Annual Report 2012/13

Creating New Opportunities

NATIONAL ARTS COUNCIL
OF SOUTH AFRICA

an agency of the
Department of Arts and Culture

Cover page:
Wentworth Dance Movement, Kwazulu-Natal – Proudly supported by the NAC

TABLE OF CONTENTS

The following supplementary information does not form part of the annual financial statements and is unaudited:

PART A: GENERAL INFORMATION

PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	National Arts Council of South Africa (NAC)
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EXTERNAL AUDITORS:	The Auditor-General – South Africa
BANKERS:	ABSA Bank

2. LIST OF ABBREVIATIONS/ACRONYMS

AO	Accounting Officer
AA	Accounting Authority
ADO	Arts Development Officer
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BASA	Business Arts South Africa
BBBEE	Broad-Based Black Economic Empowerment
CBO	Community-based Organisation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CSI	Corporate Social Investment
DAC	Department of Arts and Culture
EA	Executive Authority
GMS	Grant Management System
HR	Human Resources
IT	Information Technology
MEC	Member of Executive Council
MinMEC	Meeting of Minister and MECs
MTEF	Medium Term Expenditure Framework
NAC	National Arts Council
NLTDF	National Lottery Distribution Trust Fund
NGO	Non-Governmental Organisation
NFVF	National Film and Video Foundation
NPO	Non-Profit Organisation
PACCs	Provincial Arts and Culture Councils
PFMA	Public Finance Management Act
SMME	Small, Medium and Micro Enterprises
SCM	Supply Chain Management
TAU	Technical Assistance Unit, a division of the National Treasury
TIC	Technical Implementation Committee
TR	Treasury Regulations

3. STRATEGIC OVERVIEW

3.1. Vision

To promote, through the arts, the free and creative expression of South Africa's cultures.

3.2. Mission

The mission of the NAC is to develop and promote excellence in the arts.

3.3. Values

The stated values of the National Arts Council are:

- Accountability
- Results oriented
- Professionalism and integrity
- Making a difference
- Employee fulfilment
- Excellence and synergy
- Transparency and openness

3.4. Strategic outcome oriented goals

As outlined in the NAC Strategic Plan 2012 to 2016 and the Annual Performance Plan (APP) for 2012/2013, the strategic goals of the organisation are:

- Contributing to redress and transformation in the arts;
- Developing an effective funding model that supports the NAC in achieving its mandate;
- Fulfilling the full mandate of the NAC;
- Advocating the benefits of the arts and the work of the NAC amongst critical stakeholders to create partnerships and unlock new resources for the arts; and
- Creating programmes in support of new areas of work including youth development and audience development, participation and appreciation.

4. LEGISLATIVE MANDATES

The White Paper on Arts, Culture and Heritage promulgated in 1996 made sweeping changes to the landscape of arts and culture. A critical aspect of this transformation was the creation of new funding mechanisms which would make funds accessible to artists across all disciplines and in so doing, redressing the bias towards particular art forms that was previously supported under Apartheid. The White Paper outlines the role of the NAC as follows:

- Distribute public funds to artists, cultural institutions, NGOs and CBOs to promote the creation, teaching and dissemination of literature, oral history and storytelling, music, dance,

theatre, musical theatre, opera, photography, design, visual art and craft which fully reflect the country's diversity;
- Provide study bursaries for study in the fields of arts and culture, to practitioners, administrators and educators; and
- Carry out research, especially regarding policy linked to its mandate and also execute investigations and research at the request of the Minister.

The NAC derives its mandate from the National Arts Council Act (No. 56 of 1997, as amended). The Act mandates the NAC to:

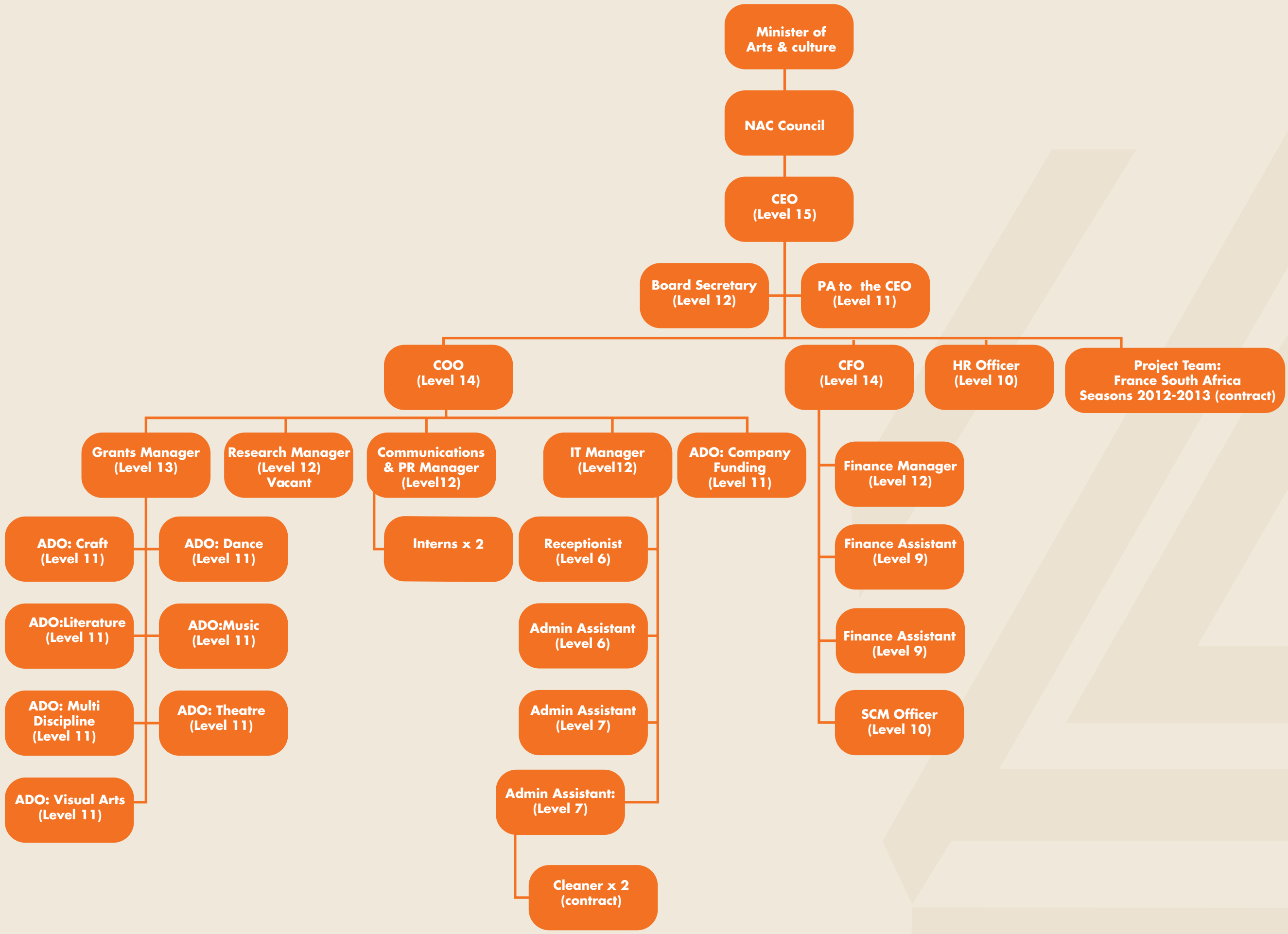
- Provide, and encourage the provision of opportunities for persons to practise the arts;
- Promote the appreciation, understanding and enjoyment of the arts;
- Promote the general application of the arts in the community;
- Foster the expression of a national identity and consciousness by means of the arts;
- Uphold and promote the right of any person to freedom in the practice of the arts;
- Give the historically disadvantaged such additional help and resources as are required to give them greater access to the arts;
- Address historical imbalances in the provision of infrastructure for the promotion of the arts;
- Promote and facilitate national and international liaison between individuals and institutions in respect of the arts; and
- Develop and promote the arts and encourage excellence in regard to these.

The NAC is wholly funded by an annual budget allocation from DAC. In terms of the Act, 75% must be distributed in grants in support of the arts and the remaining 25% is used for administration.

The specific stipulations of the NAC Act and related regulations, the NAC as a Schedule 3 Public Entity in terms of the PFMA must comply with:

- The Promotion of Access to Information Act (No 2 of 2000);
- Promotion of Equality and Prevention of Unfair Discrimination Act (No 4 of 2000);
- The Public Audit Act (No. 25 of 1994);
- Labour Legislation including the Basic Conditions of Employment Act (No 75 of 1997), Labour Relations Act (No 66 of 1995) and the Employment Equity Act (No 55 of 1998);
- The Occupational Health and Safety Act (No 85 of 1993);
- The Income Tax Act (No 58 of 1962 as amended) and all subsequent Taxation Laws Amendment Acts;
- The Revenue Laws Amendment Act (No 46 of 1996);
- The Skills Development Act (No 97 of 1998);
- The Preferential Procurement Policy Framework Act (No 5 of 2000);
- The Remuneration of Public Office Bearers Act (No 20 of 1998, as amended);
- The Unemployment Insurance Act (No 63 of 2001);
- The Division of Revenue Act (No 5 of 2012);
- The Broad-Based Black Economic Empowerment Act (No 53 of 2003); and
- The National Credit Act (No 34 of 2005).

5. ORGANISATIONAL STRUCTURE



As at 31 March 2013, the NAC employed 26 permanent staff members, three contract workers and two interns.

6. FOREWORD BY THE CHAIRPERSON

Ms Angelina Matlhodi Makwetla
Chairperson

"Change is a process, not an event. I am pleased to report that in 2012/2013 the pace of the change agenda as well as the reward of it increased as a result of our strategic plan that was introduced by Council in February 2012."

Change is a process, not an event. I am pleased to report that in 2012/2013 the pace of the change agenda as well as the reward of it increased as a result of our strategic plan that was introduced by Council in February 2012. Through the efforts of all at the NAC, from our staff to our panels and of course, Council itself, the inequitable patterns that were so characteristic of the funding landscape before, have begun to change. The indications were there last year already, and during this year we saw increasing levels of support to underfunded provinces such as the Eastern Cape, Free State, Limpopo and Mpumalanga. There is still much to be done, but the first steps of our journey to a transformed funding landscape were taken.

Central to this shift was the revision of the funding model which is our primary instrument in the implementation of our mandate. With 75% of our resources allocated to grant funding, Council realised that this had to be our primary agent of change and so began a process of rethinking the model. The result is an equity based system, which looks at the life cycle stage of each organisation and allocates resources on that basis. Recognising the importance of NAC funding as a leverage point and feeder into larger grant making agencies, the model will ensure that 50% of our beneficiaries are emerging organisations and artists. This funding will enable these organisations to develop the necessary experience to apply for other grants that are available, such as the National Lottery Distribution Trust Fund. With more than 230 grants that were made available to young people in the last financial year, we are already seeing progress. Over and above this, we also made significant contributions to the empowerment of women and people with disabilities, through our grants.

We are very proud of the progress that we have made in improving corporate governance. An unqualified audit for 2012/2013. A vast improvement from last year and the year before is a testimony to that. The dedication of Council members to this process was absolute. The demands on their time and resources were enormous but they were up to the challenge nevertheless and enthusiastic about it. It is of course with great sadness that we reflect on the passing of one our colleagues, Dr Nanga Lidovho in May 2013. We are so grateful for the time we had with him and his legacy will always be with us.

I would also like to thank management and staff of the NAC for their dedication to the task at hand and their willingness to embrace the change. It has made all the difference!

Ms Angelina Matlhodi Makwetla
Chairperson

Ms Monica Newton
Chief Executive Officer

"I am happy to report that while there is always room for improvement, and especially in some areas where we were unable to implement our plans, the NAC achieved the bulk of the targets that were set."

7. CHIEF EXECUTIVE OFFICER'S OVERVIEW

7.1. Overview

As mentioned in the Chairperson's Foreword to this report, this past year saw the NAC continue on a path of change and transformation in accordance with the five-year strategic objectives set by Council. With a new five-year strategy and the first Annual Performance Plan of the period, we set ambitious targets for ourselves. I am happy to report that while there is always room for improvement, and especially in some areas where we were unable to implement our plans, the NAC achieved the bulk of the targets that were set. In doing so, I believe that we were indeed successful in changing funding patterns, advocating for the arts and supporting young people. Ultimately we made significant progress towards achieving our full mandate.

It is important to consider however, the context in which we are operating. Compounded by the challenges experienced by the arts community last year, this year saw further shrinkage in the funding environment for the arts. This is because of the ongoing economic downturn that bites into corporate sponsorship and Corporate Social Investment (CSI) budgets. Similar to the NAC, the National Lottery Distribution Trust Fund also changed its approach to funding. In addition to some of the delays experienced with accessing this funding, the changes threatened many established arts organisations. The NAC looks forward to the opportunities presented by the review of the White Paper that is currently underway under the leadership of the Department of Arts and Culture. We are keen to interrogate the legacy of the White Paper and engage constructively with some of the systemic issues impacting on the arts community.

7.2. Outputs and Outcomes

The NAC made significant progress in terms of rising to the challenge of the ambitious targets laid out in the Annual Performance Plan for 2012/2013 and of course, achieving our strategic objectives.

The most noteworthy successes recorded in this Annual Report relate to how grants are administered. In the year under review, we piloted the new Grant Management System that was under development last year. The system is a custom designed programme to automate and streamline the management of many of the administrative aspects of grants. It will improve the turnaround time for grants, and also free up the time of our arts development officers to upscale monitoring and evaluation activities and to provide support to grant beneficiaries and applicants. In terms of the grants themselves, the NAC administered more than 500 grants this year, which is far more than in previous years. The number of applications that were processed also increased significantly. Through the review of the funding model, done in consultation with critical stakeholders and discussed at eight provincial events, we saw considerable changes to the funding landscape. A significant number of grants were made to applicants based in underfunded provinces, and also to women, youth and people with disabilities, far exceeding our stated targets. This is an indication that the tide turned, and while the patterns are changing gradually, it is clear that there is a steady increase in funding to these target beneficiaries.

Collaborations and partnerships were also a major focus this year to help us achieve our mandate. Initiatives included from the huge France South Africa Seasons project, a two-year multi-partner exchange programme with 115 projects in 2012/2013, to individual partnerships between the NAC and Provincial Arts and Culture Councils (PACCs). We also improved communication systems and are very proud of the launch and second publication of our newsletter.

In addition, we made changes "behind the scenes", strengthening governance and management systems in our efforts to accomplish an unqualified audit of efforts that have borne fruit; the NAC its first unqualified audit outcome since 2008/09. A forensic audit into fruitless, wasteful and irregular expenditure reported in 2010/2011 was concluded and the recommendations are in the process of being implemented. Disciplinary action was initiated against two senior officials at the NAC, a process that will conclude in 2013/2014. This however resulted in substantive capacity challenges.

There are some aspects where our performance did not meet our ambitions. This is mainly with regard to the research portfolio and audience participation programmes. Severe budget constraints and capacity challenges resulted in projects not being implemented. This is an element that we will need to address in our plans for the next financial year.

7.3. Expenditure Review

The National Arts Council received a budget of R87.5 million of which grant funding represented R55,2 million. All grant funds were committed, and by the end of the financial year R29, 7 million in grant funding was paid to beneficiaries.

Given that the NAC does not provide beneficiaries with all the funds that they request and actively encourages organisations to use the grants to leverage other funds, some contracts are not fully paid in any given year. As a result, the commitment to honour the grant funding contract is carried over into the next year. In addition, as a mechanism to ensure that funded funding is spent in accordance with the objectives of the grant award, the NAC disburses grants in tranches. As such, depending on reports and financial statements submitted, a grant may not be fully expensed in any given year.

This is reflected in the accumulated surplus in the Annual Financial Statements. As explained in note 20 to the Annual Financial Statements these funds are committed to a range of projects funded and expensed by the end of the 2012/13 financial year.

As the strategic thrust of the NAC directs, funding was targeted to redress and transformation to give new entrants an opportunity to showcase their talents in line with our mandate and to give the historically disadvantaged such additional help and resources as are required to give them greater access to the arts.

The NAC made considerable progress in committing a surplus accumulated over the last few years. Council approved a surplus funding framework that allocated the funds to supporting provincial programmes that promote access to the arts, capacity building, a project to celebrate arts icons, various panel strategic projects and support to human capital developed at community arts centres and festivals. Through tender processes, funds were committed for the roll out of a large scale capacity building programme as well as the initiation of a process to recognise South African arts icons across all disciplines. Eleven festivals to the value of more than R8 million were funded and a range of projects to support particular needs in various disciplines were initiated.

Over and above these commitments, considerable progress was made in serving contracts, and in some cases, expiring projects from prior years.

