

ANNUAL REPORT 2021 | 2022

BIG IDEAS. PERFECT LOCATIONS.



GAUTENG
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA



gfc²⁰ | GAUTENG
YEARS FILM
COMMISSION
SOUTH AFRICA

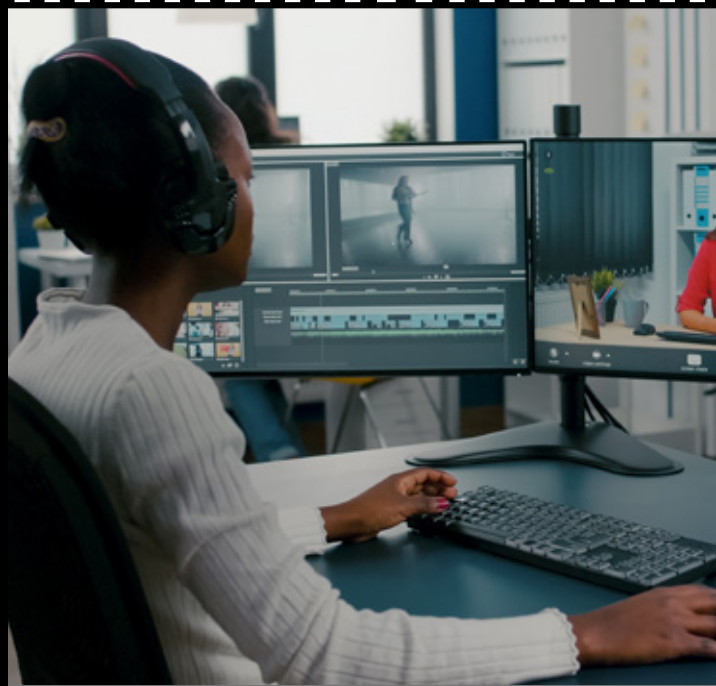
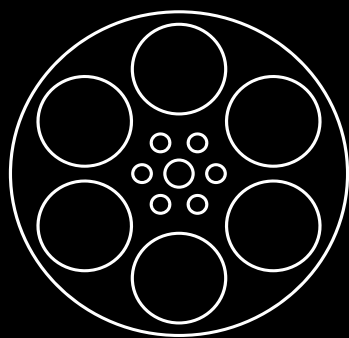


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PART A

GENERAL INFORMATION



I. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:

Gauteng Film Commission (GFC)

REGISTRATION NUMBER:

2001/013031/08

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EXTERNAL AUDITORS:

Auditor-General of South Africa

BANKERS:

ABSA Bank Limited

COMPANY/BOARD SECRETARY:

Ms Anthea Mokoena

PR Number

PR216/2022

ISBN

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2. LIST OF ABBREVIATIONS/ACRONYMS

Abbreviation	Full Name
AGASA	Associate General Accountant South Africa
APP	Annual Performance Plan
ARCO	Audit and Risk Committee
AVRC	Audiovisual Resource Centre
CAGR	Compound Annual Growth Rate
CATHSSETA	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority
CEO	Chief Executive Officer
DSACR	Department of Sport, Arts, Culture and Recreation
DTIC	Department of Trade, Industry and Competition
ETV	Entertainment Television
FPB	Film and Publication Board
GCIA	Gauteng Creative Industries Agency
GDE	Gauteng Department of Education
GPG	Gauteng Provincial Government
GTA	Gauteng Tourism Authority
ICT	Information Communication Technology
IDC	Industrial Development Corporation
IGR	Inter-Governmental Relations
ISD	Industry Supporting Development
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MICT SETA	Media, Information and Communication Technologies Sector Education and Training Authority
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NFVF	National Film and Video Foundation
PESTEL	Political Economic Social Technological Ecological Legal
PwC	PricewaterhouseCoopers
REMCO	Remuneration Committee
SABC	South African Broadcasting Corporation
SAC	Small Agency Council
SACR	Sports, Arts, Culture and Recreation
SAFTA	South African Film Television Awards
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
SOE	State-Owned Enterprise
TMR	Transformation Modernisation and Re-industrialisation

3. FOREWORD BY THE MEC



MS M HLOPHE

The Gauteng Film Commission (GFC) is a critical entity for the Department of Sport, Arts, Culture and Recreation, playing a considerable role in the South African economy. A leader in the creative industry, it is essentially a key driver in societal economic relief.

What has been a great relief, particularly for the audiovisual industry, is the further loosening of the Covid-19 lockdown restrictions.

The audiovisual industry survived through a very peculiar and quite challenging period in history, and in the previous financial years, had adapted to inventive ways of operating that proved convenient even in the year under review. The relief that came with the loosening of lockdown restrictions allowed us to physically engage once again with the industry though with cautionary measures in place.

The DSACR, together with the GFC, reconnected with the industry through stakeholder engagements such as "From Analogue to Digital" to equip the Gauteng filmmakers with adequate tools for the global content economy.

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 cultural amenities. In achieving our strategic objective stipulated in the aforementioned policies, the Department's commemorative days, major events, libraries, archive service, recreational programmes, and cultural and creative industries are at the strategic core of social economies and indirectly to our productive economies.

We have made strides in positioning Gauteng, as the preferred destination for the film and TV industry by ensuring that the support that we provide to this industry is developmental, as well as competitive both locally and internationally. Hence, we congratulate Gauteng Film Commission for launching the Discover Gauteng campaign that zealously connects and places Gauteng on the global audiovisual map. The success of this campaign is also credited to the activated partnerships, such as the G-Force ambassadorial programme comprising established, legendary pioneers, as well as younger actors, directors, and producers in the industry who uphold and promote the GFC brand, strategic objectives, and industry aspirations.

GFC executed its programmes exceptionally well utilising the hybrid approach of the online and physical platforms, noting the scepticism of audiences in attending the physical events, which affected attendance.

Through the enhanced market penetration of Gauteng produced content; the GFC for an example has reached 4 370 beneficiaries on audience development projects, created training and mentorship projects, and extensively supported local film and documentaries. We can only grow and improve from the impressive work shown.

Transformation of our heritage landscape is crucial for GPG because it can pay dividends immediately and for years to come, revive our economy post the Covid-19 pandemic through temporary and long-term job creation; and most importantly, attract and retain local and international tourism.

The Department continues to tirelessly work on transforming our Gauteng Heritage landscape, and infrastructure, while through the GFC, our culture stays engrained in our minds by supporting youth led trends such as Piano and Hip hop. Such productions remind us of our heritage, culture, our sound and legacy.

Most exciting are productions such as Kedibone and Thando, which highlight the resilience of our youth. We will further be strengthening market access in ensuring fulfilment of the GFC's aim of contributing to socio-economic development through audiovisual industry.

It is with great pleasure to commend the GFC once again in this year under review, to have obtained an unqualified audit. I would also 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.

In conclusion, The GFC will keep on endeavouring towards supporting, sustaining, and creating both emerging and thriving talent, especially from promising youth, as well as previously marginalised communities in our province. Despite troublesome difficulties introduced in 2021/2022, the GFC Board and the staff were focused on guaranteeing our people were not deprived of any services. On its way forward, the GFC is determined to position Gauteng as everyone's choice destination for the film and production. It will play a significant role in harnessing social cohesion and nurturing nation-building.

.....
Ms Mbali Hlophe

Member of the Executive Council
16 August 2022



4. FOREWORD BY THE CHAIRPERSON



BUSI MHAGA

After a very difficult and strenuous Covid-dominated period, we finally got an opportunity to kick-start our lives, globally. An opportunity to get back to where we were (pre-Covid) proved to be the tonic we all needed. Having said that, the economic challenges borne by the "Covid-era" presented even bigger obstacles and forced us to seek out-of-the-box solutions. While we were grappling with these new-found challenges, our country was posed with an even mightier obstacle in the name of the July social unrests (whose roots were socio-economic fundamentals). The economic implications of this new beast were very detrimental, creating further complications to what was already a difficult period. Simultaneously, inflation became a global problem.

According to the National Treasury, structural constraints, have reduced potential economic growth for the past decade and remain an impediment to the recovery. During 2021, the economic effect of the pandemic (lost jobs and delayed investments) was exacerbated by inadequate electricity supply, with the highest levels of load shedding.

Our industry was not insulated from these challenges. This is evident from the economic impact study done by the National Film and Video Foundation (NFVF), which found:

- The Covid-19 pandemic had a destructive impact on the film industry, with the contribution of the industry to the South African economy contracting substantially by 59% in 2020/21 compared to 2019/20
- In total, the direct, indirect and induced economic impact of the film industry to the South African economy has been estimated at R7.2 billion in 2019/20, declining to R2.9 billion in 2020/21 due to the negative impact of Covid-19
- The number of full-time equivalent jobs created/sustained by the activities of the film industry was approximately 31 444 in 2019/20, before falling to 12 775 in 2020/21
- Annualised income derived by employees as a direct, indirect, or induced impact of the film industry amounted to R218 million for South Africa in 2019/20, declining to R88 million in 2020/21
- Households benefited to the tune of R803 million in income in 2019/20 because of the activities of the film industry, however, this declined to R326 million in 2020/21
- The approximate contribution to national government taxes amounted to an estimated R91 million in 2019/20, dropping to R37 million in 2020/21

The Board:

In Q2 of 2021, the MEC appointed a new board which brought different but complementary skills to take the organisation forward. The board wasted no time in implementing the strategy, but prevailing challenges borne out of the implementation of the organisational development process delayed the board's ability to get to the bread and butter issues. However, towards the end of the financial year, we started the process of appointing a permanent CEO and successfully achieved this task.

Highlights:

- We finalised the implementation of the organisational development process
- We recruited a permanent CEO
- We began a process of inviting potential investors for the development of international film studios
- We continued working with our SMMEs on developing the industry
- We began the process of setting up a mechanism to start a dialogue with industry bodies (Discover Summit)
- We partnered with the GFC alumni, to ensure closer relations with the industry through the G-Force concept.

The Year Ahead:

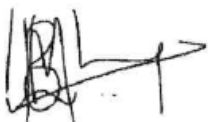
We are focusing on the bread and butter issues by:

- Getting our hands dirty and doing the work
- Creating a hub of development
- Assisting with access to markets
- Attracting investments
- Growing the revenue pool

Conclusion:

As the board, we would like to pass our heart-felt condolences to the families of all the creatives who passed: MacDonald Mathunjwa, Siphokazi Nxumalo, Lindiwe Ndlovu, Jonas Gwangwa, Steve Kekana, Tsepo Tshola, Wandi Mzimande, Themsie Times, Mzwandile Nzimande, Mongezi Stuurman (Mpura), Sakhile Hlatshwayo (Killer Kau), Patrick Shai, Rikhado Makhado (Riky Rick), Tumi Mooi (DJ Dimplez), Sandile Mkhize (DJ Citi Lyts), Khuli Roberts, and Siyabonga Zubane.

The board would like to thank the MEC, Mbali Hlophe for the department's support in delivering our mandate for the past year. I would like to thank my fellow board members for their input and guidance. An even greater appreciation for the GFC staff for their continued hard work, especially during challenging times, your efforts are not unnoticed.



Busi Mhaga

Chairperson of the Board

16 August 2022



5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



MS K LEBAKA

On the eve of our 20-year celebration, we are excited to report our achievements across our varying departments, Industry Support and Development (ISD), Marketing and Communications, Information Technology (IT), Human Resources (HR), and Legal and Governance. Ours is an industry hit particularly hard by the pandemic, together with our sister industry, hospitality. Reporting towards the tail end of the Covid-19 pandemic, we are proud to be at the forefront of the many global and national post Covid-19 recovery efforts. One of our main efforts was the Discover Gauteng Campaign, which focuses on reinvigorating the film industry.

Our allocation from the Department of Sport, Arts, Culture and Recreation has assisted us to fulfil our key mandate of Industry Support and Development. The Budget allocated for 2021/22 was R39,5 million (2020/21: R38,6 million), an increase of 2% from the previous financial year. Total assets decreased to R3,7 million from R4,7 million last year, as 2021 saw a large cash and cash equivalent brought forward due to the GFC not spending all its budget in the previous year, owing in large part to pandemic restrictions. This financial year, the GFC spent its entire budget and reported a deficit of R814,299. The GFC further records an accumulated surplus of R1,9 million, down from R2,8 million in 2021.

SPENDING TRENDS

Overall, our operating expenses increased by 14% over the past year from R37,4 million to R42,8 million in the current year.

KEY MILESTONES

The GFC implemented the outputs outlined for the second year of the Five-Year Strategic Plan during the year under review, while the Organisational Design (OD) around the structure was finalised and is currently in the implementation phase. As such the position of the Chief Executive Officer (CEO) was filled, while Executive: Partnerships, Industry Support and Projects, and Executive Corporate Services positions, which are new in the structure remain vacant, along with other positions.

A total of 35 positions were approved for the new structure, which implies that 12 new positions were added on the structural capacity of the organisation, while other existing positions were revised to meet the current strategic focus. However, due to budgetary constraints, only 26 positions were approved for implementation in the immediate phase, nine being frozen until budget is available to have them active.

Nine employees were transferred from the old structure, as they held permanent contracts of employment, and 15 (4 of which are managerial) positions have been declared vacant and the standard recruitment and selection process in terms of GFC Recruitment Policy will then be followed in filling these positions. The Company Secretariat function would then be outsourced. We also saw the re-establishment of the Labour Management Forum (LMF). Most importantly, we are currently finalising our Human Resources (HR) Policy.

Due to Covid-19 restrictions, which remained well into Q2 of the year under review, certain targets were only effectively implemented in Q3 and Q4. Details of these targets are outlined in Section B: Institutional Programme Performance Information.

NEW AND DISCONTINUED ACTIVITIES

For the year under review GFC amended the following outputs: Number of women and LGBTIQ produced content linked to the Basetsana Scriptwriting and Directing Programme to cater for broader inclusive

gender representation; and the Provincial signature festivals to promote Gauteng as a host of major events in the sector.

AUDIT REPORT MATTERS

GFC has received an unqualified audit for the year under review. The financial statements presented fairly, in all material respects, represent the financial position of the Gauteng Film Commission NPC as at 31 March 2022, 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).

