING, MENTORSHIP AND ENTERPRISE DEVELOPMENT

Contribution to Gauteng provincial priorities (GGT2030)	Key interventions and outputs of the annual performance plans under the year in review
Priority 1: Economy, jobs and infrastructure Growing and nurturing emerging filmmakers to become financially sustainable through owning effective and profitable enterprises	- Support film as a career and master classes - Train and develop emerging content creators towards sustainability and participation in the industry through partnerships with accredited training providers - Emerging film production mentorship programme through partnership with 48hrs film project - Provided business support to emerging filmmakers - Establish AV resource centres in monuments in partnership with DSACR
Priority 2: Education, skills revolution and health - Contribute towards effective talent development programmes for emerging filmmakers - Implement mentorship/incubator creative programmes - Training and offer bursaries for motion picture production - Entrepreneurship training programmes - Set up post-production and research facilities in libraries and monuments	
Considerations in relation to women, youth and people with disabilities	- The emphasis of GFC training and development, and business support, programmes is on the youth, with a targeted focus on women and people with disabilities - The quantum of women, youth and people with disabilities benefiting from these programmes will be disaggregated when reporting on the achievement of targets
Key enablers to support delivery of the outcome	- Partnering with and supporting existing NPO film schools to expand skills in the industry such as Alex Academy - Explore opportunities for collaboration with theatres as a platform where skills are nurtured - Partnered with the MICT SETA for the creation of a fund for internships, mentoring and skills development benefitting 60 candidates

2. SITUATIONAL ANALYSIS

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2.5. THE GFC SUPPORTED KEY PROJECTS THAT ASSISTED IN ACHIEVING THE INSTITUTION'S OUTCOMES:

Programme response to COVID-19:

The Gauteng Film Commission in partnership with Prime Stars and Smart Barks embarked on a programme that sought to educate high school students through film. Nearly 800 000 matric learners were out of school for over three months due to the COVID-19 lockdown at the end of March 2020. Following the opening of high schools for Grade 12 only at the beginning of June 2020, many learners were struggling to catch up with the loads of maths and science content to be assessed in their final year-end exams. While learners from ex-model C and private schools had access to online learning during the closure, learners from township and rural schools were seriously disadvantaged by the very limited access and use of technologies that would have allowed teachers to remain in contact with them during the lockdown.

Matric maths and science lessons kicked off in September rolling out free matric maths and science revision sessions across South Africa to benefit Grade 12. EduCate is a nationwide matric maths and science revision programme for underserved communities in South Africa that has been delivering free matric maths and science revision for the past decade. It is aligned to the Department of Basic Education's comprehensive recovery plan. As part of the experience and to keep them safe, learners were supplied with masks, hand sanitiser and educational material on how to avoid the spread of COVID-19.

2.5.1. Festivals supported

11th Durban Film Mart Virtual Edition: DFM 2020 put in the spotlight the work of African producers who work to contribute cinematic images that humanise, celebrate, and canonise our struggles and our beauty. African filmmakers' stories challenge oppressive structures, engage with dominant value systems, and reflect anew on our daily experiences. The GFC assisted by sponsoring a few filmmaker talks (webinars), namely: The Documentary Filmmaker's Way; Cinéma du réel/Cinéma de l'humain; A Little Goes a Long Way and New Visionaries for African Cinema.

Nature and Environment and Wildlife Filmmakers (NEWF) Labs, the wildlife documentary organisation, hosted a virtual reality (VR) online film festival.

2.5.2. Productions supported

2.5.2.1. Documentaries supported:

Kauve by Dennis Ngxanga and Associates

The documentary was about the Women's March of 1956 to Pretoria. It was supporting the 65th anniversary celebration and it highlighted the role and importance of women in the society. Moreover, through supporting this initiative, GFC was able to make an impact in supporting local content productions and in turn increased GFC awareness through broadcast platforms.

GFC also supported documentaries which aimed at telling historical stories following the evolution of lifestyle due to socio-economic and political changes. GFC contributed towards the production and marketing of the following productions:

- **Evolution of Mzansi Street Culture** by Eish D Television (PTY) Ltd
- **George Bizos** by Current Affairs Films (Pty) Ltd

As the country and even the whole world had little knowledge about a tragic pandemic that broke out in late 2019, GFC funded the following documentaries that assisted in bringing about awareness about Covid-19:

- **Surge** by Kasi Audio-Visual distributors
- **Frontliners** by Greener Pastures Productions CC.

#WeDoCare

This was a film about an abusive relationship. The film was seeking licensing opportunities from various broadcasters and served as PSAs during Women's Month, as well as the 16 days of activism. GFC was proud to have supported a production such as #WeDoCare which drew attention to one of the major issues the country was faced with, gender-based violence.

2.5.2.2. Feature films

Happiness Ever After produced by Blingola Media (SPVC Inyasi)

This film is a sequel to **Happiness is a Four Letter Word**. The previous film, released in 2016, ranked just over R14 million in box office earnings, which made it the highest grossing romantic comedy in South Africa, for the black audience.

The film highlighted/supported the success of women, and how women can be independent without men contributing to their success. This supports equality, as well as the feminist film theory, which goes against the classical film theory, which portrays women to be dependent on marriage and motherhood.

It depicts real stories which are told in contemporary South Africa, with relatable content.

Skaapboer

2. SITUATIONAL ANALYSIS

– continued

This film revolves around Harlod Bruyns, who works at a bank with his grandfather. His life is turned upside down when his mother comes and takes him back to the city. He is torn apart when he is reminded of his childhood traumas. This story tapped into a widely relatable concept of how unattended childhood traumas could affect and shape the present adult life one leads.

Through this 1 hour 30min film by Indigenous Films Distributors, 270 jobs were created, 77 of which were youth and 5 were employees with disabilities.

2.5.2.3. Digital content

Cinema Society: This is an adoption of the traditional American television concept named Round Table Industry, but personalised for the local market. The show facilitates rich discussions with film industry greats such as Mickey Dube, Ramadan Suleman, Gersh Kgamedi and Thabo Marera and so on. The GFC contributed towards production, hosting the web series on the GFC's YouTube channel and provided marketing support for the web series. Additionally, through this series, 10 people were employed.

2.5.2.4. Content for Tv

Strategic Trace TV: The GFC, in partnership with Trace TV, provides young filmmakers with an opportunity and a platform to showcase their filmmaking talent on Trace TV through a competition. The partnership will roll out three sub-projects during the 2020/21 financial year namely:

- Music and location
- Music and culture
- Artist journey

2.5.2.5. Audience development

COVID-19 has negatively affected and limited several aspects in the film industry, however through technology, GFC supported 20 audience development initiatives which had an impressive amount of viewership of 77 741. Projects such as **Drive-In Cinema Experience** came up with creative ways to limit physical contact yet provide a comfortable space in the comfort of one's car.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. PROGRAMME 1: INDUSTRY SUPPORT AND DEVELOPMENT (ISD)

The aim of the industry support and development unit is to develop and support the audiovisual industry in Gauteng by creating an enabling environment.

The film value chain ranges from pre-production (conceptualisation, research and script development); production (principal photography); and post-production (visual and sound editing) and distribution.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives

1. Delivering film commission services
2. Supporting audiovisual industries initiatives with an emphasis on the whole value chain
3. Supporting initiatives aimed at required skills development and mentorship programmes in the industry focusing on the previously marginalised

Although the deviation from planned target to actual target is calculated based on the annual target in accordance with the Annual Report Guide for National and Provincial Departments issued by the National Treasury on the 31 March 2021, it should be noted that the actual achievements for indicators/targets in the table below do not reflect performance for the entire 2020/21 financial year; but only for the first quarter (April to June 2020) of 2020/21 financial year:

Table 2.4.4.1 - Annual summary against original APP targets 2020/21

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling July 2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/ output indicators/ annual targets
1. Enhanced contribution of Gauteng's audiovisual industry to socio-economic development	Preferential packages to attract foreign investment into the AV industry	Number of municipalities assisted through IGR to finalise film locations and permits processes	2	2	3	1	-2	Under achievement due to only Q1 performance accounted for and limited interfacing with municipalities during lockdown	The annual target was changed to 3 due to lockdown restrictions
		Number of permits and locations facilitated with municipalities	100%	100%	100%	57	0	Not applicable	Not applicable
	Gauteng's location advantage optimised	Number of locations and permit process engagement	0	2	3	0	-3	No set target was achieved in the period under review	Indicator removed due to lockdown restrictions
	One-stop-shop for filmmakers – the go-to agency for audiovisual requirements in Gauteng	Development and implementation of directory and grading system for crew and audiovisual skills in Gauteng	0	0	Research and data collation	0	0	Under achievement due to no set target in Q1 and no research capacity	Indicator removed due to research capacity within organisation
		Number of international audiovisual productions using GFC logistical and database services	0	0	3	0	-3	Under achievement due to international travelling restrictions and lockdown. No international productions used our services	Indicator removed due to lockdown restrictions

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.1. PROGRAMME 1: INDUSTRY SUPPORT AND DEVELOPMENT (ISD) – continued

Table 2.4.4.1 - Annual summary against original APP targets 2020/21 – continued

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling July 2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/ output indicators/annual targets
2. Increased support for regional content and the telling of South African stories	Support to audiovisual content productions supported	Number of feature films	0	0	4	0	-4	No set target was achieved in the period under review	Indicator removed due to lockdown restriction for productions
		Number of GFC supported productions going to cinema and/or festivals	14	14	14	4	-10	Under achievement due to only Q1 performance accounted for	The performance indicator was amended to include distribution support. Annual target remained unchanged
3. Enhanced market penetration of Gauteng produced content	Enhanced market penetration of Gauteng produced content	Box office performance of GFC-supported productions	0	New indicator	R500 000	0	-R500 000	No set target was achieved in the period under review	Indicator removed due to lockdown restrictions affecting productions Going to cinema as cinemas were closed
		Number of film festivals supported	New indicator	12	6	1	-5	No set target was achieved in the period under review	Indicator increased to 8 Annual target due Opportunity to support more smaller online festivals
		Number of individuals reached through audience development projects	20 703	10 000	7 500	32 414	24 914	Over achievement was due to the unlimited access to virtual events	Target was amended due pending lockdown restrictions at the time
4. Industry transformed through training, mentorship and enterprise development	Support film as a career and master classes	Number of film clubs established in schools in partnership with SACR	0	New target	25	0	-25	Under achievement was due to lockdown restrictions and schools' extra mural activities suspended	Indicator removed due to lockdown restrictions affecting school activities
		Number of individuals trained in the Basetsana scriptwriting & directing workshop	0	50	250	0	-250	No set target was implemented in the period under Q1	Indicator was reintroduced as per joint planning and implementation programme with SACR
		Number of practitioners moving from lower tier development to higher tier (one criteria level to another)	0	New	5	0	-5	No set target was implemented in the period under Q1	Indicator removed due limited capacity to implement target
		Number of individuals trained through accredited programme	2 814	600	250	79	-171	Under achievement due to only Q1 performance accounted for	The target was amended due to fewer accredited programmes supported

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.1. PROGRAMME 1: INDUSTRY SUPPORT AND DEVELOPMENT (ISD) – continued

Table 2.4.4.1 - Annual summary against original APP targets 2020/21 – continued

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling July 2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/ output indicators/ annual targets
4. Industry transformed through training, mentorship and enterprise development		Number of individuals trained through non-accredited programme	0	New indicator	700	0	-700	Under achievement due to projects rescheduled to Q2	The target was amended due to individuals being reached through online delivery of programmes supported
	Train and develop emerging content creators towards sustainability and participation in the industry through partnership	Number of audiovisual resources centre in libraries in partnership with SACR	0	2	5	0	-5	No set target was implemented in the period under Q1	Indicator was removed as the GFC had no control on implementation of AV centres in libraries
		Number of productions, editing and research facilities (monuments) established in regions	0	2	4	0	-2	No set target was implemented in the period under Q1	Indicator was amended to focus on AV centres in monuments
		Number of individuals accessing production, editing and research facilities (monuments) established in regions	0	20	80	0	-80	Under achievement was due to no facilities not operational	Target was amended due to lockdown restrictions and closure of facilities

Table 2.4.4.2 - Annual summary as per the adjusted APP targets 2020/21

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 re-tabled	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/ output indicators/ annual targets
1. Enhanced contribution of Gauteng's audiovisual industry to socio-economic development	Gauteng's location advantage optimised	Number of municipalities assisted through IGR to formalise film locations and permits processes	New indicator	2	3	4	1	Over achievement was due to opportunity to assist JDA in Q4 No costs were incurred by the GFC	Not applicable
		Number of permits and locations facilitated with municipalities	100%	100%	250	378	128	Over achievement was due to additional productions and relaxed lockdown restrictions	Not applicable

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.1. PROGRAMME 1: INDUSTRY SUPPORT AND DEVELOPMENT (ISD) – continued

Table 2.4.4.2 - Annual summary against adjusted APP targets 2020/21 – continued

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 re-tabled	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/ output indicators/ annual targets
2. Increased support for regional content and the telling of South African stories	Script development and research support	Number of script development projects supported	New indicator	8	8	9	1	Over achievement due to surplus retention budget	Not applicable
	Support to audiovisual content productions supported	Number of documentaries and short films supported	20	20	6	6	0	Not applicable	Not applicable
		Number of feature films	0	New indicator	4	4	0	Not applicable	Not applicable
		Number of emerging filmmakers (tier 3) productions supported	0	New indicator	8	9	1	Over achievement due to surplus retention budget allocation from Treasury	Not applicable
		Number of content for television supported	0	New indicator	5	8	3	Over achievement was due to additional productions supported from surplus retention	Not applicable
		Number of jobs created through projects supported	968	711	800	1 023	223	Over achievement due to additional productions supported from surplus retention	Not applicable
		Number of supported productions assisted with distribution, marketing, film festivals and market attendance	14	13	14	14	0	Not applicable	Not applicable
3. Enhanced market penetration of Gauteng produced content	Enhanced market penetration and distribution of Gauteng content	Number of digital content supported for streaming/ pay-per-view platforms	0	New indicator	7	7	0	Not applicable	Not applicable
		Number of film festivals supported	New indicator	13	10	10	0	Not applicable	Not applicable
	Enhanced audience development	Number of private screenings hosted towards securing strategic partnerships/ funding	0	New indicator	2	2	0	Not applicable	Not applicable
		Number of audience development initiatives supported	20	14	20	20	0	Not applicable	Not applicable
		Number of individuals reached through audience development projects	20 703	22 942	7 500	81 762	74 262	Over achievement was due to the unlimited access to virtual events	Not applicable

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.1. PROGRAMME 1: INDUSTRY SUPPORT AND DEVELOPMENT (ISD) – continued