7.4. Organisational Transformation and Development

In May 2012, Council approved an organisational review process for the NAC. Recognising that the expertise required for such an exercise would need to be outsourced, and having limited budget available, the NAC approached the Treasury Technical Assistance Unit for support. The request was approved, and a co-financing arrangement was made to allow the process to begin in 2013. The aim of the review is not only to align the structure of the NAC to the strategic objectives, but also to improve the performance and efficiency of the organisation through reviewing critical business processes and conducting a skills audit to inform training and development.

7.5. Critical Challenges

The primary challenge for the NAC is the ongoing demand for resources from the sector. Every year, the NAC receives an increased number of applications, requesting funds far in excess of the funds that are available. Compounding matters, in 2013/2014, the NAC did not receive a substantive increase in the annual budget allocation. This placed an already strained administrative budget, capped in the NAC Act to 25% of the total budget allocation, under substantial pressure.
The critical challenges that faced the NAC in the year under review included:

- Substantive restrictions to administration spending through the Act, which does not allow the organisation to be flexible in meeting the needs of the sector and negatively impacts on strategic functions such as communication and research;
- The need to restructure the organisation to meet the imperatives of the new five-year strategic plan; and
- The conclusion of the NAC's relationship with Downtown Studios remains a critical issue to be resolved. While permission has been granted for transfer in the year under review, matters pertaining to the transfer process itself, and the financing of the institution must be clarified in the interim.

7.6. Future Plans

As outlined in the Annual Performance Plan for 2013/2014, the NAC will continue to implement the strategic objectives approved in our five-year Strategic Plan. The new funding model will continue to guide and inform funding decisions, and direct resources to transformation and redress, youth and audience development, advocating for the arts and the work of the NAC and fulfilling our mandate. Women, young people and people with disabilities will be targeted as funding beneficiaries, and we will continue to work with provincial representatives on Council and other provincial stakeholders to support the arts in historically underfunded provinces. Work on major partnership projects such as the France South Africa Seasons 2012 & 2013 project will also continue with the South African Season in France taking place between May and December 2013. We will also step up our efforts to engage with our sector on policy matters with the hosting of a conference to discuss matters impacting on the arts and to chart a way forward. Communicating with stakeholders will continue to be a focus of our work. Building on the platforms created in 2012/2013 such as the NAC newsletter, our aim will be to communicate and share information with all stakeholders on funding opportunities, programme and projects supported by the NAC and events that are broadly taking place in the sector.

Ms Monica Newton
Chief Executive Officer

PART B: PERFORMANCE INFORMATION

Vryfees/Vryfestival perfomance, Bloemfontein; Free State

PART B: PERFORMANCE INFORMATION

1. OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

1.1. Strategic Outcome Oriented Goals

The following table outlines a high level summary of the progress that the NAC made in achieving its strategic objectives in the 2012/2013 financial year. This is supported by more detailed information in the sections below.

Table 1: Summary of Achievements

Priority	Highlights
Contributing to redress and transformation in the arts	• In support of redressing the historical underfunding of particular provinces, 223 grants were made to beneficiaries in the Eastern Cape, Free State, Limpopo, Mpumalanga, North West Province and Northern Cape. • 220 grants were made to organisations that are steered by women as well as to individual women in the arts. • 231 grants were made to young people and organisations led by the youth. • Seven grants were made to organisations in support of people with disabilities. • Eight projects were initiated to build arts management capacity in various sectors and across the sector as a whole.
Developing an effective funding model	• The NAC funding model was successfully reviewed in consultation with the arts community through eight workshops held across the country. • The work of the funding model is clearly demonstrated in the information presented with regard to grant awards made to organisations and individuals in historically underfunded provinces and to women, youth and people with disabilities.
Fulfilling the mandate of the NAC	• The France South Africa Seasons project proved to be a successful vehicle for international exchange and partnerships between the NAC, stakeholders and government departments and public entities such as the Department of Arts and Culture, the National Film and Video Foundation and the Department of Tourism. • Matters impacting on the work of the NAC and the Provincial Arts and Culture Councils were discussed at MinMEC (the forum hosted by the Minister of Arts and Culture for discussions with provincial MECs) as well as a workshop attended by various stakeholders and presented at the intergovernmental relations structures of the Technical Implementation Committee (TIC) comprising the Director General of DAC and the provincial heads of the Department of Arts and Culture.

Priority	Highlights
Advocating the benefits of the arts and creating partnerships	• In advocating for the arts, consideration, interaction and collaboration were initiated in the year under review with provincial stakeholders. This was done through regular interactions, information sharing and the initiation of partnership projects. • Communication about the work of the NAC and the value of the arts were also substantively upscaled with the introduction of the NAC newsletter, various press releases and partnerships with key niche publications in the arts such as City Life and Classic Feel Magazine. • Social media platforms such as Facebook were also successfully utilised to communicate with the arts sector about relevant matters.
Creating programmes in support of young people and audience development	• As highlighted above, the review of the funding model created significant opportunities for young people to access grant funding from the NAC. • In addition, the France South Africa Seasons programme created an ideal platform for youth exchange projects.

1.2. Service Delivery Environment

The NAC has a broad mandate that requires the organisation to work with a wide range of disciplines to support and develop the arts. The service delivery environment of the NAC was substantially impacted on by the demands for resources, the need to redistribute resources in accordance with principles of redress and transformation and historic underfunding of the organisation

(a) Demands on Resources

The NAC routinely receives requests far in excess of its annual funding allocation. The Arts Organisation Support Funding round initiated in November 2012 for example, received more than 500 applications with requests equating to billions, while the available funding amounted to R22 million only. On average only 20% of what is requested is actually received by the sector in grants. Due to the economic climate, there has been a shift in international funding trends. Corporate sponsorships and Corporate Social Investments (CSI) were substantially reduced and other funding agencies withheld grant funding, while the demand on NAC resources continues to grow.

In addition, while the NAC is generally able to satisfy the needs of most applicants requesting grants of less than R50,000; grants above that threshold face far less chance of success. Over and above small grants, the primary demand is for grants between R50,000 and R500,000, the bulk of which the NAC is unable is to support. It is important to note that the NAC does partial funding, and as such, all grants are considered, irrespective of size, and funding is awarded where possible. In doing so, however, the NAC faces substantive risk of maintaining a large acculumated surplus, as projects funded can often not be fully realised until the individual or organisation has raised the funds elsewhere.

Besides the issues raised above, the NAC also experiences delays in project closure and final payments. In some cases this is due to beneficiaries not meeting the compliance and reporting requirements of the contract. To address this, NAC increased monitoring of projects to assist those beneficiaries to claim the funds.

(b) Redistributing Resources

In addition to the challenges of the demand for resources outlined above, the NAC along with other funding agencies struggled to ensure that resources reach artists and arts organisations in provinces other than Gauteng, the Western Cape and KwaZulu-Natal. The largest number of applications are received from the three most developed provinces, and this, by and large, determines how funding is distributed. Considerable efforts were made in the year under review to host information sessions and workshops in the historically underfunded provinces which resulted in a steady increase of funding to these provinces.

(c) Historic Underfunding of the NAC

The NAC is one of three funding and development agencies established by the Department of Arts and Culture to fulfil a wide of range functions as informed by the White Paper on Arts, Culture and Heritage and the individual acts which have established the organisations. Of the three, the NAC has a wide range of functions and is responsible for the largest number of disciplines. This results in substantive underfunding of sectors, especially when compared with the dedicated funding supplied by sister organisations to the heritage and film and video sectors.

1.3. Overview of the Organisational Environment

In May 2013, Council approved the initiation of a comprehensive organisational review to align the human resources of the organisation to its strategic objectives. Scoped in collaboration with an internal committee comprising representation from staff and management, the project will be implemented in partnership with the Treasury Technical Assistance Unit (TAU).

A range of finance and human resource policies were also reviewed in 2012/2013 to improve controls and corporate governance. These include policies for remuneration and reward, performance management and supply chain management. From a process perspective, this year saw the piloting of the custom developed Grant Management System (GMS) which automates aspects of the grant administration process. The system was piloted during the local bursary funding round in 2012 to test it and make any adjustments prior to full implementation. It is expected that the full scale implementation of the process will free up the organisation's resources, particularly those working with the individual arts disciplines; who will be able to offer greater support to beneficiaries though monitoring and evaluation and advisory services. The year under review also saw the introduction of an electronic system for Council meeting documentation. Each Council member was provided with a tablet to allow for the distribution of electronic rather than hard copy documentation. While still in its early stages, the process is expected to cut down on courier and printing costs. This is in accordance with a major cost saving drive at the NAC.

The NAC is a small organisation, employing 26 permanent staff members. To bolster financial and SCM capacity, a Finance Manager and SCM officer were employed in the year under review and the staff complement remained reasonably steady. The France South Africa Seasons 2012 & 2013 project however necessitated the employment of a project manager and temporary staff to manage the demands of the project on fixed term contracts.

The human resources of the organisation were impacted on by the implementation of recommendations of a forensic audit into fruitless, wasteful and irregular expenditure incurred in the 2010/2011 financial year. As a result, two managers in the organisation were suspended, with the disciplinary processes expected to conclude in 2013.

1.4. Key Policy Developments and Legislative Changes

There were no specific legislative or policy changes in the period under review that impacted unduly on the work of the NAC.

1.5. Summary of Revenue Collection

Table 2: Revenue Collection

	2012/2013			2011/2012		
Sources of Revenue	Estimate Amount R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Estimate Amount R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Grant	87 527	87 527	-	68 485	68 485	-
Interest	1 100	2 587	(1 487)	3 110	2 485	625
Total	88 627	90 114	(1 487)	71 595	70 970	625

1.6. Summary of Payments by Programme

The table below provides a summary of payments by programme.

Table 3: Summary of Payment by Programme

	2012/2013			2011/2012		
Programme Name	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Arts Administration	65 645	55 262	10 383	51 364	48 028	3 336
Finance, IT and Human Resources	25 201	26 340	(1 139)	22 736	21 693	1 043
Communication	1 630	1 505	125	478	563	(85)
Total	92 476	83 107	9 369	74 578	70 284	4 294

The under expenditure recorded is largely due to unpaid grant commitments for which second and third tranches of payments were not claimed.

1.7. Capital Investment

The NAC does not have substantive infrastructure projects and capital expenditure is managed within the finance section.

Table 4: Summary of Infrastructure Project Payments

	2012/2013			2011/2012		
Infrastructure Projects	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
	-	-	-	-	-	-
Total						

2. PERFORMANCE INFORMATION BY PROGRAMME

2.1. Programme 1: Arts Administration

2.1.1. Purpose of the Programme

The arts administration programme is the largest unit within the NAC, responsible for the administration of the grants which are at the core of the NAC's mandate. Through Arts Development Officers in each of the seven disciplines supported by the NAC and also for arts organisation support funding, applications from all over the country are accepted and assessed for administrative compliance first. Only then is it submitted to panels for evaluation and finally to Council for decision making. Once Council has awarded a grant, the programme is responsible for the contracting and payment of funds, and also for monitoring and reporting on the progress of the work of each beneficiary.

2.1.2. Strategic Objectives of the Programme

The objectives of the programme in 2012/2013 were to:

- Focus NAC resources on redress and transformation;
- Develop an effective funding model; and
- Promote youth development and audience development, participation and appreciation.

2.1.3 Key Performance Measures, Targets and Results

As a grant funding agency and in terms of the NAC Act, the NAC distributes 75% of its total budget allocation to the arts community in grants. The organisation has three broad funding instruments, project funding and bursary funding which are granted on an annual basis, as well as three-year support funding to arts organisations. In line with the five - year strategic objectives approved by Council, the NAC developed a new funding model to ensure redress and transformation in access to arts funding support. The new funding model ensured the improvement of the geographic distribution of funding across the nine provinces. As a result many more beneficiaries of NAC funding were supported in 2012/2013 for the first time. Guided by the model, the number of women-led organisations and projects supported across all provinces also increased tremendously, and support to organisations supporting people with disabilities and organisations led by young people also improved.

Numerous calls for applications were issued in 2012/2013 as follows:

- A call for project applications was issued from 30 January 2012 to 02 March 2012 with the outcomes announced on 03 June 2012;
- A call for bursary funding applications was issued from 14 August to 14 September 2012 with the outcomes announced on 09 December 2012;
- A call for arts organisation support funding was issued from 16 November to 14 December 2012 with the outcomes announced on 25 March 2013; and
- A call for project funding for 2013 was issued from 25 January to 15 March 2013 with the outcomes announced on 09 June 2013.

Each call was placed in national, local and some community newspapers and also published through the NAC website, social media platforms and arts networks.

Some of the highlights of the grant funding allocated by the NAC in 2012/2013 across each discipline include the beneficiaries listed below.

Craft

The NAC supported 135 crafters and craft projects in 2012/2013. In this report, the work of one person in particular, Mr Mathemba from the Eastern Cape, is highlighted.

Craft work done by Mr. Mathemba, Ikhwazi Township; Eastern Cape

Mr Mathemba runs a craft project based at Ikhwezi Township in Mthatha in the Eastern Cape initiated with the aim of putting his area on the map. He produces ceramic vases, plates, and mugs and he creates paintings. In 2012, the NAC supported the project through a grant for raw materials. In his report, Mr Mathemba stated that the NAC funds assisted him to purchase enough material to run a training programme in ceramics, as well as to produce some of his own craft work. He sells his products at Eastern Cape Arts and Craft Hub and the OR Tambo District Arts and Culture, Sports and Recreation office, which is also a great platform to showcase his works. The training takes place at his studio and at Mthatha Community Art Centre.


Inkwazi Trading, Jeppes Reef; Mpumalanga

Dance

The dance community has always enjoyed substantial support from the NAC, and this year is no different with more than 50 individuals, organisations and projects supported. Showcasing the variety of work funded by the NAC, two projects by dance organisations, Inkwazi Trading in Mpumalanga and Dance Movement in KwaZulu-Natal, are brought to light for the year under review.

Inkwazi Trading was granted funding for a project that promoted indigenous knowledge systems through dance in schools. Taking place at the DD Mabuza Comprehensive High School and the Lomahasha Comprehensive High School, the aim of the project was to empower and educate learners about indigenous dance and about the history of the calabash. They worked with rural schools that are offering music as a subject and fused it with Indigenous

Knowledge Systems (IKS) to develop solutions to socio-economic challenges affecting the children within their communities. In their reports, the organisation reflected phenomenal outcomes as teachers and learners embraced the programme and exceeded the group's expectations. Not only did the project make it possible for the the organisation to earn the respect of the educational stakeholders, but they were also invited back and supported by the Mpumalanga Department of Education, to teach IKS in other Arts and Culture subjects in schools in the province.

Working in KwaZulu-Natal, Dance Movement is a platform for professional development, training and education in dance for disadvantaged young dancers and professional artists. With the support of the NAC, Dance Movement entered 52 young dancers into the Association of International Dance Teachers (A.I.D.T) dance exams after a year of training. They were entered for the dance genres modern, contemporary and jazz in the categories of stepping stone, primary and junior lower. These A.I.D.T dance exams are the highest internationally recognised private dance exams in the country, affording dancers an international and prestigious qualification in the modern dance industry.

In 2012/2013, the organisation had the most successful entries in the country in the October Exam Session 2, resulting in 75% of their students passing with honours, and distinctions (attainments of between 95% and 100%) and 25% of the students receiving a pass with honours (attainments of between 85% and 90%). With this achievement, the organisation broke records and now occupies the top ranking spot; with the highest pass rate of dancers in a dance exam.

Literature

In support of 60 literature projects and authors in 2012/2013, the NAC amongst others, provided grant funding to the SA National Association for the Blind and Partially Sighted (SANABP). The organisation was established in 1986 by blind people in Limpopo to improve the quality of life for people living with disabilities. The organisation identified creative writing as one of the projects which can bring the dreams of people with disabilities to life. As such, the SANABP initiated a creative writing project which the NAC supported, and will soon launch a newsletter written wholly in braille. This will be in addition to an existing newsletter 'Infama' that was first procuded by the association in 2010. Infama empowers beneficiaries with both writing and reading skills, keeping them informed of issues that are relevant to them. Since 2012, the association has hosted two successful workshops promoting Braille and honing writing skills.

Music

Now in its nineteenth year, the Kimberley Academy of Music (KAM) in the Northern Cape has, in its own words, "transformed the cultural and music landscape of Kimberley from what was a relatively dry wasteland into a rich, fertile musical oasis". KAM has become a living testament to the important principle that music, particularly classical music is a right a right to which every human being is entitled. The National Arts Council provided a grant for various programmes, including KAM's Annual Music Week. During KAM Music Week, Kimberley was alive with the sound of Wind Bands and Soloist Competitions and reverberated with the voices of The Kimberley Children's Choir, the Ad Libitum Chorale and various guest choirs. KAM students of all ages, from young string players to the fine accomplished winners of the annual solo competition and the citizens were beneficiaries of this NAC sponsorship.

The NAC supported a total of 45 music projects, individuals and organisations in the year under review.