KEY PARTNERS

GFC was proud to solidify six key partnerships during the year under review, four of which are renewals and two being new partnerships. We are happy to have renewed our partnerships with NFVF, Primestars, Trace TV and Moja Love which give us access to a million agencies, while partnerships with the MICT SETA and CATHSSETA enable us to offer 30 internships and 30 bursaries, ensuring we assist the audiovisual industry and meet our accredited skills development objectives. This also assisted in our revenue generation ambitions as part of our ongoing journey to improve sustainability.

TAX EXEMPTION

SARS has exempted the GFC from paying income tax.

ACKNOWLEDGEMENTS

I would like to acknowledge the leadership of the MEC, Ms. Mbali Hlope, the unwavering support of the Board of Directors, and the hard work of the GFC management and staff in ensuring the achievement of the annual targets and the delivery of the GFC mandate. Our overall performance is a result of dedicated teamwork and team spirit.



Ms K Lebaka

Chief Executive Officer
16 August 2022



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 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 2022.

Yours faithfully



Ms K Lebaka

Acting Chief Executive Officer
31 July 2022



Ms B Mhaga

Chairperson of the Board
31 July 2022

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

- 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

- Working together to assist each other and to enable all departments to succeed
- Sharing of knowledge and insights towards a common purpose

Innovation

- 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

- 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

- 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 a non-profit company (NPC). 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.

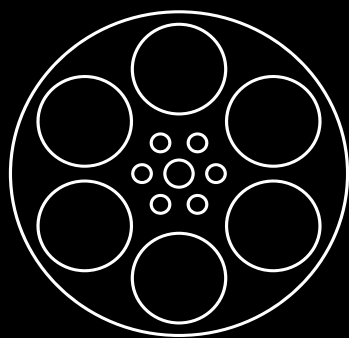
Under the strategic theme of the 6th Administration of the Gauteng Provincial Government: 'Growing Gauteng Together – Our Roadmap to 2030' (GGT2030), and informed by instructing legislation and policy, the Gauteng Film Commission defines its mandate purpose as:

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.





PART B

PERFORMANCE INFORMATION REPORTING



I. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

As a non-profit company, GFC is not required to prepare a report on its performance against pre-determined objective, as it does not fall within the ambit of the PFMA and as such reporting is not required in terms of the non-profit company's entity specific legislation. Refer to page 80 of the Report of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. SERVICE DELIVERY ENVIRONMENT

The film industry has a positive economic impact on the South African economy, but the advent of the Covid-19 pandemic and subsequent restrictions has forced the industry to reevaluate how productions and downstream operations, such as distribution and film festivals, will be executed. From an audiovisual and interactive media perspective, there is greater need for locally produced content to be developed and consumed, as there is a rise of international content consumption, which has indirectly benefited the South African sector. The total impact on output could be as much as -R30,2 billion. GDP was in turn affected by a drop of -R10,48 billion along with intermediary imports of -R3 billion, according to the Nelson Mandela University, Covid-19 Impact Survey Report released in May 2020.

An economic recovery plan has been tabled by the South African national government, which outlines the need to reconstruct and grow an inclusive economy through various interventions. Particularly for the creative and tourism sector, government plans to strengthen the development of online platforms and incentives. The following focus areas are prioritised:

- Stimulation of demand; and
- Audience development and consumption.

These focus areas are further reflected in the GFC: Annual Performance Plan 2021/22, which includes:

- Support for the development of local content, including digital content; and
- Development of cultural value adds to tourism packages and enhancing the profile of the coordinated value proposition.

Gauteng is South Africa's largest employment province, with over 1,9 million people working. The impact of South Africa's stalled economy is felt most acutely by the private sector workforce, which shed 2,2 million jobs in Q2 2020, while an estimated 820 000 people remain unemployed across the province.

2.2. ORGANISATIONAL ENVIRONMENT

The Organisational Design (OD) project was completed, and consultations with all relevant stakeholders successfully concluded. The New Organisational Structure was approved, with new positions profiled, evaluated and graded. A three-phase Implementation Plan was approved by the Board, with Phase I implementable immediately. HR Policies were also revised, alongside the OD project.

2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The draft white paper on the 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 citizens, including people with disabilities;
- Creates certainty and stability, by improving regulatory capacity;
- Facilitates competition and allows market entry by new entrants; and
- 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, and 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 contribute positively to the transformation of the sector, while battling the effects of Covid-19. It engaged on topics affecting the industry, allowing robust discussions to find solutions to key challenges faced by 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 South African film productions to grow their businesses and expand into the global market.

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 • Finalise and implement the revised provincial creative industries strategy • Supported launch of the Film Friendly Gauteng Campaign, which will enjoy excellent support from both industry suppliers, service providers and the industry as a whole • Strategic relationships between public and private sector stakeholders	• Optimised Gauteng's locational advantage through facilitating 551 permits • Played a developmental role for emerging and intermediary filmmakers, as well as a facilitative role for established filmmakers by supporting a total of 28 productions • Increased the number of local and international productions produced in Gauteng by facilitating ease of doing business through six (6) strategic partnerships • 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	
Contribution to Gauteng provincial priorities (GGT2030)	Key interventions and outputs of the annual performance plans during 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	• Eight script development programmes and research support were provided to emerging filmmakers • Supported 25 emerging filmmakers with content and enterprise 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

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 eight online digital content for streaming platforms - Focused on local and international marketing and festival strategy - Support 18 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 Priority 2: Education, skills revolution and health - Contribute towards effective talent development programmes for emerging filmmakers - Implement mentorship/incubator creative programmes - Training and bursaries for motion picture production - Entrepreneurship training programmes - Set up post-production and research facilities in libraries and monuments	- 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 - Supported 23 emerging film production mentorship filmmakers - Planned to establish AV resource centres in monuments in partnership with DSACR
Key enablers to support delivery of the outcome	Partnered with the MICT SETA for the creation of a fund for internships, mentoring and skills development benefitting 60 candidates

2.5 GFC SUPPORTED PROJECTS

2.5.1. Film Awards

The GFC supported the 15th Annual SAFTA Awards. These awards celebrate South African film and television talent and milestones. GFC contributed towards the streaming of the awards online.

2.5.2. Film Festivals

The GFC supports the following film festivals:

Project	Description
Kasi Film Festival	The main objective of the project is to showcase that women play a critical role in film production and directing and that there is a growing body of content for women to choose from. The project, Kasi Film Festival, is about hosting local movies produced and directed by women in township communities.
Reel to Reality	The Reel to Reality Festival aims to bridge the gap between new, emerging and established storytellers/filmmakers by showcasing stories told by storytellers of African descent that promote creativity and knowledge production. These film screenings provide skills development and knowledge circulation for filmmakers and people with an interest in storytelling, through screenings and panel discussions with filmmakers while offering work experience to freelance creatives involved in these screenings.

Project	Description
ARIFF	The Africa Rising International Film Festival (ARIFF) is a premier film festival that runs annually in Johannesburg, Newtown Precinct. ARIFF centres on an intersectional approach to support filmmakers focused on writing African stories and growing film appreciation in our communities. The festival focuses on the following pillars: Creating a platform that moves the voices of previously disadvantaged communities from the margins to the core; Creating an accessible industry that youth, women, queer and disabled communities can participate and thrive in; and creating a world class film festival that attracts local and international industry stakeholders.
Soweto Film Festival	The Soweto Film Festival aims to create the National Youth Service work integrated programme for 100 Public TVET students and unemployed youth and 41 permanent employment positions. The project intends to groom young people from 20-35 years of age in the film and TV training programme. Funding before the programme is granted in line with budget availability.
54 Houses Film Festival	The 54 Houses Film Festival provides a platform for young aspiring writers, producers and directors to showcase their work.
National Youth Arts Festival	The National Youth Arts Festival (NYAF) is an annual visual art festival, which premiered in 2022 in Johannesburg during Youth Month in June. The NYAF was run by the youth for the youth. The festival was divided into five components, namely film, music, dance, theatre and art (photography, painting, design, drawing, sculpture, crafts). The main aim of the festival was to celebrate young creatives and give them a platform for bigger opportunities.
Yes Stru Film Festival	The Yes Stru Film Festival promotes and assists filmmakers to understand the opportunities existing in the film industry and celebrates their commitment in reflecting true events in our society.
The Broke Ass Showcase	The Showcase's first objective is to create a community for digital media among those otherwise excluded from this network. Central to the festival is the focus on championing digital entertainment and independent content creation. The Broke Ass Showcase provides a platform to connect and celebrate South Africa's young film community whilst inspiring innovation and collaboration across the entertainment field.
MIC Film Festival	The MIC Film Festival endeavours to establish a culture of preserving South African music heritage, showcasing all genres of music to target audiences and communities.

2.5.3 Festival and Markets Attendance

Project	Description
MVP Productions	MVP Productions produced 'African America', a GFC funded film that is honoured to be nominated in four African Movie Academy Awards categories.

2.5.4 Marketing and Distribution

Project	Description
Coffee Stain Productions – Umendo	Umendo is a story of a young teenager forced into marriage against her will. This story follows an old tradition that is still practiced in the rural areas, where Indlavini (a group of young men) forcefully take a young lady, whom one of the young men fancies, and marry her against her will, returning to the girl's house a week later to pay lobola, to which the girl's parents agree. The world of the story is the rural part of Mount Alyf in Eastern Cape. A small village segregated by mountains, where during December holidays, the Indlavini sit and watch the movement of a girl whom they have decided to capture.
Blurred Lines	Blurred Lines is a romcom that seeks to position itself as a first-class film appealing to most audiences. Although the film touches on sexual issues, these are peripheral to the story and the main attraction of the film is that it has two highly recognisable, talented actors. Being a local production, Blurred Lines hopes to capture the imagination of South African audiences with its art-house feel and amazing cast. The promotional drive will therefore communicate a sexy, appealing, witty, visual feast to rival any international film.
Brothers	Brothers is a new movie produced by Amazon Entertainment, released and launched on 26 September 2021. The film highlights issues of violence and youth empowerment.
Ntash	Ntash is a film production that resonates with the struggles of Black youth in child headed households and their battles with poverty. The main aims and objective of the project is to explore filmmaking, expression through storytelling, exploring different film techniques and promoting a creative culture with young and driven individuals.

Project	Description
Murder in Paris	The film tells a powerful story of the unsolved murder of an unsung struggle hero Dulcie September. The story invokes various tactics including murder mystery; feminist icons; insights into the lives of apartheid-era exiles; and contemporary conversations around arms deals and corruption. As a narrative, the film is engaging, while at the same time returning Dulcie's name to public discourse through a committed impact campaign. The film's marketing and distribution campaign is the next phase in presenting the documentary to overseas markets.
Sollywood	Sollywood South Africa is focused on edutainment. It has begun a documentary on South African history from 1652 to the present, which the GFC intends to circulate in schools and libraries. Sollywood has launched 68 books, 18 documentaries, 8 film festivals, 4 music festivals and an artists' legal aid clinic. The project ran from October 2021 to March 2022 and was managed by a historian, traditional leaders, writers, public broadcasters and youth.

2.5.5. Productions Supported

Documentaries and Short Films Supported

The GFC supported the following documentaries and short films during the year under review:

- The Little Teaspoons of Sugar by Cabblo Studios was a 12-minute animated film about a sports-active schoolgirl whose dreams had to come to halt after realising she had sugar diabetes type 1.
- Korone Ya Me by Blackhut Films documents the history of black hair and the importance of it.
- Language of My Soul by Myrmidons about Ouma Kathrina's journey to preserve indigenous languages through children's literature.

GFC also supported documentaries which aimed at telling historical stories following the evolution of lifestyles due to socio-economic and political changes. These were heritage and historic productions to commemorate and immortalise cultural, traditional and long-established reality through the following projects:

- Myth by Khoza Motion Pictures was a 40- 45-minute documentary following six millennials living in Johannesburg who try to overcome an imbalance in their beliefs after being exposed to a spiritual realm at the Sudwala Caves, which later allows for ancient South African mythologies and ritual practices to manifest in their daily lives.
- SA Hip-Hop Museum by Back to the City promoted hip hop culture as a positive choice of activity for South Africa's youth. The museum created a timeline of all South African music scenes through film.

GFC recognised and supported two emerging talents in the industry namely:

- Mzansi's Worst Killers, a series that aimed to shed light on an interesting question of whether serial killers are made or born.
- Till Lockdown Do Us Part, a six-part series that is set during the pandemic. The series touches on the current issues that impact society.

Feature Films Supported

The GFC supported the following feature films during the year under review:

- Still By Still documentary told the story of the journey to self-discovery through the Covid-19 pandemic, through the eyes of a Pan Africanist couple's young grandson, Mangaliso Ngcobo.
- Karabo Kitchen by Primestars encouraged the participation of the youth in entrepreneurship, and detailed important qualities of an entrepreneur as well as how to overcome the challenges presented by it.

Digital Content

The GFC supported the following digital content during the year under review:

- Toony Tunes by TIFF Film and Multimedia was an animation covering various themes and subject matter revolving around corporate, social, and environmental issues.

Content for Television

The GFC supported the following content for television during the year under review:

- Skhanda Love by Leburugraphy Productions explored the global language of love and how true love still exists within a world driven by material wants and social media depictions.
- Not Joe's Wedding by Not Joe's Wedding (Pty) Ltd was a comedic coming of age story dealing with issues of romance and toxic masculinity. The story explored the challenges that men face while growing up and falling in love.
- Makomo by Lema Net portrays the role of artists in post-Apartheid South Africa.
- Liarholics by Rouge Taze is a fast-paced comedy that will take the audience through a journey of self-actualisation through the experiences of the characters and their own dealings
- Black Tax by Black Tax S20 (Pty) Ltd is a series following the journey of 34-year-old Thuli, who is forced to support her family after her dad's retirement.