Table 2.4.4.2 - Annual summary against original APP targets 2020/21 – continued

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 re-tabled	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/ output indicators/ annual targets
4. Industry transformed through training, mentorship and enterprise development	Film as a career and master classes	Number of non-accredited training projects supported	0	New indicator	10	11	1	Over achievement due to additional programmes supported from surplus retention	Not applicable
		Number of individuals trained through non-accredited programmes	2 814	1 009	700	7 647	6 947	Over achievement due to introduction of online viewing sessions	Not applicable
		Number of Daily Thetha Ground Breakers mentored	0	New indicator	25	25	0	Not applicable	Not applicable
	Emerging content creators support - towards sustainability and participation in the industry through partnership	Number of accredited training projects supported	0	New indicator	7	5	-2	Over achievement due to additional programmes supported from surplus retention	Not applicable
		Number of individuals trained through accredited programmes	0	New indicator	170	207	37	Over achievement due to increased demand for training	Not applicable
		Number of individuals trained in the Basetsana scriptwriting & directing workshop	New indicator	50	100	300	200	Over achievement due to increased interest from applicants to participate in the film and TV workshops	Not applicable
	Emerging Film Production Mentorship Programme	Number of emerging filmmakers mentored through 48hrs project	25	20	25	25	0	Not applicable	Not applicable
		Number of emerging enterprises supported	New indicator	24	25	33	8	Over achievement due to the GFC realising the opportunity to save from bulk buying which in turn resulted to increasing the number of beneficiaries	Not applicable
	AV resource centres in monuments and in-house, in partnership with DSACR	Number of productions, editing and research facilities (monuments) established in regions	New indicator	0	2	2	0	Not applicable	Not applicable
		Number of individuals accessing production, editing and research facilities (monuments) established in regions	New indicator	0	40	7	33	Under achievement was due to COVID-19 regulations that encouraged precautionary measures	Not applicable

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.1. PROGRAMME I: INDUSTRY SUPPORT AND DEVELOPMENT (ISD) – continued

Table 2.4.4.3 - Linking performance with budgets

Industry support and development – PROGRAMME I						
	2020/21			2019/20		
	Final appropriation R	Actual expenditure R	(Over)/under expenditure R	Final Appropriation R	Actual expenditure R	(Over)/under expenditure R
Audiovisual support	3 219 270	3 823 418	(604 148)	3 000 000	3 312 000	(312 000)
Audience development	2 740 000	2 714 656	25 344	2 449 462	2 058 018	391 444
Digital streaming	1 000 000	635 000	365 000	640 000	617 288	22 712
Post production and research hub	144 000	64 219	79 781	160 000	144 391	15 609
Skills development	1 484 000	2 066 665	(582 553)	1 400 000	1 951 512	(551 512)
Content for television	1 500 000	1 505 000	(5 000)	1 500 000	1 560 000	(60 000)
Script development	1 500 000	1 080 000	420 000	960 000	960 408	(408)
Enterprise development	1 250 000	1 391 692	(141 692)	1 200 000	913 741	286 259
Location and permits	47 730	-	47 730	45 000	-	45 000
Total industry support and development	12 885 000	13 280 538	(395 538)	11 354 462	11 517 358	(162 896)

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.2. PROGRAMME 2: MARKETING & COMMUNICATION

The marketing and communication unit delivers integrated marketing and communication interventions to the organisations' internal and external stakeholders.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives

1. To position Gauteng as an audiovisual content hub and enhance the GFC brand locally and internationally
2. To promote Gauteng as a film destination of choice
3. To build strategic collaborations with key industry stakeholders

There is a need for more effective communication and marketing campaigns that will inform and educate the public about the GFC's activities, programmes, and opportunities in order to involve as many people as possible – especially emerging filmmakers.

Priority programmes have been identified for marketing and communication in order to drive the implementation of these objectives in line with TMR pillars. The outcome has been largely realised through strategic partnerships as well as in promoting Gauteng's film friendly locations.

Film festivals

Encounters

Encounters successfully launched its multi-platform online festival. Over the period of 10 days, it delivered audiences from thousands of homes nationwide for some of the globe's greatest award-winning documentaries.

The funds GFC sponsored were allocated towards screening fees for South African filmmakers, technical support as well as public relations and marketing.

In addition, the GFC partnered with Encounters on the Best African Documentary award, enabling Encounters, for the first time, to secure a cash award for the winning film.

Durban International Film Festival

The Durban International Film Festival celebrated its 41st year landmark. The event was celebrated virtually for the first time due to COVID-19 restrictions. This prestigious South African international film festival is a unique phenomenon on the African cultural calendar. The Gauteng Film Commission supported two categories: Best Short Film and Best African Short Film and this afforded GFC an opportunity to have a 1-hour GFC workshop during the 4-day programme and therefore increased GFC brand presence.

Film awards

Moscow International Film Festival (MIFF) 2020

GFC had assisted in funding *Losing Lerato's* participation at the Moscow International Film Festival on the 15th-17th of October 2020. South African productions' involvement in the MIFF allows for cultural exchange, better understanding among nations and collaborations with international filmmakers.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.2. PROGRAMME 2: MARKETING & COMMUNICATION – continued

Table 2.4.4.4 - Annual summary as per the original APP targets 2020/21

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 re-tabled	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/output indicators/ annual targets
I. Enhanced contribution of Gauteng's audiovisual industry to socio-economic development	Preferential packages to attract foreign investment into the AV industry	Number of collaborations with industry players for in-kind packages	4	4	5	2	-3	Under achievement due to only Q1 performance accounted for	Target was amended from 5 to 4, due to COVID-19 impact

Table 2.4.4.5 - Annual summary as per the adjusted APP targets 2020/21

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual Achievement 2020/2021 re-tabled	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the output/output indicators/ annual targets
I. Enhanced contribution of Gauteng's audiovisual industry to socio-economic development	Preferential packages to attract foreign investment into the AV industry	Number of collaborations with industry players for in-kind packages	4	4	4	4	-	Not applicable	Not applicable
	Gauteng's location advantage optimised	Number of destination marketing tours for location and facilities promotion	-	New Indicator	Concept document and partnership agreement finalised	Joint concept document and action plan approved will be tabled to legislature by Gauteng Tourism Authority	-	Not applicable	Not applicable
		Number of supported productions assisted with distribution, marketing, film festivals and markets attendance	14	14	14	14	-	Not applicable	Not applicable
3. Enhanced market penetration and distribution of Gauteng produced content	Enhanced market penetration and distribution of Gauteng content	Number of film awards supported	4	4	5	5	-	Not applicable	Not applicable
		Number of film festivals supported	New indicator	-	10	10	-	Not applicable	Not applicable
		Number of industry associations	4	4	4	4	-	Not applicable	Not applicable
	Enhanced audience development	Number of private screenings hosted towards securing strategic partnerships/ funding	-	New indicator	2	2	-	Not applicable	Not applicable

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

– continued

3.2. PROGRAMME 2: MARKETING & COMMUNICATION – continued

Table 2.4.4.6 - Linking performance with budgets

MARKETING AND COMMUNICATIONS – PROGRAMME 2						
	2020/21			2019/20		
	Final appropriation R	Actual expenditure R	(Over)/under expenditure R	Final Appropriation R	Actual expenditure R	(Over)/under expenditure R
Annual report	142 000	121 350	20 650	122 155	91 329	30 826
Film awards	105 000	105 000	-	250 000	118 426	131 574
Media	-	-	-	5 248	-	5 248
Industry communications	70 000	48 600	21 400	63 547	-	63 547
Website maintenance	70 000	67 290	2 710	316 002	193 040	122 962
Location gallery updates	-	-	-	11 554		11 554
Message on hold	7 000	4 494	2 506	5 248	10 308	(5 060)
Outbound mission	-	-	-	680 779	50 000	630 779
Inbound mission	-	-	-	450 000	375 451	74 549
Marketing and PR	615 000	566 692	48 371			
Marketing support of film productions	723 210	710 010	13 200	415 944	490 666	(74 722)
Film festivals and markets	639 630	630 000	9 630	-	-	-
Public awareness campaigns: Municipalities & townships	-	-	-	69 324	27 428	41 896
Advertising placements	40 000	30 000	10 000	115 540	128 976	(13 436)
Branding partnership	60 000	25 600	34 400	217 770	577 761	359 991
Marketing material	67 160	42 900	24 260	115 540	117 831	(2 291)
Total	2 539 000	2 351 873	187 127	2 838 651	2 181 216	657 435

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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3.3. PROGRAMME 3: SUPPORT AND ADMINISTRATION

The aim of the administration and support services is to provide strategic support through research, financial management, legal services, human capital and information communication technology. The five support sub-programmes are:

- Office of the CEO (strategic planning and reporting, monitoring and evaluation and research)
- Financial management services
- Human capital management services
- Legal and governance services
- Information communication technology services

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives

To develop and implement performance excellence systems and processes that will ensure the GFC adheres to good corporate governance.

Outputs:

Stakeholder management and research capacity integrated to develop industry intelligence hub capacity.

WITS-GFC Virtual Production Research Project: The GFC initially funded Phase I of the virtual production research initiative proposed by WSOA Film & Television researchers as joint research. It contained a wide-ranging situation analysis in the Gauteng and South African film industry and more extensive research forayed into the viability of virtual production as a capital-and-knowledge-intensive game-changer in the local film and television arena.

Gaming Development Research: As the South African gaming ecosystem is starting to attract a variety of stakeholders who desire interventions in assisting it to grow, the GFC commissioned a research project which provided a baseline study into the current status of South Africa's game industry. The research includes a series of case studies examining how other countries supported game development industries. A specific focus is on a mapping exercise, which is critical for the performance of a gap analysis and the development of a strategy document.

The GFC worked closely with stakeholders within the industry to align efforts and relief to filmmakers in response to the COVID-19 pandemic. The team developed an external funding and strategic partnership strategy to assist in meeting demand for project funding and to expand the GFC's services.

In the area of optimising human capital management and development and building a high-performance organisation, the following was implemented:

OD project was initiated to develop a structure that could support the services outlined in the five-year strategic plan 2020 – 2024. The ICT master plan was developed.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

– continued

3.3. PROGRAMME 3: SUPPORT AND ADMINISTRATION – continued

OUTCOME 5: RESEARCH INSIGHTS AND ANALYTICS TO SUPPORT EVIDENCE-BASED POLICY AND DECISION MAKING	
Contribution to MTSF 2019-2024	Contribution to Gauteng provincial priorities (GGT2030)
Priority 2: Economic transformation and job creation A well-researched, regulated and funded SAC sector	Priority 1: Economy, jobs and infrastructure Sound research informing evidence-based policy and decision making
Key interventions and outputs of the annual performance plans under the year in review	- A centralised research intelligence hub for the industry - M&E reports assessing the impact of the entity's programmes in order to inform future strategies - Research to champion digital transformation in audiovisual space
Considerations in relation to women, youth and people with disabilities	Not applicable
Key enablers to support delivery of the outcome	- Partnership with the Gauteng City Region Observatory and/or other research knowledge providers - Internal research coordination and management capability

OUTCOME 6: SOUND GOVERNANCE, OPERATIONAL EXCELLENCE AND HIGH-PERFORMANCE	
Contribution to MTSF 2019-2024	Contribution to Gauteng provincial priorities (GGT2030)
Priority 1: A capable, ethical and developmental state - Rehabilitation and restructuring of SOEs and public entities - Honest and capable state with professional and meritocratic public servants	Priority 5: A capable, ethical and developmental state - Compliant and responsive governance - A capable GPG, with ethical, capable, professional and meritocratic public servants
Key interventions and outputs of the annual performance plans under the year in review	- Improved internal control environment and financial management - Compliance with legislation and policy - Ethics and integrity management - Protection of information systems from unauthorised access, and harm and misuse - Business integration and optimisation and ICT support - Effective legal and contract management - Human capital management and development - Employee relations and wellness - Performance management and development - Facilities management and tools of trade - Occupational health and safety
Considerations in relation to women, youth and people with disabilities	- Achievement of preferential procurement and 'set aside' targets for procurement spend - Achievement of employment equity targets for the organisation
Key enablers to support delivery of the outcome	- Structure the organisation as defined by the mandate and strategic framework of the GFC - Explore alternative sources of funding – funding and partnering strategy, policies and programmes. - Move towards online reporting for QPR and AR directly to legislature, but dual to Department (including Board approvals) - Improve GFC performance management system, and implementation thereof, to drive performance culture - Automate procurement systems - Business processes reengineering and steady roll-out of automated systems to enable core functions

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

– continued

3.3. PROGRAMME 3: SUPPORT AND ADMINISTRATION – continued

Table 2.4.4.6 - Annual summary as per the adjusted APP targets 2020/21

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned annual target 2020/2021	*Actual achievement 2020/2021 re-tabling	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
1. Enhanced contribution of Gauteng's audiovisual industry to socio-economic development	Preferential packages to attract foreign investment into the AV industry	Number of strategic partnerships or collaborations between investors and local audiovisual businesses facilitated	10	10	8	8	-	Not applicable	Not applicable
5. Research insights and analytics to support evidence based policy and decision making	A centralised research intelligence hub for the industry	Annual state of the Gauteng AV industry report produced	-	New target	Annual state of the Gauteng AV industry report produced	Annual state of the Gauteng AV industry report produced	-	Not applicable	Not applicable
6. Sound governance, operational excellence and high-performance	Strengthen internal control environment and financial management	Core to programme operational budget expenditure ratio	-	New target	1:0.38	1:0.40	1:0.02	Not applicable	Not applicable
	Enhanced business integration and optimisation and ICT support	Multi-year (MTEF- aligned) ICT master plan approved and implemented	ICT strategy reviewed and implemented	ICT strategy reviewed and implemented	Multi-year ICT master plan developed	Master plan implemented	-	Not applicable	Not applicable

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

– continued

3.3. PROGRAMME 3: SUPPORT AND ADMINISTRATION – continued

Table 2.4.4.7 - Linking performance with budget guidelines

ADMINISTRATION AND SUPPORT SERVICES - PROGRAMME 3						
	2020/21			2019/20		
	Final appropriation R	Actual expenditure R	(Over)/under expenditure R	Final appropriation R	Actual expenditure R	(Over)/under expenditure R
Total management of GFC	21 374 971	20 469 006	905 965	21 908 682	20 342 019	1 566 662
Administration services	165 196	159 627	5 560	155 845	161 856	(6 011)
Building, office maintenance and operations	41 624	31 630	9 994	20 400	49 827	(29 427)
Development and maintenance of IT services	958 039	822 760	135 279	748 463	704 523	43 940
Human resource cost	631 000	541 639	89 361	436 726	306 557	130 169
Printing and stationery	116 556	73 434	43 122	62 789	96 451	(33 662)
Professional services	726 100	751 579	(25 479)	685 000	626 493	58 507
Auxiliary services	532 586	570 126	(37 540)	408 100	624 722	(216 622)
Employee cost	18 173 870	17 456 910	716 960	19 361 359	17 712 206	1 649 153
Loss on assets write-off	-	19 504	(19 504)	-	10 300	(10 300)
Fines and penalties	-	36 489	(36 489)	-	34 909	(34 909)
Finance cost	30 000	5 308	24 692	30 000	14 176	15 824
Total legal and governance	665 657	756 803	(91 146)	524 205	843 465	(319 260)
Audit committee fees	119 452	68 350	51 102	88 000	104 500	(16 500)
Bid committee fees	16 500	-	16 500	16 500	38 500	(22 000)
Directors remunerations	259 905	324 950	(65 045)	233 705	512 000	(278 295)
Legal fees	30 000	272 351	(242 351)	10 000	9 455	545
Refreshment and meetings	36 000	2 241	33 759	36 000	89 219	(53 219)
Remuneration committee fees	67 800	67 450	350	44 000	33 000	11 000
Social & ethics	66 000	-	66 000	66 000	33 000	33 000
Training and development - Board	70 000	21 461	48 539	30 000	23 791	6 209
Total advocacy and strategy	808 000	623 774	184 226	560 000	645 694	(85 694)
Research	250 000	250 000	-	-	-	-
Strategic planning	308 000	373 774	(65 774)	560 000	645 694	(85 694)
Special projects	250 000	-	250 000	-	-	-
Grand total administration and support services	22 848 628	21 849 583	999 045	22 992 887	21 831 178	1 161 709

4. REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

During the development of strategic plan in the fourth quarter of 2019/20, there was a requirement for comprehensive measures to deal with the impact of COVID-19 pandemic, and on how the GFC operates and supports the industry into the future.