Theatre

Script development for theatre has been a focus of work at the NAC for some time with the introduction of the innovative "So You Think You Can Write" script development programme. Lubikha Theatre was part of the first group of script development participants in the programme in 2009, and through the script development and mentorship they developed their script "BANTUSTAN". The play tells the history of black South Africans during the apartheid era in the former homeland of Ciskei under the government of a dictator Dr Lenox Sebe and his neighbour in the Transkei, Dr Kaizer Mathanzima. Supported by a grant from the NAC, the play had a successful run at the National Arts Festival in 2012 and they were also invited by the Soweto Theatre to present the piece at this new, and only, professional theatre in Soweto, Johannesburg. The show had a two week run and was well received by the community of Soweto and surrounding townships.

While funding is limited, the NAC provides a number of opportunities for artists to further their careers on international platforms. Ms Lerato Shadi was born in Mafikeng in 1979 and lives in Berlin. She graduated with a BFA degree from the University of Johannesburg in 2006. She was selected as a 'Bright Young Thing' by Art South Africa magazine in 2008, and in 2009 was included in the Younger than Jesus artists' directory published by the New Museum, New York. She had a solo exhibition, Mosako Wa Seipone, at Goethe on Main, Johannesburg, in 2010, and took up a Pro Helvetia residency at PROGR in Bern, Switzerland. In 2012, the NAC contributed to Ms Shadi's travel costs to take part in the exhibition "Theatre of Life" at The Centre of Contemporary Art (COCA) in Torun, Poland. COCA was founded in 2008 and it is one of the newest and most important institutions solely dedicated to contemporary art in Poland. The only South African participating, Ms Shadi, joined her voice to the work of 31 artists from around the world that have made and are making an impact in performance arts including John Cage, Yoko Ono, Marina Abramović, Valie Export, Natalia LL, John Baldessari, Neša Paripovi, Ulay, Marek Sobczyk, Katarzyna Kozyra, Maurizio Cattelan, David Michalek, Pierre Bismuth, Jonathan Monk, Vanessa Beecroft, João Onofre, Francesco Vezzoli, Gil Kuno, Partick Tuttofuoco, Nezaket Ekici, Pilvi Takala, Marlene Haring, Ana Prvaćki, Mihoko Ogaki, Malin Ståhl, Branko Milisković, Francesco Fonassi, Nicola Ruben Montini and Maks Ciećlak. On the closing night of the show she presented a performance, U'titled.

In 2012/2013, the NAC supported a total of 77 projects, individuals and organisations in the theatre discipline.

Visual Arts

In the 2012/2013 financial year, the NAC supported 64 individuals, projects and organisations in the visual arts. One of the beneficiaries was Ms Judy Woodborne, a printmaker and painter based in Cape Town. The NAC supported the printing of the catalogue which she had been working on for two years, comprising a selection of works produced over a twenty-year period. Ms Woodborne noted in her report that this was an important milestone for her that enabled her to collect and document images and data of her works that were created over this time in one single catalogue. She was able to use her catalogue to submit applications to various galleries, curators and overseas organisations and make her work known to a wider audience. A digital version of this catalogue was also produced that can be made available to schools and learners who study the work of a contemporary South African Artist as part of their curriculum. Some copies were made available to learners on request, who intend to use the work as the focus of their study for school projects. The required copies of the publication will be lodged with the respective libraries in accordance with the SA Libraries Act, allowing public access to such information.

Section 3 of this report provides a detailed overview of the beneficiaries of NAC grants in the 2012/2013 financial year.

Table 5: Arts Administration Targets & Achievements

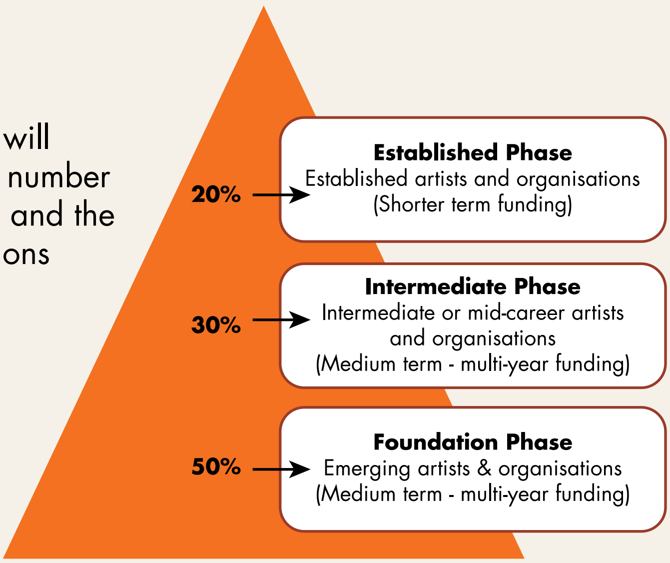
Strategic Objectives: Focusing NAC Resources on Transformation and Redress						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013 (if applicable)**	**Comment on Variances**
Percentage increase in grant allocations to HDI provinces	54 grant allocations	140 grant allocations / (5 – 7%) per province	223 grant allocations	Target exceeded by 83 grant allocations	169 grant allocations	New funding model developed which ensures more provincial representation in funding in accordance with strategic objectives

Strategic Objectives: Focusing NAC Resources on Transformation and Redress						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013 (if applicable)**	**Comment on Variances**
Improved arts management capacity	Not applicable	5 programmes implemented	6 programmes implemented	Exceeded target by 1 programme	Not applicable	Allocation of accumulated surplus made additional support to specific programmes possible
Improved levels of collaboration between NAC and provincial partners	8 collaborative projects implemented	3 festivals and arts programmes supported	18 partnership projects implemented	Exceeded target by 15 projects	10 projects	Allocation of accumulated surplus made additional support to specific programmes possible
Improved transformation profile of funding allocations with regard to HDI organisations, women and people with disability	Not applicable	262 CBOs supported	288 beneficiaries supported	Target exceeded by 26 beneficiaries	Not applicable	Increased support for projects in the year under review
Improved transformation profile of funding allocations with regard to HDI organisations, women and people with disability	Not applicable	26 women-led organisations and/or artists supported (10% of total)	220 beneficiaries supported	Target exceeded by 194 beneficiaries	Not applicable	New funding model developed ensure that marginalised groups have increased funding support
Improved transformation profile of funding allocations with regard to HDI organisations, women and people with disability	Not applicable	5 arts organisations in support of people with disabilities funded (2% of total)	7 beneficiaries supported	Target exceeded by 2 beneficiaries	Not applicable	Organisations & individuals with disabilities targeted for funding in line with strategic objectives

Strategic Objectives: Focusing NAC Resources on Transformation and Redress						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013 (if applicable)**	**Comment on Variances**
Improved transformation profile of funding allocations with regard to HDI organisations, enterprises, women and people with disability through a redress and transformation focused funding model	Not applicable	Funding model review and stakeholder engagement	Funding model was reviewed and approved by Council along with new funding criteria. 8 workshops were held in 8 provinces with arts organisations and individuals	No deviation	Not applicable	Not applicable

In the year under review, the NAC developed a new funding model, aligned to the five-year strategic objectives of Council, which is a life-cycle oriented system. The funding model was designed to be appropriate to the different disciplines, provide a clear indication to applicants of NAC objectives and to guide the application process in meeting the objectives of the NAC. The model is expected to drive the transformation and redress priority, empower women, youth and people with disabilities and also be responsive to the needs and life cycle stage of artists and arts organisations. Operationally, in the arts organisation support funding round, the model ensured that emerging entrants and beneficiaries outside of major metropolitan centres were the primary beneficiaries of this funding. As outlined in the figure below, new entrants receive 50% of grant funding, intermediate phase organisations defined as being at mid-career level receive 30% of the available funding and established organisations receive 20%.

The framework will inform both the number of beneficiaries and the funding allocations



The new funding framework informs both the number of beneficiaries to be supported and the funding allocations. As the NAC implements its strategic objectives over the next five years, the model will inform a range of support provided that will be tailored to meet those needs as follows:

Life Cycle Stage	% of Funding Allocation	Support	2012/2013 Programmes
Foundation Phase	50%	• Capacity building	• Capacity building tender awarded and various sector specific capacity building programme initiated • Bursaries supported and training programmes funded through project funding
		• Access to equipment/ instruments	• Project funding supported materials and equipment funding in specific sector such as craft and visual arts
		• Access to markets	• New platforms explored in collaboration with PACCs to promote access and capacity • 11 festivals supported with one year grant funding • Project funding supported participation on local and international platforms • Marketing and audience development costs supported through Arts Organisation Support Funding
		• Access to spaces	• Some aspects of operational costs covered in Arts Organisation Support Funding
		• Creation of new works	• Project funding provided support to the creation of new works
		• Operational costs for projects, programmes and organisations	• Some aspects of operational costs covered in Arts Organisation Support Funding

Life Cycle Stage	% of Funding Allocation	Support	2012/2013 Programmes
Intermediate Phase	30%	• Access to markets and opportunities	• Project funding supported participation on local and international platforms • France SA Seasons project provided exposure
		• Marketing, promotion and publicity	• Marketing and audience development costs supported through Arts Organisation Support Funding • France SA Seasons project provided exposure
		• Operational support	• Some aspects of operational costs covered in Arts Organisation Support Funding
		• Residency and exchange programmes	• Project funding supported residency and exchange programmes • France SA Seasons project provided for residencies and exchange
		• Access to other sources of support and leverage other funding	• Work is ongoing to develop partnerships with stakeholders such as BASA and the National Lottery Distribution Trust Fund (NLDTF)
		• Creation of new works	• Project funding provided support to the creation of new works
Established Phase	20%	Providing assistance to emerging artists	• Programmes to be developed
		Operational support	• Some aspects of operational costs covered in Arts Organisation Support Funding
		Taking on additional staff	• Job creation is an objective of Arts Organisation Support Funding

Life Cycle Stage	% of Funding Allocation	Support	2012/2013 Programmes
Established Phase	20%	Providing training and mentorship to others	• Programme for developing capacity in community arts using centres of excellence scoped
		Opportunities and opening of markets national and internationally	• Project funding supported participation on local and international platforms • France SA Seasons project provided exposure
		Marketing and promotion	• Marketing and promotion development costs supported through Arts Organisation Support Funding • Arts Icons project tender awarded to recognise the contribution of a range of artists to the SA cultural landscape
		Networking and linkages	• France SA Seasons project provided networking and linkages with international artists • Further programmes to be developed
		Promoting of excellence in innovation of new works	• Project funding supported excellence and innovation • Award winning projects such as the Miser part of the France SA Seasons project
		Creation of new works	• Project funding provided support to the creation of new works

Strategic Objectives: New Focus Areas: Youth Development and Audience Development, Participation and Appreciation						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Increased number of young people receiving NAC grants annually	Not applicable	Workshop with youth development stakeholders to develop empowerment programme	A workshop was held in Bloemfontein during Mangaung Youth Empowerment Week in the Free State	The Mangaung Youth Empowerment Week was held in April 2013	Not applicable	The Mangaung Youth Empowerment Week was identified as an important opportunity for the workshop which would engage youth from a historically disadvantaged province
	Not applicable	131 (50% of total)	231 beneficiaries	Target exceeded by 100 beneficiaries	Not applicable	More young people are able to access NAC funding as a result of the new funding model
	Not applicable	7 grants awarded to pilot programmes	Funds allocated to 7 new programmes	No deviation	Not applicable	Not applicable
Number of young people participating in exchange programmes	Not applicable	Engagement with financial model review, setting of broad objectives and development of clear criteria for youth development programmes	Emerging organisations, in existence for less than three years, identified as a priority in the funding model, with 50% of resources and beneficiaries falling into this category	No deviation	Not applicable	Not applicable
Increased annual involvement in NAC social media platforms	Not applicable	Enhancement of current NAC social media platforms through content and marketing	Daily updating of social media platforms	No deviation	Not applicable	Not applicable

Strategic Objectives: New Focus Areas: Youth Development and Audience Development, Participation and Appreciation						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Increased number of local community members attending NAC funded events annually	Not applicable	Identification of geographic clusters of NAC supported programmes	Report drafted for submission to Council	No deviation	Not applicable	Not applicable
	Not applicable	Development of targeted joint marketing programmes	Target not achieved	Targeted programmes could not be developed as the research was completed in the last quarter of 2012/2013	Not applicable	The funding model was approved in the 2nd quarter of 2012/2013 which impacted on the finalisation of the research report on geographic clusters
	Not applicable	Evaluation of programme impact on audiences and community sentiment	Target not achieved	Targeted programmes could not be implemented and as such the impact thereof could not be evaluated	Not applicable	The funding model was approved in the 2nd quarter of 2012/2013 and applied to Arts Organisation Support Funding which was finalised at the end of the 4th quarter of 2012/2013

Strategic Objectives: New Focus Areas: Youth Development and Audience Development, Participation and Appreciation						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Reporting on audience participation and development in appropriate NAC projects	Not applicable	Engagement with financial model review, setting objectives and development of clear criteria for audience development programmes	Audience development through marketing engaged through the funding model with a guideline as to budget breakdowns	No deviation	Not applicable	Not applicable
	Not applicable	Reporting on all grants in identified areas	Target not achieved	Grants in identified areas not reported on with regard to audience participation and development	Not applicable	The funding model was approved in the 2nd quarter of 2012/2013 and applied to Arts Organisation Support Funding which was finalised at the end of the 4th quarter of 2012/2013

Summary of payments by sub-programme

Table 6: Summary of Payments - Arts Administration

	2012/2013			2011/2012		
Sub-Programme Name R'000	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**
Arts Administration	65 645	55 262	10 383	51 364	48 028	3 336
Total	**65 645**	**55 262**	**10 383**	**51 364**	**48 028**	**3 336**

The under expenditure recorded is largely as a result of grant commitments for which second and third tranche payments were not claimed.

2.2. Programme 2: Human Resources, IT and Financial Administration

2.2.1. Purpose of the Programme

The NAC's human, information technology, administrative and financial resources are administered by a small programme that is responsible for:

- Financial management;
- Human resource management and development;
- Information technology management and development; and
- Administration management, particularly in support of grant administration.

2.2.2. Strategic objectives of the Programme

The objectives of the programme in 2012/2013 were to promote effective corporate governance by:

- Achieving an unqualified audit report;
- Ensuring compliance with relevant legislation;
- Complying with the King III Report where applicable;
- Monitoring and reporting on strategic objectives;
- Developing systems to improve efficiency and effectiveness in the delivery of services;
- Developing a skilled workforce and efficiently administer human resources;
- Implementing the NAC internship programme;
- Managing risks effectively; and
- Implementing cost saving initiatives.

2.3.3 Key Performance Measures, Targets and Results

The focus of the IT, HR and Finance unit was on the improvement of organisational performance through the strengthening of the policy and control environment, the implementation of the Grant Management System (GMS) that was developed in 2011/2012 and the application of the NAC Corporate Governance Framework. To improve the audit outcome for the year under review, a tracking document was developed to ensure that issues raised in prior regularity audits, and internal audits, were cleared. Quarterly reporting was tabled and approved at relevant Council structures prior to submission. A risk register was developed and maintained, and a cost saving plan was developed to assist with cutting administrative costs.

The GMS, a customised signed workflow and management system for the grants administered by the NAC, was piloted in 2012/2013. The system allows for the scanning of applications into a system database, the automatic generation of receipt notices, grant award letters and contracts. The system was successfully piloted during the local bursary funding round.

Table 7: Human Resources, IT & Financial Administration Targets & Achievements

Strategic Objectives: Effective Corporate Governance						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Unqualified audit report	Qualified audit report	Unqualified audit report	Unqualified	No deviation	Not applicable	Not applicable
		100% compliance with selected relevant legislation	A compliance checklist was drafted and submitted with the quarterly financial and non-financial information report. A register of irregular, wasteful and fruitless activity was kept	No deviation	Not applicable	Not applicable
Improved corporate governance: compliance with King III Report	Not applicable	100% compliance with selected codes of good practice	A compliance checklist was compiled and internal audit completed a audit of compliance	No deviation	Not applicable	Not applicable
	Council meetings were held quarterly	Quarterly Council meetings held	Council meetings were held quarterly	No deviation	Not applicable	Not applicable
	Minutes and action plans were circulated within seven days of meetings	Minutes and action plans were circulated within seven days of meetings	Minutes and action plans were circulated within seven days of meetings	No deviation	Not applicable	Not applicable

Strategic Objectives: Effective Corporate Governance						
Improved organisational performance	Not applicable	Monitoring of strategic objectives through quarterly report	Quarterly reports submitted to EXCO/Council and DAC	No deviation	Not applicable	Not applicable
	Finalisation of GMS	Automation of the funding process (GMS)	GMS was implemented during the local bursary funding round in the 3rd quarter of 2012/2013. The system is run parallel with the manual system	No deviation	Not applicable	Not applicable
	Not applicable	Efficient and effective control over archive information	A file audit was conducted and archive information was organised chronologically to improve control and accessibility	No deviation	Not applicable	Not applicable

Strategic Objectives: Effective Corporate Governance						
Improved organisational performance	Not applicable	Upgrade of organisation's ICT systems	A GMS system was implemented alongside the manual system to pilot the process and the server was upgraded	No deviation	Not applicable	Not applicable
	Not applicable	Develop an HR Strategy to focus on: staff development, performance management and a policy for reward and recognition	The performance management and remuneration and reward policies were updated and approved. Bursaries were provided to five staff members. Financial management training was provided to staff. A moderation process was approved by Council to resolve challenges of the 2011/2012 performance assessment cycle	No deviation	Not applicable	Not applicable
	Not applicable	Review and maintenance of risk register	The risk register was maintained and reviewed	No deviation	Not applicable	Not applicable
	Not applicable	Implementation of physical and environmental controls	Physical and environmental controls are in place, but are not fully implemented	The process of implementation was Initiated but is not yet complete	None	Project will be implemented in the next financial year
	Not applicable	Develop a cost saving plan	Cost saving plan developed and implemented	No deviation	Not applicable	Not applicable

Strategic Objectives: Youth Development						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
NAC internship programme implemented	Two interns were employed	Four interns were employed	Two interns were employed	Two interns were employed as opposed to the target of four	None	Budget constraints made it impossible for the NAC to employ additional interns

Table 8: Summary of Payment - Human Resources, IT and Financial Administration

Summary of payments by sub-programme

	2012/2013			2011/2012		
Sub-Programme Name R'000	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**
Finance, IT and Human Resources	25 201	25 340	(1 139)	22 736	21 693	1 043
Total	**25 201**	**25 340**	**(1 139)**	**22 736**	**21 693**	**1 043**

The over expenditure recorded is largely as a result of asset depreciation and salary provisions such as leave.