Audience Development

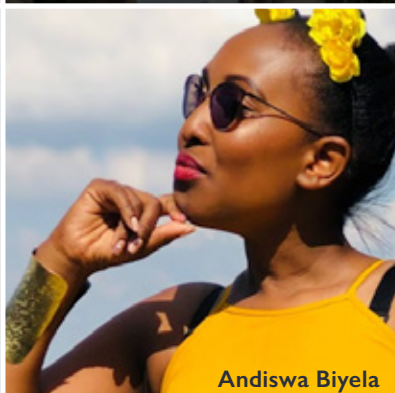
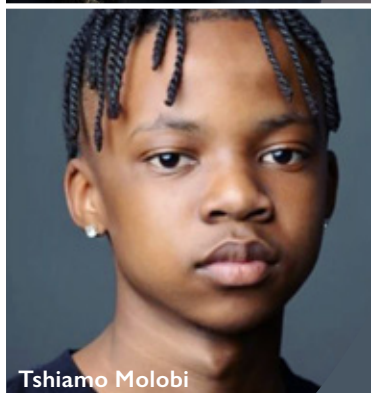
The GFC undertook the following efforts towards audience development during the year under review:

- Drive- In Cinema screening by Pusha Panda Trading 50 individuals attended.
- Freedom Day Film screening and online panel discussions on the relevance of youth participation in the film sector, 355 individuals attended.
- Youth Month Film screenings online panel discussions | 589 individuals reached.
- Heritage Month screening in September at Alex Mall hosted movie breakfast sessions screenings with 186 individuals attending discussions.
- Kasi to Kasi Queer Cinema Film Festival by Doti Productions held in Merafong in August had 378 individuals hosted in Carletonville; Sedibeng (Sebokeng); Ekurhuleni (Tsakani); Johannesburg (Soweto) and Tshwane (Hebron).

3. HIGHLIGHTS FOR THE YEAR UNDER REVIEW

G- FORCE LAUNCH

The G FORCE is the GFC ambassadorial programme, comprising of established legendary pioneers, as well as younger actors, directors and producers in the industry, who uphold and promote the GFC brand, strategic objectives and industry aspirations.



INTRA- AFRICAN TRADE FAIR

The GFC Launched its Discover Gauteng Campaign at a Pan African Campaign at the Inter Afrika Trade Fairs (IATF) 2021 in Durban KZN. The activation included an industry master class, covered by CNBC, stakeholder cocktail event and studio visits. IATF is a key event boosting trade in Africa.



3. HIGHLIGHTS FOR THE YEAR UNDER REVIEW

DISCOVER GAUTENG LAUNCH

In November 2021, GFC launched the Discover Gauteng campaign, where filmmaking treasure awaits. A hive of unique locations, world-class infrastructure and technical expertise, cultural diversity and the best in acting talent, as well as programmes that empower filmmakers.



gfc | **DISCOVER GAUTENG**
FILMMAKING TREASURE AWAITS



3. HIGHLIGHTS FOR THE YEAR UNDER REVIEW

STAKEHOLDER ENGAGEMENT SESSION WITH THE CREATIVE SECTOR 30 March 2022

From Analogue to Digital:

Equipping Gauteng Filmmakers for the global content economy.



David Makubyane, SABC



Barba Gaoganediwe, GTA



LEGAL UNIT

Over the long term, GFC did not have a completely comprised Board, until 1 October 2021. The MEC appointed a fully constituted Board, which was one of the GFC highlights in the financial year 2021/22.



HUMAN RESOURCE

HR unit launched an Employee Wellness programme to assist with the Organisational Design process.



3. HIGHLIGHTS FOR THE YEAR UNDER REVIEW

HAPPINESS EVER AFTER directed by Thabang Moleya



THANDO by Bakwena Productions



3. HIGHLIGHTS FOR THE YEAR UNDER REVIEW

Black Tax by Black Tax S20 (Pty) Ltd.

The series follows the journey of 34-year-old Thuli, who is forced to support her family after her dad's retirement.

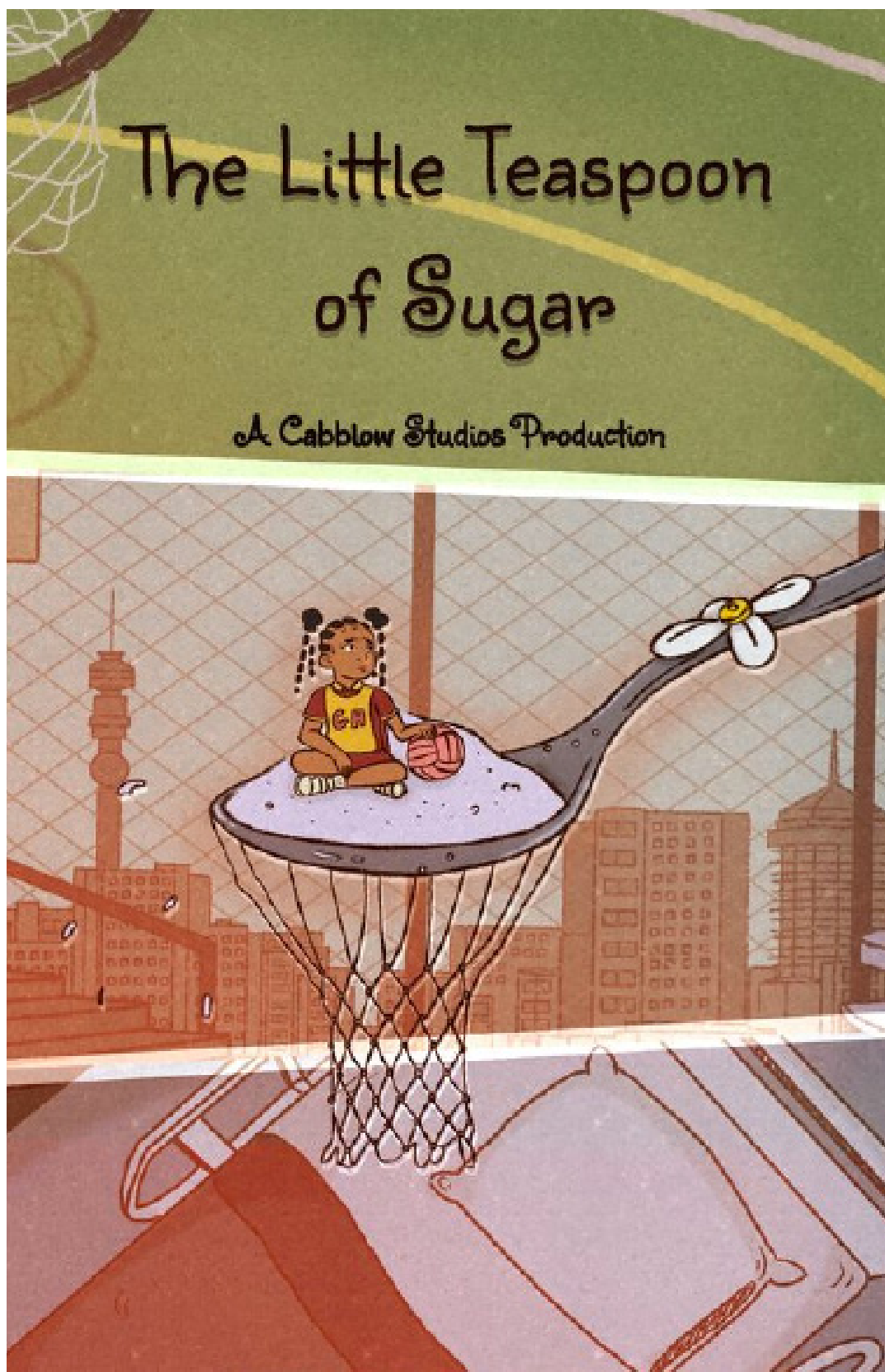


Liarholics by Rouge Taze

The film is a fast-paced comedy that will take the audience through a journey of self-actualisation through the experiences of the characters and their own dealings.

Emerging film:

The Little Teaspoons of Sugar by Cabblow Studios was a 12-minute animated film about a sports-active schoolgirl whose dreams had to come to halt after realising she had sugar diabetes type 1.



3. HIGHLIGHTS FOR THE YEAR UNDER REVIEW

FAK'UGESI- African Innovation Festival



Karabo Kitchen by Primestars encouraged the participation of the youth in entrepreneurship, and detailed important qualities of an entrepreneur as well as how to overcome the challenges presented by it. The World Economic Forum nominated film is part of African impact projects on the continent to collaborate with, on a local and global stage.



SA Hip-Hop Museum by Back to the City promoted hip hop culture as a positive choice of activity for South Africa's youth. The museum created a timeline of all South African music scenes through film.



GFC FUNDING CALL

840
Applications in progress

3 HOURS
BEFORE CLOSING

Deadline: 09 May 2022, 23:59pm

ICT

The ICT Team led the implementation of the Grant Management System project, and played an intricate part in starting up the process which has ultimately led to the rollout of the Grant Management System.



Visit www.gautengfilm.org.za to apply

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1. PROGRAMME I: 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

The strategic objectives under Programme are:

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

Table 2.4.4.1 - Annual summary against original APP targets 2021/22

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Audited actual performance 2020/21	Planned annual target 2021/2022	*Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
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	2	3	4	4	4	0	Not applicable
		Number of permits and locations facilitated with municipalities	100%	100%	378	440	551	+111	Due to the high number of permits received due to the reopening of the sector
2. Increased support for regional content and the telling of South African stories	Script development and research support	Number of script development projects supported	8	8	9	8	8	0	Not applicable
		Number of Documentaries and Short Films supported	20	20	6	6	6	0	Not applicable
	Support to audiovisual content productions supported	Number of feature films	0	0	4	3	3	0	Not applicable
		Number of emerging filmmaker productions supported	0	0	8	8	8	0	Not applicable
		Number of content for television supported	0	0	8	8	8	0	Not applicable
		Number of historic and heritage productions supported	0	0	-	4	4	0	Not applicable
		Number of jobs created through projects supported	1 291	711	1 023	800	846	46	Additional jobs were created as a result of the production supported.

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

Table 2.4.4.1 – Annual summary against original APP targets 2021/22 – continued

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Audited actual performance 2020/21	Planned annual target 2021/2022	*Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
3. Enhanced market penetration of Gauteng produced content	Enhanced market penetration of Gauteng produced content	Number of broadcast and digital content supported for streaming / pay-per-view platforms	New indicator	12	20	18	19	+1	Over achievement was to augment shortfall in Q2 and opportunities to implement smaller regional screenings. No additional budget was not incurred by GFC.
		Number of audience development initiatives supported	20	14	20	18	19	+1	Over achievement was due to augment shortfall in Q2 and opportunities to implement smaller regional initiatives.
		Number of individuals reached through audience development projects	20 703	10 000	81 762	18 000	4 370	-13 630	Due to fewer attendees at supported physical events.
		Number of jobs created through projects supported	968	711	1 023	800	846	+46	Additional jobs were created as result from all the productions supported. No additional budget was incurred by GFC

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

Table 2.4.4.1 - Annual summary against original APP targets 2021/22 – continued

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Audited actual performance 2020/21	Planned annual target 2021/2022	*Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
4. Industry transformed through training, mentorship and enterprise development	Film as a career and master classes	Number of non-accredited training projects supported	18	New indicator	11	10	9	-1	Due to non-approval of creative legal workshop
		Number of individuals trained through non-accredited programmes	963	450	7 647	410	282	-128	Due to projects that did not obtain adequate attendance and withdrawal of Q4 project
		"Number of bursaries supported in partnership with MICT SETA for under and post graduate programmes	0	0	0	30	30	0	Not applicable
		Number of graduate interns supported in partnership with MICT SETA for a 12 month on the job training	0	0	0	30	30	0	Not applicable
		Number of accredited training projects supported	0	0	5	5	5	0	Not applicable
		Number of individuals trained through accredited programmes	0	0	207	170	89	-81	Underachievement was due to few attendees able to attend the scheduled session

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

Table 2.4.4.1 - Annual summary against original APP targets 2021/22 – continued

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Audited actual performance 2020/21	Planned annual target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
4. Industry transformed through training, mentorship and enterprise development	Train and develop emerging content creators towards sustainability and participation in the industry, through partnership	Number of productions, editing and research facilities (monuments) established in regions	0	2	2	4	0	-4	Due to budget reappropriation from SACR Department. Indicator to be implemented if adequate budget is provisioned
		Number of individuals accessing production, editing and research facilities (monuments) established in regions	0	20	7	55	43	-12	Underachievement was due to facilities not being operational. Target was amended due to lockdown restrictions and closure of facilities.
		Number of emerging enterprises supported	0	24	33	25	25	0	Not applicable

4.1. PROGRAMME I: INDUSTRY SUPPORT AND DEVELOPMENT (ISD)

Table 2.4.4.3 - Linking performance with budgets

Industry Support and Development – PROGRAMME I						
	2021/22			2020/21		
	Final appropriation R	Actual expenditure R	(Over)/under expenditure R	Final appropriation R	Actual expenditure R	(Over)/under expenditure R
Audiovisual Production	3 020 000	3 155 500	-135 500	3 219 270	3 823 418	-604 148
Audience Development	2 340 000	2 759 929	-419 929	2 740 000	2 714 656	25 344
Digital Streaming Content	800 000	766 000	34 000	1 000 000	635 000	365 000
Postproduction and Research Hub	80 000	274 543	-194 543	144 000	64 219	79 781
Skills Development	1 450 000	1 621 479	-171 479	1 484 000	2 066 553	-582 553
Content for Television	1 260 000	1 540 000	-280 000	1 500 000	1 505 000	-5 000
Script Development	896 137	773 000	123 137	1 500 000	1 080 000	420 000
Enterprise Development	1 250 000	1 260 000	-10 000	1 250 000	1 391 692	-141 692
Location and Permits	63 474	25 000	38 474	47 730	0	47 730
MICSETA	4 306 567	3 548 921	757 646	0	0	0
Heritage and Historical Women and LGBTIQ	600 000	265 700	334 300	0	0	0
	504 400	184 680	319 720	0	0	0
Total Industry Support and Development	16 570 578	16 174 752	395 826	12 885 000	13 280 538	-395 538

4.2. PROGRAMME 2: MARKETING & COMMUNICATION

The Marketing and Communications Unit delivers integrated marketing and communication interventions to the organisations' internal and external stakeholders.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

The strategic objectives under Programme 2 are:

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

Table 2.4.4.5 - Annual summary as per the adjusted APP targets 2021/22

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2020/2021	Audited actual performance 2020/21	Planned annual target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
3. Enhanced market penetration of Gauteng produced content	Enhanced marketing and distribution of Gauteng content	Number of film awards supported	4	4	5	2	1	-1	Underachievement was due to SACR iShashalazi Awards that were cancelled
		Number of provincial signature festivals supported	0	0	10	2	2	0	Not applicable
		Number of GFC supported productions assisted with Distribution and Marketing	14	14	14	5	7	+2	Overachievement due additional projects supported
	Enhanced audience development and awareness of local content	Digital and Social media support for GFC supported productions	0	0	0	8	18	+10	Overachievement due additional projects requested for digital online support. No additional budget incurred.