Actions stemmed from the South African Disaster Management Act No. 57 of 2002 (The Act). The Act further mandates provincial government to ensure that effective mechanisms are put in place to reduce disaster risk and respond effectively to disasters.

A standard operating procedure was developed to assist the GFC operations and industry to be safer within their working environment.

Programmes supported that direct response to COVID-19:

The Gauteng Film Commission, in partnership with Prime Stars and Smart Barks, embarked on a programme that sought to educate high school students through film. Nearly 800 000 matric learners were out of school for over three months due to the COVID-19 lockdown at the end of March in 2020. Following the opening of high schools for Grade 12 students at the beginning of June 2020, many learners struggled to catch up with the loads of maths and science content to be assessed in their final year-end exams. While learners from ex-model C and private schools had access to online learning during the closure, learners from township and rural schools were seriously disadvantaged by the very limited access and use of technologies that would have allowed teachers to remain in contact with them during the lockdown.

5. TRANSFERS, GRANTS AND INVESTMENTS

5.1. TRANSFER PAYMENTS

GFC does not transfer to other entities.

5.2. CONDITIONAL GRANTS OR DONOR FUNDS

No conditional grants were provided for:

5.2. CAPITAL INVESTMENT

No capital investments were provided for:



+

C

Governance

I. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King Report on Corporate Governance.

Parliament, the executive and the accounting Authority of the public entity are responsible for corporate governance.

2. EXECUTIVE AUTHORITY

The Gauteng Film Commission is accountable to Gauteng Province through the Department of Sport, Arts, Culture and Recreation (DSACR), governed by a Memorandum of Agreement under the leadership of the MEC Ms Mbali Hlophe. The MEC, in her capacity as representative of the Department of Sport, Arts, Culture and Recreation (DSACR), holds the Board accountable for managing and controlling the operations of the Gauteng Film Commission in compliance with its mandate.

The Annual Performance Plan (APP), Memorandum of Agreement (MOA) and a budget for the Gauteng Film Commission were submitted to the Department of Sport, Arts, Culture and Recreation. These documents were subsequently approved by the Board of Directors, the Head of the Department (HOD) and the Member of Executive Council (MEC). The MEC is also in the process of appointing a Board of Directors.

Reports submitted to executive authority

REPORTS SUBMITTED TO EXECUTIVE AUTHORITY	SUBMITTED DATE
Performance monitoring report – Quarter 1, 2020/21 Financial report – Quarter 1	31/07/2020
Performance monitoring report – Quarter 2, 2020/21 Financial report – Quarter 2	30/10/2020
Performance monitoring report – Quarter 3, 2020/21 Financial report – Quarter 3	28/01/2021
Performance monitoring report – Quarter 4 Financial report – Quarter 4	29/04/2021

3. THE ACCOUNTING AUTHORITY/BOARD

3.1. INTRODUCTION

- The importance and purpose of the Board
- Approving the corporate strategy, business plans, budgets, and monitoring management closely in implementing it
- Ensuring that the Gauteng Film Commission complies with all relevant laws and regulations and codes of best practice
- Ensuring Risk Management processes are in place

Board's responsibilities and accountable for the public entity's performance and strategic direction.

- Set strategic direction and goals of the GFC and monitoring outputs
- Oversee management's implementation of that strategy
- Appoint such committees of the GFC as may be appropriate
- Assist in the discharge of its responsibilities and to determine their responsibilities
- Ensure procedures and practices are in place that protect the GFC's assets and reputation
- Monitor financial outcomes and the integrity of reporting, in particular approving annual budgets and longer-term strategic and business plans
- Ensure effective audit and compliance systems are in place to protect the GFC's assets and to minimise the possibility of the GFC operating beyond legal requirements or beyond acceptable risk parameters
- Monitor compliance with regulatory requirements and ethical standards
- Ensure the Board is constituted in such manner as to represent the interests of government and all business stakeholders

3. THE ACCOUNTING AUTHORITY/BOARD

– continued

3.2. BOARD CHARTER

The Board shall comprise a minimum of four non-executive directors and two executive directors.

The term of office for the Board of Directors shall be for a period of 3 (three) consecutive years, renewable with one month notice by the MEC.

The MEC shall determine the fees payable to members of the Board provided that such member does not work for the state or state-owned agencies as stipulated of National Treasury regulations.

No business shall be transacted at a directors' meeting unless a quorum is present at the commencement of that meeting.

Meeting agendas shall be prepared and distributed at least 5 (five) days in advance, together with sufficient background information to enable Board members to appropriately prepare for such meetings.

Matters requiring approval by the Board shall be decided on by way of a majority vote.

Urgent matters requiring approval by the Board may be circulated to Board members for approval on a Round Robin basis provided sufficient information is given to members to make informed decision as regards such matter.

3.3. CIPC REGISTRATION

During current financial year there have been challenges regarding Board of Directors composition in relation to Company Intellectual Property Commission (CIPC) registration. A process was undertaken from MEC's office to appoint new Board of Directors for GFC since only two members remained after resignation of other members from the previous Board. In the interrim the MEC appointed a committee to assist with the business at the GFC and report to her. The committee was named Joint Advisory Committee (JACom), which is the accounting authority of the organisation. JACom comprised two previous Board members, together with an independent Audit and Risk Committee chairperson and Remunerations chairperson from the previous Board of directors. The delayed process of appointing the new Board of directors resulted in the organisation not being able to finalise or update the Board of directors on CIPC. The committee decided the chairperson of JACom should sign the mandate forms in order to assist in the removal of the previous directors, who are no longer directors of the GFC. Subsequently CIPC will then be updated with new directors, after the appointment of the GFC Board by the MEC and Premier's office.

3. THE ACCOUNTING AUTHORITY / BOARD

– continued

3.4. COMPOSITION OF THE BOARD



Ms B Mhaga Chairperson	Ms K Lebaka Acting Chief Executive Officer	Ms A Mokoena Company Secretary and Legal Manager	Mr E Maluleke Chief Financial Officer	Ms S Sekgobela Board Member
Date appointed 2 May 2018	Date appointed 19 October 2020 Until further notice	Date appointed 1 June 2012	Date appointed 1 March 2009	Date appointed 1 October 2018
Contract Status The MEC extended the term of office until appointment of a new GFC Board of directors is finalised	Contract Status On going	Contract Status On going	Contract Status On going	Contract Status Ms Sekgobela left the position of the Acting CEO in October 2019
Qualifications Bachelor of Philosophy – transport and logistics Bachelor of Technology – town and regional planning Diploma in town and regional planning Public service and business management; Global Executive Development Programme by GIBS 2006	Qualifications B. Com Professional certificate in programme and project management Professional certificate in public and development management Management development programme Global executive development governance Postgraduate diploma in management practice Matters in business management	Qualifications B Proc; Diploma in drafting contracts and MAPP	Qualifications B Com SAICA Articles SAIPA AGASA	Qualifications Senior secondary teachers diploma Executive leadership Corporate governance B Com B Com (Hons) MSc (Economics)
Area of expertise Business management; Public service	Area of expertise Strategy development Policy development Project management Portfolio management Human resource management Business development Grant management Business management Supply chain management Contract management	Area of expertise Contracts and litigations	Area of expertise Finance; Auditing; Corporate Governance	Area of expertise Corporate governance Finance Human resources
Board directorships None	Board directorships None	Board directorships None	Board directorships None	Board directorships Emalahleni Housing Company Department of Trade, Industry & Competition (DTIC) National Consumer Council (NCC)
Other committees or task teams REMCO	Other committees or task teams REMCO ARCO Social and Ethics Committee	Other committees or task teams REMCO ARCO Social and Ethics Committee	Other committees or task teams REMCO ARCO Social and Ethics Committee	Other committees or task teams None
No. meetings attended 16	No. meetings attended None	No. meetings attended 14	No. meetings attended 15	No. meetings attended None

3. THE ACCOUNTING AUTHORITY / BOARD

– continued

3.4. COMPOSITION OF THE BOARD – continued



Ms J Ngoma Board Member	Mr E Mbalo Board member	Mr C Hamilton Board member	Mr K Khoza Board member	Mr D Bensusan Board Member
Date appointed 1 August 2017	Date appointed 2 May 2018	Date appointed 2 May 2018	Date appointed 1 October 2018	Date appointed 1 August 2017
Contract Status Resigned 1 October 2020	Contract Status Resigned 2 November 2020	Contract Status Resigned 3 November 2020	Contract Status The MEC extended the term of office until appointment of a new GFC Board of directors is finalised	Contract Status Resigned 31 October 2020
Qualifications BA in Mass Communication Minor African Studies	Qualifications Television Engineer	Qualifications Graphic Design Bachelor Photographic Arts Postgraduate in Arts	Qualifications Master of Public Administration Postgraduation Diploma Administration	Qualifications BA in Film Production BA (Hons) Master's in Education LLB
Area of expertise Digital Marketing Scriptwriting/Creative writing Content Development Digital Media Campaign Development	Area of expertise Film & Television	Area of expertise Film & Television	Area of expertise BPublic Administration	Area of expertise Philosophy of education
Board directorships None	Board directorships None	Board directorships None	Board directorships None	Board directorships None
Other committees or task teams REMCO Social and Ethics Committee	Other committees or task teams ARCO	Other committees or task teams Social & Ethics Committee Bid Adjudication Committee	Other committees or task teams REMCO Bid Adjudication Committee	Other committees or task teams Social and Ethics Committee
No. meetings attended 6	No. meetings attended 8	No. meetings attended 5	No. meetings attended 15	No. meetings attended 4

3. THE ACCOUNTING AUTHORITY / BOARD

– continued

3.5. COMMITTEES

COMMITTEE	NO. OF MEETINGS	NO. OF MEMBERS	NAME OF MEMBERS
Remuneration Committee	3 meetings	3 members	Busi Mhaga Lufuno Nematswerani Joy Ngoma
Audit and Risk Committee	5 meetings	3 members	Eddie Mbalo Lebogang Ndadana CA (SA)(Chairperson) Ephenia Mothlamme
Bid Adjudication Committee	0 meetings	3 members	Eddie Mbalo Clarence Hamilton Keith Khoza Anthea Mokoena Elliot Maluleke - PA (SA) & AGA (SA)
Social and Ethics Committee	0 meetings	3 members	David Bensusan (Chairperson) Clarence Hamilton Ephenia Mothlamme

3.6. REMUNERATION OF BOARD MEMBERS

The MEC shall be responsible for the determination of the remuneration, allowances and those other benefits of board members and that remuneration and those allowances shall be paid out of the GFC budgeted funds.

The MEC shall determine the fees payable to members of the Board provided that such member does not work for the state or state owned agencies as stipulated of National Treasury regulations.

Remuneration paid to each board member

NAME	REMUNERATION PER SITTING R	OTHER ALLOWANCE R	OTHER RE-IMBURSEMENTS R	TOTAL R
Busi Mhaga Chairperson	7 000	None	None	109 000
Eddie Mbalo Deputy Chairperson	6 000	None	None	43 800
Keith Khoza Non-executive	5 500	None	None	87 750
Clarence Hamilton Non-executive	5 500	None	None	29 250
Joy Ngoma Non-executive	5 500	None	None	33 000
David Bensusan Non-executive	5 500	None	None	23 400

4. RISK MANAGEMENT

In line with the Companies Act, Act No 71 of 2008, the Board is responsible for the management of risk pertaining to the GFC's business. The Board has delegated this authority to the CEO. While the line manager of each division within the GFC has the primary responsibility for identifying and managing risks inherent to the operations of his/her division, the Audit Committee develops and reviews risk management strategies, policies and procedures to ensure they are appropriate.

4. RISK MANAGEMENT

– continued

Manco reports administratively to the CEO and submits annual reports to the Audit Committee, providing assurance on the management of significant risk or exposure. The outsourced internal audit function independently audits the adequacy and effectiveness of the GFC's risk, control and governance processes.

The GFC manages its risk through its risk register. Manco and the Board take the necessary actions to mitigate each risk listed in the register. The identified risks are grouped as strategic, liquidity, operational, reputation, reporting and compliance.

5. INTERNAL CONTROL UNIT

The management of the GFC continues to strive towards sustainable improvement in its internal control. Nothing has come to the attention of the Audit and Risk Committee to indicate that a material breakdown in the functioning of the internal controls, procedures and systems has occurred during the period under review.

In the opinion of the Audit and Risk Committee, the internal controls and procedures of the Gauteng Film Commission are appropriate in all material respects in relation to:

- Achieving the business objectives of the Gauteng Film Commission
- Ensuring that the Gauteng Film Commission assets are adequately safeguarded
- Ensuring that transactions undertaken are recorded in the Gauteng Film Commission's records

6. INTERNAL AUDIT AND AUDIT COMMITTEES

The Audit Committee assists the Board in discharging its duty to ensure the GFC maintains adequate accounting records, internal controls and systems designed to provide reasonable assurance on the integrity and reliability of financial information, and to safeguard its assets. The effectiveness of these internal control systems is monitored through management reviews, formalised reporting and internal audits. During the period under review, the following initiatives were undertaken to ensure improved internal control:

- Annual review of policies and procedures
- Implementation of action plan for both internal and external audit findings
- Compliance to policies and procedures

The internal audit function, under the direction of the Audit Committee, is outsourced to an independent service provider and operates in terms of the Internal Audit Charter, which was reviewed and approved by the Audit Committee and endorsed by the Board during the financial year.

It reports functionally to the Audit Committee and administratively to the CEO, and its staff has full and unrestricted access to the Chairperson of the Audit Committee. The Audit Committee conducts its own review of the effectiveness of the internal audit function.

All operations, business activities and support functions are subject to internal review. The internal audit plan is based on identified key risk areas, and audits are planned and executed to provide management with independent assurance on the adequacy and effectiveness of the internal control systems.

The GFC outsourced internal audit function during the financial year under review. In terms of the approved annual audit plan, the following audits have been conducted. i.e. follow up on internal and external audit reports, human resources, compliance review, audit of performance information, annual financial statements review and supply chain and internal financial control reviews. The reports have been presented to Audit Committee.

Key activities and objectives of the internal audit:

- The regular conduct of risk assessment processes to identify emerging risks
- A risk management plan must include a fraud prevention plan
- Review and recommend to the Accounting Authority the audited annual financial statements to be included in the annual report
- Review significant adjustments on the annual financial statements and annual performance reports resulting from audits

6. INTERNAL AUDIT AND AUDIT COMMITTEES

– continued

Summary of audit work:

- The functioning and overall efficiency and effectiveness of the internal control system.
- Review the content, quality, adequacy, reliability and accuracy of the financial and the performance information (quarterly reports) provided to the Accounting Authority, the users and the Department of Higher Education and Training of such information and for recommendation to the Board.