2.3. Programme 3: Communications

2.3.1. Purpose of the Programme

The communication programme provides the link between the NAC and the broader sector.

2.3.2. Strategic objectives of the Programme

The objectives of the programme in 2012/2013 were to advocate for the arts and the work of the NAC by:

- Improving relations with provincial stakeholders;
- Creating partnerships with national stakeholders;
- Creating partnerships with education stakeholders;
- Effectively utilising traditional, electronic and social media and
- Developing and publishing the NAC newsletter.

2.3.3. Key Performance Measures, Targets and Results

Communication is central to the work of the NAC, and in 2012/2013 a range of initiatives were implemented to improve relations with provincial stakeholders and to utilise traditional and social media to advocate for the arts and the work of the NAC. In the year under review, the NAC launched a newsletter, with electronic and hard copy editions to provide a platform for the NAC to promote its work to the arts community and to share information with stakeholders. Through focused attention and marketing, there was a considerable increase in the number of visitors to the NAC's social media platforms and the website at www.nac.org.za. Through these mechanisms, projects and beneficiaries of NAC, funding were profiled, specifically the work of artists and arts organisations in historically disadvantaged and underfunded provinces.

In the year under review, the NAC worked closely with provincial representatives on Council to ensure that provincial interests are prioritised in grant funding and other activities. A range of meetings were also held with provincial stakeholders, notably a workshop in collaboration with the DAC to discuss the funding environment and the work of the Provincial Arts and Culture Councils (PACCs). The outcomes of this workshop were presented to the Technical Implementation Committee (TIC) comprising provincial Heads of Department and to MinMEC.

The France South Africa Seasons project, implemented in partnership with the DAC and many other departments and public entities such as the Department of Tourism, Basic Education, Science and Technology, South African Tourism and the National Film and Video Foundation (NFVF), was a significant focal point of activity this year. The project is a multifaceted bilateral collaboration between France and South Africa, concluded in 2011 by the heads of states of France and South Africa. The goal of the project is to create opportunities for exchange, collaboration and innovation in a range of fields, including arts, science and technology, business, sport, education and many others. The French Season in South Africa was successfully hosted in 2012 and the South African Season in France will take place between May and December 2013. As the implementing agency on the South African side, and working closely with the French implementing agency Institut Français, the NAC ensured that the 115 projects that were part of the Season were successfully hosted. Some of the highlights of the Season include:

20th Century Masters: The Human Figure
Standard Bank Gallery, Johannesburg (13 July – 15 September)
This major exhibition was supported by five art museums in the Région Rhône-Alpes and curated more than 60 works of mainly French masters from the late 19th Century to the present. The exhibition opened the French Season in South Africa and approximately 21,300 people flocked to the exhibition between 13 July and 15 September. It was presented with the support of Areva, also a major sponsor of the Season.

French Film Festival in South Africa
Selected Cinema Nouveau and Ster Kinekor cinemas in Johannesburg, Pretoria, Port Elizabeth, Durban and Cape Town (1 – 26 August)
The second French Film Festival in South Africa was a programme of seven of the finest contemporary French films screened in five South African cities. It included a retrospective of the films of Claire Denis, whose work is strongly linked with Africa, and a film of prominent South African director, Ramadan Suleman who participated in debates and master classes. Approximately 5,000 people attended the various screenings across the country.

International Exhibition of Black Music
Museum Africa, Johannesburg (31 August – 12 December)
More than 4000 visitors experienced the unique multimedia exhibition which is the first exhibition documenting the full history of black music from African roots to blues, jazz, soul, funk, Caribbean and Latin American music. The exhibition honoured international artists such as Bob Marley, Miles Davis, Louis Armstrong, Fela Kuti, Ali Farka Touré, Miriam Makeba, Jay Z, Public Enemy, Gilberto Gil, Cesaria Evora, Keziah Jones, Youssou NďDour, Salif Keïta, Ismaël Lo, Danyel Waro and many others. After its showcase at the Season, the exhibition was transferred to Salvador de Bahia in Brazil as a permanent exhibition.

The Home Movie Factory
Museum of African Design, Maboneng, Johannesburg (1 September – 25 November)
Renowned French film maker, Michel Gondry launched a project to make film making accessible to the public. Called the Home Movie Factory, the project, implemented in partnership with the NFVF, established sets at the Maboneng precinct in Johannesburg and gave opportunities for groups of people to make their own films. Approximately 2500 people from all walks of life made some 250 films and the project was extended due to popular demand.

Table 9: Communication Targets & Achievements

Strategic Objectives: Advocating for the Arts and the Work of the NAC						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Integrated arts development implementation in the provinces through improved communication and quarterly interaction	Not applicable	Quarterly meetings of the provincial committee of Council	3 meetings were held	1 meeting not held	Not applicable	A meeting would not be held in the 4th quarter due to capacity constraints as a result of the suspension of management members and the demands of the administration of the Arts Organisation Support Funding round in the 4th quarter of 2012/2013
	Not applicable	Quarterly meetings were held with provincial departments and other stakeholders	Quarterly meetings were held	No deviation	Not applicable	Not applicable
	Not applicable	Quarterly reports on funded projects to provincial stakeholders	Quarterly reports provided	No deviation	Not applicable	Not applicable
	Not applicable	Inclusion of Provincial Representatives on site visits determined by NAC and panels	Provincial representatives included in project site visits	No deviation	Not applicable	Not applicable
	Not applicable	Workshop with provincial stakeholders on provincial arts development	1 workshop was held with Provincial Arts & Culture Councils in November 2012	No deviation	Not applicable	Not applicable

Strategic Objectives: Advocating for the Arts and the Work of the NAC						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
	Not applicable	Presentation to MinMEC on provincial matters impacting on the NAC	Presentationmade to TIC in March 2013 and to MinMec in April 2013	A MinMEC meeting was held in April 2013	Not applicable	The MinMEC meeting scheduled for the 4th quarter of 2012 was changed to April 2013
Integrated arts development implementation with national stakeholders through regular quarterly communication and annual collaborations on programme implementation	Not applicable	4 meetings were held with national stakeholders	4 meetings were held as part of the France South Africa Seasons with the DAC, NFVF, Department of Tourism, and other stakeholders	No deviation	Not applicable	Not applicable
	Not applicable	3 collaborative projects with DAC, Tourism & Funding Agencies	France South Africa Seasons project in 2012 involved collaboration with more than 115 projects with the DAC, NFVF, City of Johannesburg, Department of Tourism, Department of Science & Technology & Department of Education	Exceeded target by 112 projects	Not applicable	The development of the programme for the Season was ongoing throughout 2012 and was finalised after the completion of the APP
	Not applicable	Share quarterly funding reports with DAC, arts funding agencies and Tourism	Quarterly reports provided	No deviation	Not applicable	Not applicable

Strategic Objectives: Advocating for the Arts and the Work of the NAC						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Partnerships and flagship projects established with education stakeholders to advocate for arts education and training	An arts education research project was initiated	Workshop with arts education stakeholders on the outcome of the arts education research project	Target not achieved	Workshop not hosted	Not applicable	An arts education research report was only completed in the 4th quarter of 2012/2013 due to capacity and budget constraints, and as such the workshop with stakeholders could not be held
	Not applicable	One flagship project in collaboration with identified education stakeholders	Target not achieved	Flagship project not implemented	Not applicable	An arts education research report was only completed in the 4th quarter of 2012/2013 due to capacity and budget constraints, and as such a relevant project could not be identified

Strategic Objectives: Advocating for the Arts and the Work of the NAC						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Increased media coverage of the NAC through traditional and social media	2 advertorials were placed	Quarterly advertorials in key publications on the success of the NAC	9 advertorials were placed	The target was exceeded by 5 advertorials	7 advertorials were placed	The implementation of the French Season in South Africa required additional advertorials
	Not applicable	Quarterly collaboration with niche arts magazine/ publications in support of the arts	4 collaborations with niche publications	No deviation	Not applicable	Not applicable
	4 press releases	4 press releases	4 press releases	No deviation	Not applicable	Not applicable
	7 success stories	4 success stories	14 success stories published	Target exceeded by 10 success stories	7 more stories were published	The NAC newsletter required the drafting of additional success stories to be published as content
	2,000 followers	4,000 followers on social media	5,000 followers on social media platforms	Target exceeded by 1,000 followers	3,000 followers	France SA Seasons generated additional interest, as did the publication of calls for grant funding
	10,000 hits	4,000 website hits	15,000 hits	The target was exceeded by more than 11,000 hits	The 2011/2012 hit rate was exceeded by 5,000 hits	The NAC's call for applications generated more web traffic
	No issues produced	4 newsletters	2 issues were launched in 2012/2013	2 issues were not produced	Two issues of the newsletter	The service provider was appointed in the 2nd quarter and the two newsletters were produced in the latter part of the year

Table 10: Summary of Payments – Communication
Summary of payments by sub-programme

	2012/2013			2011/2012		
Sub-Programme Name R'000	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**
Marketing	1 630	1 505	125	478	563	(85)
Total	**1 630**	**1 505**	**125**	**478**	**563**	**(85)**

The under expenditure recorded is largely as a result of unpaid commitments relating to procurement of marketing materials, signage, etc.

2.4 Programme 4: Research

2.4.1 Purpose of the Programme

The research programme at the NAC aims to foster a culture of research that promotes knowledge, information sharing, networking and policy interventions as well as informing of the NAC's sector support programmes.

2.4.2 Strategic Objectives of the Programme

The objectives of the NAC's research programme are to fulfil the mandate of the NAC by:

- Conducting a 15 year review of the NAC;
- Developing data collection and knowledge management mechanisms;
- Improving monitoring and evaluation;
- Developing a three-year research programme; and
- Monitoring the impact of audience development transformation and redress objectives.

2.4.3 Key Performance Measures, Targets and Results

The NAC's research portfolio was severely constrained in the year under review by both capacity and budget constraints. The Research Manager resigned in the fourth quarter of the 2011/2012 financial year, and in the context of an organisational review planned for 2012/2013, Council indicated that the post would not be filled. As such, in-house capacity was utilised as far as possible to complete the arts education research project initiated in the 2011/2012 financial year, to compile a report on the geographic distribution of grant funding.

Table 11: Research Targets & Achievements

Strategic Objectives: Fulfilling the Mandate of the NAC						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Valid, reliable and appropriate research conducted	Not applicable	Review initiated and report finalised	Target not achieved	Review was not initiated	Not applicable	The review was not initiated due to capacity and budget constraints
	Workshop programme hosted	Hosting of annual workshop and conference programme	The NAC participated in the ACT/UJ Art of the Creative Economy Conference and various workshops throughout the year	Annual workshop and conference programme not hosted	A workshop programme was not hosted	The workshop and conference programme was not initiated due to capacity and budget constraints
	Not applicable	Development and integration of knowledge management tool with GMS	A reporting tool was integrated into the GMS system	No deviation	Not applicable	Not applicable
	Not applicable	Developing of effective monitoring and evaluation tools based on new funding model	Existing monitoring and evaluation tools were retained	New tools were not developed	Not applicable	A meeting would not be held in the 4th quarter due to capacity constraints as a result of the suspension of management members and the demands of the administration of the Arts Organisation Support Funding round in the 4th quarter of 2012/2013
	Not applicable	Development and approval of three-year research programme in line with strategic priorities	Target not achieved	Research programme was not developed	Not applicable	The research programme was not developed due to capacity and budget constraints

Strategic Objectives: Fulfilling the Mandate of the NAC						
Performance Indicator	**Actual Achievement 2011/2012**	**Planned Target 2012/2013**	**Actual Achievement 2012/2013**	**Deviation from Planned Target for 2012/2013**	**Variance from 2011/2012 to 2012/2013**	**Comment on Variances**
Valid, reliable and appropriate research conducted	Arts education in schools research project was initiated	Arts participation in schools benchmark study	Report on Arts education in schools research project	The arts participation in schools study was not initiated	Not applicable	The research programme was not developed due to capacity and budget constraints
	Not applicable	Regular reporting was done in NAC on sector and geographic spread of funding	Regular reports were provided to Council	No deviation	Not applicable	Not applicable

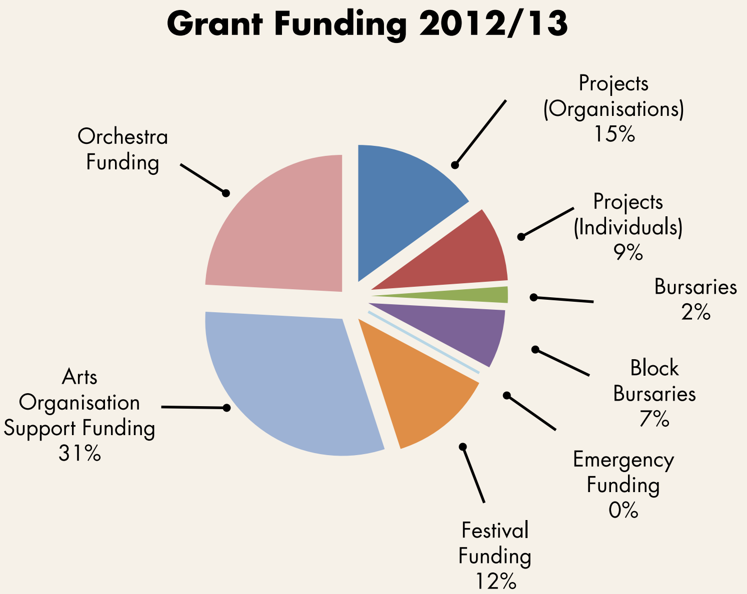
Table 13: Summary of Payments - Research
Summary of payments by sub-programme

	2012/2013			2011/2012		
Sub-Programme Name R'000	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**	**Budget R'000**	**Actual Expenditure R'000**	**(Over)/ Under Expenditure R'000**
Research	-	-	-	-	-	-
Total						

3. NAC GRANT BENEFICIARIES 2012/2013

3.1. Overview

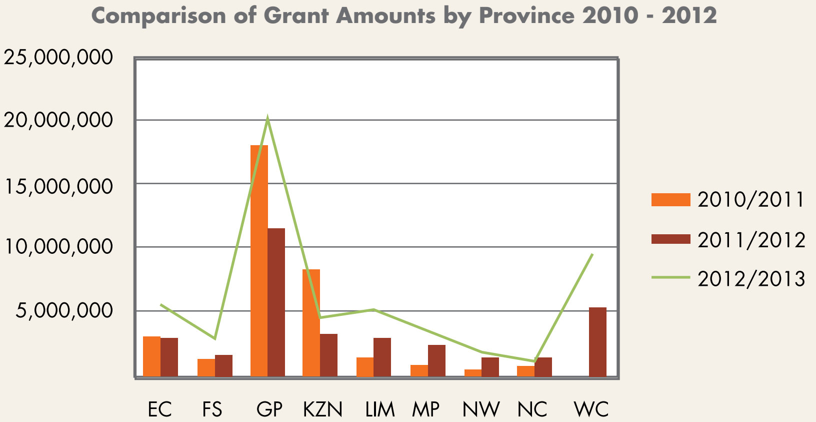
In the year under review, the NAC provided funding in a range of categories to 580 individuals and arts organisations in support of the targets and objectives outlined in the APP for 2012/2013. In terms of bursaries, 88 bursaries were provided directly to applicants for post graduate studies and 39 institutions were supported with bursaries for students at undergraduate level and those enrolled in vocational education and training programmes. In 2012/2013, based on the new funding model, the old Company Funding system was transformed into Arts Organisation Support Funding, an instrument designed to support organisations based on the life cycle stage of the entity. Initiating a new three-year funding cycle, 98 companies and arts organisations were funded and 11 festivals were provided with a once-off annual grant. The figure below provides a breakdown of the proportion of each of the different types of funding as a percentage of the total grant funding, amounting to more than R69 million:



As in previous years, through a ring-fenced funding allocation from the DAC, the NAC provided funding to three orchestras as follows:

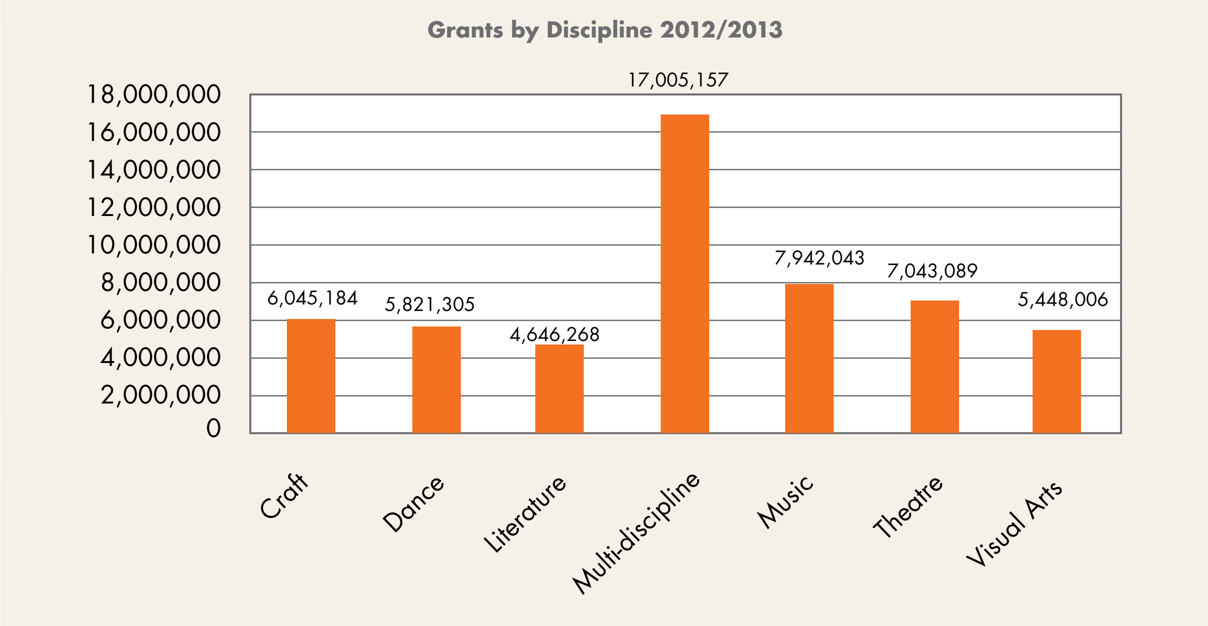
Orchestra	Amount	Province
KZN Philharmonic Orchestra	5,645,000	Kwa-Zulu Natal
Cape Town Jazz Orchestra	5,645,000	Western Cape
Cape Philharmonic Orchestra	5,645,000	Western Cape
TOTAL	**16,935,000**	

Provincially, as highlighted in the figure below, the Gauteng continues to receive the largest funding allocation; however the distribution for 2012/2013 shows far greater funding of artists and organisations from provinces such as Limpopo, the Free State, Eastern Cape and Mpumalanga than in previous years:



Note: Graph excludes orchestra funding.

By discipline, as outlined in the figure below, multidisciplinary projects received the bulk of funds in 2011/2012, followed by music, theatre and dance.



Note: Graph excludes orchestra funding.

The sections below provide a detailed list of all beneficiaries, listing the name of the organisation or individual, the amount awarded, the discipline and province.

3.2 Project Funding 2012/2013

(a) Organisational Project Funding

Table 12: Organisations Receiving Project Funding 2012/2013

No.	Reference No	Organisation	Discipline	Province	Amount (R)
1	476/13	Ikhwezi Lokusa Rehabilitation and Development Society	Craft	Eastern Cape	35,000
2	346/13	Ncada Craft Co-operative Limited	Craft	Eastern Cape	30,000
3	369/13	Juara Creations	Craft	Eastern Cape	20,000
4	1016/13	Masizame Training Centre	Craft	Eastern Cape	25,000
5	1038/13	Masande Cultural Primary Co-operative	Craft	Eastern Cape	40,000
6	723/13	Masihlume Leather Crafts and Multipurpose Co-operative	Craft	Eastern Cape	40,000
7	591/13	Nobo Cultural Village	Craft	Eastern Cape	32,000
8	642/13	Izindlalifa Zezulu	Craft	Gauteng	15,000

No.	Reference No	Organisation	Discipline	Province	Amount (R)
9	478/13	Mpande Handy Crafters	Craft	Gauteng	20,000
10	033/13	Kathorus Epilepsy Self Help Organisation (KAESHO)	Craft	Gauteng	15,000
11	436/13	Sikhula Sonke Beadwork & Traditional Attire	Craft	Gauteng	15,000
12	074/13	Phambili Siyaya Arts	Craft	Gauteng	20,000
13	435/13	Vinnet Trading Enterprise	Craft	Gauteng	20,000
14	946/13	Kalugongolo Trading Enterprise	Craft	KwaZulu-Natal	20,000
15	1062/13	Mtofo Contracting and Trading Enterprise	Craft	KwaZulu-Natal	20,000
16	873/13	Mondli Trading cc	Craft	KwaZulu-Natal	25,000
17	455/13	Bone and Horn Carving	Craft	KwaZulu-Natal	50,000
18	685/13	Inanda Arts and Craft	Craft	KwaZulu-Natal	45,000
19	1056/13	Zigqaje Trading Enterprise	Craft	KwaZulu-Natal	25,000
20	874/13	Africa ! Ignite	Craft	KwaZulu-Natal	30,000
21	614/13	Zimele Developing Community Self-Reliance	Craft	KwaZulu-Natal	50,000
22	831/13	Mavish Trading Close Corporation	Craft	KwaZulu-Natal	30,000
23	659/13	Isivumo Indigeneous Arts and Culture Co-Operative	Craft	KwaZulu-Natal	25,000
24	119/13	KwaNyuswa Craft & Interior Design	Craft	KwaZulu-Natal	25,000
25	929/13	Khanisto Trading CC	Craft	Limpopo	5,163
26	920/13	Nongo Business Enterprise	Craft	Limpopo	25,000
27	875/13	Ditaga Art and Design Primary Co-Operative	Craft	Limpopo	50,000
28	607/13	Nhlohlori Sewing Primary Co-Operative LTD	Craft	Limpopo	14,991
29	615/13	Thesefana Art & Craft Co-Operative LTD	Craft	Limpopo	25,000
30	1017/13	Chivirikani Manufacturing Co-operative	Craft	Limpopo	25,000
31	1046/13	Nsusumeto Art and Crafts - Woodwork	Craft	Limpopo	45,000
32	588/13	Bokgabong Projects	Craft	Limpopo	15,000
33	745/13	Ubuntu Art and Craft Worker Co-operative	Craft	Limpopo	10,000
34	728/13	Mamokgadi Pottery Primary Co-operative	Craft	Limpopo	45,000
35	892/13	Pfuxanani Early Learning Centre	Craft	Limpopo	45,000
36	866/13	Mantshatlala Fibre Project	Craft	Limpopo	25,000

No.	Reference No	Organisation	Discipline	Province	Amount (R)
37	902/13	Phagamang Disabled Project	Craft	Limpopo	25,000
38	1018/13	Disikele Pottery	Craft	Limpopo	40,000
39	560/13	Ndengeza Xizambhani Community Project	Craft	Limpopo	25,000
40	380/13	Rivoni Society For The Blind	Craft	Limpopo	45,000
41	956/13	Hulisani Mukondeni Pottery	Craft	Limpopo	30,000
42	924/13	Nshalati Business Enterprise	Craft	Limpopo	25,000
43	233/13	Geeam Trading	Craft	Mpumalanga	50,000
44	998/13	Buhlebemafrica Co-Operative	Craft	Mpumalanga	25,000
45	966/13	Ukhamba Pottery Primary Co-Operative Limited	Craft	Mpumalanga	40,000
46	968/13	Amersfoort Pottery Centre	Craft	Mpumalanga	40,000
47	979/13	Ubuhle Benjobo Primary Co-Operative	Craft	Mpumalanga	35,000
48	572/13	Arthustone Art and Craft CC	Craft	Mpumalanga	70,000
49	832/13	Progressive Group	Craft	Mpumalanga	15,000
50	888/13	Uthaka Grass & Reeds Project	Craft	Mpumalanga	15,000
51	015/13	Intuthuko Yesizwe Community Organisation	Craft	Mpumalanga	45,000
52	893/13	Itereleng	Craft	Mpumalanga	15,000
53	108/13	Tiluleni Bomake Art & Craft	Craft	Mpumalanga	6,645
54	101/13	Umconsi Primary Co-Operative Limited	Craft	Mpumalanga	20,000
55	103/13	Mantimandze Lamahle Cultural and Farming	Craft	Mpumalanga	25,000
56	99/13	Mthunzi General Trading Enterprise	Craft	Mpumalanga	7,500
57	844/13	Siyazenzela Siyazikhethela Woodwork Primary Co-operative	Craft	Mpumalanga	9,650
58	064/13	Likgono Lethu General Trading Co-Operative	Craft	Mpumalanga	25,000
59	972/13	Ranzanane Trading and Projects	Craft	Mpumalanga	30,000
60	943/13	Amagugu Association	Craft	Mpumalanga	15,000
61	908/13	Siyalu Art And Craft	Craft	Mpumalanga	45,000
62	563/13	A Re Bopeng Ceramics CC	Craft	North West	50,000
63	398/13	Bogela - Bontle Bead Work Co-Operative	Craft	North West	25,000
64	331/13	Via Volcano	Dance and Choreography	Gauteng	60,000

No.	Reference No	Organisation	Discipline	Province	Amount (R)
65	030/13	Jeanestar Cultural	Dance and Choreography	Gauteng	60,000
66	166/13	Dika - Moka Youth Development Forum	Dance and Choreography	Gauteng	80,000
67	018/13	Afri'k Motion Dance Theatre	Dance and Choreography	Gauteng	50,000
68	121/13	Zero to Hero Theatre Production	Dance and Choreography	Gauteng	50,000
69	545/13	Soweto Arts For Change	Dance and Choreography	Gauteng	50,000
70	1086/13	Good Hope Dance Club	Dance and Choreography	Gauteng	50,000
71	431/13	VTNM Project & Performing Arts (Martha Dance Projects)	Dance and Choreography	Gauteng	50,000
72	719/13	The Wentworth Arts and Culture Organisation	Dance and Choreography	KwaZulu-Natal	100,000
73	355/13	KZN Dance Link	Dance and Choreography	KwaZulu-Natal	130,000
74	877/13	Tsundzukani Youth Project	Dance and Choreography	Limpopo	50,000
75	603/13	Xigubu Xa Hakasa Trading Enterprise	Dance and Choreography	Limpopo	50,000
76	923/13	Zamani Mtititi Project	Dance and Choreography	Limpopo	50,000
77	744/13	Funyufunyu Cultural Primary Co - Operative LTD	Dance and Choreography	Limpopo	80,000
78	063/13	Savannah Youth Club	Dance and Choreography	Mpumalanga	50,000
79	1043/13	Inkwazi Trading and Projects	Dance and Choreography	Mpumalanga	70,000
80	646/13	Temdzabu Heritage Society	Dance and Choreography	Mpumalanga	50,000
81	1116/13	Kopano Theatre Club	Dance and Choreography	North West	50,000
82	951/13	Ama Vip's Enter Trading Enterprise	Dance and Choreography	North West	50,000
83	010/13	Dance Infinite Studio	Dance and Choreography	Other	50,000
84	763/13	Remix Dance Company	Dance and Choreography	Western Cape	50,000
85	673/13	Dance Theatre Africa	Dance and Choreography	Western Cape	50,000
86	694/13	Jikeleza Dance Project	Dance and Choreography	Western Cape	80,000

No.	Reference No	Organisation	Discipline	Province	Amount (R)
87	741/13	Free Flight Dance Company	Dance and Choreography	Western Cape	100,000
88	604/13	Botshabelo Youth Partnership	Literature	Free State	50,000
89	500/13	Z.B Nkosi Construction and Projects	Literature	Free State	50,000
90	787/13	Eulitz Productions	Literature	Gauteng	120,000
91	788/13	Afritude	Literature	Gauteng	150,000
92	379/13	Arts For Hope	Literature	Gauteng	100,000
93	378/13	Fora Productions CC	Literature	Gauteng	30,000
94	377/13	Young Artists Unite (YAU)	Literature	Gauteng	30,000
95	223/13	Cybed Trading 0079 CC	Literature	Gauteng	120,000
96	220/13	Botsotso	Literature	Gauteng	101,579
97	736/13	Kamavuso Verse Entertainment	Literature	KwaZulu-Natal	50,000
98	475/13	Seboi Publishers	Literature	Limpopo	60,000
99	613/13	Safrael Trading and Project	Literature	Limpopo	60,000
100	1031/13	SA National Association of the Blind and Partially Sighted Persons	Literature	Limpopo	170,000
101	647/13	Tiego Creative Writers	Literature	Limpopo Province	60,000
102	482/13	Dynasty Printers (PTY) LTD	Literature	Limpopo Province	150,000
103	236/13	Izigi Performing Arts	Literature	Mpumalanga	50,000
104	792/13	Human Rights Media Centre	Literature	Western Cape	60,000
105	508/13	Art Africa Centre	Literature	Western Cape	60,000
106	514/13	African Sun Press	Literature	Western Cape	30,000
107	1107/13	Ngezandla Designs	Multi-Discipline	Eastern Cape	50,000
108	757/13	Generation Active	Multi-Discipline	Eastern Cape	50,000
109	754/13	Vryfees	Multi-Discipline	Free State	60,000
110	027/13	Unomthandazo Dance Company	Multi-Discipline	Gauteng	40,000
111	338/13	Masakhane Arts & Culture Youth Development Project	Multi-Discipline	Gauteng	70,000
112	054/13	Midvaal Development Forum	Multi-Discipline	Gauteng	50,000
113	241/13	Impophoma Youth Production	Multi-Discipline	Gauteng	50,000
114	180/13	Sound of Hope	Multi-Discipline	Gauteng	50,000

No.	Reference No	Organisation	Discipline	Province	Amount (R)
115	1100/13	The Trevor Huddlestone CR Memorial Centre	Multi-Discipline	Gauteng	50,000
116	189/13	Underpressure Agency	Multi-Discipline	Gauteng	50,000
117	628/13	Sechaba Advancement Project	Multi-Discipline	Gauteng	50,000
118	325/13	Kwesukela Storytelling Academy	Multi-Discipline	Gauteng	70,000
119	299/13	South African Roadies Association (SARA)	Multi-Discipline	Gauteng	135,700
120	554/13	Sukuma Cato Crest Arts and Culture Council	Multi-Discipline	KwaZulu-Natal	50,000
121	421/13	Ikhono Elibu Ciko Creative Development & Artistic Projects	Multi-Discipline	KwaZulu-Natal	50,000
122	543/13	Newcastle Arts Company	Multi-Discipline	KwaZulu-Natal	84,612
123	544/13	Songoba Arts Centre	Multi-Discipline	KwaZulu-Natal	75,000
124	885/13	The Indian Academy of South Africa	Multi-Discipline	KwaZulu-Natal	45,000
125	245/13	The Best Art Centre	Multi-Discipline	Limpopo	250,000
126	071/13	Basupa Ndlela Trading Enterprise	Multi-Discipline	Mpumalanga	30,000
127	855/13	East City Talent House	Multi-Discipline	Mpumalanga	50,000
128	973/13	Dance For Life Theatrical Circus	Multi-Discipline	Mpumalanga	150,000
129	078/13	Yred Entertainment	Multi-Discipline	North West	25,820
130	1003/13	Lunch Box Theatre	Multi-Discipline	Western Cape	50,000
131	901/13	Kairos Dramagroep	Multi-Discipline	Western Cape	70,000
132	957/13	Nelson Mandela Metropolitan University Choir	Music and Opera	Eastern Cape	191,520
133	008/13	Phiora Foundation	Music and Opera	Gauteng	25,000
134	260/13	Heritage Music School	Music and Opera	Gauteng	114,300
135	1119/13	Southern African Disabled Musicians Association	Music and Opera	Gauteng	183,000
136	862/13	Cenesta Male Choir T/A OL TAB Trading CC	Music and Opera	Gauteng	432,000