4.2. PROGRAMME 2: MARKETING & COMMUNICATION

Table 2.4.4.6 - Linking performance with budgets

MARKETING AND COMMUNICATIONS – PROGRAMME 2						
	2021/22			2020/21		
	Final appropriation R	Actual expenditure R	(Over)/under expenditure R	Final appropriation R	Actual expenditure R	(Over)/under expenditure R
Annual Report	150 000	126 350	23 650	142 000	121 350	20 650
Film Awards	355 000	406 000	-51 000	105 000	105 000	0
Industry Communications	-	0	0	70 000	48 600	21 400
Website Maintenance	175 000	184 951	-9 951	70 000	67 290	2 710
Location Gallery Updates	11 000	0	11 000	-	0	0
Message on Hold	15 000	6 291	8 709	7 000	4 494	2 506
Outbound Mission	-	0	0	-	0	0
Inbound Mission	-	0	0	-	0	0
Marketing and PR	1 842 000	1 831 393	10 607	615 000	566 629	48 371
Marketing Support of Film Production	1 350 000	1 341 013	8 987	723 210	710 010	13 200
Film Festivals and Markets	16 000	0	16 000	639 630	630 000	9 630
Advertising Placements	300 000	397 800	-97 800	40 000	30 000	10 000
Branding Partnership	-	0	0	60 000	25 600	34 400
Marketing Material	-	0	0	67 160	42 900	24 260
Total	4 214 000	4 293 798	(79 798)	2 539 000	2 351 873	187 127

4.3 PROGRAMME 3: SUPPORT AND ADMINISTRATION

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

1. Office of the CEO (strategic planning and reporting, monitoring and evaluation and research)
2. Financial management services
3. Human capital management services
4. Legal and governance services
5. Information communication technology services

Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

The strategic objective for Programme 3 is:

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

Outputs:

The GFC impact study relates to an evaluation of the impact made by the Gauteng Film Commission, considering the many investments contributed by the GFC to the film and television industry. The study aims to assess the local sector of entertainment for existing needs and opportunity; and establish the impact of the GFC's intervention strategies towards arising needs and opportunities. The study makes use of mixed methods, using qualitative and quantitative research methods to assess two aspects of the intervention strategies provided by the GFC – impacts and opportunities, and areas of growth.

The stakeholder Strategy was developed to bridge the gap between the industry and business sectors. It also seeks avenues for strategic partnerships to raise additional funding support for industry programmes, such as skills development, distribution platforms and the ease of doing business in Gauteng. This culminated in the industry engagement session hosted by MEC Hlophe with various industry role players and organisations such as IDC, SABC, MICT SETA, DTIC and Gauteng Tourism to discuss with filmmakers how they can be equipped for the global content economy.

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 to inform future strategies - Research to champion digital transformation in the audiovisual space
Considerations in relation to women, youth and people with disabilities	Recruitment policy and process factored women and youth
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

Table 2.4.4.6 - Annual summary as per the adjusted APP targets 2021/22

PROGRAMME/SUB-PROGRAMME									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Audited actual performance 2020/21	Planned annual target 2021/2022	*Actual Achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
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	10	8	-2	Underachievement was due to partnerships with GTA and Lotto not concluded
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	0	New target	Annual state of the Gauteng AV industry report produced	Annual state of the Gauteng AV industry report produced	Research on impact of GFC support to the industry to be conducted	0	Commissioning of impact report replaced Annual State of the Gauteng AV Industry Report
6. Sound governance, operational excellence and high-performance	Strengthen the internal control environment and financial management	Core to programme operational budget expenditure ratio	0	New target	1:0.40	1:0.38	1:0.40	1:0.02	Core programmes increasing expenditure operations ratio
	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	Master plan implemented	ICT Strategy implemented and reviewed	ICT Strategy implemented and reviewed	0	Not applicable
	Promote good governance	% Implementation of King IV Governance and Leadership principles	0	0	New target	100%	100%	0	Not applicable
		% of employees that received training as per the approved plan	0	0	New target	60%	85%	0	Not applicable

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
ADMINISTRATION AND SUPPORT SERVICES - PROGRAMME 3	20 063 872	20 600 866	(536 994)	21 374 971	20 469 006	905 965
Administration Services	165 196	176 319	-11 123	165 196	159 627	5 569
Building, Office maintenance and Operations	31 624	27 464	4 160	41 624	31 630	9 994
Development and Maintenance of IT Services	1 215 000	1 123 325	91 675	958 039	822 760	135 279
Human Resource Cost	457 556	561 904	-104 348	631 000	541 639	89 361
Printing and Stationery	89 549	82 684	6 865	116 556	73 434	43 122
Professional Services	686 584	679 212	7 372	726 100	751 579	-25 479
Auxiliary Services	481 586	608 209	-126 623	532 586	570 126	-37 540
Employee Cost	16 906 777	17 330 014	(423 237)	18 173 870	17 456 910	716 960
Loss on Assets Write Off	-	2 743	(2 743)	-	19 504	-19 504
Fines and Penalties	-	0	-	-	36 489	-36 489
Finance Cost	30 000	8 991	21 009	30 000	5 308	24 692
LEGAL AND GOVERNANCE	1 365 550	1 467 534	(101 984)	665 657	756 803	(91 146)
Audit Committee Fees	110 100	35 200	74 900	119 452	68 350	51 102
Bid Committee Fees	0	0	-	16 500	0	16 500
Advice to the Board	0	35 000				
Directors Remunerations	501 000	706 700	(205 700)	259 905	324 950	(65 045)
Legal Fees	528 000	403 942	124 059	30 000	272 351	-242 351
Refreshment and Meetings	0	57 350	(57 350)	36 000	2 241	33 759
Remuneration Committee Fees	110 100	151 600	-41 500	67 800	67 450	350
Social and Ethics	0	0	0	66 000	0	66 000
Training and Development - Board	116 350	77 742	38 608	70 000	21 461	48 539
ADVOCACY AND STRATEGY	540 000	362 862	177 138	808 000	623 774	184 226
Research	0	0	0	250 000	250 000	0
Strategic Planning	235 000	224 262	10 738	308 000	373 774	(65 774)
Special Projects	305 000	138 600	166 400	250 000	0	250 000
Grand Total Administration and Support Services	21 969 422	22 431 261	(461 839)	22 848 628	21 849 583	999 045
ADMINISTRATION AND SUPPORT SERVICES - PROGRAMME 3	20 063 872	20 600 866	(536 994)	21 374 971	20 469 006	905 965

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

During the development of the Strategic Plan in the fourth quarter of 2019/20 there was a requirement for comprehensive measures to deal with the impact of the 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 GFC, in partnership with Primestars 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 students at the beginning of June 2020, many learners struggled to catch up with the maths and science content due 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.

6. TRANSFERS, GRANTS AND INVESTMENTS

6.1 TRANSFER PAYMENTS

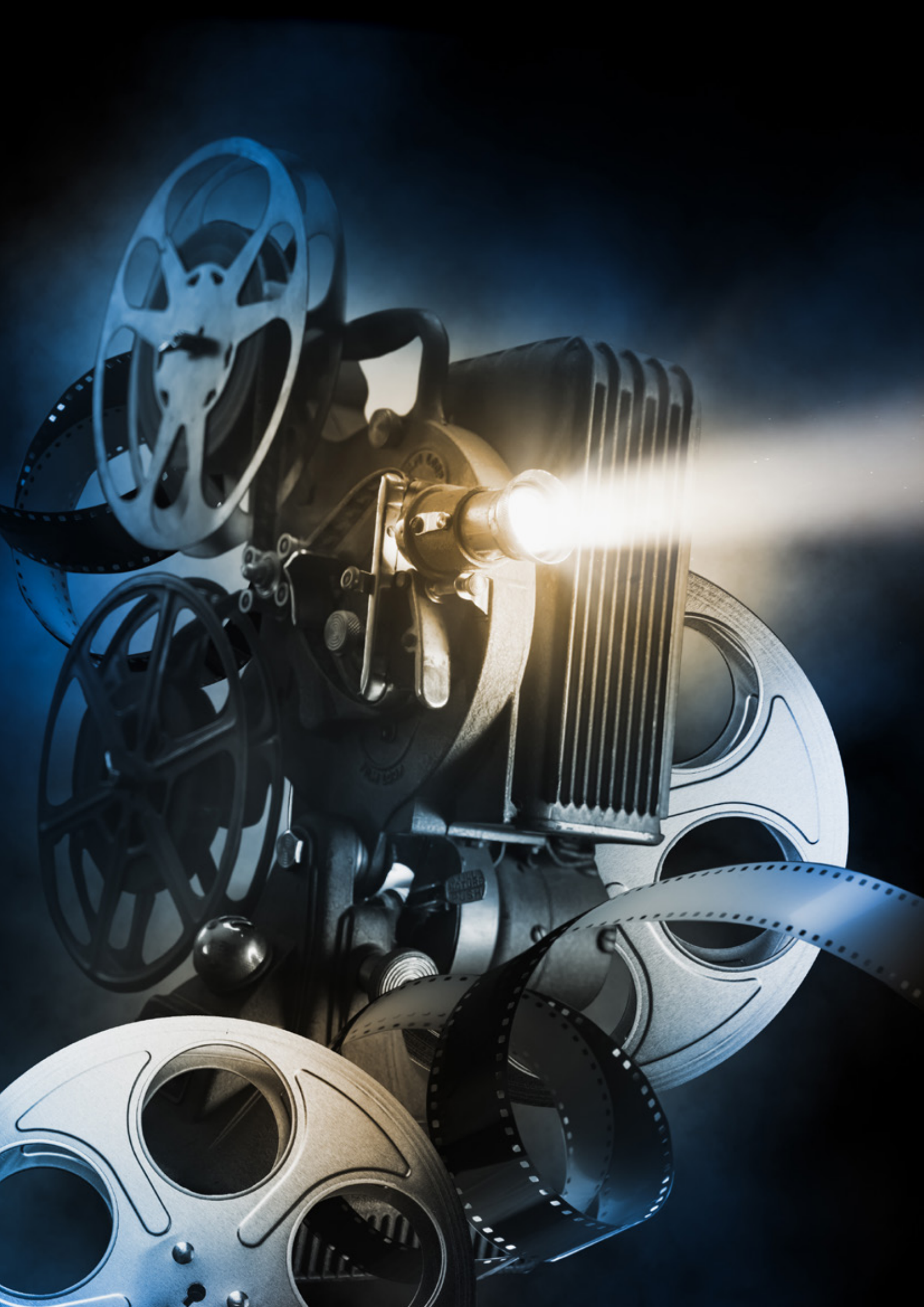
The GFC does not transfer funds to other entities.

6.2 CONDITIONAL GRANTS OR DONOR FUND

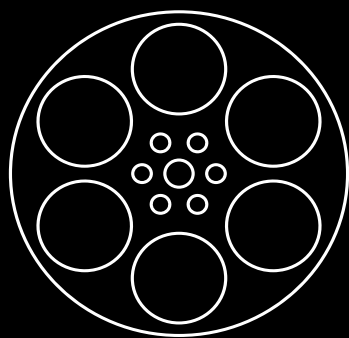
	2021/22			2020/21		
	ESTIMATES	ACTUAL AMOUNTS COLLECTED	(OVER)/ UNDER COLLECTION	ESTIMATES	ACTUAL AMOUNTS COLLECTED	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
REVENUE COLLECTION						
Government grant	38 691	38 691	0	38 469	38 469	0
Conditional grant – MICT SETA	4 307	3 529	778	300	300	0
Interest received	208	208	0	287	287	0
Total	43 206	42 428	778	39 056	39 056	0

7.3. CAPITAL INVESTMENT

No capital investments were provided for by the GFC during the year under review.







PART 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 following is a list of reports submitted to executive authority during the year under review:

REPORTS SUBMITTED TO EXECUTIVE AUTHORITY	SUBMITTED DATE
Performance Monitoring Report – Quarter 1, 2021/22 Financial Report – Quarter 1	31/07/2021
Performance Monitoring Report – Quarter 2, 2021/22 Financial Report – Quarter 2	30/10/2021
Performance Monitoring Report – Quarter 3, 2021/22 Financial Report – Quarter 3	28/01/2022
Performance Monitoring Report – Quarter 4, 2021/22 Financial Report – Quarter 4	29/04/2022

3. THE ACCOUNTING AUTHORITY/BOARD

3.1 INTRODUCTION

The GFC Board, as the Accounting Authority, is responsible for ensuring that the Commission prepares Annual Financial Statements and for the judgements made on this information. The Accounting Authority is further responsible for approving the corporate strategy, business plans, budgets and monitoring management closely in implementing it, as well as for ensuring that Risk Management processes are in place. The Accounting Authority is also responsible for ensuring that the GFC complies with all relevant laws and regulations and codes of best practice.

The Board's responsibilities and accountability for the public entity's performance and strategic direction are set out below:

- Set strategic direction and goals of the GFC and monitor outputs
- Oversee management's implementation of such strategy
- Appoint such committees of the GFC as may be appropriate
- Assist in the discharge of its responsibilities and to determine its 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 stakeholder

3.2 BOARD CHARTER

The following is a summary of the Board Charter for the GFC:

The GFC Board shall consist of no less than three (3) and no more than ten (10) directors, nine (9) directors shall be non- executive and (one) 1 executive member shall be the Chief Executive Officer by virtue of employment. The Chief Financial Officer will attend by invitation.