The table below discloses relevant information on the Audit Committee members.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Lebogang Ndadana	CA (SA),	external	N/A	01 November 2018	31 March 2021	5 Meetings
Eddie Mbalo	Television engineer	external	N/A	01 November 2018	2 November 2020	3 meetings
Ephenia Motlhamme	B Juris, LLB, MAP	external	N/A	01 November 2018	11 November 2020	3 meetings

7. COMPLIANCE WITH LAWS AND REGULATIONS

Compliance risk relates to negative impact originating from non-compliance with all applicable legislation and regulations.

The Audit and Risk Committee assist the Board of Directors in complying with all applicable statutory and regulatory requirements.

The compliance risk is managed through creating awareness of the regulatory requirements, and monitoring compliance with legislative requirements.

8. FRAUD AND CORRUPTION

The GFC continues to embrace any contribution employees and members of the community make in the reporting of fraud and corruption. Its fraud prevention plan puts the necessary whistle-blowing mechanisms in place to report any cases of fraud or corruption.

9. MINIMISING CONFLICT OF INTEREST

The Gauteng Film Commission uses a declaration of conflict system to minimise conflict of interest. Before every Board and subcommittee meetings members declare their interest. The system is also utilised by the Project Committee members when they evaluate Industry Support and Development projects.

10. CODE OF CONDUCT

The Gauteng Film Commission is managed ethically and in line with the Code, which is based on the fundamental principles of fairness, transparency, integrity, reliability, responsibility, and honesty.

The Code commits Gauteng Film Commission management and staff to high standards of conduct in their dealings with its clients and stakeholders. There have been incidents that has been brought to the attention of the Board.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

In line with the occupational health and safety policy of the GFC, and the Occupational Health and Safety Act 85 of 1993, the HR unit has put in place structures, processes and procedures, and systems to ensure a safe and healthy work environment for its employees and all stakeholders who interact with the GFC at all times. Due to the outbreak of the COVID-19 in early 2020, normal health and safety activities such as fire safety drills, health and safety representatives' trainings, and so forth, could not take place. A new focus, emerged, namely COVID-19 Workplace Management Plan. This plan entails covid policy framework, protocols and other measures that needed to be put in place to ensure safety of the employees and other stakeholder; and also ensure compliance with the Disaster Management Act and the regulations thereof, following the declaration of a national state of disaster by the Presidency. In response to the Government's call for all employers and citizens to take part in the curbing of the spread of the virus, GFC provided the following measures:

11.1. WORKPLACE COVID-19 COMPLIANCE PROGRAMME

Since the COVID-19 breakout in March 2020, the HR unit managed to hire Covid-19 compliance officers as well as provide them with training to ensure the organisation fully complies with the country's regulations and protect its employees' and other stakeholders' lives. A COVID-19 policy providing a guiding framework with regards to safety requirements and protocols was developed and adopted. Standard physical safety modifications of the workplace premises were done in line with relevant regulations and the adopted policy. Other safety measures such as regular issuing of personal protective equipment (PPE) and regular disinfection of all surfaces were put in place. Lastly, GFC employees were provided with necessary tools of trade to work from home during the pandemic season, and only came to the office on rotational basis, depending on lockdown alert level.

12. COMPANY/BOARD SECRETARY

- Ensures proper functioning of the Board and its committees
- Ensures that the organisation complies with company laws and makes directors aware of any laws affecting the organisation
- Provides leadership by formulating the unit's strategy and business plan
- Ensures compliance with corporate governance practices within the organisation in line with legal requirements
- Provides advisory and secretariat service to the Board as well as managing the secretariat unit/section the board, and its committees to ensure that they function effectively and comply with terms of reference
- Formulates meeting agendas, convene Board and sub-committee meetings, and ensure proper recording of minutes

13 AUDIT COMMITTEE REPORT

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

13.1. AUDIT AND RISK COMMITTEE RESPONSIBILITIES

The Audit Committee reports that it has complied with its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter; has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except for reviewing changes in accounting policies and practices.

13.2. THE EFFECTIVENESS OF INTERNAL CONTROL

The review of the findings of the internal audit work, which was based on the risk assessments conducted in the public entity, revealed certain weaknesses, which were then raised with the public entity.

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

Its responsibilities pertaining to risk management include, but are not limited to:

- Reviewing the Gauteng Film Commission risk management policy and strategy
- Assisting the Board in evaluating the adequacy and effectiveness of the risk management process
- Reviewing the Gauteng Film Commission significant risk exposures and making recommendations to the Board of Directors on appropriate mitigation strategies.
- Appointment of internal auditors

The following were areas of concern:

In-year management and monthly/quarterly report

The public entity has submitted monthly and quarterly reports to the executive authority.

Evaluation of financial statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's report

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

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Ms L Ndadana CA (SA)
Chairperson of the Audit Committee
Gauteng Film Commission
31 July 2021

I4. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

HAS THE DEPARTMENT/PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO:		
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	Gauteng Film Commission does not issue any licence or any economic activity in terms of the law
Developing and implementing a preferential procurement policy	No	Gauteng Film Commission does not develop and implement any preferential procurement policy, we only apply it as one of the regulations
Determining qualification criteria for the sale of state-owned enterprises	No	
Developing criteria for entering into partnerships with the private sector	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of broad-based black economic empowerment	No	Gauteng Film Commission works with other public institutions for the implementation of any incentives, within the creative industry



D

Human Resource
Management

I. INTRODUCTION

The objective of the human resources unit is to develop and maintain effective human resource management policies, processes, and systems. These policies, processes and systems then ensure that GFC is adequately staffed and managed, and that those staff members are trained, capacitated, and empowered with relevant skills and knowledge to enable GFC to achieve its existential and strategic mandate. Harmonious employment relations between employees and management play a crucial role in creating a conducive work environment, thereby yielding an effective, productive and agile organization that delivers on its strategic objectives.

Employees and directors of GFC are expected to conduct themselves in a manner that is consistent with acceptable ethical standards, and government laws and regulations of South Africa, and of any country GFC may find itself operating in.

I.1. PRIORITIES FOR THE YEAR

During the period under review, the human resource (HR) Unit focused on the following activities, as per the annual HR plan:

- Monitoring and managing the leave management system and procedures
- Implementing the employment equity (EE) plan
- Implementing the Performance management system
- Implementing the employee wellness plan
- Putting in place and monitoring COVID-19 management policies and plans;
- Facilitating conflict and dispute management
- Conducting an analysis to determine HR policy developed and review needs
- Conducted a skills need analysis and developed a workplace skills development plan
- Sourced organisational design specialists and initiated an organisational redesign process to align the organisational structure and business processes to the approved strategy, and conduct a job re-evaluation and grading

Drawing from the above priorities, the following highlights for the year under review are crucial to note:

I.1.1. Skills development framework and planning

The workplace skills development plan was reviewed and updated during the reporting period. In line with this plan, the HR unit working with various units' heads developed training schedules and individual development plans for each staff member, prioritising the developmental areas identified through the skills need analysis process.

I.1.2. Employee performance management framework

To ensure that the targets and priorities of the Annual Performance Plan of the organisation are met, individual employee performance is monitored and reviewed through a balanced scorecard system. All employees signed their performance agreements for the year; also aligning these with the respective business units' performance outputs, as well as employees' individual job outputs as outlined in their job profiles. Quarterly performance reviews were conducted and submitted to the CEO. Management ensures performance outputs focus on tangible deliverables for each employee, and ensure that small work teams remain dynamic and streamlined to deliver on the business objectives.

I.1.3. Employee wellness programme

Unlike the previous years, due to the COVID-19 pandemic, the GFC did not have employee wellness events so as to comply with the country's COVID-19 regulations and ensure employees are safe.

I.2. ACHIEVEMENTS AND CHALLENGES

GFC was faced with the following HR challenges:

- Lack of adherence to performance management system
- Lack of clarity regarding staff retention and succession strategy
- Unstable employee wellbeing and low staff morale, both, due to COVID-19 and changes occurring in the organisation
- High vacancy rate

Most of these challenges were, however, addressed during the year under review.

I. INTRODUCTION

– continued

On the other hand, the following achievements can be highlighted:

- The automated leave management system was implemented
- A new Acting CEO was appointed, following the departure of the former Acting CEO
- The organisational redesign process was initiated, although not yet completed
- The employment equity plan has been implemented and equity targets for the year were partially achieved. More effort continues to be made to employ persons with disabilities

Due to the organisational redesign process currently underway, most vacant positions could not be filled.

I.3. PLANS FOR THE FUTURE

The Gauteng Film Commission is still undergoing an organisational redesign to realign the organisational structure, re-engineer business processes, and revise the policies, to all adequately support the five-year strategic plan recently adopted by the Board. Upon finalisation of the organisational redesign process the HR unit will lead a change management intervention to assist the GFC team through the transition process and adapting to the newly revised structure, business processes, and policies. The HR unit will also drive the process of capacitating the new structure, where gaps exist, and re-deploying the existing talent to ensure the organisation is functioning at maximum capacity.

2. PERSONNEL RELATED EXPENDITURE

PERSONNEL COST BY PROGRAMME/ACTIVITY/OBJECTIVE

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total exp. (%)	No. of employees	Average personnel cost per employee (R'000)
Industry support & development	13 280	4 190	31,6	5	838
Marketing and communications	2 352	1 475	62,7	2	738
Management of GFC	21 087	9 979	47,3	12	832
Legal and governance	757	1 812	239,4	2	906
Total	37 476	17 456	47	21	831

PERSONNEL COST BY SALARY BAND

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (%)	No. of employees	Average personnel cost per employee (R'000)
Top management	2 662	15	2	1 331
Senior management	6 741	39	5	1 348
Professional qualified	4 800	27	5	960
Skilled	1 917	11	8	240
Semi-skilled	1 336	8	1	1 336
Unskilled	-	-	-	-
Total	17 456	100	21	831

2. PERSONNEL RELATED EXPENDITURE

– continued

PERFORMANCE REWARDS			
Programme/activity/objective	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top management	-	2 662	-
Senior management	-	6 741	-
Professional qualified	-	4 800	-
Skilled	-	1 917	-
Semi-skilled	-	1 336	-
Unskilled	-	-	-
Total	-	17 456	-

TRAINING COSTS					
Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Personnel expenditure as a % of total expenditure (%)	No. of employees trained	Average training cost per employee
Staff development cost	127	-	-	-	-

EMPLOYMENT AND VACANCIES					
Programme/activity/objective	2020/2021 No. of employees	2020/2021 Approved posts	2020/2021 No. of employees	2020/2021 Vacancies	% of Vacancies
Marketing manager	-	1	-	1	-
Finance officer	-	1	-	1	-
Research manager	-	1	-	1	-
ISD project manager	-	1	-	1	-
HR officer	-	1	-	1	-
HR manager	-	1	-	1	-
Senior marketing and communication manager	-	1	-	1	-
Total	-	7	-	7	-

EMPLOYMENT AND VACANCIES					
Programme/activity/objective	2020/2021 No. of employees	2020/2021 Approved posts	2020/2021 No. of employees	2020/2021 Vacancies	% of vacancies
Top management	2	1	2	1	-
Senior management	5	4	5	1	-
Professional qualified	5	8	5	-	-
Skilled	8	8	8	1	-
Semi-skilled	1	1	1	-	-
Unskilled	-	1	-	-	-
Total	21	23	21	3	-

Explanation: Due to the GFC undergoing an organisational redesign, a skills audit study is being conducted. Vacant internal positions will be filled once the process is complete.

2. PERSONNEL RELATED EXPENDITURE

– continued

EMPLOYMENT CHANGES

The changes in employment in the period under review were the result of two resignations.

EMPLOYMENT CHANGES				
Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	1	-	2
Senior management	5	-	-	5
Professional qualified	5	-	-	5
Skilled	9	-	1	8
Semi-skilled	1	-	-	1
Unskilled	-	-	-	-
Total	21	1	1	21

REASONS FOR STAFF LEAVING		
Reason	Number	% of total no. of staff leaving
Death	-	-
Resignation	2	2
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	2	2

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION	
Nature of disciplinary action	Number
Verbal warning	-
Written warning	-
Final written warning	-
Dismissal	-

2. PERSONNEL RELATED EXPENDITURE

– continued

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

Explanation: In terms of equity target, the GFC does meet the employment equity status with the majority of employees being female.

MALE								
Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	-	-	-	-	-	-	-
Senior management	1	-	-	-	-	-	-	-
Professional qualified	2	-	-	-	-	-	-	-
Skilled	1	-	-	-	-	-	-	-
Semi-skilled	-	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	5	-	-	-	-	-	-	-

FEMALE								
Level	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	-	-	-	-	-	-	-
Senior management	1	-	-	-	-	-	-	-
Professional qualified	3	-	-	-	-	-	-	-
Skilled	9	-	-	-	-	-	-	-
Semi-skilled	2	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	16	-	-	-	-	-	-	-

DISABLED STAFF				
Level	Male		Female	
	Current	Target	Current	Target
Top management	-	-	-	-
Senior management	-	-	-	-
Professional qualified	-	-	-	-
Skilled	-	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
Total	-	-	-	-

A close-up photograph of a black clapperboard with white text and a yellow diagonal overlay. The clapperboard is positioned diagonally across the frame. The text "PROD.NO." and "SCENE" is visible, separated by a horizontal line. A small white plus sign is centered on the line. The yellow overlay in the bottom left corner contains a pattern of white line-art icons related to cinema, such as film reels, tickets, and cameras.

PROD.NO.
SCENE

E

Financial
Information

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GENERAL INFORMATION

REGISTERED NAME

Gauteng Film Commission (GFC)

NPC NUMBER

930018483

VAT REGISTRATION NUMBER

4060209766

COUNTRY OF INCORPORATION

South Africa

DIRECTORS

Ms Busi Mhaga – Chairperson

Mr Eddie Mbalo – Deputy Chairperson

Mr Keith Khoza

Mr Elliot Maluleke PA (SA) & AGA (SA)

Ms Simangele Sekgobela

Mr David Bensusan

Ms Joy Ngoma

Mr Clarence Hamilton

Ms Keitumetse Lebaka

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Johannesburg

2001

EXTERNAL AUDITORS

Auditor-General of South Africa (AGSA)

39 Scott Street

Bramley

2190

BOARD SECRETARY

Anthea Mokoena – 01 June 2012 to current

Admitted non-practicing attorney

STATEMENT OF RESPONSIBILITY

For the period ended 31 March 2021

The Companies Act requires the directors to ensure that Gauteng Film Commission keeps full and proper records of its financial affairs. The Annual Financial Statements fairly present the state of the affairs of Gauteng Film Commission, its financial results, and its financial position for the period ended. The Annual Financial Statements are the responsibility of the directors.

The Annual Financial Statements of Gauteng Film Commission have been prepared in terms of International Financial Reporting Standards (IFRS), including any interpretations of such statements. The Annual Financial Statements have been prepared in the manner required by the South African Companies Act.

These Annual Financial Statement are based on the appropriate accounting policies, supported by reasonable and prudent judgements and estimates and are prepared on the going concern basis and prepared on accrual basis. The directors have every reason to believe that the Gauteng Film Commission will be a going concern in the foreseeable future.

To discharge the above responsibilities, the Board of Directors set standards to ensure that sound systems of internal control are implemented by management.

The controls are designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently managed. Policies, procedures, structures, and approval frameworks provide direction, accountability, and division of responsibilities.