No.	Reference No	Organisation	Discipline	Province	Amount (R)
137	550/13	Water Colors Entertainment CC	Music and Opera	Gauteng	70,000
138	870/13	Iphimbo Scathamiya Music Organisation	Music and Opera	Gauteng	60,000
139	132/13	Big Stars Group	Music and Opera	Gauteng	44,500
140	155/13	New Music SA	Music and Opera	Gauteng	135,000
141	509/13	Marimba Education Foundation	Music and Opera	Gauteng	60,000
142	570/13	KwaZulu Natal Youth Orchestra	Music and Opera	KwaZulu-Natal	140,000
143	465/13	Friends of Music Association	Music and Opera	KwaZulu-Natal	133,928
144	240/13	Musengavhadzimu Media	Music and Opera	Limpopo	100,000
145	727/13	Kimberley Academy of Music	Music and Opera	Northern Cape	38,410
146	764/13	Kronendal Music Academy of Hout Bay	Music and Opera	Western Cape	183,400
147	1048/13	Athlone Academy of Music	Music and Opera	Western Cape	191,758
148	582/13	Arts and Culture Empowering Centre	Music and Opera	Western Cape	80,000
149	712/13	Breede River/Winelands Rural Development Ass	Music and Opera	Western Cape	50,900
150	317/13	Music Therapy Community Clinic	Music and Opera	Western Cape	138,166
151	316/13	Isomi Creative Arts Space	Theatre and Musical	Eastern Cape	62,000
152	159/13	Usuthu Arts Productions	Theatre and Musical	Gauteng	80,000
153	1098/13	Splendor Trading & Project	Theatre and Musical	Gauteng	82,000
154	038/13	Letsema La Tsela	Theatre and Musical	Gauteng	92,000
155	185/13	Theatre for Africa and the African Centre for Disaster Studies (NWU)	Theatre and Musical	Gauteng	200,000
156	208/13	Orange Farm Theatre Project	Theatre and Musical	Gauteng	92,000
157	504/13	J. Zesuliwe Foundation	Theatre and Musical	Gauteng	39,000
158	230/13	Mavundla and The Roses of South Africa (Marosa)	Theatre and Musical	Gauteng	62,000

No.	Reference No	Organisation	Discipline	Province	Amount (R)
159	186/13	Molepo Theatre Projects (M Projects)	Theatre and Musical	Gauteng	162,000
160	896/13	Stable Theatre	Theatre and Musical	KwaZulu-Natal	112,000
161	732/13	Akani Rural Development Association	Theatre and Musical	Limpopo	62,000
162	927/13	Tshamutimbi Books And Films Production	Theatre and Musical	Limpopo	62,000
163	235/13	Izigi Performing Arts	Theatre and Musical	Mpumalanga	92,000
164	670/13	Wordsmith's Theatre Factory	Theatre and Musical	Western Cape	40,500
165	575/13	Tshiamo Art and Crafts Development	Visual Art	Free State	45,000
166	157/13	Art Source South Africa	Visual Art	Gauteng	150,000
167	203/13	Aaw Art Project Management	Visual Art	Gauteng	40,000
168	158/13	Artist Proof Studio	Visual Art	Gauteng	50,000
169	904/13	BAT Centre Trust	Visual Art	KwaZulu-Natal	50,000
170	900/13	Lalela Project	Visual Art	Western Cape	50,000
				TOTAL	**10,515,044**

(b) Individual Project Funding

Table 13: Individuals Receiving Project Funding 2012/2013

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
1	336/13	Ms	Ingrid M	Wylde	Multi-Discipline	Eastern Cape	50,000
2	344/13	Prof	Ruth H	Simbao	Visual Art	Eastern Cape	80,000
3	718/13	Ms	Lichelle E	Barry	Literature	Eastern Cape	30,000
4	777/13	Ms	Victoria A	Stowe	Visual Art	Eastern Cape	20,000
5	308/13	Mr	Mathemba	Ncoyini	Craft	Eastern Cape	27,000
6	473/13	Ms	Natasja	De Wet	Visual Art	Eastern Cape	30,000
7	537/13	Ms	Maureen	De Jager	Visual Art	Eastern Cape	30,000
8	834/13	Ms	Gladys N	James	Craft	Eastern Cape	20,000
9	871/13	Ms	Amie	Tarr	Visual Art	Eastern Cape	25,000
10	882/13	Mr	Welile D	Melane	Craft	Eastern Cape	20,000
11	917/13	Ms	Johannes J F	Visagie	Craft	Eastern Cape	70,000
12	935/13	Mr	Sandile S	Goje	Visual Art	Eastern Cape	20,000
13	1067/13	Mr	Tshepiso W	Phetlhu	Dance and Choreography	Free State	50,000
14	310/13	Mrs	Nomsa A	De Wee	Literature	Free State	25,000
15	321/13	Ms	Marijda	Kamper	Dance and Choreography	Free State	50,000
16	370/13	Ms	Dieketseng B	Motaung	Multi-Discipline	Free State	72,521
17	422/13	Ms	Nomsa P	Moloi	Craft	Free State	25,000
18	423/13	Ms	Agnes N	Moloi	Craft	Free State	25,000
19	555/13	Ms	Kirsten	Van Vuuren	Craft	Free State	50,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
20	703/13	Mrs	Jeanne-Louise	Moolman	Music and Opera	Free State	15,500
21	983/13	Mr	Tebogo	Sethoba	Craft	Free State	10,000
22	278/13	Ms	Sizakele S N	Mdi	Dance and Choreography	Free State	50,000
23	322/13	Ms	Karabelo	Lekalake	Theatre and Musical	Free State	62,000
24	833/13	Mr	Albert	Nkosi	Multi-Discipline	Free State	60,406
25	981/13	Mr	Itumeleng G	Moamogwa	Craft	Free State	25,000
26	984/13	Mr	Loki I	Maselwane	Craft	Free State	25,000
27	985/13	Mr	Malefetsane B	Ntsung	Visual Art	Free State	20,000
28	221/13	Mr	Allan	Horwitz	Theatre and Musical	Gauteng	82,000
29	443/13	Mr	Ephraim	Ramabya	Craft	Gauteng	20,000
30	262/13	Ms	Nontsikelelo T	Motsikoe	Theatre and Musical	Gauteng	92,000
31	053/13	Ms	Harriet R M	Meier	Literature	Gauteng	60,000
32	080/13	Mr	Jyoti	Mistry	Visual Art	Gauteng	25,000
33	021/13	Mr	Kenneth	Sibanda	Craft	Gauteng	50,000
34	035/13	Mr	Eddie M	Nkadimeng	Literature	Gauteng	25,000
35	1114/13	Mr	Andile L	Ngobese	Literature	Gauteng	25,000
36	1126/13	Mr	Themba S	Nhlapo	Literature	Gauteng	25,000
37	127/13	Mr	Douglas	Sekete	Dance and Choreography	Gauteng	50,000
38	129/13	Ms	Johanna	Jele	Multi-Discipline	Gauteng	60,000
39	133/13	Ms	Sonto V	Dhladhla	Multi-Discipline	Gauteng	50,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
40	142/13	Ms	Lebohang	Kganye	Visual Art	Gauteng	20,000
41	199/13	Ms	Sivan	Raphaely	Theatre and Musical	Gauteng	50,000
42	216/13	Ms	Nomalanga	Nkosi	Multi-Discipline	Gauteng	50,000
43	253/13	Mr	Dirk	Bahmann	Visual Art	Gauteng	30,000
44	270/13	Ms	Sindisiwe P	Hlatshwayo	Craft	Gauteng	15,000
45	295/13	Mr	Quinter E	Williams	Visual Art	Gauteng	11,480
46	384/13	Mr	Blessing	Ngobeni	Visual Art	Gauteng	10,000
47	385/13	Mr	Themba	Mbuli	Dance and Choreography	Gauteng	50,000
48	386/13	Ms	Lindiwe R	Vilakazi	Literature	Gauteng	25,000
49	401/13	Mr	Lindokuhle	Mkhize	Visual Art	Gauteng	30,000
50	452/13	Ms	Shirley G	Mabi	Craft	Gauteng	25,000
51	535/13	Ms	Erna	Ziegelmeier	Craft	Gauteng	40,000
52	540/13	Mr	Leonard H	Nyathi	Craft	Gauteng	25,000
53	660/13	Ms	Zanele	Ndlovu	Literature	Gauteng	25,000
54	003/13	Miss	Leigh	Sussman Nudelman	Multi-Discipline	Gauteng	50,000
55	009/13	Mr	Michael	Marishane	Multi-Discipline	Gauteng	50,000
56	028/13	Ms	Mamothusi Y	Harvey	Visual Art	Gauteng	29,000
57	1093/13	Ms	Lerato M T	Shadi	Visual Art	Gauteng	19,580
58	124/13	Mr	Tswagare C	Namane	Literature	Gauteng	40,000
59	137/13	Mr	Sandile	Zulu	Visual Art	Gauteng	30,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
60	143/13	Mr	Lancelot	Tshabalala	Theatre and Musical	Gauteng	77,000
61	147/13	Mrs	Usha D	Seejarim	Visual Art	Gauteng	38,760
62	174/13	Ms	Athena	Fatseas - Mazarakis	Dance and Choreography	Gauteng	75,000
63	187/13	Mr	Velaphi	Mthimkulu	Theatre and Musical	Gauteng	62,000
64	188/13	Mr	Lyton S	Moyo	Craft	Gauteng	20,000
65	196/13	Ms	Gertrude L	Mahlangu	Craft	Gauteng	10,000
66	239/13	Mr	Raymond Robert	Tau	Craft	Gauteng	25,000
67	242/13	Ms	Naomi Classien	Van Niekerk	Theatre and Musical	Gauteng	62,000
68	302/13	Mrs	Reney	Warrington-Coetzee	Visual Art	Gauteng	20,000
69	324/13	Mr	Hlombelihle S	Chiya	Literature	Gauteng	25,000
70	328/13	Mr	Roelf Phineas	Matlala	Theatre and Musical	Gauteng	10,000
71	361/13	Mr	Bhekani P.B	Gumede	Literature	Gauteng	20,000
72	387/13	Mr	Vusi D	Nhlapo	Literature	Gauteng	25,000
73	389/13	Ms	Porcia Lorraine	Malatjie	Visual Art	Gauteng	30,000
74	406/13	Ms	Beryl B M	Motlhabani	Literature	Gauteng	25,000
75	459/13	Mr	Morris L	Matshi	Literature	Gauteng	23,500
76	523/13	Mr	Mcebisi L	Bhayi	Dance and Choreography	Gauteng	70,000
77	561/13	Mr	Erasmus J	Hoffmann	Visual Art	Gauteng	25,000
78	639/13	Ms	Wonder S	Osopeng	Theatre and Musical	Gauteng	42,000
79	696/13	Mr	Vaughn Vic	Sadie	Visual Art	Gauteng	40,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
80	733/13	Ms	Cassandra A	Wilmot	Visual Art	Gauteng	25,000
81	899/13	Mr	Khwezi W J	Gule	Visual Art	Gauteng	30,000
82	190/13	Mr	Sipho Errol	Ndotho	Theatre and Musical	Gauteng	82,000
83	568/13	Ms	Thandiwe G	Ntuli	Craft	KwaZulu-Natal	30,000
84	569/13	Mr	Jabulani	Mhlabini	Craft	KwaZulu-Natal	35,000
85	115/13	Mr	Vusumuzi M	Mbata	Craft	KwaZulu-Natal	30,000
86	113/13	Mrs	Ayanda C	Makhathini	Craft	KwaZulu-Natal	20,000
87	117/13	Ms	Mangalisile Y	Ndlovu	Craft	KwaZulu-Natal	14,106
88	120/13	Mrs	Ntombifuthi S	Sibiya	Craft	KwaZulu-Natal	35,000
89	164/13	Ms	Nkosingiphile Thandiwe	Sibiya	Literature	KwaZulu-Natal	25,000
90	359/13	Mr	Mlungisi L	Ngcobo	Visual Art	KwaZulu-Natal	20,000
91	510/13	Mr	Irvin M	Nkwanyana	Visual Art	KwaZulu-Natal	40,000
92	677/13	Mr	Sibonelo B	Chiliza	Visual Art	KwaZulu-Natal	30,000
93	704/13	Ms	Caroline	Vos	Visual Art	KwaZulu-Natal	25,000
94	726/13	Ms	Thanduxolo	Mapoyi	Craft	KwaZulu-Natal	10,000
95	830/13	Ms	Badumile P	Dlamini	Craft	KwaZulu-Natal	20,000
96	098/13	Ms	Desire J	Davids	Dance and Choreography	KwaZulu-Natal	60,000
97	114/13	Ms	Khulisiwe A	Mdluli	Crafts	KwaZulu-Natal	10,625
98	118/13	Mr	Siphamandla M	Magcaba	Craft	KwaZulu-Natal	11,175
99	581/13	Mrs	Phindile	Mkhize	Craft	KwaZulu-Natal	25,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
100	724/13	Mr	Sibusiso W	Hadebe	Craft	KwaZulu-Natal	25,000
101	921/13	Mr	Nelson Thulani	Mngadi	Theatre and Musical	KwaZulu-Natal	72,000
102	1028/13	Mr	Lesiba O	Kekana	Literature	Limpopo	25,000
103	372/13	Ms	Irene T	Mkhacwa	Craft	Limpopo	15,000
104	553/13	Mr	Tshifhiwa G	Mukwevho	Literature	Limpopo	30,000
105	820/13	Mr	Seakwana J	Machoga	Literature	Limpopo	30,000
106	937/13	Ms	Livhuwani M	Ngwana	Dance and Choreography	Limpopo	50,000
107	176/13	Mr	Rhulani	Chauke	Dance and Choreography	Limpopo	50,000
108	612/13	Mr	Tshotheli C	Vhugama	Dance and Choreography	Limpopo	100,000
109	665/13	Ms	Nompumelo Gloria	Rakabe	Visual Art	Limpopo	9,106
110	803/13	Ms	Magalane P	Mokabane	Literature	Limpopo	50,000
111	822/13	Miss	Gudani C	Ramikosi	Literature	Limpopo	20,600
112	928/13	Mr	Forsta T	Peta	Music and Opera	Limpopo	27,000
113	942/13	Mr	Thifhelimbilu T	Ndou	Craft	Limpopo	25,000
114	092/13	Ms	Gladys S	Singwane	Craft	Mpumalanga	10,000
115	093/13	Ms	Hlazile C	Sibiya	Craft	Mpumalanga	20,000
116	097/13	Mr	Mbhasobhi M	Shongwe	Craft	Mpumalanga	25,000
117	1036/13	Mr	Bhekithemba	Ngoza	Craft	Mpumalanga	20,000
118	109/13	Mr	Ronnick A	Magagula	Craft	Mpumalanga	15,000
119	1142/13	Mr	Nkosinathi B	Shongwe	Craft	Mpumalanga	20,000
120	229/13	Mr	Donald M	Mathavha	Theatre and Musical	Mpumalanga	72,000
121	675/13	Mr	Samuel M	Mtsweni	Literature	Mpumalanga	25,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
122	856/13	Mr	Mlonyeni J	Duwayo	Theatre and Musical	Mpumalanga	10,000
123	879/13	Ms	Thandiwe B	Dube	Craft	Mpumalanga	30,000
124	993/13	Mr	Christopher H	Mushwana	Literature	Mpumalanga	25,000
125	089/13	Ms	Ntombikayise C	Khanyile	Craft	Mpumalanga	15,000
126	1034/13	Ms	Fikile P	Skosana	Visual Art	Mpumalanga	24,642
127	105/13	Mr	Terrence	Dlamini	Dance and Choreography	Mpumalanga	50,000
128	479/13	Mr	Surprise	Khoza	Visual Art	Mpumalanga	32,642
129	518/13	Mr	Tebogo H Z	Maboa	Theatre and Musical	North West	82,000
130	125/13	Mr	Emmanuel M	Rametse	Theatre and Musical	North West	75,000
131	139/13	Mr	Lebogang I	Webster	Theatre and Musical	North West	30,000
132	907/13	Mr	Motseothata A	Finger	Literature	North West	50,000
133	047/13	Mr	Klaas M	Kompi	Dance and Choreography	North West	50,000
134	1105/13	Mr	Baruki B	Mokgosi	Craft	North West	25,000
135	383/13	Mr	Kagoetsile Charles	Motale	Visual Art	North West	30,000
136	805/13	Mr	Thamsanqa T	Sikhupelo	Multi-Discipline	Northern Cape	90,000
137	1078/13	Ms	Baleseng I	Motlhwaring	Craft	Northern Cape	65,000
138	784/13	Mr	Vusimuzi	Dabulamanzi	Craft	Northern Cape	30,000
139	800/13	Mr	Jacob C	Sekgweleo	Multi-Discipline	Northern Cape	70,000
140	801/13	Ms	Ernett	Dikgopo	Multi-Discipline	Northern Cape	50,000
141	960/13	Mr	Christopher K	Mathe	Theatre and Musical	Northern Cape	10,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
142	565/13	Ms	Elizabeth F R	Gooi	Craft	Northern Cape	35,000
143	804/13	Ms	Annie G	Hammer	Multi-Discipline	Northern Cape	50,000
144	806/13	Mr	Kagisho B	Lobatsi	Multi-Discipline	Northern Cape	90,000
145	808/13	Ms	Faigan	Abrahams	Craft	Western Cape	34,342
146	887/13	Ms	Jeannette R	Unite	Visual Art	Western Cape	35,000
147	622/13	Ms	Nieke	Lombard	Theatre and Musical	Western Cape	9,060
148	698/13	Miss	Lauren	Joseph	Theatre and Musical	Western Cape	62,000
149	326/13	Ms	Nondyebo	Booi - Mtimde	Literature	Western Cape	30,000
150	623/13	Ms	Candice N	Waries	Multi-Discipline	Western Cape	60,000
151	669/13	Ms	Nicola	Elliot	Dance and Choreography	Western Cape	50,000
152	716/13	Mr	Zinaid	Meeran	Literature	Western Cape	30,000
153	739/13	Ms	Judith M	Woodborne	Visual Art	Western Cape	30,000
154	751/13	Ms	Sara - Aimee	Verity	Visual Art	Western Cape	25,858
155	768/13	Ms	Grace M A	Cross	Visual Art	Western Cape	40,000
156	772/13	Ms	Almini	Van der Merwe	Literature	Western Cape	25,000
157	781/13	Mr	Roger H	Titley	Multi-Discipline	Western Cape	60,000
158	911/13	Mr	Rudi	Smit	Dance and Choreography	Western Cape	20,000
159	991/13	Ms	Lisa	Martin	Visual Art	Western Cape	40,000
160	213/13	Ms	Farieda	Nazier	Craft	Western Cape	50,000
161	340/13	Ms	Heather G	Lee- Graham	Literature	Western Cape	10,000