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

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 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

The current financial year brought challenges in terms of the Board of Directors composition in relation to Company Intellectual Property Commission (CIPC) registration. A process was undertaken from MEC's office to appoint a new Board of Directors for GFC, since only two members remained after resignation of other members from the previous Board. In the interim, 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 to assist in the removal of the previous directors, who are no longer directors of the GFC. Subsequently CIPC would then be updated with new directors, after the appointment of the GFC Board by the MEC and Premier's office. New board members were added to CIPC database on 31 January 2022.

3. THE ACCOUNTING AUTHORITY / BOARD

3.4. COMPOSITION OF THE BOARD



Ms Busi Mhaga
Chairperson



Mr Percy Manzini
Deputy Chairperson



Ms Lebo Ndadana
Board Member



**Mr Lufuno
Nematswerani**
Board Member



Mr Elson Kgaka
Board Member

Date appointed:
01 November 2020
(JAC)*
01 October 2021

Contract Status:
On going

Qualifications:
Bachelor of Philosophy
– transport and logistics
Bachelor of Technology
– town and regional
planning
Diploma in town and
regional planning
Global Executive
Development
Programme

Area of expertise:
Business Management;
Public Service
Management

Board directorships:
None

**Other committees or
task teams:**
Governance &
Investment, Nominations
Committee

Date appointed:
1 October 2021

Contract Status:
On going

Qualifications:
Masters in Business
Administration (MBA);
MPhil Development
Finance - in progress;
Doctor of Business
Administration - in
progress

Area of expertise:
Business Administration
Finance

Board directorships:
None

**Other committees
or task teams:**
Governance &
investment, ARCO,
Nominations
Committee

Date appointed:
01 November 2020
(JAC)*
8 February 2022

Contract Status:
On going

Qualifications:
CA (SA)
BCompt Honours
Accounting Science
BCom Financial
Accounting.

Area of expertise:
Finance

Board directorships:
None

**Other committees or
task teams:**
ARCO, Governance &
Investment

Date appointed:
1 November 2020
(JAC)*
01 October 2021

Contract Status:
On going

Qualifications:
Masters in Business
Administration (MBA),
Honours Degree in
Human Resource
Development,
Postgraduate Diploma in
Management.
PhD in Human
Resources - in progress

Area of expertise:
Human Resources

Board directorships:
None

**Other committees
or task teams:**
REMCO, Governance &
Investment, HR & Ethics

Date appointed:
1 October 2021

Contract Status:
On going

Qualifications:
Masters in Business
Administration (MBA)
MPhil Development
Finance – in progress
Doctor of Business
Administration – in
progress

Area of expertise:
Human Resources

Board directorships:
None

**Other committees or
task teams:**
HR & Ethics



Ms. Nthabeleng Zondo
Board Member



Mr. Thato Molamu
Board Member



Ms. Keitumetse Mahlangu
Board Member



Mr. Keith Khoza
Board Member



Ms. Komathie Govender
Board Member

Date appointed:
1 October 2021

Contract Status:
On going

Qualifications:
Master of Science (MSc)
International Marketing
Management
Bachelor of Business
Administration (BBA)
International Tourism
Management &
International Relations &
Diplomacy
Associate of Science
(AS) International
Tourism & Hospitality
Management

Area of expertise:
Human Resource

Board directorships:
Bumbles Babies (Pty)
Ltd
Msebe Foods (Pty) Ltd
Msebe Energy (Pty) Ltd

**Other committees or
task teams:**
HR & Ethics

Date appointed:
1 October 2021

Contract Status:
On going

Qualifications:
Postgraduate Diploma
in Managerial practice,
Certificate in Journey
into Abundance,
Certificate in
Intrapreneurial
Skills Development,
Certificate in Project
Management

Area of expertise:
Film & Television Project
Management

Board directorships:
None

**Other committees or
task teams:**
REMCO, Governance &
Investment, HR & Ethics
Committee

Date appointed:
1 October 2021

Contract Status:
On going

Qualifications:
LLB
BProc
MAP
Certificate in Fraud
Exam
Certificate in Legislative
drafting

Area of expertise:
Law
Governance

Board directorships:
None

**Other committees or
task teams:**
ARCO

Date appointed:
1 November 2020
(JAC)*
01 October 2021

Contract Status:
On going

Qualifications:
Master of Public
Administration,
Postgraduation Diploma
Administration

Area of expertise:
BPublic Administration

Board directorships:
None

**Other committees or
task teams:**
ARCO

Date appointed:
1 October 2021

Contract Status:
On going

Qualifications:
Chartered Accountant,
Honours in Accounting

Area of expertise:
Finance

Board directorships:
None

**Other committees or
task teams:**
ARCO

**Members were appointed and served in the Joint Action Committee (JAC), executing board responsibilities and were later appointed into the newly formed board on 01 October 2021.*

3. THE ACCOUNTING AUTHORITY / BOARD

3.4. Executive and Management



Ms Keitumetse Lebaka
Acting Chief Executive Officer



Ms Anthea Mokoena
Company Secretary and Legal Manager



Mr Elliot Maluleke
Chief Financial Officer

Date appointed:
19 October 2020 Until further notice

Contract Status:
On going

Qualifications:
Bachelor of Philosophy 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,
Masters in business management

Area of expertise:
Strategy development
Policy development
Project management
Portfolio management
Human resource management
Business development
Grant management
Business management
Supply chain management Contract
Supply chain management
Contract management

Board directorships:
None

Other committees or task teams:
Board; ARCO; REMCO; Social and Ethics Committee

Date appointed:
1 June 2012

Contract Status:
On going

Qualifications:
B Proc;
Diploma in drafting contracts and MAPP

Area of expertise:
Contracts and litigations

Board directorships:
None

Other committees or task teams:
REMCO
ARCO
Social and Ethics Committee

Date appointed:
1 March 2009

Contract Status:
On going

Qualifications:
B Com
SAICA Articles
SAIPA
AGASA

Area of expertise:
Finance;
Auditing;
Corporate Governance

Board directorships:
None

Other committees or task teams:
REMCO
ARCO
Social and Ethics Committee

3.5 COMMITTEES

COMMITTEE	NO. OF MEETINGS	NO. OF MEMBERS	NAME OF MEMBERS
Joint Advisory Committee	15 meetings	4 members	Busi Mhaga Lufuno Nematswerani Keith Khoza Lebogang Ndadana
Human Resource and Ethics Committee	4 meetings	4 members	Lufuno Nematswerani Nthabeleng Zondo Thato Molamu Elson Kgaka
Audit and Risk Committee	1 meeting	4 members	Lebogang Ndadana CA (SA) (Chairperson) Percy Manzini Keith Khoza Keitumetse Mahlangu
Governance and Investment Committee	6 meetings	4 members	Busi Mhaga Percy Manzini Lufuno Nematswerani Lebogang Ndadana

3.6 REMUNERATION OF BOARD MEMBERS

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

Remuneration paid to each board member:

GFC DIRECTORS REMUNERATION FINANCIAL REPORT FROM APRIL 2021 - MARCH 2022 - AR SECTION

NAME	REMUNERATION PER SITTING	OTHER ALLOWANCES	OTHER RE-IMBURSEMENTS	TOTAL
Ms. B Mhaga	203 000	-	-	203 000
Mr. K Khoza	82 500	5 250	-	87 750
Ms. L Ndadana	55 000	3 500	-	58 500
Mr. L Nematswerani	109 500	9 450	-	118 950
Ms. K Govender	16 500	1 050	-	17 550
Mr. E Kgaka	66 000	3 850	-	69 850
Ms. K Mahlangu	55 000	3 150	-	58 150
Mr. P Manzini	90 000	4 900	-	94 900
Mr. T Molamu	77 350	4 200	-	81 550
Ms. N Zondo	66 000	3 850	-	69 850
Total	820 850	39 200	-	860 050

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.

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; and
- 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; and
- 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 the internal audit function during the financial year under review. In terms of the approved annual audit plan, the following audits have been conducted: 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 the 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; and
- Review significant adjustments on the annual financial statements and annual performance reports resulting from audits.

The following is a summary of audit work conducted by the Committee during the year under review:

- Review 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	08 February 2022	On going	1
Keith Khoza	Masters in Public Administration, Postgraduate Diploma in Administrative Studies	External	N/A	01 October 2021	On going	1
Percy Manzini	Doctor of Business Administration (in progress), Masters of Philosophy in Development Finance, MBA	External	N/A	01 October 2021	On going	1
Keitumetse Mahlangu	LLB	External	N/A	01 October 2021	On going	1

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 assists 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 GFC 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 GFC 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 GFC management and staff to high standards of conduct in their dealings with clients and stakeholders. There were incidents during the year under review, which have been brought to the attention of the Board.

II. 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 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 the Covid-19 Workplace Management Plan. This plan entails a Covid policy framework, protocols and other measures that needed to be put in place to ensure the safety of employees and other stakeholders, 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 stopping the spread of the virus, GFC delivered a Workplace Covid-19 Compliance Programme, discussed below.

II.1. WORKPLACE COVID-19 COMPLIANCE PROGRAMME

Since the COVID-19 breakout in March 2020, the HR unit hired Covid-19 compliance officers and provided them with training to ensure the organisation fully complies with the country's regulations and protects the lives of its employees' and other stakeholders'. A Covid-19 policy providing a guiding framework with regards to safety requirements and protocols was developed and adopted. Standard physical safety modifications of 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 the necessary tools of trade to work from home during the pandemic, and only came to the office on rotational basis, depending on the lockdown alert level.

12. COMPANY/BOARD SECRETARY

The Company/Board Secretary of the GFC has the following responsibilities:

- 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 services 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; and
- Formulates meeting agendas, convenes Board and sub-committee meetings, and ensures proper recording of minutes.

13. REPORT OF THE AUDIT AND RISK COMMITTEE

Audit and Risk Committee responsibility

The Audit Committee is mandated to provide oversight on governance, control and risk management processes. The terms of reference are set out in the Audit Committee Charter, which is approved by the Board of Directors. The Audit Committee Charter is assessed and reviewed on a regular basis. The affairs of the Audit Committee have been regulated in compliance with applicable laws, regulations and the charter. The Audit Committee has discharged all its responsibilities contained in the Audit Committee Charter.

During the period under review, the following initiatives were undertaken:

- Reviewing the Audit Committee's work plan and charter and making recommendations to the Board regarding its effectiveness;
- Overseeing the development and implementation of risk management process;
- Overseeing processes and procedures designed to safeguard assets, and
- Reviewing the GFC's annual report which includes separate annual financial statements and any other public reports or announcements that contain financial information and then recommending these to the board for approval.

Enhancing the effectiveness of the Audit Committee

The Audit Committee reported quarterly to the Board of Directors regarding the oversight role of the committee. The Audit Committee has regular engagements with Internal Audit, Auditor General, management and any other key role players that are key in promoting combined assurance. The Audit Committee noted emerging risks and ensured that these risks were included in the risk profile of the GFC and addressed in the Annual Audit Plan.

Effectiveness of Internal Control

The internal audit function is outsourced to an independent service provider. A high-level review of the design, implementation and effectiveness of internal control is performed annually. The purpose of the review is to provide the Audit Committee with comfort on the financial reporting controls that are relied upon in the preparation of annual financial statements.

The Audit Committee is of the view that the system of internal control for the period under review was adequate, efficient and effective.

It is our opinion based on discussion with management and the external and internal auditors that the audit findings reported in the current year are a fair representation of the internal control environment at the GFC and management has responded adequately to the findings.

The Audit Committee is satisfied that the internal audit function at the GFC has provided adequate coverage for the current financial year.

The Audit Committee is satisfied with the content and quality of quarterly management reports that are prepared by management and approved by the Board of Directors.



Ms L Ndadana CA (SA)

Chairperson

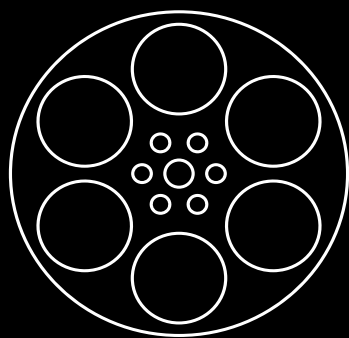
29 July 2022

14. 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.

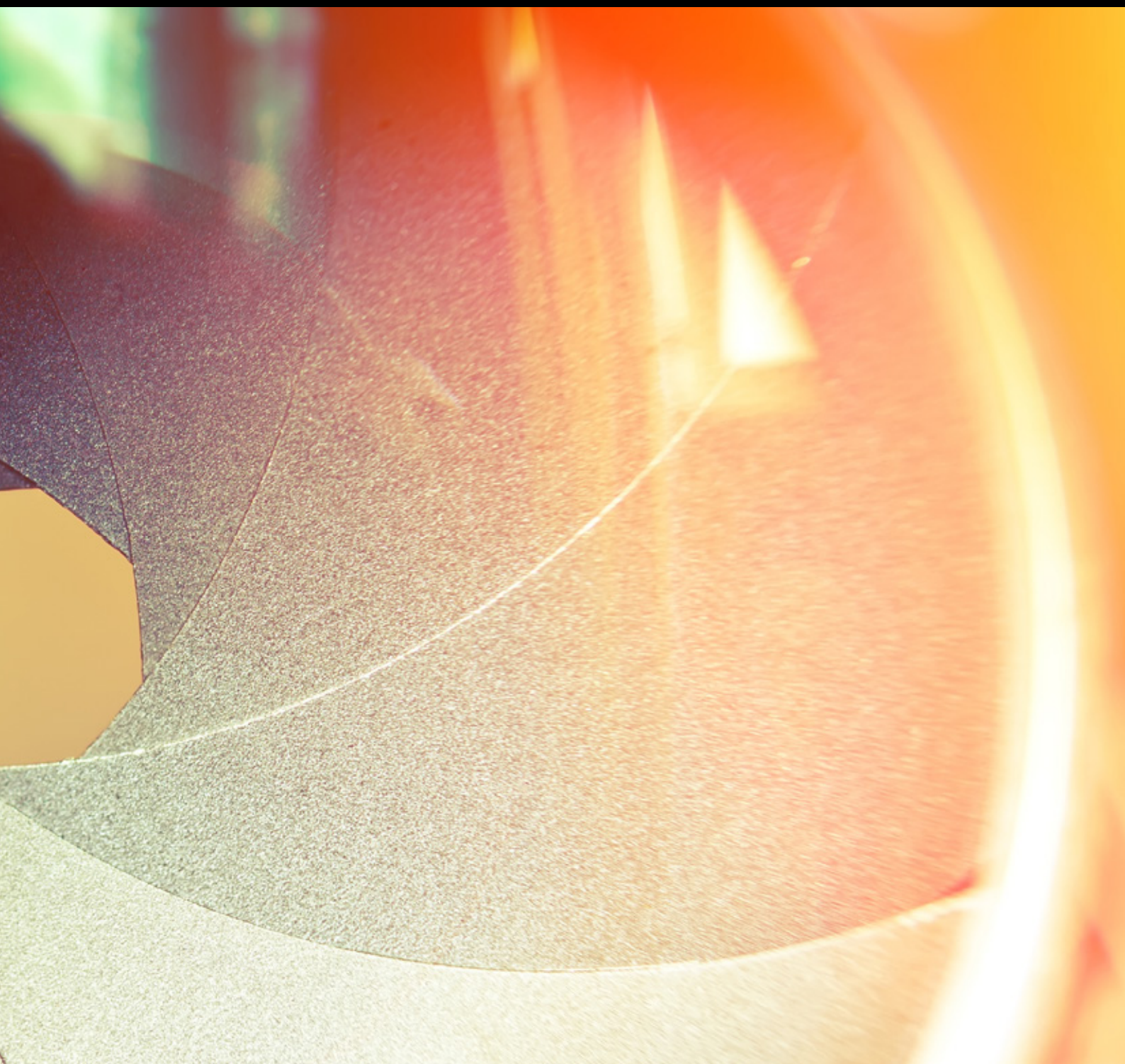
HAS THE ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE WITH REGARDS TO:		
Criteria	Response	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	GFC does not issue any licence or any economic activity in terms of the law
Developing and implementing a preferential procurement policy	No	GFC 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	Not applicable
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	GFC works with other public institutions for the implementation of any incentives, within the creative industry





PART D

HUMAN RESOURCE MANAGEMENT



4.1 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 organisation 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.