The controls throughout Gauteng Film Commission focus on those critical risk areas identified by operational risk management and confirmed by executive management. Management, Audit and Risk Committee and internal audit closely monitor the controls and ensure action is taken to correct deficiencies as they are identified.

The Directors are of the opinion, based on the information and explanations given by management, Audit and Risk Committee, that the material internal accounting controls are adequate to, ensure that the financial records may be relied upon for preparing the Annual Financial Statement, and that accountability for assets and liabilities is maintained.

Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

In my opinion, the performance information fairly reflects the actual achievements against the planned objectives indicators and targets, as per Strategic and APP of the Gauteng Film Commission for the period ended 31 March 2021. The performance information for the period ended 31 March 2021 was examined by management.

The Annual Financial Statement of Gauteng Film Commission for the period ended 31 March 2021, set out pages 65 to 96 was reviewed by the Audit and Risk Committee on the 27 May 2021 and subsequently submitted to the Board of Directors.



Ms K Lebaka
Acting Chief Executive Officer
31 May 2021



Ms B Mhaga
Board Chairperson
31 May 2021

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Directors are pleased to submit their report, together with the Gauteng Film Commission (GFC) Annual Financial Statements for the period ended 31 March 2021. The Annual Financial Statement has been prepared based on accounting policies applicable to a going concern. This basis presumes Gauteng Film Commission will continue as a going concern entity in the foreseeable future and there is nothing brought to the attention of Board of Directors that will impact on the going concern of the entity.

GFC Board of Directors have finalised a five-year strategy which has been approved by the MEC Ms Mbali Hlophe. GFC will be focusing on five key areas as part of the implementation of the strategy: i.e., growing the audiovisual industry in contribution to socio-economic developments, encourage production of regional content and telling South African stories, training mentorship and enterprise development, research insight and analytics to support evidence-based policy and decision making and finally sound governance, operational excellence and high-performance support and compliance geared.

There has been a technical opinion by Auditor-General and through the internal consultation by management which emphasised the fact that GFC should be preparing its financial statements using International Financial Reporting Standards (IFRS), since its legal entity is in line with Companies Act requirements. The conclusion part from Auditor-General stipulates that "Based on the above, GFC must adhere to the Companies Act, and must prepare its Annual Financial Statements in accordance with the financial reporting standards prescribed i.t.o. the Companies Act. It would not be appropriate for GFC to prepare its Annual Financial Statements using the accounting framework prescribed by the PFMA.

Even if it is argued/concluded that GFC and the Department agreed in the Memorandum of Agreement that all the PFMA requirements will apply, the requirements of applicable legislation (the Companies Act in this case) takes preference and must be applied ahead of any agreement terms (the Memorandum of Agreement in this instance). The terms agreed between two parties cannot override or amend legislative requirements".

Therefore, the Companies Act will prevail over the Memorandum of Agreement and the GFC will have to prepare its Annual Financial Statements in accordance with the financial reporting standards prescribed i.r.o. the Companies Act.

Since the departure of Mr Shane Maja as the Acting Chief Executive Office in February 2020, The MEC working with the Board of Directors, appointed Ms Keitumetse Lebaka as the Acting Chief Executive Officer. She was introduced by Chairman of the Board of Directors to staff on the 19 October 2020, and she is acting until further notice.

SERVICE RENDERED BY THE ENTITY

The Gauteng Film Commission is a non-profit company (NPC) company incorporated in terms of the Companies Act. The main business of the Gauteng Film Commission is development and promotion of audiovisual industries in Gauteng Province. Gauteng Film Commission's main business is to deliver professional film commission services, as well as to support, facilitate and enhance the contribution of the film industry to the economic growth of the Gauteng Province. It should be noted that during the current period under review there has been a challenge in relation to GFC not having the permanent Chief Executive Officer; this position was filled on an acting capacity; this had a negative impact since this position is key to the operation of the organisation.

GOING CONCERN

The Directors of GFC present financial statements on the 'going concern basis', this implies that its assets and liabilities are recorded on the assumption that the company will continue in operational existence for the foreseeable future. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

LEGAL STANDING

The GFC Board of Directors resolved that the organisation should remain as a non-profit company (NPC), while the discussion with the Department of Sports, Arts, Culture and Recreation (DSACR) on its listing as a public entity continues.

BUSINESS RESULT SUMMARY:

	March 2021 R	March 2020 R
Government grant	38 469 000	37 500 000
Net surplus for the year	1 419 517	2 211 550
Total assets	4 787 975	3 027 792
Accumulated surplus	2 813 551	1 394 034

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS

The following persons served as Directors of GFC during the financial year ending 31 March 2021:

NAME OF DIRECTOR	STATUS	APPOINTMENT DATE	RESIGNATION DATE
Ms Busi Mhaga: Chairperson	Non-executive	02 May 2018	-
Ms Simangele Sekgobela (Note 1)	Executive	27 February 2019	21 October 2019
Ms Joy Ngoma (Note 2)	Non-executive	01 August 2017	30 November 2020
Mr David Bensusan (Note 2)	Non-executive	01 August 2017	30 November 2020
Mr Eddie Mbalo-Deputy Chairperson (Note 3)	Non-executive	02 May 2018	02 November 2020
Mr Clarence Hamilton (Note 3)	Non-executive	02 May 2018	07 November 2020
Mr Keith Khoza	Non-executive	29 September 2018	-
Mr Elliot Maluleke: PA(SA) & AGA (SA)	Executive	01 March 2009	-
Ms Keitumetse Lebaka: Acting CEO	Executive	19 October 2020	-

Note 1: Ms S Sekgobela resigned as the ACEO on 21 October 2019 however she remains a Board member. She did not attend any meetings during the current financial year under review.

Note 2: Mr D Bensusan and Ms J Ngoma resigned as Board directors on the 30 November 2020. Their contracts ended on the 31 August 2020.

Note 3: Mr C Hamilton and Mr E Mbalo resigned as Board directors during the last quarter of the financial year under review.

Report of the auditor-general to the Gauteng Provincial Legislature on the Gauteng Film Commission non-profit company (NPC)

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Film Commission NPC set out on pages 73 to 93, which comprise the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 Gauteng Film Commission NPC as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa 71 of 2008 (Companies Act)

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the non-profit company 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.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 94 to 96 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting authority for the financial statements

8. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS and the requirements of the Companies Act, 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.
9. In preparing the financial statements, the accounting authority is responsible for assessing the non-profit company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the non-profit company or to cease operations, or has no realistic alternative but to do so.

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

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

Performance information reporting

12. The non-profit company is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the ambit of the PFMA and such reporting is not required in terms of the non-profit company's entity specific legislation.

Report on the audit of compliance with legislation

Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the non-profit company's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
14. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

15. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information does not include the financial statements and the auditor's report.
16. My opinion on the financial statements and findings on compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
17. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
18. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

19. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor - General

Johannesburg

31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on the non-profit company's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the non-profit company's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Gauteng Film Commission NPC 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 me at the date of this auditor's report. However, future events or conditions may cause a non-profit company to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also 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 bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2021

PHYSICAL ADDRESS

35 Rissik Street
Surrey House
Johannesburg
2000

POSTAL ADDRESS

P O Box 61601
Marshalltown
2107

INTERNAL AUDIT AND EXTERNAL AUDITORS

Business Innovations Group (BIG) (Pty) Ltd was been appointed as internal auditors for a period of three years, following an open tender process. Internal auditors are currently on their final year of their contract.

Auditor-General South Africa (AGSA) has been appointed as Gauteng Film Commission External Auditors, in terms of section 188 of the Constitution of the Republic of South Africa, 1996.

SUBSEQUENT EVENTS

President Cyril Ramaphosa declared the National State of Disaster on the 15th of March 2020. This was followed by nationwide lockdown on the 27th of March 2020. This was subsequently labelled the level 5 lockdown. During this level GFC staff continued working home but the business of the organisation continued via various online platforms which proved to be a success.

The duration and impact of national lockdown or COVID-19 had a negative impact on the audiovisual industry since the restrictions made it difficult for the industry to operate. During the lockdown, the Minister of Arts and Culture announced a relief fund to assist the industry at the time where they were not fully operational.

GOVERNANCE PRINCIPLES

The Board has reaffirmed the Gauteng Film Commission's commitment to sound governance practices and to the Companies Act as well as the principles underlying the King IV Report on Corporate Governance published in 2016 which focuses on integrated reporting on social, health, ethical and environmental issues on reporting. In this regard, the Board is constantly reviewing its corporate governance structures and practices to align it with national best practice. The Gauteng Film Commission is committed to conducting its affairs with integrity and holds itself responsible and accountable towards its stakeholders and clients.

CODE OF ETHICS

The Gauteng Film Commission is managed ethically and in line with the Code, which is based on the fundamental principles of fairness, transparency, integrity, reliability, responsibility, and honesty.

The Code commits Gauteng Film Commission management and staff to high standards of conduct in their dealings with its clients and stakeholders. There have been incidents that has been brought to the attention of the Board.

VALUES

The Gauteng Film Commission promotes sound values and is committed to the Batho Pele principles.

THE GAUTENG FILM COMMISSION GOVERNANCE STRUCTURES

Accountability to the Executive Authority

The Gauteng Film Commission is accountable to Gauteng Province through the Department of Sport, Arts, Culture and Recreation (DSACR), governed by a Memorandum of Agreement under the leadership of the MEC Ms Mbali Hlophe. The MEC, in her capacity as representative of the Department of Sport, Arts, Culture and Recreation (DSACR), holds the Board accountable for managing and controlling the operations of the Gauteng Film Commission in compliance with its mandate.

The Annual Performance Plan (APP), Memorandum of Agreement (MOA) and a budget for the Gauteng Film Commission were submitted to the Department of Sport, Arts, Culture and Recreation. These documents were subsequently approved by the Board of Directors, the Head of the Department (HOD) and the Member of Executive Council (MEC). The MEC is also in the process of appointing Board of Directors.

Joint advisory committee (JAC)

Following the expiration and resignation of some board of directors, The MEC decided the following members i.e. Ms B.Mhaga, Mr K.Khoza, Ms L.Ndadana and Mr L. Nematswerani to be part of the joint advisory committee (JAC), during the last quarter of the financial year to assist GFC with governance, remuneration, audit and risk matters while the process of appointment of new Board of Directors is currently under way.

CORPORATE GOVERNANCE REPORT – continued

FOR THE YEAR ENDED 31 MARCH 2021

Surplus retention and budget cuts

During the last quarter of the financial year, it should be noted that Treasury implemented R1.1 million budget cut as a result of public sector salary wage bill cuts, this decision reduced our allocation to R38.4 million however it should be noted that a total amount of R1.2 million surplus for 2019/20 financial year has been approved by Treasury; the surplus is solely for industry support and development (ISD) projects.

Tax exemption

The Gauteng Film Commission tax exemption application has been granted by South African Revenue Services (SARS), in terms of section 30(3) of the Income Tax Act No 58 of 1962.

The Board is responsible for:

- Approving the corporate strategy, business plans, budgets, and monitoring management closely in implementing it
- Ensuring that the Gauteng Film Commission complies with all relevant laws and regulations and Codes of Best Practice; and ensuring risk management processes are in place

Chief Executive Officer (CEO)

The Chief Executive Officer is charged with the day-to-day management of the Gauteng Film Commission operations and assists the Board of Directors in providing strategic and policy direction to the Gauteng Film Commission. In terms of the operation of the Gauteng Film Commission industry support development and marketing and communications are regarded as the core function of the organisation in line with the mandate of the organisation.

The core function is assisted by the support function, i.e. finance, human resources, legal and governance, information communication technology (ICT) and stakeholder relations. The process of appointing the Chief Executive Officer is currently under:

Audit and Risk Committee (ARCO)

The Audit and Risk Committee oversees financial reporting, internal control, risk management, funding plans and strategies, compliance, corporate governance and policies. It is supported by the Management Committee in fulfilling its duties regarding financial risk management. Its responsibilities pertaining to risk management include, but are not limited to:

- Reviewing the Gauteng Film Commission risk management policy and strategy
- Assisting the Board in evaluating the adequacy and effectiveness of the risk management process
- Reviewing the Gauteng Film Commission significant risk exposures and making recommendations to the Board of Directors on appropriate mitigation strategies
- Appointment of internal auditors

Remuneration Committee (REMCO)

The governing body provide oversight in relation to the overall remuneration of the entity. All members of the committee for remuneration are non-executive members of the governing body with the majority being independent non-executive members of the governing body. The committee is chaired by an independent non-executive.

Bid Adjudication Committee (BAC)

This committee is responsible for all competitive bids awarded by Gauteng Film Commission, according to Treasury regulations 16A6.2a. Government entity's supply chain management systems must, inter alia, provide for the adjudication of bids through a Bid Adjudication Committee, the establishment, composition and functioning of bid specification, evaluation and adjudication committees and selection of the bid adjudication members.

According to paragraph 2.4 the Code of Conduct for bid adjudication committees. The Bid Adjudication Committee must consider the recommendations/reports of the Specification and Evaluation Committee and depending on the delegated powers make:

- A final award
- A recommendation to the Accounting Authority to make final award
- Make other recommendations to the Accounting Authority

Specification and Evaluation Committee

This committee is accountable for monitoring and overseeing the implementation of the procurement policy, procedures, code of conduct and monitoring adherence whilst also making recommendations to the Bid Adjudication Committee.

Social and Ethics Committee

This committee is responsible for all social and ethical behaviour of the organisation. The responsibilities of the Social and Ethics Committee include statutory duties and any other responsibilities delegated to it by the Board of Directors. The Social and Ethics Committee should, subject to legal provision, have executive and non-executive members, with majority being non-executive members of the governing body.