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
162	342/13	Mr	Nigel C	Vermaas	Theatre and Musical	Western Cape	112,000
163	388/13	Mr	Vincent	Bezuidenhout	Visual Art	Western Cape	30,000
164	399/13	Ms	Rayda	Jacobs	Literature	Western Cape	40,000
165	515/13	Ms	Sue S M	Williamson	Visual Art	Western Cape	50,000
166	534/13	Mr	Justin	Krawitz	Music and Opera	Western Cape	8,950
167	579/13	Ms	Barbara	Wildenboer	Visual Art	Western Cape	30,000
168	624/13	Mr	Robert B.D	Jeffery	Music and Opera	Western Cape	40,000
169	767/13	Mr	James H	Webb	Visual Art	Western Cape	50,000
170	786/13	Ms	Yvette E	Hardie	Theatre and Musical	Western Cape	50,000
171	835/13	Ms	Fritha s	Langerman	Visual Art	Western Cape	35,000
172	C1113	Ms Mr	Nina Paul	Shand de Jongh	Craft	Western Cape	39,586
173	1149/13	Mr	Maakomale	Mahaka	Literature	Gauteng	12,588
					TOTAL		**6,344,028**

3.3 Bursary Funding 2012/2013

(a) Individual Bursaries

Table 14: Individuals Receiving Local and International Bursary Funding 2012/2013

International Bursary Funding

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
1	341/13	Ms	Athina	Copteros	Dance and Choreography	Eastern Cape	170,000
2	075/13	Ms	Claudine S	Ullman	Theatre and Musical	Gauteng	50,000
3	032/13	Ms	Nelmarie	Du Preez	Visual Art	Gauteng	67,082

No.	Reference No.	Beneficiary			Discipline	Province	Amount (R)
4	292/13	Ms	Beatrice N	Molepo	Theatre and Musical	Gauteng	27,000
5	522/13	Mr	Karabo K	Moeti	Multi-Discipline	Gauteng	100,000
6	558/13	Ms	Melissa	Gerber	Music and Opera	Gauteng	11,546
7	997/13	Ms	Toni L	Lewis	Dance and Choreography	Gauteng	34,060
8	491/13	Ms	Elizabeth	Prins	Visual Art	KwaZulu-Natal	22,503
9	471/13	Ms	Nonkululeko	Mabaso	Visual Art	KwaZulu-Natal	193,006
10	492/13	Mr	Obakeng I	Kgwasi	Multi-Discipline	North West	100,000
11	620/13	Mr	Mokone	Qobolo	Dance and Choreography	North West	113,392
12	857/13	Mr	Johan A P	Botes	Music and Opera	North West	36,500
13	1044/13	Mr	Abri S	De Swardt	Visual Art	Western Cape	117,409
14	700/13	Ms	Kim	Pretorius	Dance and Choreography	Western Cape	40,000
						TOTAL	**1,082,498**

Local Bursary Funding

No.	Funding no.	Beneficiary	Discipline	Province	Amount (R)
1	A0813B	Mr Isaac B Mahlangu	Multi-Discipline	Gauteng	36,550
2	A0913B	Ms Makhosazana H Hlatshwayo	Multi-Discipline	Gauteng	26,000
3	A1013B	Mr Mokidikitla A Kunutu	Multi-Discipline	Limpopo	18,358
4	A1213B	Ms Julia Raynham	Multi-Discipline	Western Cape	20,000
5	M1213B	Miss Melissa Gerber	Music	Gauteng	10,490
6	M1413B	Miss Maxine M Roberts	Music	Gauteng	10,550
7	M1313B	Mr Christopher P Filander	Music	North West	12,311
8	M1113B	Miss Coila-Leah Enderstein	Music	Western Cape	10,000
9	T3313B	Mr Themba Mchunu	Theatre	Eastern Cape	40,000
10	T3813B	Ms Elizabeth De Kock	Theatre	Eastern Cape	40,000
11	T3913B	Miss Hannah Lax	Theatre	Eastern Cape	40,000
12	T4113B	Miss Thalia S Laric	Theatre	Eastern Cape	40,000
13	T3413B	Miss Elizabeth G Malebo	Theatre	Free State	24,800
14	T1113B	Mr Evans R Mathibe	Theatre	Gauteng	21,500
15	T1213B	Mr Sidwell T Nhlapo	Theatre	Gauteng	21,500
16	T1313B	Mr Moleko I L Komelane	Theatre	Gauteng	21,500
17	T1513B	Miss San-Mari Swanepoel	Theatre	Gauteng	17,596

No.	Funding no.	Beneficiary	Discipline	Province	Amount (R)
18	T1713B	Mrs Mammatli Thakhuli-Nzuza	Theatre	Gauteng	25,000
19	T1813B	Mr Majesty S Mnyandu	Theatre	Gauteng	21,500
20	T1913B	Ms Kealebogo Tshenge	Theatre	Gauteng	20,000
21	T2013B	Mr Thabiso Tshabalala	Theatre	Gauteng	20,000
22	T2113B	Miss Ramadimetja T Leta	Theatre	Gauteng	20,000
23	T2213B	Miss Nastassja Jooste	Theatre	Gauteng	20,000
24	T2613B	Mr Mlamli P Maloyi	Theatre	Gauteng	21,500
25	T3013B	Ms Clara L Vaughan	Theatre	Gauteng	25,000
26	T3113B	Miss Roxanne T Abbott	Theatre	Gauteng	20,000
27	T3213B	Mr Kristoffer Greyling	Theatre	Gauteng	20,000
28	T3513B	Miss Phetogo M D Mamabolo	Theatre	Gauteng	20,000
29	T3713B	Ms Khensani Maluleka	Theatre	Gauteng	15,000
30	T1413B	Mr Tristan V Jacobs	Theatre	Kwazulu-Natal	20,000
31	T1613B	Miss Jessica Harrison	Theatre	Kwazulu-Natal	44,100
32	T2713B	Mr Santino S Appalsamy	Theatre	Kwazulu-Natal	16,640
33	T2813B	Ms Lerisa A Naguran	Theatre	Kwazulu-Natal	17,440
34	T2413B	Miss Sibongile A Nojila	Theatre	North West	43,453
35	V4013B	Ms Taryn King	Visual Arts	Eastern Cape	30,000
36	V4213B	Mrs Stephanie Simpson	Visual Arts	Eastern Cape	30,000
37	V4313B	Ms Simone Heymans	Visual Arts	Eastern Cape	30,000
38	V5213B	Mr Francois Knoetze	Visual Arts	Eastern Cape	30,000
39	V3913B	Ms Mandi A Bezuidenhout	Visual Arts	Free State	25,000
40	V5113B	Miss Lana Coetzee	Visual Arts	Free State	30,000
41	V5513B	Miss Francesca Van Der Walt	Visual Arts	Free State	30,000
42	V5713B	Mr Louis L Kruger	Visual Arts	Free State	9,609
43	V3413B	Ms Mine Kleynhans	Visual Arts	Gauteng	16,859
44	V3613B	Miss Jennifer G Pomeroy	Visual Arts	Gauteng	30,000
45	V3713B	Miss Heidi J Mielke	Visual Arts	Gauteng	30,000
46	V3813B	Mr Cedril Nukeri	Visual Arts	Gauteng	40,000
47	V4613B	Mr Kozodi D Senong	Visual Arts	Gauteng	28,190
48	V4713B	Mr Malcolm Phafane	Visual Arts	Gauteng	30,000
49	V4813B	Miss Nocebo Bucibo	Visual Arts	Gauteng	30,000
50	V4913B	Mr Loyiso D Qanya	Visual Arts	Gauteng	40,000
51	V6013B	Ms Mea Ox	Visual Arts	Gauteng	30,000
52	V6113B	Ms Lezanne Van Der Walt	Visual Arts	Gauteng	30,000
53	V3213B	Mr Ashley Walters	Visual Arts	Western Cape	30,000
54	V4113B	Ms Hanien H Conradie	Visual Arts	Western Cape	30,000

No.	Funding no.	Beneficiary	Discipline	Province	Amount (R)
55	V5813B	Miss Madeline Groenewald	Visual Arts	Western Cape	30,000
57	L0113B	Zandile Monelo	Literature	Eastern Cape	40, 000
58	L0213B	Sipho Ncongwane	Literature	Gauteng	15, 000
59	L0313B	Nedine L Moonsamy	Literature	Gauteng	34, 687
60	L0413B	Andiswa Mvanyashe	Literature	Eastern Cape	39, 000
61	L0513B	Andiswa Bukula	Literature	Eastern Cape	28, 000
62	L0613B	Themba M Madingiza	Literature	Free State	40,000
63	L0713B	Dimakatso Mathe	Literature	Gauteng	25, 500
64	L0813B	Mashudu W. Khanyi	Literature	Gauteng	40, 000
65	L0913B	Babalwa Nokwe	Literature	Eastern Cape	22, 500
66	L1013B	Dina L Segal	Literature	Western Cape	40, 000
67	L1113B	Daniswa C Zibeda-Thomas	Literature	Eastern Cape	40, 000
68	L1213B	Pamela P.H. Khumalo	Literature	Western Cape	40, 000
69	L1313B	Lwandlekazi Notshe	Literature	Eastern Cape	40, 000
70	L1413B	Bomkazi Kelepu	Literature	Eastern Cape	40 000
71	L1513B	Zinase G Nqawe	Literature	Eastern Cape	40 000
72	L1513B	Nkululeko B Ncence	Literature	Eastern Cape	40 000
				Total	**1,975,133**

(b) Block Bursaries = 38

Table 15: Organisations Receiving Block Bursary Funding 2012/2013

No.	Funding no.	Organisation	Discipline	Province	Amount (R)
1	C1013B	Central University of Technology	Craft	Free State	32,000
2	C0113B	Tshwane University of Technology	Craft	Gauteng	64,000
3	C0213B	Tshwane University of Technology	Craft	Gauteng	99,200
4	C0313B	Imfundiso Skills Development	Craft	Gauteng	96,000
5	C0613B	Lisof	Craft	Gauteng	25,600
6	C0713B	SewAfrica	Craft	Gauteng	32,000
7	C0813B	Atteridgeville Jewellery Projects	Craft	Gauteng	160,000
8	C0913B	Vaal University of Technology	Craft	Gauteng	185,600
9	C0413B	Durban University of Technology	Craft	Kwazulu-Natal	32,000
10	C0513B	Nikilitha School of J.D & MNF	Craft	Kwazulu-Natal	48,000
11	D0513B	Moving Into Dance Mophatong	Dance	Gauteng	270,000
12	D0613B	Tshwane University of Technology	Dance	Gauteng	485,305
13	D0913B	University of Cape Town	Dance	Western Cape	240,000

No.	Funding no.	Organisation	Discipline	Province	Amount (R)
14	L1813B	Walter Sisulu University	Literature	Eastern Cape	93 083.49
15	L1713B	University of Venda	Literature	Limpopo	93 083
16	L1913B	University of the North West	Literature	North West	93 083
17	A1113B	Tshwane University of Technology	Multi-Discipline	Gauteng	200,000
18	A1313B	AFDA	Multi-Discipline	Gauteng	350,000
19	A1413B	City Varsity	Multi-Discipline	Gauteng	424,190
20	A0713B	The Magnet Theatre	Multi-Discipline	Western Cape	200,000
21	M0713B	NMMU	Music	Eastern Cape	100,000
22	M0813B	Tshwane University of Technology	Music	Gauteng	100,000
23	M0913B	Tshwane University of Technology	Music	Gauteng	161,360
24	M1013B	Msunduzi Music Centre	Music	Kwazulu-Natal	150,000
25	T1013B	Free State University	Theatre	Free State	150,000
26	T2313B	Drama for Life, Wits University	Theatre	Gauteng	204,000
27	T2513B	Market Laboratory	Theatre	Gauteng	80,000
28	T2913B	Tshwane University of Technology	Theatre	Gauteng	150,000
29	T4013B	AFDA	Theatre	Western Cape	36,000
30	V5413B	University of the Free State	Visual Arts	Free State	101,160
31	V3313B	Tshwane University of Technology	Visual Arts	Gauteng	197,118
32	V5613B	Vaal University	Visual Arts	Gauteng	150,000
33	V6213B	Funda Community College	Visual Arts	Gauteng	250,000
34	V3513B	Durban University of Technology	Visual Arts	Kwazulu-Natal	80,000
35	V4413B	Centre for Fine Art, Animation and Design	Visual Arts	Kwazulu-Natal	150,000
36	V4513B	Ruth Prowse School of Art	Visual Arts	Western Cape	90,000
37	V5013B	City Varsity	Visual Arts	Western Cape	15,000
38	V5313B	The Animation School	Visual Arts	Western Cape	150,000
39	M15133B	University of Fort Hare	Music	Eastern Cape	230,000
				TOTAL	**5,767,783**

3.4 Arts Organisation Support Funding

Table 16: Arts Organisation Support Funding Beneficiaries 2012/2013

No	Reference No.	Organisation	Discipline	Province	Amount (R)
1	CC/11/13	Sizimisele Development Trust	Craft	KwaZulu-Natal	179,000
2	AC/182/13	Nsusumeto Arts & Crafts	Craft	Limpopo	179,000
3	CC/47/13	K. Arts and Craft Initiative	Craft	Gauteng	179,000
4	CC/39/13	Nonkqubela Weaving Primary	Craft	Eastern Cape	179,000
5	CC/15/13	Makhaya Bushmen Ceramics	Craft	Gauteng	180,000
6	CC/04/13	Rainbow Mosaic & Pottery Co-operative	Craft	Limpopo	115,000
7	CC/05/13	Zebra Arts & Crafts	Craft	Northern Cape	135,000
8	CC/20/13	Kwantu Entertainment Designs	Craft	Gauteng	115,000
9	CC/26/13	Africa Craft Trust	Craft	Gauteng	115,000
10	AC/27/13	Mokotse Women's Club	Craft	Limpopo	115,000
11	CC/19/13	Pitseng Arts & Craft	Craft	Gauteng	115,000
12	AC/178/13	Twananani Textile Co-operative	Craft	Limpopo	115,000
13	CC/13/13	Edu Compass Community Development Services	Craft	Western Cape	132,000
14	DC/O2/13	Foot Expression Dance & Entertainment	Dance	North West	200,000
15	DC/26/13	Ekurhuleni Youth Club	Dance	Gauteng	200,000
16	DC/37/13	Dika-Moka Youth Development Forum	Dance	Gauteng	200,000
17	DC/41/13	Zoe Dance Academy	Dance	Free State	200,000
18	DC/18/13	Orange Farm Dance Theatre	Dance	Gauteng	200,000
19	DC/01/13	Jazzy Masala Creative	Dance	Gauteng	155,000
20	DC/05/13	Zama Dance School Trust	Dance	Western Cape	155,000
21	DC/08/13	Ikapa Dance Theatre Productions	Dance	Western Cape	162,000
22	DC/24/13	Dinganga Theatre Creations	Dance	Gauteng	155,000
23	DC/11/13	Dikwena Tsebotsetsaga Motsepe	Dance	Limpopo	264,000
24	LC/02/13	The Fundza Literacy Trust	Literature	Western Cape	200,000