4.2 PRIORITIES FOR THE YEAR

During the period under review, the HR unit focused on the following as per the annual HR plan:

- Monitoring and managing the leave management system and procedures;
- Putting in place temporary capacity solutions, while the OD Project is finalised;
- Implementing the Performance Management System;
- Implementing the Employee Wellness Programme;
- Putting in place and monitoring Covid-19 Management Policies and Plans;
- Facilitating conflict and dispute management;
- Reviewing the HR Policy; and
- Conducting an Organisational Design 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-outlined priorities, the following highlights are presented for the year under review.

4.2.1 OD Project Finalisation and HR Policy Review

The Organisational development (OD) project took-off successfully and consultations with all relevant stakeholders, including organised labour, were successful. The new Organisational Structure was approved, new positions were profiled, evaluated and graded. A three-phase Implementation Plan was approved by the Board, with Phase I implementable immediately. The Project was therefore successfully completed, and implementation of the outcome of the organisational redesign process will be the main focus of the new year.

HR Policies were also revised, alongside the OD project.

4.2.2 Recruitment and Selection of the Chief Executive Officer

The process of recruiting for a 5-year fixed-term performance-based contract Chief Executive Officer was undertaken. Recommendations were submitted to the office of the MEC: Sports, Arts, Culture, and Recreation for final approval.

4.2.3 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. Bi-annual performance reviews were conducted and submitted to the CEO. Management ensures performance outputs focus on tangible deliverables for each employee, and that small work teams remain dynamic and streamlined to deliver on the business objectives.

4.2.4 Employee Wellness Programme

Due to the Covid-19 pandemic and work from home strategy, the GFC did not host employee wellness events during the year under review, except for the launch of a new programme, resulting from the appointment of a new employee wellness service provider.

4.2.5 Workplace Covid-19 Management Plan

The HR Unit hired a Covid-19 Compliance Officer and provided them with training to ensure the organisation fully complies with the country's regulations and protects 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. Safety modifications of workplace premises were done in line with relevant regulations and the adopted Policy, as well as the issuing of PPE and regular disinfecting. Lastly, GFC employees were given the tools needed to work from home during the pandemic, and only came to the office on rotational basis, depending on the lockdown alert level.

4.2.6 Achievements and Challenges

GFC was faced with the following HR challenges during the year under review:

- Lack of adherence to the Performance Management System;
- Lack of clarity regarding staff retention and succession strategy;
- Unstable employee wellbeing and low staff morale, due to Covid-19 and changes occurring in the organisation, as well as limited budget allocation; and
- Shortage of human resources due to a moratorium on permanent staff appointments during the OD process.

Most of these challenges were, however, addressed during the year under review. In addition, several key HR achievements occurred, including:

- Recruitment of a Chief Executive Officer;
- Finalisation of the OD project and approval of the OD Implementation Plan;
- Re-establishment of the Labour-Management Forum.

4.2.7 Future Plans

The Gauteng Film Commission is going through a process of implementing the OD process outcome, while finalising the approval process of the Revised Policies. The HR Unit will lead a change management intervention to assist the GFC team through the transition process, as it adapts to the newly revised structure, business processes, and policies. The HR Unit will also drive the process, identifying and developing plans to fill skills gaps, following placements of staff within the new structure.

4.3 PERSONNEL RELATED EXPENDITURE

The following tables show expenditure related to personnel during the year under review.

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. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Industry Support & Development	16 175	3 851	23,8%	4	963
Marketing and Communications	4 294	2 733	63,6%	2	1 367
Management of GFC	20 955	8 978	42,8%	11	816
Legal and Governance	1 467	1 768	120,5%	2	884
TOTAL	42 891	17 330	40,4%	19	R912

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2 678	15%	3	893
Senior Management	7 268	42%	6	1 211
Professional qualified	2 341	14%	2	1 171
Skilled	4 469	26%	6	745
Semi-skilled	315	2%	1	315
Unskilled	259	1%	1	259
TOTAL	17 330	1,00	19	R912

Performance rewards

Programme/activity/objective	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top management	0	2 678	N/A
Senior management	0	7 268	N/A
Professional qualified	0	2 341	N/A
Skilled	0	4 469	N/A
Semi-skilled	0	315	N/A
Unskilled	0	259	N/A
TOTAL	0	17 330	N/A

Training costs

Programme/activity/objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Staff development cost	17 330	118	1%	9	13,1

Employment and vacancies

Programme/activity/objective	2021/22 No. of employees	2021/22 Approved posts	2021/22 No. of employees	2021/22 vacancies	% of vacancies
Marketing manager	0	1	0	1	0
Finance officer	0	1	0	1	0
Research manager	0	1	0	1	0
ISD project manager	0	1	0	1	0
HR officer	0	1	0	1	0
HR manager	0	1	0	1	0
Senior marketing and communications manager	0	1		1	0

Employment by level

Programme/activity/objective	2021/22 No. of employees	2021/22 Approved posts	2021/22 No. of employees	2021/22 vacancies	% of vacancies
Top management	2	2	2	1	0
Senior management	5	6	5	3	0
Professional qualified	2	4	2	2	0
Skilled	8	8	8	2	0
Semi-skilled	1	1	1	0	0
Unskilled	1	1	1	0	0
TOTAL	19	23	19	8	0

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.

Employment changes

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

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	2	0	0	2
Senior management	4	2	1	5
Professional qualified	2	0	1	1
Skilled	6	2	0	8
Semi-skilled	1	0	0	1
Unskilled	1	0	0	1
Total	16	4	2	18

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	2	2
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	0	0
Other	0	0
Total	2	2

Explanation: The positions will be filled once the organisational redesign process has been finalised.

Labour Relations: Misconduct and disciplinary action

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

Equity target and employment equity status

Explanation: In terms of equity, the GFC does meet the employment equity status with the majority of employees being female and being African. At this point there is no approved equity plan due to the restructuring process.

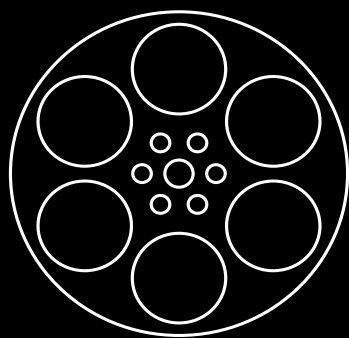
Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	0	0	0	0	0	0	0
Senior management	3	0	0	0	0	0	0	0
Professional qualified	0	0	0	0	0	0	0	0
Skilled	1	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	5	0	0	0	0	0	0	0

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	0	0	0	0	0	0	0
Senior management	2	0	0	0	0	0	0	0
Professional qualified	2	0	0	0	0	0	0	0
Skilled	7	0	0	0	0	0	0	0
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	1	0	0	0	0	0	0	0
TOTAL	14	0	0	0	0	0	0	0

Levels	Disabled staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0







PART E

FINANCIAL INFORMATION



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GENERAL INFORMATION

REGISTERED NAME:	Gauteng Film Commission
NPC NUMBER:	930018483
VAT REGISTRATION NUMBER:	4060209766
COUNTRY OF INCORPORATION:	South Africa
Board of Directors:	Ms Busi Mhaga-Chairperson Ms Komathie Govender (CA) (SA) Mr Keith Khoza Mr Elson Kgaka Mr Lufuno Nematswerani Mr Percy Manzini Ms Keitumetse Mahlangu Ms Keitumetse Lebaka Ms Nthabeleng Zondo Mr Thato Molamu
POSTAL ADDRESS:	P O Box 61601, Anglo Vaal house, Marshalltown, 2107
PHYSICAL ADDRESS:	35 Rissik Street, Surrey Hose, Johannesburg, 2000
TELEPHONE NUMBER:	+27 11 833 0409
EMAIL ADDRESS:	info@gautengfilm.org.za
WEBSITE ADDRESS:	www.gautengfilm.org.za
BANKER:	ABSA Bank Limited, 120 Fox Street, Marshalltown, 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-practising attorney.

STATEMENT OF RESPONSIBILITY

For the year that ended 31 March 2022

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 year 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 and 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.

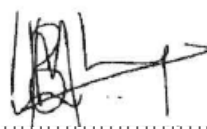
Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

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 year ended 31 March 2022. The performance information for the year ended 31 March 2022 was examined by management.

The Annual Financial Statement of Gauteng Film Commission For the year ended 31 March 2022, set out pages 4 to 49 to be reviewed by Audit and Risk Committee on 23rd May 2022, and subsequently approved by the Board of Directors on 30th May 2022.



Ms Keitumetse Lebaka
Acting Chief Executive Officer
30 May 2022



Ms Busi Mhaga
Board Chairperson

REPORT OF THE DIRECTORS

For the year that ended 31 March 2022

The Directors are pleased to submit their report, together with the Gauteng Film Commission (GFC) Annual Financial Statements for the period ended 31 March 2022. 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 the 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.

Ms Busi Mhaga-Chairperson

Following resignations and term expiration of the following Board Members: Mr K. Khoza, Mr E. Mbalo, Mr D. Bensusan, Ms Ngoma and Mr C. Hamilton. The Member of the Executive Council (MEC) appointed the following members in November 2020 to serve on the Joint Advisory Committee (JAC): Ms Busi Mhaga, Mr Keith Khoza, Mr Lufuno Nematswerani and Ms Lebogang Ndadana, while finalising Board of Directors appointment. In October 2021, the fully constituted Board of Directors was appointed consisting of the following individuals: Mr Thato Molamu, Ms Keitumetse Mahlangu, Ms Nthabeleng Zondo, Mr Elson Kgaka, Mr Percy Manzini and Ms Komathie Govender. The following members were retained as Board members from the previous Joint Advisory Committee (JAC): Ms Busi Mhaga, Mr Keith Khoza, Mr Lufuno Nematswerani were all given the same term as new Board members.

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 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 in terms of 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 GFC will have to prepare its Annual Financial Statements in accordance with the financial reporting standards prescribed in respect of the Companies Act.

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 Chief Executive Officer; this had a negative impact since this position is key to the operation of the organisation.

REPORT OF THE DIRECTORS

For the year that ended 31 March 2022

Going Concern

The Directors of GFC present financial statements on the "Going Concern basis", this implies that 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), whilst the discussion with the Department of Sports, Arts, Culture and Recreation (DSACR) on its listing as a public entity continues.

Business result summary:

Government grants
MICSETA Additional budget
Net Deficit for the period
Total Assets
Accumulated Surplus

Mar 2022	Mar 2021
R	R
38,691,000	38,469,000
3,529,419	-
(814,299)	1,419,517
3,759,770	4,787,975
1,999,252	2,813,551

Board of Directors and Committee Members:

The following persons served as Board of Directors and Committee members of GFC during the financial period ended 31 March 2022:

Directors	Status	Appointment Date	Resignation Date
Ms Busi Mhaga-Chairperson	Non-Executive	01 October 2021	-
Mr Percy Manzini- Deputy Chairperson	Non-Executive	01 October 2021	-
Mr Keith Khoza	Non-Executive	01 October 2021	-
Ms Keitumetse Lebaka - Acting CEO	Executive	19 October 2020	-
Ms Lebogang Ndadana - CA (SA)	Non-Executive	01 May 2021	-
Mr Elliot Maluleke-PA(SA)&AGA(SA)	Executive	01 May 2009	30 September 2021
Mr Lufuno Nematswerani	Non-Executive	01 October 2021	-
Mr Elson Kgaka	Non-Executive	01 October 2021	-
Ms Nthabeleng Zondo	Non-Executive	01 October 2021	-
Ms Keitumetse Mahlangu	Non-Executive	01 October 2021	-
Mr Thato Molamu	Non-Executive	01 October 2021	-
Ms Komathie Govender - CA(SA)	Non-Executive	01 October 2021	-
Ms Joy Ngoma	Non-Executive	01 August 2017	30 November 2020
Mr David Bensusan	Non-Executive	01 August 2017	30 November 2020
Mr Eddie Mbalo	Non-Executive	02 May 2018	02 November 2020
Mr Clarence Hamilton	Non-Executive	02 May 2018	07 November 2020

REPORT OF THE DIRECTORS

For the year that ended 31 March 2022

Internal Audit and External Auditors

Business Innovations Group (BIG) (Pty) Ltd has 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 and management is in the process of appointing internal auditors.