CORPORATE GOVERNANCE REPORT – continued

FOR THE YEAR ENDED 31 MARCH 2021

Nominations Committee

The Nominations Committee is established and currently functional its roles and responsibilities are to oversee the following functions below:

- The process for nominating, electing and appointing members of the governing body
- Succession planning in respect of governing body members
- Evaluation of the performance of the governing body

BOARD COMMITTEES' COMPOSITION:

Board committees	Name of director	Appointment date	Resignation date
Board Committee	Ms Busi Mhaga: Chairperson	02 May 2018	-
	Mr Eddie Mbalo: Deputy Chairperson	02 May 2018	02 November 2020
	Ms Simangele Sekgobela: Executive	27 February 2017	21 October 2019
	Mr Shane Maja: Executive	21 October 2019	19 February 2020
	Mr Keith Khoza: Non-executive	29 September 2018	-
	Mr Elliot Maluleke PA (SA) & AGA (SA): Executive	01 March 2009	-
	Mr Clarence Hamilton: Non-executive	02 May 2018	03 November 2020
	Ms Joy Ngoma: Non-executive	01 August 2017	30 November 2020
	Mr David Bensusan: Non-executive	01 August 2017	30 November 2020
Audit and Risk Committee	Ms Ephenia Motlhamme	01 November 2018	11 November 2020
	Ms Lebogang Ndadana: Chairperson	01 November 2018	31 March 2021
	Mr Petersan Mothudi CA (SA): Chairperson	24 November 2009	31 October 2019
	Mr Eddie Mbalo	28 October 2018	02 November 2020
Bid Adjudication Committee	Mr Eddie Mbalo: Chairperson	29 October 2018	02 November 2020
	Mr Clarence Hamilton	29 October 2018	03 November 2020
	Mr Keith Khoza	29 October 2018	-
	Ms Anthea Mokoena	23 February 2016	-
	Mr Elliot Maluleke	01 March 2009	-
Remuneration Committee	Mr Lufuno Nematswerani: Chairperson	01 November 2018	-
	Ms Joy Ngoma	01 November 2018	30 November 2020
	Ms Busi Mhaga	31 March 2019	-
Social and Ethics Committee	Mr David Bensusan: Chairperson	29 October 2018	30 November 2020
	Mr Clarence Hamilton	29 October 2018	03 November 2020
	Ms Ephenia Motlhamme	01 November 2018	11 November 2020

CORPORATE GOVERNANCE REPORT – continued

FOR THE YEAR ENDED 31 MARCH 2021

BOARD COMMITTEES' COMPOSITION AND RECORD OF ATTENDANCE:								
Name	Designation in terms of GFC structure	Date of expiry of term office	Credentials	Area of expertise	Other Boards	Membership in committees	No. of Board meetings attended	Joint Advisory Committee
Ms B Mhaga	Chairperson	Current and term ending 31st May 2021.	Bachelor of Philosophy in Transport and Logistics Diploma and Bachelor of Technology in Town and Regional Planning	Business Management, Public service	None	REMO Nomination	5 out of 5	9 out of 9
Ms A Mokoena	Company Secretary and Legal Manager	None	B Proc Diploma in drafting contracts and MAPP	Contracts and litigations	None	REMO, ARCO, Social and Ethics Committee	3 out of 5	7 out of 9
Ms S Sekgobela	Acting Chief Executive Officer	Current and term ending 30th September 2021	Senior Secondary Teachers Diploma, Executive Leadership Corporate Governance B Com B Com (Hons) MSc (Economics)	Corporate Governance, Finance, Human Resource	Emalahleni Housing Company, Department of Trade Industry (DTI), National Consumer Council (NCC)	None	0 out of 5	0 out of 9
Mr E Maluleke	Chief Financial Officer	None	B Com SAICA Articles SAIPA AGASA	Finance, Auditing, Corporate Governance	None	None	4 out of 5	8 out of 9
Ms J Ngoma	Board Member	Current and term ending 31st August 2020	BA in Mass Communication Minor Africana Studies	Digital Marketing, Scriptwriting/ Creative writing, Content Development, Digital media Campaign Development	None	Social and Ethics Committee	4 out of 5	0 out of 9
Mr D Bensusan	Board Member	Current and term ending 31st August 2020	BA in Film Production BA (Hons) Master's in Education LLB	Philosophy of education	None	Social and Ethics Committee	4 out of 5	0 out of 9

CORPORATE GOVERNANCE REPORT – continued

FOR THE YEAR ENDED 31 MARCH 2021

BOARD COMMITTEES' COMPOSITION AND RECORD OF ATTENDANCE:								
Name	Designation in terms of GFC structure	Date of expiry of term office	Credentials	Area of expertise	Other Boards	Membership in committees	No. of Board meetings attended	Joint Advisory Committee
Mr K Khoza	Board Member	Current and term ending 31st May 2021	Master's in Public Admin, Post graduate diploma in Administrative studies	Public Administration	None	Bid Adjudication Committee	5 out of 5	8 out of 9
Mr C Hamilton	Board Member	Current and term ending 31st May 2021	Bachelor of Applied Arts Photographic Arts Post Graduate Diploma in Arts	Directing Scriptwriting, Business in Film Production	None	Social and Ethics Committee	5 out of 5	0 out of 9
Mr E Mbalo	Deputy Chairperson	Current and term ending 31st May 2021	Diploma in Broadcast Engineering	Film, Broadcasting, Media and Governance	GAIA Infrastructure capital	ARCO, Bid and Adjudication Committee	5 out of 5	0 out of 9
Ms K Lebaka	Acting CEO	19 October 2020 until further notice	B. Com, Professional certificate in programme and project management Professional certificate in public and development management Management development programme Global executive development governance Post Graduate diploma in management practice Matters in business management	Strategy Development, Policy development, Project Management, Portfolio Management, Human Resource Management, Business Development, Grant Management, Business Management, Supply Chain Management, Contract management	None	Board, ARCO, REMCO, Social and Ethics Committee	1 out of 5	9 out of 9

CORPORATE GOVERNANCE REPORT – continued

FOR THE YEAR ENDED 31 MARCH 2021

MEETINGS ATTENDANCE							
Details	Board Committee	Bid Adjudication Committee	Social and Ethics Committee	Audit and Risk Committee	Remuneration Committee	Joint Advisory Committee	Total
Total meetings	5	0	0	3	2	9	19
Ms B Mhaga	5	-	-	-	2	9	16
Mr E Maluleke	4	-	-	3	2	8	17
Ms J Mngoma	4	-	-	-	2	-	6
Ms E Mbalo	5	-	-	2	-	-	7
Mr C Hamilton	5	-	-	-	-	-	5
Mr D Bensusan	4	-	-	-	-	-	4
Ms A Mokoena	3	-	-	2	2	7	14
Ms E Motlhamme	2	-	-	3	-	-	5
Ms L Ndadana	5	-	-	3	-	8	16
Mr L Nematswerani	3	-	-	-	2	7	12
Mr K Khoza	5	-	-	-	2	8	15
Ms K. Lebaka	1	-	-	-	-	9	10

INTEGRATED RISK MANAGEMENT

In line with the Companies Act the Board of Directors is responsible for the management of the risks pertaining to the business of the Gauteng Film Commission. The Board has delegated this authority to the Chief Executive Officer.

While the line manager of each division within the Gauteng Film Commission has the primary responsibility for identifying and managing risks inherent to the operations of his/her division, the Audit and Risk Committee develops and reviews risks management strategies, policies and procedures to ensure that they are appropriate for the Gauteng Film Commission.

Management Committee (MANCO) reports to the Chief Executive Officer and submits annual reports to the Audit and Risk Committee, providing assurance on the management of significant risks or exposure. The internal audit function independently audits the adequacy and effectiveness of the Gauteng Film Commission's risk, internal control and governance processes and this function is outsourced.

STRATEGIC RISKS

Strategic risks can be defined as the uncertainties and untapped opportunities embedded in our strategic intent and how well they are executed. As such, they are key matters for the board and impinge on the whole business, rather than just isolated unit.

LIQUIDITY RISKS

The liquidity risk is the risk that Gauteng Film Commission may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard assets to cash without a loss of capital and/or income in the process.

COMPLIANCE RISKS

Compliance risk relates to negative impact originating from non-compliance with all applicable legislation and regulations.

The Audit and Risk Committee assist the Board of Directors in complying with all applicable statutory and regulatory requirements.

Compliance risk is managed through creating awareness of the regulatory requirements, and monitoring compliance with legislative requirements.

CORPORATE GOVERNANCE REPORT – continued

FOR THE YEAR ENDED 31 MARCH 2021

OPERATIONAL RISKS

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems.

This risk category is managed through a system of internal controls, which is based on approved policies and procedures for initiation, verification and reconciliation of transactions, and adequate segregation of incompatible duties. The operational risk category includes the following risk areas: fraud, financial management, legal risk, human resources risk, information technology risk, business continuity and taxation. Management arranged fraud workshop during the current financial year under review.

The Audit and Risk Committee and Board of Directors have approved finance policies which include anti-fraud and corruption policy and avoidance of wasteful and fruitless expenditure. No incidents of fraud or irregular activities were reported during the financial under review.

REPUTATIONAL RISK

Reputational risk is the risk of damage to the Gauteng Film Commission image which may impair its ability to retain and generate more business.

The Gauteng Film Commission manages its reputational risk through on-going evaluation and management of the significant risk types highlighted above.

INTERNAL CONTROLS

The Audit and Risk Committee assists the Board in discharging its duties to ensure that the Gauteng Film Commission maintains adequate accounting records, internal controls and systems designed to provide reasonable assurance on the integrity and reliability of financial information and to safeguard its assets.

The effectiveness of these internal control systems is monitored through management reviews, formalised reporting, and internal audits. The internal audit function, under the direction of the Audit and Risk Committee, is outsourced to an independent service provider. It operates in terms of an internal audit charter, which was reviewed and approved by the Audit and Risk Committee and approved by the Board of Directors during the financial period under review.

The internal audit function reports functionally to the Audit and Risk Committee and administratively to the Chief Executive Officer and its staff have full and unrestricted access to the Chairperson of the Audit and Risk Committee.

The Audit and Risk Committee conducts its own review of the effectiveness of the internal audit function.

All operations, business activities and support functions are subject to internal review. The internal audit plan is based on key risk areas identified from risk assessment and the audits are planned and executed to provide management with independent assurance on the adequacy and effectiveness of the internal control systems.



Ms A Mokoena

Company Secretary and Legal Manager
31 May 2021

AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2021

AUDIT AND RISK COMMITTEE RESPONSIBILITIES

The Audit and Risk Committee has discharged all its responsibilities set out in terms of applicable requirements of the King IV as well as in its adopted terms of reference, the role should provide oversight independent oversight of among others:

In the conduct of its duties, the Audit and Risk Committee has reviewed:

- The effectiveness of the GFC assurance functions and services, which particular focus on combined assurance arrangements, including external assurance service providers, internal and finance function
- The integrity of Annual Financial Statements and, to the extent delegated by Board of Directors, other external reports issued by the GFC
- A statutory Audit and Risk Committee has the power to make decision regarding its statutory duties and is accountable for its performance in this regard
- If the governing body delegates risk governance to the Audit and Risk Committee, the Audit and Risk Committee should satisfy itself that it dedicates time to its responsibility
- Audit and Risk Committee should oversee the management of financial and other risk that affect the integrity of external reports issued by GFC
- The Audit and Risk Committee should meet with internal and external auditors respectively, without management being present, to facilitate an exchange of view and concerns that may be appropriate for decision in an open forum

INTERNAL CONTROLS

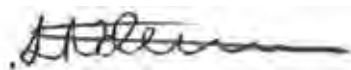
The management of the Gauteng Film Commission continues to strive towards sustainable improvement in its internal control. Nothing has come to the attention of the Audit and Risk Committee to indicate that a material breakdown in the functioning of the internal controls, procedures and systems has occurred during the period under review.

In the opinion of the Audit and Risk Committee, the internal controls and procedures of the Gauteng Film Commission are appropriate in all material respects in relation to:

- Achieving the business objectives of the Gauteng Film Commission
- Ensuring that the Gauteng Film Commission assets are adequately safeguarded
- Ensuring that transactions undertaken are recorded in the Gauteng Film Commission's records

EVALUATION OF FINANCIAL STATEMENTS

The Committee has evaluated the Annual Financial Statement and annual performance reports of the Gauteng Film Commission for the period ended 31 March 2021. Based on the information provided and interim performance reports the Audit and Risk Committee, considers that they comply, in all material respects, with the requirements of the Companies Act.



Ms L Ndadana CA (SA)

Chairperson

31 May 2021

STATEMENT OF FINANCIAL POSITION (SOFP)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	March 2021 R	March 2020 R
ASSETS			
Non-current assets		909 283	655 245
Property, plant, and equipment	2	900 252	652 266
Intangible assets	3	9 031	2 979
Current assets		3 878 692	2 372 547
Trade and other receivables	4	516 216	286 108
Cash and cash equivalents	5	3 362 476	2 086 439
Total assets		4 787 975	3 027 792
EQUITY			
Accumulated surplus		2 813 551	1 394 034
Current liabilities		1 974 424	1 633 758
Trade and other payables	7	1 974 424	1 568 266
Obligation under finance lease	8	-	65 492
Total equity and liabilities		4 787 975	3 027 792

STATEMENT OF PROFIT OR LOSS AND OTHER COMPRHENSIVE INCOME (SOCI)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	March 2021 R	March 2020 R
Government grants	10	38 469 000	37 500 000
Other income	11	465 161	44 952
Depreciation	2	(317 352)	(212 330)
Amortisation of intangible assets	3	(2 548)	(2 548)
Operating expenses	22	(37 476 489)	(35 515 581)
Operating profit		1 137 772	1 814 493
Interest received	14	287 053	411 233
Finance costs	15	(5 308)	(14 176)
Net surplus/(deficit) for the year		1 419 517	2 211 550

STATEMENT OF CHANGES IN EQUITY (SOCE)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	March 2021 R
Accumulated profit:		
Balance at March 2019		(817 516)
Net surplus for the year		2 211 550
Balance as of 31 March 2020		1 394 034
Net surplus for the year		1 419 517
Balance on 31 March 2021		2 813 551

STATEMENT OF CASH FLOW (SOCF)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	March 2021 R	March 2020 R
Receipts from Government		38 704 053	37 925 087
Cash paid to suppliers and employees		(37 050 829)	(36 092 001)
Cash generated from operations	17	1 653 224	1 833 086
Interest received	14	287 053	411 233
Finance cost	15	(5 308)	(14 176)
Net cash inflow from operations		1 934 969	2 230 143
Net cash outflows from investing activities		(593 440)	(403 246)
Purchase of property, plant and equipment	2	(584 840)	(403 246)
Purchase intangible asset	3	(8 600)	-
Net cash flow from financing activities		(65 492)	(56 622)
Obligation under finance lease		-	8 869
Repayment of finance lease		(65 492)	(65 491)
Net (increase)/decrease in cash and cash equivalents for the period		1 276 037	1 770 275
Cash and cash equivalents at beginning of the period		2 086 439	316 164
Cash and cash equivalents at the end of the period	5	3 362 476	2 086 439

ACCOUNTING POLICY NOTES (APN)

FOR THE YEAR ENDED 31 MARCH 2021

I. PRESENTATION OF INTERIM FINANCIAL STATEMENT

The Annual Financial Statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) and the Companies Act requirements. The Annual Financial Statements have been prepared on the historical basis except for the measurement of certain financial instruments at fair value and incorporate the principal accounting policies set out below. They are presented in South African rands.

An entity classifying expenses by function shall disclose additional information on the nature of expenses including depreciation and amortisation and employee benefits expenses.

The choice between the function of expenses method and nature of expenses method depends on historical and industry factors and the nature of entity. Both methods provide an indication of those cost that might vary directly and indirectly.

GFC shall disclose, along with its significant accounting policies or other notes, the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

I.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION OF UNCERTAINTY

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from those estimates which may be material to the Annual Financial Statements.

Impairment testing, taxation and the residual value and useful lives of property, plant and equipment. An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial period. In respect of those assets and liabilities, the notes shall include details of:

- Their nature
- Their carrying amount as at the end of the reporting period
- Estimated useful lives and residual values of assets
- Effective Interest on Finance Lease

Significant judgements include:

Trade receivables, loans and receivables

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

I.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is recognised as assets when:

- It is probable that the future economic benefits associated with the item will flow to the company; and
- The cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and cost incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, Plant and Equipment are carried at cost less accumulated depreciation and any impairment losses; reassessment of assets is performed after every three periods.

Property, Plant and Equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual values.

ACCOUNTING POLICY NOTES (APN)

FOR THE YEAR ENDED 31 MARCH 2021

1.2 PROPERTY, PLANT AND EQUIPMENT – continued

The useful lives of items of Property, Plant and Equipment have been assessed as follows:

ITEM	AVERAGE USEFUL LIFE
Computer hardware	3 years
Capitalised lease assets	5 years
Office furniture	5 years
Leasehold improvement	5 years
Office equipment	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

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

The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. This gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of item.