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

It should be noted that during the current financial period under review there were no subsequent events, however Gauteng Film Commission noted the lifting by President Mr Cyril Ramaphosa of the National State of Disaster, effective midnight on Monday 5th April 2022, but will maintain aspects of the regulations enacted to respond to the coronavirus pandemic.

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. 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 brought to the attention of the Board.

Values

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

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).

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 92 to 118, which comprise the statement of financial position as at 31 March 2022, 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 the notes to the 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 2022, 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 page 119 to 120, 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 do 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 2022



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 that ended 31 March 2022

Board of Directors

The Board of Directors have a collective responsibility to provide effective corporate governance that involves a set of relationship between the Department and other relevant stakeholders, and is also responsible for the following:

- Setting strategic direction and goals for the Gauteng Film Commission and monitoring managements implementation to that strategy.
- Appointment of committees of the Gauteng Film Commission, as may be appropriate to assist in the discharge of its responsibilities and to determine their responsibilities.
- Ensuring that procedures and practices are in place that protect the Gauteng Film Commission assets and reputation.
- Monitoring financial outcomes and the integrity of reporting in particular approving Annual budget and longer term strategic and business plan.
- Ensuring that effective audit and compliance systems are in place to protect Gauteng Film Commission operation beyond legal requirements or acceptable risk parameters.
- Monitoring compliance with regulatory requirements and ethical standards.
- The Board of Directors is constituted in such a manner as to represent the interest of government and all business stakeholders.
- 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 & Communications are regarded as the core functions 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 underway, to date management have advertised the position.

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's significant risk exposures and making recommendations to the Board of Directors on appropriate mitigation strategies.
- Appointment of Internal Auditors.

CORPORATE GOVERNANCE REPORT

For the year that ended 31 March 2022

Human Resources Committee

The governing body provide oversight in relation 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 that are 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; or
- 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 legal provision, have executive and non-executive members, with majority being non-executive members of the governing body.

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.

CORPORATE GOVERNANCE REPORT

For the year that ended 31 March 2022

Governance and Investment Committee

Governance and Investment Committee oversee the approval of both Industry Support Development (ISD) and Marketing and Communication projects, which has been evaluated by the independent Projects Committee.

Board of Directors composition and record of attendance:

No of Joint Advisory Committee	9 out of 10.	9 out of 10.	9 out of 10.
No of Board meetings attended	0 out 5	5 out of 5	0
Membership in Committees	Audit & Risk	Audit & Risk	None.
Other Board	None.	None.	None.
Area of expertise	» Finance. » Auditing. » Corporate. Governance.	» Public Administration.	Finance, Corporate Governance. Audit.
Credentials	» B Com. » SAICA Articles. » SAIPA. » AGASA.	» Master's in Public Admin. » Post graduate diploma in Administrative studies.	CA (SA) BCompt Honours Accounting Science BCom Financial Accounting
Date of expiry of term office	None.	26 November 2020 until further notice.	30 September 2021.
Designation in terms of GFC structure	Chief Financial Officer.	Board Member.	Joint Advisory Member.
Name	Mr. Elliot Maluleke	Mr. Keith Khoza	Ms. Lebogang Ndadana CA(SA)

Board of Directors composition and record of attendance.

No of Joint Advisory Committee	10 out of 10.
No of Board meetings attentat	5 out of 5
Membership in Committees	Board, Audit Risk HR & Ethics Governance & Investment
Other Board	None.
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.
Credentials	» B. Com » Professional certificate in programme and project management » Professional certificate is public and development management » Management development programme » Global executive development governance » Post Graduate diploma in management practice » Matters in business management
Date of expiry of term office	19 October 2020 until further notice.
Designation in terms of GFC structure	Acting CEO.
Name	Ms. Keitumetse Lebaka

CORPORATE GOVERNANCE REPORT

For the year that ended 31 March 2022

Board of Directors composition and record of attendance.

No of Joint Advisory Committee	0.	0.	0.
No of Board meetings attended	5 out of 5	5 out of 5	3 out of 5
Membership in Committees	Governance & Investment	HR and Ethics	Audit & Risk
Other Board	None.	None.	None.
Area of expertise	Executive positions in Public Admin and Private Sector	» Executive positions in Private Sector.	Extensive Experience at Executive Level
Credentials	» B Com. » Doctor of Business Administration (in progress) » Master of Philosophy in Development Finance	» Masters and Postgraduate Diploma in Managerial Practice » Certificate in Entrepreneurial Skills Development » Certificate in Project Management	Chartered Accountant, Honours in Accounting
Date of expiry of term office	30 September 2024	30 September 2024	30 September 2024
Designation in terms of GFC structure	Deputy Chairperson of the Board.	Board Member.	Board Member.
Name	Mr. Percy Manzini	Mr. Thato Molamu	Ms. Komathie Govender CA (SA).

Board of Directors composition and record of attendance.

No of Joint Advisory Committee	0.	0.	0.
No of Board meetings attended	5 out of 5	5 out of 5	5 out of 5
Membership in Committees	HR & Ethics	HR & Ethics.	Audit and Risk.
Other Board	None.	None.	None.
Area of expertise	Extensive Experience at Executive Level	Extensive Experience at Executive Level	Extensive Experience at Executive Level
Credentials	MSc International Marketing Management BBA International Tourism Management & International Relations & Diplomacy Associate of Science (AS) International Tourism and Hospitality Management	B. Juris, LLB	LLB
Date of expiry of term office	30 September 2024	30 September 2024	30 September 2024
Designation in terms of GFC structure	Board Member.	Board Member.	Board Member.
Name	Ms. Nthabeleng Zondo	Mr. Elson Kgaka	Ms. Keitumetse Mahlangu

CORPORATE GOVERNANCE REPORT

For the year that ended 31 March 2022

Board of Directors composition and record of attendance.

Details	JAC Committee	Governance & Investment Committee	Audit and Risk Committee	Human Resources & Ethics Committee	Other (Induction and Training)	Total
Total Meetings	15	6	1	4	8	34
Ms B. Mhaga	15	6	-	-	8	29
Mr E. Maluleke	9	-	1	-	2	12
Ms A. Mokoena	13	2	1	4	4	24
Ms L. Ndadana CA(SA)	9	-	1	-	-	10
Mr L. Nematswerani	12	4	-	4	8	28
Mr K. Khoza	14	-	1	-	-	15
Ms K. Lebaka	14	2	-	4	8	28
Mr P. Manzini	-	5	-	-	6	16
Mr T. Molamu	-	-	-	4	5	14
Ms N. Zondo	-	-	-	4	3	12
Ms K. Mahlangu	-	-	1	-	4	10
Ms K. Govender CA(SA)	-	-	1	-	1	4
Mr E. Kgaka	-	-	-	4	3	12

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.

Whilst 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 units.

CORPORATE GOVERNANCE REPORT

For the year that ended 31 March 2022

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 oversees the adherence and compliance 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.

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 a 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.

CORPORATE GOVERNANCE REPORT

For the year that ended 31 March 2022

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.

Anthea Mokoena

Ms. Anthea Mokoena

Company Secretary and Legal Manager

29 July 2022

REPORT OF THE AUDIT AND RISK COMMITTEE

For the year that ended 31 March 2022

1. Audit and Risk Committee responsibility

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.

In the conduct of its duties to provide independent oversight, the Audit and Risk Committee has reviewed the following:

- The effectiveness of the GFC assurance functions and services, which particularly 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 decisions 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.
- The 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 decisions in an open forum.

2. Internal controls

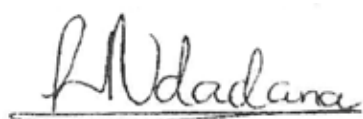
The management of the Gauteng Film Commission continues to strive towards sustainable improvement in its internal control. Nothing has come to the attention of the Audit and Risk Committee to indicate that a material breakdown in the functioning of the internal controls, procedures and systems has occurred 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; and
- Ensuring that transactions undertaken are recorded in the Gauteng Film Commission's records.

3. Evaluation of financial statements

The Committee has evaluated the Annual Financial Statement and Annual Performance Reports of the Gauteng Film Commission for the year ended 31 March 2022. Based on the information provided, and Annual Performance Reports, the Audit and Risk Committee considers that they comply, in all material respects, with the requirements of the Companies Act.



Ms. Lebogang Ndadana CA (SA)
Chairperson

STATEMENT OF FINANCIAL POSITION (SOFP)

For the year that ended 31 March 2022

	Notes	Mar 2022	Mar 2021
		R	R
ASSETS			
		702,295	909,283
Non-current Assets			
Property, plant, and equipment	2	696,558	900,252
Intangible assets	3	5,737	9,031
Current Assets		3,057,475	3,878,692
Trade and other receivables	4	1,639,042	516,216
Cash and cash equivalents	5	1,418,433	3,362,476
TOTAL ASSETS		3,759,770	4,787,975
EQUITY			
Accumulated Surplus		1,999,252	2,813,551
Non- Current Liability Obligation Finance Lease	8	79,800	-
Current liabilities		1,680,718	1,974,424
Trade and other payables	7	1,635,459	1,974,424
Obligation under Finance Lease	8	45,259	-
TOTAL EQUITY AND LIABILITIES		3,759,770	4,787,975

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

For the year that ended 31 March 2022

	Notes	Mar 2022	Mar 2021
		R	R
Government grants	10	<u>38,691,000</u>	<u>38,469,000</u>
Other Income	11	3,548,639	465,161
Depreciation	2	(359,474)	(317,352)
Amortisation of intangible assets	3	(3,294)	(2,548)
Operating expenses	22	<u>(42,890,840)</u>	<u>(37,476,489)</u>
Operating loss		<u>(1,013,969)</u>	<u>1,137,772</u>
Interest received	14	208,661	287,053
Finance costs	15	(8,991)	(5,308)
Net (Deficit)/Surplus for the period		<u>(814,299)</u>	<u>1,419,517</u>

STATEMENT OF CHANGES IN EQUITY (SOCE)

For the year that ended 31 March 2022

	Note	Mar 2022
		R
Accumulated Profit:		
Balance at March 2020		1,394,034
Net Surplus for the period		1,419,517
Balance as of 31 March 2021		2,813,551
Net Deficit for the period		(814,299)
Balance as of 31 March 2022		1,999,252

STATEMENT OF CASH FLOW (SOCF)

For the year that ended 31 March 2022

	Notes	Mar 2022	Mar 2021
		R	R
Receipts from Government		41,116,813	38,704,053
Cash paid to suppliers and employees		(43,229,800)	(37,050,829)
Cash generated from operations	17	(2,112,987)	1,653,224
Interest received	14	208,661	287,053
Finance cost	15	(8,991)	(5,308)
Net cash inflow from operations		(1,913,317)	1,934,969
Net cash outflows from investing activities		(155,785)	(593,440)
Purchase of Property, Plant and Equipment	2	(155,785)	(584,840)
Purchase Intangible Asset	3	-	(8,600)
Net cash flow from financing activities		125,059	(65,492)
Obligation of Finance Lease	8	79,800	(65,492)
Settlement of Finance Lease		45,259	-
Net (Decrease)/Increase in cash and cash equivalents for the year		(1,944,043)	1,276,037
Cash and cash equivalents at beginning of the year		3,362,476	2,086,439
Cash and cash equivalents at the end of the period	5	1,418,433	3,362,476

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

I. Presentation of Annual Financial Statement

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act's applicable 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, which 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, and
- 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.

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

1.2 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 an asset 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-year periods.

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

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 is reviewed at the end of each three-year 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, March 2022: R 1,829,012. The fully depreciated assets are still in use.

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

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; and
- 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 assets, 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, and
- 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.

Categories of financial assets and financial liabilities

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.

- 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.

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

1.4 Financial instruments

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).
- l 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).
- l 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:

- (b) 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; and

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:

- l 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:

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 (e.g., 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:

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

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)

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 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 leases, unless the value is R80,300 which is of low value, or the contract is less than twelve 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.

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

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 its 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.

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.

Provisions and contingencies

Provisions

Provisions are recognised when:

- The company has a present obligation because of past event.
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 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.

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.

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

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 are 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.

1.8 Government grants.

Government grants are recognised when there is reasonable assurance that:

- The company will comply with the conditions attaching to them; and
- 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, which 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 year 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 unamortised 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.

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

1.9 Revenue and other Income recognition.

IFRS 15 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). Gauteng Film Commission's 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 as follows:

Interest Income

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

1.10 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 and
- 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 transactions and outstanding balances, including commitments, necessary for users to understand the potential of the relationship on the financial statement.

1.11 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.

1.12 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 influence 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 be extent practicable, the amount of the adjustment.

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

I.13 Fair Value Adjustment.

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

- 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.
- 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 year.

To meet the objectives in paragraph IFRS 9, an entity shall consider all the following:

- The level of detail necessary to satisfy the disclosure requirements.
- How much emphasis to place on each of the various requirements.
- How much aggregation or disaggregation to undertake; and
- 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 9I, an entity shall disclose additional information necessary to meet those objectives.

I.14 Financial reporting standards and interpretations issued but not yet effective.

Standard or interpretation	Detail of amendments	Annual 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.	

ACCOUNTING POLICY NOTES (APN)

For the year that ended 31 March 2022

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; and
- 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 that ended 31 March 2022

2. Property, Plant, and Equipment.

March 2022	Computer Hardware	Office Furniture	Office Equipment	Capitalised leased asset	Leasehold improvements	Total
Summary	R	R	R	R	R	R
Carrying amount at beginning	512,374	29,484	345,069	11,000	2,325	900,252
Gross Carrying Amount at 1 April 2021	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)
Additions	-	10,185	-	145,600	-	155,785
Depreciation	(225,818)	(14,157)	(90,634)	(27,984)	(881)	(359,474)
Assets written off: Cost	(21,678)	-	-	(215,000)	-	(236,678)
Asset Written off:	21,676	-	-	214,996	-	236,673
Carrying amount at the end	286,554	25,512	254,435	128,613	1,444	696,558
Gross carrying amount	1,741,827	682,873	547,785	145,600	4,403	3,122,488
Accumulated Depreciation	(1,455,273)	(657,361)	(293,350)	(16,987)	(2,959)	(2,425,930)

The Gauteng Film Commission does not have any assets which have been 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)

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

2. Property, Plant, and Equipment (cont.)

March 2021	Computer Hardware	Office Furniture	Office Equipment	Capitalised Lease Asset	Leasehold Improvements	Total
Summary	R	R	R	R	R	R
Carrying amount at beginning	307,162	50,358	237,540	54,000	3,206	652,266
Gross Carrying Amount at 1 April 2021	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	(180,394)	(20,874)	(72,203)	(43,000)	(881)	(317,352)
Write off- Cost	(36,433)	-	-	-	-	(36,433)
Write off- Accumulated Depreciation	16,931	-	-	-	-	16,931
Carrying amount at the end	512,374	29,484	345,069	11,000	2,325	900,252
Gross carrying amount	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)

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

3. Intangible assets.

Computer software.

	Mar 2022	Mar 2021
	R	R
Summary		
Carrying amount at Beginning of the period	9,031	2,979
Cost	16,253	7,653
Accumulated Amortisation	(7,222)	(4,674)
Additions	-	8,600
Amortisation	(3,294)	(2,548)
Carrying amount at End of the period	5,737	9,031
Gross carrying amount	16,253	16,253
Accumulated amortisation	(10,516)	(7,222)

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.

	Mar 2022	Mar 2021
	R	R
South African Revenue Services - VAT	391,536	453,159
Sundry debtors	54,210	19,932
Prepayments	73,125	43,125
Sundry Debtor: MICT	1,120,171	-
	1,639,042	516,216

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

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 that ended 31 March 2022

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:

	Mar 2022	Mar 2021
	R	R
Cash at bank - Current	1,382,205	3,323,804
- Call	36,228	35,407
Cash on hand	-	3,265
	1,418,433	3,362,476

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.

	Mar 2022	Mar 2021
	R	R
Trade and other receivables	1,174,381	19,931
Cash and cash equivalents	1,418,433	3,362,476
	2,592,814	3,382,407

It should be noted that prepayments and SARS Value Added Tax does not form 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.

	Mar 2022	Mar 2021
	R	R
Accruals - Medical	10,672	9,766
Sundry Accrual - Leave	471,542	550,383
Sundry Accrual - Other	1,153,245	1,414,275
	1,635,459	1,974,424

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

8. Reconciliation between the total minimum lease payments and their present value.

March 2022	Up to 1-year	2-3 Years	Totals
Minimum lease payments	58,788	88,182	146,970
Finance cost	(13,529)	(8,382)	(21,911)
Present value	45,259	79,800	125,059
March 2021			
Minimum lease payments	-	-	-
Finance cost	-	-	-
Present value	-	-	-

Finance lease obligations

	Mar 2022	Mar 2021
	R	R
Current liability	45,259	-
Non-current liability	79,800	-
	125,059	-

9. Financial liability by category

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

Financial liabilities at amortised cost:

	Mar 2022	Mar 2021
	R	R
Trade and other payables	1,153,245	1,424,041
Finance lease	125,059	-
	1,278,304	1,424,041

10. Government grants.

The government grant is received from the Department of Sport, Arts, Culture and Recreation for funding Gauteng Film Commission 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.

	Mar 2022	Mar 2021
	R	R
Government grant – Main allocation	38,691,000	38,469,000

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

II. Other income.

Other income arises as the result of insurance settlements for assets lost during the period under review: The amount also includes Income from MIC SETA, a partnership for a bursary and internships for film and production students.

	Mar 2022	Mar 2021
	R	R
Income from Insurance proceed	19,221	28,546
Proceeds from unauthorised cell phone upgrade	-	136,615
Income from DSACR: National Arts Council	-	300,000
Income from a MICSETA Partnership	3,529,418	-
	3,548,639	465,161

12. Operating expenses.

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

	Notes	Mar 2022	Mar 2021
		R	R
Depreciation	2	359,474	317,352
Computer hardware		225,818	180,394
Leasehold improvements		881	881
Office equipment		90,634	72,203
Office Furniture		14,157	20,874
Capitalised lease assets		27,984	43,000
Provident fund		1,464,929	1,654,913
Repairs and maintenance		7,064	11,231
Amortisation of intangibles	3	3,294	2,548
Employee costs		15,865,103	15,801,996
Assets written offs.		2,744	19,504
Professional fees		679,211	751,579
Payroll Services		48,619	30,776
Consultants		9,061	89,500
Audit Fees			
External auditors		417,939	370,302
Internal auditors		203,592	261,001
Operating lease charges		13,397	26,793
Equipment		13,397	26,793
Directors Emoluments (Note 1)		5,049,535	3,139,356
Executive directors	13.1	4,189,485	2,693,706
Non-Executive directors	13.2	860,050	445,650

Note 1:

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

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

13. Executive Emoluments:

13.1 Executive directors' emoluments.

	Salary	Travel/ Leave Pay	13th Cheque	Medical Aid	Provident Fund	Total
March 2022	R	R	R	R	R	R
Mr E Maluleke	1,789,218	3,901	145,407	22,200	10,218	1,970,944
Ms K Lebaka	2,085,674	24,949	-	22,200	85,718	2,218,541
	3,874,892	28,850	145,407	44,400	95,936	4,189,485

March 2021	Salary	Travel/ Leave Pay	13th Cheque	Medical Aid	Provident Fund	Total
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

13.2 Non-Executive Directors Emoluments:

	Mar 2022	Mar 2021
	R	R
Mr E. Mbalo	-	43,800
Ms B. Mhaga	203,000	109,000
Ms K. Govender	17,550	-
Mr E. Kgaka	69,850	-
Ms K. Mahlangu	58,150	-
Mr P. Manzini	94,900	-
Mr T. Molamu	81,550	-
Ms N. Zondo	69,850	-
Mr C. Hamilton	-	29,250
Mr K. Khoza	87,750	87,750
Ms J. Ngoma	-	33,000
Ms E. Motlhamme	-	29,250
Ms L. Ndadana	58,500	87,750
Mr D. Bensusan	-	23,400
Mr L. Nematswerani	118,950	2,450
	860,050	445,650

All payments made to Board of Directors during the quarter under review is for Governance & Strategy, Remuneration and Audit meetings.

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

13.3 Short term benefits - Key Management Emoluments:

	Mar 2022	Mar 2021
	R	R
Salaries	4,772,154	5,525,447
13th Cheque	338,760	503,342
Medical aid	48,100	86,950
Leave Pay	-	64,044
Travel Claims	12,341	770
Acting Allowance	556,098	353,341
Provident fund	127,061	207,170
	5,854,514	6,741,064

The Gauteng Film Commission 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

	Mar 2022	Mar 2021
	R	R
Interest received	208,661	287,053

15. Finance cost

	Mar 2022	Mar 2021
	R	R
Long term borrowings	8,991	5,308

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 that ended 31 March 2022

17. Reconciliation of net profit before taxation to cash generated from operations

	Notes	Mar 2022	Mar 2021
		R	R
Net (deficit)/Surplus for the period		(814,299)	1,419,517
Adjusted for items separately disclosed on face of the cash flow statement		(199,670)	(281,745)
Interest received	14	(208,661)	(287,053)
Finance cost	15	8,991	5,308
Adjusted for items not involving the flow of cash and cash equivalents		362,772	339,404
Depreciation	2	359,474	317,352
Amortisation of intangibles	3	3,294	2,548
Assets write offs	2	4	19,504
Adjusted for changes in working capital		(1,461,790)	176,048
Increase in accounts receivable		(1,122,824)	(230,110)
Decrease in accounts payable		(338,966)	406,158
Cash generated from operations		(2,112,987)	1,653,224

18. Related party transactions.

During the current financial year under review, the Gauteng Film Commission had the following related party transaction with the Department of Sport, Art, Culture and Recreation (DSACR) for main allocation, parking fees paid by GFC, Rental savings and Key Management Emoluments. All the transactions were within the normal day to day operations disclosed to Provincial Treasury:

	Mar 2022	Mar 2021
Transactions:	R	R
Government grant - Main allocation	38,691,000	38,469,000
Key Management Emoluments (refer to Note 13.1 & 13.3)	10,043,999	9,434,770
Parking fees - Department of Sports, Arts, Culture and Recreation	20,400	20,400
Rental and Municipality savings	2,706,216	2,460,196
Department of Sport, Arts, Culture and Recreation (DSACR)	0	300,000

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

18. Related party transactions (cont.)

Government Grant

The government grant 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 costs 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).

Rental

There is mutual agreement that GFC will not be paying rental and municipal cost, 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 R2,706,6212 (R2,4 Million March 2021).

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

During the previous 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. The total amount was transferred to Gauteng Film Commission to manage this project on behalf of the Department.

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

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 programme 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 risk that we will suffer financial loss, this risk consists mainly of cash deposits, cash equivalents and trade receivables, as of the 31 March 2022 both cash and cash equivalents and trade receivable amounted to R2,592,814. 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 the risk that the Gauteng Film Commission will not be able to meet their obligations:

	Less than 1 period	Between 2 and 5 periods
March 2022		
Trade and other payables	1,153,245	79,800
Finance Lease	45,259	-
March 2021		
Trade and other payables	1,424,041	-
Finance Lease	-	-

Market risk.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

19. Risk management (cont.)

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 (R1,659.20) and R1,659.20 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 Liabilities.

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. 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, or

As of the 31 March 2020, GFC Board of Directors had 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. The matter is still ongoing.

20.2 Surplus for 2020/21 financial year.

It should be noted that during the 2020/21 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.

It should be noted that during the current financial year under review, the Gauteng Film Commission has incurred a deficit, there is nothing to surrender.

NOTES TO THE FINANCIAL STATEMENTS

For the year that ended 31 March 2022

20. Contingent Liabilities (cont.)

20.3 Contingent Liability.

During the current financial year under review management received notification from one of its employee Mr Desmond Mthembu, who was heading the Industry Support and Development, demanding retribution for unfair employment contract. The matter is currently ongoing in the Labour Court, this is after the CCMA has ordered GFC to pay Mr Mthembu R510,985 as back pay and reinstate him. GFC took the decision for review at the Labour Court. The lawyers view the prospect of GFC having the CCMA award reviewed and set aside. There is more than 50% probability that the Labour Court may reach a different conclusion.

21. Commitments:

	Mar 2022	Mar 2021
	R	R
Nkosi Group	-	75,000
Wanyana Pictures	-	50,000
Mogale Solutions Provider (Pty) Ltd	-	175,375
Chipape Media Productions	40,500	-
Monalisa Productions	30,000	-
Quizzical Pictures	75,000	-
Stiletto Entertainment	39,000	-
HH Film Collective	30,000	-
Fanakalo Tours	43,200	-
Kyamu (Pty) Ltd	32,100	-
Animation SA NPC	15,000	-
Metrix Productions	27,000	-
Total	331,800	300,375

UNAUDITED SUPPLEMENTARY SCHEDULE (USS)

For the year that ended 31 March 2022

Note 22: Detailed Operating Expenses.

	Mar 2022	Mar 2021
	R	R
Management of GFC	20,954,756	21,087,471
Bank Charges	29,155	31,991
Insurance	147,163	127,636
Employee Cost	17,330,032	17,456,909
Executive Directors	4,189,485	2,673,706
Key Management Emoluments	5,854,514	6,741,064
Other Salaries	7,286,033	8,022,139
Office Equipment Maintenance	7,064	11,231
Staff Parking	20,400	20,400
Auxiliary Services	608,210	570,126
Courier and Cartage Cost	8,179	6,055
Printing - General	2,157	1,866
Stationery	72,348	65,513
Assets Write Offs	2,744	19,504
Fines and Penalties	-	36,489
Professional Fees	679,212	751,579
Employee: Covid 19-PPE	43,263	93,624
Organisational Development Cost	-	158,500
Staff Development Cost	212,835	126,813
Study Assistance Cost	8,155	31,900
Recruitment Cost	187,734	84,801
Strategic Planning	224,262	373,774
Research cost	138,600	250,000
Development and Maintenance of IT	1,123,326	822,310
Employee Wellness	90,986	-
Labour Relation	-	46,000
Office Security	-	450
Professional Registration	18,932	-
Legal and Governance	1,467,534	756,804
Audit Committee Fees	35,200	68,350
Board Training	77,742	21,461
Directors Remuneration	706,700	324,950
Remuneration Committee	151,600	67,450
Refreshments and Meetings	57,350	2,242
Legal Fees	403,942	272,351
Advice to the Board	35,000	-

UNAUDITED SUPPLEMENTARY SCHEDULE (USS)

For the year that ended 31 March 2022

Note 22: Detailed Operating Expenses (cont.)

	Mar 2022	Mar 2021
	R	R
Industry Support and Development	16,174,752	13,280,342
Digital Content Screening	766,000	635,000
Skills Development and Mentorship	1,621,479	2,066,553
Audio Visual Production	3,155,500	3,823,418
Content for Television	1,540,000	1,505,000
Postproduction and Research Hub	274,543	64,219
Audience Development	2,759,929	2,714,460
Enterprise Development	1,260,000	1,391,692
Script Development	773,000	1,080,000
MICSETA Partnership	3,548,921	-
Woman and LGBTIQ	184,680	-
Production Support	-	-
Heritage and Historical	265,700	-
Location and Permit	25,000	-
Marketing and Communication	4,293,798	2,351,872
Annual Report	126,350	121,350
Film Content and Export Platform	-	630,000
Advertising Placements	-	30,000
Branding Partnership	-	25,600
Film Awards	406,000	105,000
Industry Communication	-	48,600
Marketing Material	397,800	42,900
Marketing Support Films Funding by GFC	1,341,013	710,010
Message on hold	6,291	4,493
Hosting and Maintenance Website	184,950	67,290
Marketing and PR	1,831,394	566,629
Total Operating Expenses	42,890,840	37,476,489

This detailed operating expenses information on page 119 to 120 is not for audit purposes.

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— PRESENTS —

DISCOVER FILM SUMMIT 2022



DISCOVER FILM SUMMIT

18th – 20th OCTOBER | SANDTON CONVENTION CENTRE





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