The gross carrying amount of the fully depreciated property, plant and equipment at the end of the period amounted to the total of 2021: R1 538 273; 2020: R1 565 199. The fully depreciated assets are still in use.

1.3 INTANGIBLE ASSETS

An intangible asset is recognised when:

- It is probable that the future economic benefits associated with the item will flow to the company
- The cost of the item can be measured reliably

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as expenses when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the assets is expected to generate net cash inflow.

Amortisation is not provided for these intangible assets, but they are tested for impairment yearly and whenever there is an indication that the assets may be impaired. For all other intangible asset's amortisation is provided on a straight-line basis over the useful lives.

The amortisation method of intangible assets is reviewed every period end.

An entity shall disclose in the summary of significant accounting policies:

- (a) The measurement basis used in preparing the financial statements
- (b) The other Accounting Policies used that are relevant to an understanding of the financial statements

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as infinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

ITEM	USEFUL LIFE
Computer Software	3 years

ACCOUNTING POLICY NOTES (APN)

FOR THE YEAR ENDED 31 MARCH 2021

1.4 FINANCIAL INSTRUMENTS

Categories of financial assets and financial liabilities

8 The carrying amounts of each of the following categories, as specified in IFRS 9, shall be disclosed either in the statement of financial position or in the notes: financial liabilities at fair value through profit or loss, showing separately.

- (i) Those designated as such upon initial recognition or subsequently in accordance with paragraph 6.7.1 of IFRS 9; and
- (ii) Those that meet the definition of held for trading in IFRS 9.

Financial assets measured at amortised cost.

For each type of risk arising from financial instruments, an entity shall disclose:

- (a) Summary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity (as defined in IAS 24 Related Party Disclosures), for example the entity's board of directors or chief executive officer;
- (b) The disclosures required by paragraphs 35A-42, to the extent not provided in accordance with (a)
- (c) Concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b)

Credit risk

For each type of risk arising from financial instruments, an entity shall disclose:

- (a) Summary quantitative data about its exposure to that risk at the end of the reporting period. This disclosure shall be based on the information provided internally to key management personnel of the entity (as defined in IAS 24 Related Party Disclosures), for example the entity's board of directors or chief executive officer;
- (b) The disclosures required by paragraphs 35A-42, to the extent not provided in accordance with (a)
- (c) Concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b)

Scope and objectives

The credit risk disclosures made in accordance with paragraphs 35F-35N shall enable users of financial statements to understand the effect of credit risk on the amount, timing, and uncertainty of future cash flows. To achieve this objective, credit risk disclosures shall provide:

- (a) Quantitative and qualitative information that allows users of financial statements to evaluate the amounts in the financial statements arising from expected credit losses, including changes in the amount of expected credit losses and the reasons for those changes

GFC shall explain its credit risk management practices and how they relate to the recognition and measurement of expected credit losses. To meet this objective an entity shall disclose information that enables users of financial statements to understand and evaluate:

- (b) How the instruments were grouped if expected credit losses were measured on a collective basis asset

For all financial instruments within the scope of this IFRS, but to which the impairment requirements in IFRS 9 are not applied, an entity shall disclose by class of financial instrument:

- (c) The amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32); this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk

To meet the objectives in paragraph 91, an entity shall disclose, at a minimum, the following information for each class of assets and liabilities (see paragraph 94 for information on determining appropriate classes of assets and liabilities) measured at fair value (including measurements based on fair value within the scope of this IFRS) in the statement of financial position after initial recognition:

GFC shall explain the inputs, assumptions and estimation techniques used to apply the requirements in Section 5.5 of IFRS 9. For this purpose, an entity shall disclose:

- (a) The basis of inputs and assumptions and the estimation techniques used to
- (b) Measure the 12-month and lifetime expected credit losses

To enable users of financial statements to assess an entity's credit risk exposure and understand its significant credit risk concentrations, an entity shall disclose, by credit risk rating grades, the gross carrying amount of financial assets and the exposure to credit risk on loan commitments and financial guarantee contracts. This information shall be provided separately for financial instruments:

For trade receivables, contract assets and lease receivables to which an entity applies paragraph 5.5.15 of IFRS 9, the information provided in accordance with paragraph 35M may be based on a provision matrix (see paragraph B5.5.35).

ACCOUNTING POLICY NOTES (APN)

FOR THE YEAR ENDED 31 MARCH 2021

1.5 FINANCE LEASE

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or machinery, or if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant period rate of on the remaining balance of the liability.

In terms of the new standard all leases should be classified as finance lease, unless the value is \$5 000 which is of low value, or the contract is less than 12 months (IFRS 16BC100).

Lease payments are recognised as expenses on a straight-line basis over the lease term. The differences between the amounts recognised as an expense and the contractual payments are recognised as operating lease assets. This liability is not discounted.

1.6 IMPAIRMENT OF ASSETS

The company assesses assets at the end of the reporting period whether there is any indication that any of the assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets.

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The GFC assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may be decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal impairment loss of a revalued asset is treated as a revaluation increase.

1.7 DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.8 PROVISIONS AND CONTINGENCIES

Provisions

Provisions are recognised when:

- The company has a present obligation as a result of past event
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation
- A reliable estimate can be made of the obligation

The amount of provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all the expenditure required settling a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

ACCOUNTING POLICY NOTES (APN)

FOR THE YEAR ENDED 31 MARCH 2021

1.8 PROVISIONS AND CONTINGENCIES – continued

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under contract shall be recognised and measured as a provision, contingent assets and contingent liabilities are recognised.

Provisions were raised and management determined estimates based on the information available.

Contingent liabilities

Contingent liabilities are possible obligation that arises from past events and whose existence will be confirmed by the occurrences and non-occurrences of one or more uncertain future events not wholly within the control of the entity.

Contingent assets

Contingent assets is possible assets that arises from past events and whose existence will be confirmed by the occurrences and non-occurrences of one or more uncertain future events not wholly within the control of the entity.

1.9 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that:

- The company will comply with the conditions attaching to them
- The grant will be received

Government grants are recognised as an income over the periods necessary to match them with the related cost that they are intended to compensate.

Government grants are income related and are presented as a credit in a profit and loss.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related cost is recognised as income For the period ended in which it becomes receivable. In cases where the grant is more than expenses, it is recognised as deferred income, in our statement of financial position.

Grant related income is:

The repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as expenses.

The repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable.

The cumulative additional depreciation that would have been recognised to date as expenses in the absence of the grant is recognised immediately as an expense.

1.10 REVENUE AND OTHER INCOME RECOGNITION

IFRS 15 it establishes a single and comprehensive framework for revenue recognition to apply consistently across transaction, industries, and capital markets, with a core principle (based on a five –step model to be applied to all contract with customers). The GFC major source of revenue is Note 2(B) therefore IFRS 15 does not impact significantly on the financial position and or financial performance of the commission. The standard is used on a full retrospective method. The company's other income recognition is:

Interest income

Interest is recognised as income in profit or loss using the effective interest rate method.

ACCOUNTING POLICY NOTES (APN)

FOR THE YEAR ENDED 31 MARCH 2021

1.11 RELATED PARTIES

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. Because of the constitutional independence of the three spheres of government in South Africa, only entities within the national/provincial/local spheres of government are related parties. The Gauteng Film Commission is accountable to Gauteng Province through the Department of Sport, Arts, Culture and Recreation (DSACR), governed by a Memorandum of Agreement under the leadership of the MEC Ms Mbali Hlophe.

An entity shall disclose key management personnel compensation in total for each of the following categories:

- (a) Short term employees' benefits
- (b) Post-employment benefit
- (c) Other long-term benefits
- (d) Termination benefits
- (e) Share based payments

If an entity has had related party transaction during the periods covered by the financial statement, it shall disclose the nature of the related party relationship as well as information about those transaction and outstanding balances, including commitments, necessary for users to understand the potential of the relationship on the financial statement.

1.12 PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African rands, which is the functional and presentation currency of the Board and amounts have been rounded to the nearest Rands.

1.13 ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

When initial application of an IFRS influences the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

- (a) The title of the IFRS
- (b) When applicable, that the change in accounting policy is made in accordance with its transitional provisions
- (c) The nature of the change in accounting policy
- (d) When applicable, a description of the transitional provisions
- (e) For the current period and each prior presented, to the extent practicable, the amount of the adjustment
- (f) For the current period and each prior period presented, to the extent practicable, the amount of the adjustment

1.14 FAIR VALUE ADJUSTMENT

An entity shall disclose information that helps users of its financial statements assess both of the following:

- (a) For assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements
- (b) For recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period

To meet the objectives in paragraph IFR 9, an entity shall consider:

- (a) The level of detail necessary to satisfy the disclosure requirements
- (b) How much emphasis to place on each of the various requirements
- (c) How much aggregation or disaggregation to undertake
- (d) Whether users of financial statements need additional information to evaluate the quantitative information disclosed

If the disclosures provided in accordance with this IFRS 9 and other IFRS are insufficient to meet the objectives in paragraph 91, an entity shall disclose additional information necessary to meet those objectives.

ACCOUNTING POLICY NOTES (APN)

FOR THE YEAR ENDED 31 MARCH 2021

I.15 FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

STANDARD OR INTERPRETATION	DETAIL OF AMENDMENTS	INTERIM PERIOD BEGINNING ON OR AFTER
IFRS 17: Insurance contracts	IFRS 17 Insurance Contracts (issued in May 2017): The Standard that replaces IFRS 4, effective for annual periods beginning on or after 1 January 2021 (earlier application permitted only if IFRS 9 and IFRS 15 also applied), requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts, giving a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. As the Gauteng Film Commission has neither issued insurance contracts nor held reinsurance contracts, the Standard is not expected to influence its financial statements.	1 January 2021
	The judgement and estimates made to recognise and measure the effect of uncertain tax treatment are reassessed whenever circumstances changes or when there is a new information that affects those judgement. New information might include actions by the tax authorities, evidence that the tax authority has taken a position in connection with a similar item, or the expiry of the tax authorities right to examine a tax treatment. IFRIC 23 states specifically that the absence of any comment from the tax authorities is unlikely to be, in isolation, a change in circumstances or new information that would lead to a change in estimates. There are no new disclosure requirements in IFRIC 23. However, entities are reminded of the need to disclose, in accordance with IAS 1. The judgement and estimates made in determining the uncertain treatment.	

Change in accounting policies

GFC has adopted all new accounting standards that become effective in the current reporting period. The following standards had an impact on the organisation:

- IFRS 9 Financial Instruments (IFRS 9)

The changes in accounting policies were applied in accordance with the modified retrospective approach.

Adoption of IFRS 9

IFRS 9 was issued by the IASB in July 2014 and is effective for accounting periods beginning on or after 1 January 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurements and introduces new requirements for:

1. The classification, measurements and derecognition of financial assets and financial liabilities
2. The impairment of financial assets and financial liabilities
3. General hedge accounting

Classification, measurements and derecognition

IFRS 9 introduces new measurements categories for financial assets, impact of which illustrated note 3.7 From 1 April 2018, the company classifies financial assets in each of the IFRS 9 categories based on the company business model for managing the financial assets and the cash flow characteristics of the financial assets.

Impairment model

IFRS 9 introduces an expected credit loss model as opposed to an incurred credit loss approach in recognising any impairment of financial assets. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2. PROPERTY, PLANT AND EQUIPMENT

March 2021	Computer hardware R	Office furniture R	Office equipment R	Capitalised leased asset R	Leasehold improvements R	Total R
Carrying amount at beginning	307 162	50 358	237 540	54 000	3 206	652 266
Gross carrying amount at 1 April 2020	1 394 830	672 688	368 053	215 000	4 403	2 654 974
Accumulated depreciation	(1 087 668)	(622 330)	(130 513)	(161 000)	(1 197)	(2 002 708)
Additions	405 108	-	179 732	-	-	584 840
Depreciation assets	(180 394)	(20 874)	(72 203)	(43 000)	(881)	(317 352)
Written off – cost	(36 433)	-	-	-	-	(36 433)
Written off – accumulated depreciation	16 931	-	-	-	-	16 931
Carrying amount	512 374	29 484	345 069	11 000	2 325	900 252
Gross carrying amount at the end	1 763 505	672 688	547 785	215 000	4 403	3 203 381
Accumulated depreciation	(1 251 131)	(643 204)	(202 716)	(204 000)	(2 078)	(2 303 129)

The Gauteng Film Commission does not have any assets pledged as security and there are no restrictions on any title of property plant and equipment (PPE) during the current financial period under review. The finance lease is disclosed under (note 8).

March 2020	Computer hardware R	Office furniture R	Office equipment R	Capitalised leased asset R	Leasehold improvements R	Total R
Carrying amount at beginning	159 658	54 458	146 152	97 000	4 086	461 354
Gross carrying amount at 1 April 2019	1 166 767	648 599	245 351	215 000	4 403	2 280 120
Accumulated depreciation	(1 007 109)	(594 141)	(99 199)	(118 000)	(317)	(1 818 766)
Additions	256 455	24 089	122 702	-	-	403 246
Depreciation	(108 947)	(28 189)	(31 314)	(43 000)	(880)	(212 330)
Written off – cost	(28 392)	-	-	-	-	(28 392)
Written off – accumulated depreciation	28 388	-	-	-	-	28 388
Carrying amount	307 162	50 358	237 540	54 000	3 206	652 266
Gross carrying amount at the end	1 394 830	672 688	368 053	215 000	4 403	2 654 974
Accumulated depreciation	(1 087 668)	(622 330)	(130 513)	(161 000)	(1 197)	(2 002 708)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

3. INTANGIBLE ASSETS

	March 2021 R	March 2020 R
Computer software		
Carrying amount at beginning of the period	2 979	5 527
Cost	7 653	7 653
Accumulated amortisation	(4 674)	(2 126)
Additions	8 600	-
Amortisation	(2 548)	(2 548)
Written off – cost	-	-
Written off – accumulated amortisation	-	-
Carrying amount at end of the period	9 031	2 979
Gross carrying amount	16 253	7 653
Accumulated amortisation	(7 222)	(4 674)

There is no restriction on title of intangible assets and intangible pledges as security during the financial year under review.

4. TRADE AND OTHER RECEIVABLES

	March 2021 R	March 2020 R
South African Revenue Service – VAT	453 159	205 934
Sundry debtors	19 932	29 049
Pre-payments	43 125	51 125
	516 216	286 108

The carrying value of trade and other receivables approximates the fair value.

Trade and other receivables due but not impaired

Trade and other receivables which are less than one month past due are not considered to be impaired. The GFC does not have any trade debtors.

Trade and other receivables impaired.

During the current financial year under review there were no impairment on trade and other trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and bank balances. Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

	March 2021 R	March 2020 R
Cash at bank - current	3 323 804	2 048 383
- call	35 407	35 056
Cash on hand	3 265	3 000
	3 362 476	2 086 439

The carrying value of cash and cash equivalents approximates the fair value.

6. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

Financial assets held at amortised cost.

	March 2021 R	March 2020 R
Trade and other receivables	19 931	29 049
Cash and cash equivalents	3 362 476	2 086 439
	3 382 407	2 115 488

It should be noted that prepayments and SARS Value Added Tax does not form part of financial trade and other receivables.

7. TRADE AND OTHER PAYABLES

The carrying value of trade and other payables approximates the fair value. Trade and other payables have not been discounted since Gauteng Film Commission pays its suppliers within thirty days.

	March 2021 R	March 2020 R
Accruals – medical	9 766	-
Sundry Accrual – leave	550 383	517 102
Sundry Accrual – other	1 414 275	702 070
South African Revenue Service – PAYE, UIF & SDL	-	349 094
	1 974 424	1 568 266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8. OBLIGATION UNDER FINANCE LEASE

As of 31 March, the company had finalised the obligation under finance lease repayable, minimum lease payment of R 70,800 was paid for the twelve months period. The agreement does not provide for contingent rental payments. There is no escalation on the contract of two photocopy machines with Panasonic during the period under review:

Reconciliation between the total minimum lease payments and their present value:

March 2021	Up to 1 period R	2 - 5 years R	Total R
Minimum lease payments	-	-	-
Finance cost	-	-	-
Present value	-	-	-

March 2020	Up to 1 period R	2 - 5 years R	Total R
Minimum lease payments	70 800	-	70 800
Finance cost	(5 308)	-	(5 308)
Present value	65 492	-	65 492

Finance lease obligations

	March 2021 R	March 2020 R
Current liability	-	65 492
Non-current liability	-	-
	-	65 492

9. FINANCIAL LIABILITY BY CATEGORY

The accounting policies for financial instruments have been applied to the items below.

Financial liabilities at amortised cost:

	March 2021 R	March 2020 R
Trade and other payables	1 424 041	1 051 163
Finance Lease	-	65 492
	1 424 041	1 116 655

10. GOVERNMENT GRANTS

The government grant is received from the Department of Sport, Arts, Culture and Recreation for funding GFC mandate in line with the approved business plan. The grant is not conditional and does not have other contingencies attached to it. The grant is used for the entity's day to day operations and funding the audiovisual industry.

	March 2021 R	March 2020 R
Government grant – main allocation	38 469 000	37 500 000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. OTHER INCOME

Other income arises as the result of insurance settlements for assets lost during the period under review. The amount also includes a claim from a former employee who made unapproved cell phone transactions:

	March 2021 R	March 2020 R
Proceeds from insurance claims	28 546	44 952
Proceeds from unauthorised cell phone upgrade	136 615	-
Income from Department of Sport, Arts, Culture and Recreation (DSACR)	300 000	-
	465 161	44 952

12. OPERATING EXPENSES

The operating surplus is stated after taking the following items into account:

	Notes	March 2021 R	March 2020 R
Depreciation	2	317 352	212 330
Computer hardware		180 394	108 947
Leasehold improvements		881	880
Office equipment		72 203	31 314
Office Furniture		20 874	28 189
Capitalised lease assets		43 000	43 000
Provident fund		1 654 913	1 690 727
Repairs and maintenance		11 231	29 427
Amortisation of intangibles	3	2 548	2 548
Employee costs		15 801 996	16 021 479
Assets written off		19 504	10 297
Professional fees		751 579	626 493
Payroll Services		30 776	30 275
Consultants		89 500	-
Audit Fees			
External auditors		370 302	374 383
Internal auditors		261 001	221 835
Operating lease charges		26 793	26 793
Equipment		26 793	26 793
Directors emoluments (Note 1)		3 139 356	3 335 463
Executive directors	13.1	2 693 706	2 678 463
Non-executive directors	13.2	445 650	657 000

Note 1:

Executive Directors emoluments are included under employee cost and provident fund as stated and disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

13. EMOLUMENTS

13.1 EXECUTIVE DIRECTORS' EMOLUMENTS

March 2021	Salary R	Travel/ leave pay R	13th Cheque R	Medical aid R	Provident fund R	Total R
Mr E Maluleke	1 727 595	2 561	145 407	22 200	63 135	1 960 898
Ms K Lebaka	693 350	1 866	-	9 250	28 342	732 808
	2 420 945	4 427	145 407	31 450	91 477	2 693 706

March 2020	Salary R	Travel/ leave pay R	13th Cheque R	Medical aid R	Provident fund R	Total R
Mr E Maluleke	1 658 625	10 754	131 388	22 200	58 698	1 881 665
Ms S Sekgobela	487 466	2 299	-	18 500	-	508 265
Ms S Maja	277 925	10 608	-	-	-	288 533
	2 424 016	23 661	131 388	40 700	58 698	2 678 463

13.2 NON-EXECUTIVE DIRECTOR'S EMOLUMENTS

	March 2021 R	March 2020 R
Mr E Mballo	43 800	128 500
Ms B Mhaga	109 000	127 000
Mr C Hamilton	29 250	93 500
Mr K Khoza	87 750	66 000
Mr P Mothudi	-	22 000
Ms J Ngoma	33 000	60 500
Ms E Motlhamme	29 250	38 500
Ms L Ndadana	87 750	33 000
Mr D Bensusan	23 400	88 000
Mr L Nematshwarani	2 450	-
	445 650	657 000

Board fees includes all other Board members who are also serving in other committees, i.e. Remuneration Committee (REMCO), Audit & Risk (ARCO) and Bid Committees. The payment also includes fees for attending Legislature budget meeting by the Chairperson. The following members are not Board members, however the disclosure in non-executive directors is as the result of attending Board meetings, i.e: Ms E Motlhamme, Mr P Mothudi and Ms L Ndadana.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

13. EMOLUMENTS – continued

13.3 SHORT TERM BENEFITS - KEY MANAGEMENT EMOLUMENTS

	March 2021 R	March 2020 R
Salaries	5 525 447	6 702 125
13th cheque	503 342	565 341
Medical aid	86 950	88 800
Leave pay	64 044	13 886
Travel claims	770	46 249
Acting allowance	353 341	-
Provident fund	207 170	234 263
	6 741 064	7 650 664

The Gauteng Film Commission 2019 key management emoluments include the following management units' i.e. industry support and development, marketing and communications, legal and governance, information communication technology (ICT), stakeholder relations and human resources and research.

14. INTEREST INCOME

	March 2021 R	March 2020 R
Interest received	287 053	411 233

15. FINANCE COST

	March 2021 R	March 2020 R
Long term borrowings	5 308	14 176

16. TAXATION

Gauteng Film Commission is incorporated as a non-profit company (NPC) which has as its main objective to facilitate and promote film production in Gauteng Province.

The Gauteng Film Commission has been granted tax exemption during the current financial period under review. The tax exemption has been granted in terms of the requirements of the public benefit organisation (PBO) set out in terms of Section 30(3) of the Income Tax Act No 58 of 1962 (the Act).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

17. RECONCILIATION OF NET PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Notes	March 2021 R	March 2020 R
Net surplus for the year		1 419 517	2 211 550
Adjusted for items separately disclosed on face of the cash flow statement		(281 745)	(397 057)
Interest received	14	(287 053)	(411 233)
Finance cost	15	5 308	14 176
Adjusted for items not involving the flow of cash and cash equivalents		339 404	214 881
Depreciation		317 352	212 330
Amortisation of intangibles		2 548	2 548
Assets written off		19 504	3
Adjusted for changes in working capital		176 048	(196 288)
Increase in accounts receivable		(230 110)	380 135
Increase in accounts payable		406 158	(576 423)
Cash generated from operations		1 653 224	1 833 086

18. RELATED PARTY TRANSACTIONS

During the current financial year under review the Gauteng Film Commission had the following related party transact with the Department of Sport, Art, Culture and Recreation (DSACR) for main allocation, parking fees paid by GFC and Khalipha Consulting (Pty) Ltd and key management emoluments. All the transactions were within the normal day to day operations disclosed to Provincial Treasury:

Transactions	March 2021 R	March 2020 R
Government grant – main allocation	38 469 000	37 500 000
Khalipha Consulting (Pty) Ltd (<i>Note 1</i>)	-	13 800
Key Management Emoluments (<i>refer to Note 13.1 & 13.3</i>)	9 434 770	10 329 127
Parking fees – Department of Sport, Arts, Culture and Recreation (DSACR)	20 400	20 400
Rental and municipality savings	2 460 196	2 236 542
Department of Sport, Arts, Culture and Recreation (DSACR)	300 000	-

Government grant

The government is as per Provincial Treasury allocation as part of funding GFC for the current period under review. The purpose is primarily for core business. i.e., ISD and marketing and communication and to also cover other overhead cost and compensation to employees.

Short-term payments (key management emoluments).

This is the for the payments of key management of GFC in exchange for their services for the current financial year under review. The key managements in relation to business units are as follows ICT, marketing & communications, stakeholder relations, human resources, legal & governance, and industry support & development.

Parking fees.

The payments of parking fees are as the results of relationship between GFC and the Department of Sport, Arts, Culture and Recreation, which is governed by the Memorandum of Agreement (MOA).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

18. RELATED PARTY TRANSACTIONS – continued

Rental.

There is mutual agreement that GFC will not be paying rental and municipal costs, this will be covered by the Department. Rental was waived to ensure that GFC increases its budget to funding the audiovisual industry, the disclosure is at market related value. The rental and municipal cost savings is estimated at total cost of R2.4 million (R2.2 March 2020).

Department of Sport, Arts, Culture and Recreation (DSACR).

During the current financial year under review the Department of Sport, Arts, Culture and Recreation (DSACR) received a total amounting to R300 000 from National Arts Council (NAC). In terms of the relationship between the Department of Sport, Arts, Culture and Recreation (DSACR) and National Arts Council (NAC), Provinces are expected to roll out community arts programmes on behalf of National Art Council to position and organise arts development to support overarching government objectives of access and participation in the arts sector by South Africans.

19. RISK MANAGEMENT

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern to provide benefits for stakeholders to maintain an optimal capital structure. The capital structure of the company consists of debt, includes the cash and cash equivalents disclosures in (note 5).

Financial risk management

The company's activities expose it to a variety of financial risks: interest risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Credit risk

Credit risk relates to the financial assets and simply speaking, it is the risk that we will suffer a financial loss.

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Liquidity risk

The company's risk to liquidity is because of the funds available to cover future commitments. The company manages liquidity risk through an on-going review of future commitments and credit facilities. The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

Liquidity risk relates to financial liabilities and it is a kind of 'opposite' to credit risk. It is the risk will not meet our obligation from financial liabilities to be settled with cash or financial assets:

March 2021	Less than 1 period R	Between 2 and 5 periods R
Trade and other payables	1 424 041	-
Finance lease	-	-
March 2020	Less than 1 period R	Between 2 and 5 periods R
Trade and other payables	1 051 163	-
Finance lease	65 492	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

19. RISK MANAGEMENT – continued

Market risk

The risk that fair value or future cash flows of financial instruments will fluctuate because of changes in price.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position.

The company's interest rate risk arises from short term investments. These investments are issued at variable rates which exposes the company to cash flow interest rate risk.

Based on the simulation basis and assuming other variables remain constant in the sensitivity calculations, the impact on the post-tax profit of a 1% shift either way would be a maximum of an increase and decrease of (R14 195) and R14 195 respectively.

Currency rate risk

Arises on financial instruments that are denominated in foreign currency.

Other price risk

Other price risk arises from financial instruments because of changes in commodity price or equity price.

20. CONTINGENT LIABILITY

20.1 MS S SEKGOBELA CLAIM

A contingent liability is:

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or

Present obligation that arises from past events but is not recognised because, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

As of the 31 March 2020 GFC Board of Directors have received a claim amounting to R386 585, from former ACEO Ms S Sekgobela. The claim is in relation to voice, data, extra work, leave days and travel cost during the period February 2017 until October 2019 while she was appointed to Act by the MEC and Board of Directors.

20.2 SURPLUS FOR 2020/21 FINANCIAL YEAR

It should be noted that during the financial year under review GFC incurred a total cash surplus of R1 419 517. The Gauteng Film Commission will therefore in terms of Treasury Regulations 53(3) of the PFMA Act, request approval to retain the surplus for 2020/21 financial year.

UNAUDITED SUPPLEMENTARY SCHEDULE (USS)

FOR THE YEAR ENDED 31 MARCH 2021

21. COMMITMENTS

	March 2021 R	March 2020 R
Farisana Creation	-	5 000
JM Moremi T/A There will be light	-	30 000
I Bridge Visual Production (Pty) Ltd	-	60 000
Nkosi Group	75 000	-
Wanyana Pictures	50 000	-
Mogale Solutions Providers (Pty) Ltd	175 375	-
	300 753	95 000

UNAUDITED SUPPLEMENTARY SCHEDULE (USS)

FOR THE YEAR ENDED 31 MARCH 2021

22. DETAILED OPERATING EXPENSES

	March 2021 R	March 2020 R
Management of GFC	21 087 471	20 973 543
Bank charges	31 991	33 550
Insurance	127 636	128 310
Employees Cost	17 456 909	17 712 206
Executive directors	2 693 706	2 678 463
Key management emoluments	6 741 064	7 650 664
Other salaries	8 022 139	7 383 079
Office equipment maintenance	11 231	29 427
Staff parking	20 400	20 400
Auxiliary services	570 126	624 722
Courier and cartage cost	6 055	16 548
Printing - general	1 866	116
Stationery cost	65 513	79 788
Assets written off	19 504	3
Fines and penalties	36 489	34 909
Professional fees	751 579	626 493
Employee wellness	93 624	53 363
Organisational development cost	158 500	34 143
Staff development cost	126 813	118 205
Study assistance cost	31 900	42 046
Recruitment cost	84 801	58 800
Strategic planning	373 774	645 694
Research cost	250 000	-
Development and maintenance of IT	822 310	704 523
Other assets written off	-	10 297
Labour relation	46 000	-
Office security	450	-
Legal and governance	756 804	843 465
Audit Committee Fees	68 350	104 500
Board training	21 461	23 791
Directors remuneration	324 950	512 000
Remuneration committee	67 450	33 000
Refreshments and meetings	2 242	89 219
Bid committee fees	-	38 500
Social & Ethics Committee	-	33 000
Legal fees	272 351	9 455

Table continued on next page

UNAUDITED SUPPLEMENTARY SCHEDULE (USS)

FOR THE YEAR ENDED 31 MARCH 2021

22. DETAILED OPERATING EXPENSES – continued

	March 2021 R	March 2020 R
Industry support and development	13 280 342	11 517 358
Digital content screening	635 000	617 288
Skills development and mentorship	2 066 553	1 951 512
Audiovisual production	3 823 418	3 312 000
Content for television	1 505 000	1 560 000
Postproduction and research hub	64 219	144 391
Audience development	2 714 460	2 058 018
Enterprise development	1 391 692	913 741
Script development	1 080 000	960 408
Marketing and communications	2,351,872	2 181 215
Annual Report	121 350	91 329
Film content and export platform	630 000	375 451
Advertising placements	30 000	128 976
Branding partnership	25 600	577 761
Film awards	105 000	118 425
Industry communication	48 600	-
Marketing material	42 900	117 831
Marketing support films funding by GFC	710 010	490 666
Message on hold	4 493	10 308
Public awareness – townships	-	27 428
Hosting and maintenance website	67 290	193 040
Outbound mission	-	50 000
Marketing and PR	566 629	-
Total operating expenses	37 476 489	35 515 581

This detail operating expenses information on page 95 - 96 is not for audit purposes.

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