No	Reference No.	Organisation	Discipline	Province	Amount (R)
25	LC/11/13	Arts Amuse	Literature	Free State	250,000
26	LC/13/13	Tiego Creative Writers	Literature	Limpopo	200,000
27	LC/19/13	Gcinamasiko Arts Heritage	Literature	KwaZulu-Natal	200,000
28	LC/27/13	Mak Herp Publishing	Literature	Limpopo	200,000
29	LC/28/13	Mbali Press	Literature	Free State	200,000
30	LC/01/13	African Sun Press	Literature	Western Cape	318,000
31	LC/25/13	Biblionef S.A	Literature	Western Cape	320,000
32	AC/09/13	Emthonjeni Rural Development	Multi-Discipline	Mpumalanga	200,000
33	AC/28/13	ZAMA	Multi-Discipline	Eastern Cape	200,000
34	AC/56/13	Z'mele	Multi-Discipline	Gauteng	250,000
35	AC/64/13	African Tales	Multi-Discipline	Western Cape	200,000
36	AC/144/13	Ithuteng Arts	Multi-Discipline	Gauteng	200,000
37	AC/147/13	Kwaguza Arts Initiative	Multi-Discipline	Mpumalanga	250,000
38	AC/154/13	ICRD Group Foundation	Multi-Discipline	Gauteng	250,000
39	AC/189/13	Khataza Multipurpose Cooperative	Multi-Discipline	Limpopo	200,000
40	AC/137/13	Community and Prison Organisation	Multi-Discipline	Gauteng	200,000
41	AC/13/13	Zero to Hero Theatre Production	Multi-Discipline	Gauteng	250,000
42	AC/175/13	Mandlazi Community Life	Multi-Discipline	Mpumalanga	250,000
43	AC/209/13	Music Transformation Enterprise	Multi-Discipline	Limpopo	300,000
44	CC/46/13	TSA Africa Development Project	Multi-Discipline	Mpumalanga	350,000
45	AC/170/13	Ralebipi Arts Tech School	Multi-Discipline	Limpopo	250,000
46	AC/168/13	Jahrose Productions	Multi-Discipline	Free State	350,000
47	AC/140/13	Zimiseleni Projects	Multi-Discipline	Mpumalanga	200,000

No	Reference No.	Organisation	Discipline	Province	Amount (R)
48	AC/113/13	Impophoma Youth Production	Multi-Discipline	Gauteng	200,000
49	AC/25/13	The South African Education & Enviroment Project	Multi-Discipline	Western Cape	200,000
50	AC/30/13	College of Magic	Multi-Discipline	Western Cape	200,000
51	AC/42/13	The Mother Tongue Project	Multi-Discipline	Western Cape	200,000
52	AC/73/13	Karona Trading 720	Multi-Discipline	Northern Cape	200,000
53	AC/74/13	Pakama Productions	Multi-Discipline	Northern Cape	200,000
54	AC/78/13	East London Guild	Multi-Discipline	Eastern Cape	375,000
55	AC/83/13	Nkomazi Arts & Craft Primary	Multi-Discipline	Mpumalanga	300,000
56	AC/101/13	United Proactive Artists	Multi-Discipline	Gauteng	200,000
57	AC/217/13	Masakhane Arts and Culture Youth Development Project	Multi-Discipline	Gauteng	200,000
58	AC/210/13	Khwa TTU San Culture & Education	Multi-Discipline	Western Cape	100,000
59	AC/179/13	Applauz Arts Initative	Multi-Discipline	Western Cape	150,000
60	AC/174/13	Kopano Ke Matla Youth Group	Multi-Discipline	North West	150,000
61	AC/02/13	Mangaung Drama & Dance Group	Multi-Discipline	Free State	352,000
62	AC/23/13	Unima South Africa	Multi-Discipline	Western Cape	352,000
63	AC/29/13	Women Unite	Multi-Discipline	Western Cape	352,000
64	AC/181/13	Heritage South Africa	Multi-Discipline	Limpopo	352,000
65	AC/212/13	Mutloatse Arts Heritage Trust	Multi-Discipline	Gauteng	352,000
66	MC/27/13	Johannesburg Society for the Blind	Music	Gauteng	350,000
67	MC/46/13	Vhalondoti Cultural Clan	Music	Limpopo	350,000
68	MC/48/13	Gauteng Music Development	Music	Gauteng	350,000
69	MC/51/13	Tshwane Music Industry Co-operative LTD	Music	Gauteng	350,000
70	MC/04/13	Kroenendal Music Academy of Houtbay	Music	Western Cape	156,750
71	MC/05/13	Msunduzi Music Centre	Music	KwaZulu-Natal	156,750

No	Reference No.	Organisation	Discipline	Province	Amount (R)
72	MC/09/13	Heritage Music School	Music	Gauteng	156,750
73	MC/53/13	Tshwane School of Music	Music	Gauteng	156,750
74	MC/14/13	Marimba Education Foundation	Music	Gauteng	165,000
75	MC/19/13	New Music SA	Music	KwaZulu-Natal	165,000
76	AC/36/13	Phoenix Foundation Trust	Music	KwaZulu-Natal	165,000
77	MC/39/13	Ma Afrika Cultural Organisation	Music	Gauteng	187,000
78	MC/58/13	S.A Music Education Trust	Music	Gauteng	165,000
79	MC/65/13	Soweto Youth Music Development	Music	Gauteng	165,000
80	TC/51/13	Mavundla and the Roses of South Africa	Theatre	Gauteng	330,000
81	TC/54/13	Phambili Ghetto Artists	Theatre	Gauteng	330,000
82	TC/67/13	Youth in Action Theatre Production	Theatre	KwaZulu-Natal	330,000
83	TC/12/13	East City Talent House	Theatre	KwaZulu-Natal	330,000
84	TC/08/13	Lunchbox Theatre	Theatre	Western Cape	266,000
85	TC/09/13	Clowns Without Borders SA	Theatre	KwaZulu-Natal	280,000
86	TC/13/13	Maqhawe Theatre Group	Theatre	Mpumalanga	280,000
87	TC/37/13	Nhluvuko Enlightenment Productions	Theatre	Gauteng	280,000
88	TC/68/13	Ladimash Productions	Theatre	Limpopo	280,000
89	TC/06/13	Arley's Workshop	Theatre	KwaZulu-Natal	308,000
90	TC/33/13	Usuthu Arts Productions	Theatre	Gauteng	308,000
91	VC/02/13	Dikaletsa Creative Project	Visual	Gauteng	255,000
92	VC/01/13	Mogale Arts Calabash	Visual	Gauteng	255,000
93	VC/12/13	Rendezvous Art Project	Visual	North West	255,000
94	VC/09/13	Streetwhy's Productions	Visual	Gauteng	255,000
95	VC/06/13	Africa South Art Initiative	Visual	Western Cape	330,000
96	VC/07/13	Artist Proof Studio	Visual	Gauteng	100,000
97	VC/08/13	Art For Humanity	Visual	KwaZulu-Natal	122,000
98	VC/23/13	Fordsburg Arts Studio (Bag Factory Artists Studio)	Visual	Gauteng	100,000

No	Reference No.	Organisation	Discipline	Province	Amount (R)
				TOTAL	22,000,000

3.5 Festival Funding

Table 17: Organisations Receiving Festival Funding 2012/2013 (17)

No	Funding No.	Organisation	Discipline	Province	Amount
1	LC/07/13	Wordfest	Literature	Eastern Cape	R 430,000
2	AC/20/13	National Arts Festival	Multi-Discipline	Eastern Cape	R 3,000,000
3	AC/53/13	Vryfees/ Vryfestival	Multi-Discipline	Free State	R 363,000
4	DC/04/13	Dance Forum	Dance	Gauteng	R 600,000
5	MC/61/13	Teb's Management Services	Music	Gauteng	R 300,000
6	MC/30/13	The Jazz Foundation of S.A	Music	Gauteng	R 750,000
7	AC/208/13	Bolotsa Letsema Holding	Multi-Discipline	North West	R 600,000
8	AC/48/13	Suidoostefees	Multi-Discipline	Western Cape	R 300,000
9	AC/79/13	Cape Town Festival	Multi-Discipline	Western Cape	R 700,000
10	AC/218/13	Cederbergfees	Multi-Discipline	Western Cape	R 350,000
11	MC/26/13	Espafrika	Music	Western Cape	R 1,000,000
				TOTAL	R 8,393,000

PART C: GOVERNANCE

Motariko Cultural Arts Project, Likhazi Township, Mpumalanga

PART C: GOVERNANCE

1. INTRODUCTION

The NAC is a Schedule 3A public entity, established by an Act of Parliament in 1997 (NAC Act, 56 of 1997). The corporate governance principles of the NAC are governed by the NAC Act, as amended by the Cultural Laws Amendment Act (No 36 of 2001) and the Public Finance Management Act (No 1 of 1999). In addition, corporate governance is informed by the NAC Corporate Governance Framework aligned to the King III Code on Corporate Governance Principles.

The Corporate Governance Framework was approved by Council with a clear definition of the roles and responsibilities of the constituent elements of the NAC's management structure. This enables Council to plan, execute, control and monitor the organisation's activities in accordance with strategic objectives. The Delegation of Authority Framework determines levels of authority for Council and management in respect of financial and operational decision making, including major investments, capital expenditure and contractual engagements. The internal audit function monitors compliance with these authority levels and also checks compliance with the Corporate Governance Framework.

In terms of Section 4 of the Act, the NAC functions under the authority of a Council appointed by the Minister of Arts and Culture. The Council of the NAC comprises 20 members and there were two resignations during the year under review. Council meetings were held quarterly and where necessary, special meetings were convened.

The NAC maintained a functional Audit Committee and internal audit function for the year under review in compliance with the PFMA.

The Advisory Panels, established in terms of Section 11 of the Act and chaired by the duly appointed Council member, facilitated the allocation of Arts Organisation Support, project and bursary funding in the year under review by evaluating applications and making recommendations to Council.

2. REPORTS TO PARLIAMENTARY OVERSIGHT COMMITTEES

The Parliamentary Portfolio Committee on Arts and Culture has oversight over the work of the NAC, along with the Department of Arts and Culture and all other public entities reporting to the DAC. The NAC appeared before the Portfolio Committee on the following occasions:

Dates	Purpose
18 April 2012	Briefing by the Department of Arts and Culture on its 2012/2013 Budget and Strategic Plans, including public entities
16 May 2012	Briefing by the National Department of Arts and Culture and the National Arts Council on the establishment of a special public entity to manage Downtown Studios
29 August 2012	To brief the Portfolio Committee on the complexities relating to the transfer of Downtown Studios

Based on the 2010/2011 Annual Report, the NAC also appeared before the Standing Committee on Public Accounts (SCOPA) on 29 May 2012. The table below provides a summary of the SCOPA resolutions and the progress made in implementing the recommendations of the Committee:

No	SCOPA Recommendation	Progress (as at 31 March 2013)
1	**Non-current assets held for transfer** The Committee recommends that the accounting treatment related to Downtown Studios should be in line with the recommendations of National Treasury i.e. Disclosure GRAP 100 and Measurement GRAP 17	In consultation with the AG and Treasury and based on new information that came to light in the audit process, the NAC incorporated the trial balances of Downtown Studios and Fox Street Properties into the Annual Financial Statements (AFS) of the NAC and as such there was no need to apply GRAP standards that apply to consolidation. As a result, the finding of the Auditor-General did not recur in the outcome of the regularity audit for 2011/2012
2	**Revenue from non-exchange transactions** The Committee recommends that the Accounting Authority ensures that Management takes responsibility for the accounting treatment for revenue received from grant funding in terms of GRAP 23	By incorporating the trial balances of the two entities into the NAC AFS, the revenue was accounted for in terms of GRAP 23. As a result, the finding of the Auditor-General did not recur in the outcome of the regularity audit for 2011/2012
3	**Business combination and consolidated financial statements** The Committee recommends that the Accounting Authority ensures that Management takes ownership to ensure that the accounting treatment in relation to the purchase of Downtown Studios should be in terms of requirements of GRAP 6 and IFRS 3	In consultation with the AG and Treasury and based on new information that came to light in the audit process the NAC incorporated the trial balances of Downtown Studios and Fox Street Properties into the Annual Financial Statements (AFS) of the NAC. The comparative figures were restated. As a result, the finding of the Auditor-General did not recur in the outcome of the regularity audit for 2011/2012

No	SCOPA Recommendation	Progress (as at 31 March 2013)
4	**Restatement of corresponding figures** The Committee recommends that the Accounting Authority ensures that financial statements and other information included in the Annual Report are checked and reviewed for completeness and accuracy prior to audit. All amendments to financial statements and information are effected before the annual audit commences	The NAC Annual Financial Statements are submitted to the Audit and Risk Committee (ARC), Executive Council (ExCo) and Council for approval. Unfortunately in the 2011/2012 financial year, substantive misstatements to the NAC AFS resulted in a qualified audit outcome for the following reasons: • Late finalisation of the audits, initiated over three years, of Downtown Studios and Fox Street Properties • In mid July 2012, after the submission of the AFS for audit purposes in May 2012, the AG proposed a new approach to the treatment of the two entities in the AFS of the NAC based on new information that came to light in the audit processes of Downtown Studios and Fox Street Properties. Management amended the AFS accordingly and incorporated the trial balances of the two entities which led to a range of misstatements that could not be corrected before the audit was finalised In order to address these matters, management has initiated a range of activities as follows: • Caseware, a software system for financial reporting, was implemented in February 2012 • Monthly management accounts which are presented quarterly to ARC and ExCo • The NAC also appointed a new CFO in January 2012 and after the departure of the previous acting CFO, a new finance manager in November 2012, thereby improving the capacity in the finance unit. A temporary staff member was appointed in the 4th quarter to assist with the preparation of the AFS
5	**Compliance with laws and regulations** The Committee recommends that the Accounting Authority ensures that Management implements a process whereby financial statements presented for audit are independently reviewed by internal audit to identify errors, omissions and misstatements prior to submission to the Auditor-General for audit purposes	Due to the late changes in the preparation of Annual Financial Statements, which resulted in further delays, this recommendation could not be implemented with respect to the 2011/2012 AFS. Misstatements of a material nature resulted in a qualified audit outcome for the 2011/2012 financial year. The scope of internal audit was extended to assist with quality assurance of AFS. Comments by the internal auditors were presented to management and the Audit and Risk Committee on 17 May 2013 and incorporated into the final AFS submitted for audit purposes

No	SCOPA Recommendation	Progress (as at 31 March 2013)
6	**Expenditure management** The Committee recommends that the Accounting Authority ensures the following: a) Management takes responsibility and provides adequate guidance to officials in assisting management to exercise reasonable care so as to avoid fruitless and wasteful expenditure from being incurred in future periods b) The entity strengthens the internal control environment to avoid incurring further irregular expenditure c) Disciplinary action is taken against employees who were responsible for incurring such irregular expenditure as required by Section 51(e)(iii) of the PFMA	With regard to the fruitless, wasteful and irregular expenditure reported in the 2010/2011 financial year, the Accounting Authority initiated a forensic audit which was concluded in September 2012. The findings were presented to Council on 30 September and a special sub-committee was constituted to oversee the implementation of the recommendations. As a result of the report recommendations, two managers were suspended; the disciplinary processes are underway. To improve the control environment, a policy to prevent fruitless, wasteful and irregular expenditure was approved by Council in May 2012 and a register of expenditure of this nature is kept. Monthly and quarterly management reports document expenditure of this nature. With regard to the 2011/2012 AFS, further irregular expenditure is reported, primarily due to the incorporation of the trial balances of Downtown Studios and Fox Street Properties as these entities were not managed in terms of the PFMA. In 2012, the NAC policy frameworks apply to both entities and will remain in effect until transfer.
7	**Procurement and contract management** The Committee recommends that the Accounting Authority ensures the following: a) Officials follow supply chain management processes when they procure goods and services to avoid recurring, irregular, fruitless and wasteful expenditure b) Management holds officials accountable for such irregular, fruitless and wasteful expenditure	With regard to the fruitless, wasteful and irregular expenditure reported in the 2010/2011 financial year, the Accounting Authority initiated a forensic audit which was concluded in September 2012. The findings were presented to Council on 30 September and a special sub-committee was constituted to oversee the implementation of the recommendations. As a result of the report recommendations, two managers were suspended; the disciplinary processes are underway. In June 2012, a new Supply Chain Management Officer was appointed at the NAC to improve capacity in this area; however the individual resigned in September 2012. A new SCM officer was appointed in March 2013. The NAC Supply Chain Management Policy has been reviewed to simplify processes to further ensure compliance. Financial Management Training for Non-Financial Managers was provided to all staff in the 2nd quarter
8	The Committee on Public Accounts further recommends that the Accounting Authority submits quarterly reports on all the above-mentioned recommendations	Quarterly progress reports on the implementation of SCOPA resolutions were provided to the Minister of Arts and Culture from the 3rd quarter of 2012/2013

3. EXECUTIVE AUTHORITY

The NAC reports quarterly to the Minister of Arts and Culture using a template as prescribed by the Department of Arts and Culture. Furthermore, through the annual Shareholder's Compact signed by the NAC and the Minister a series of structures were established to promote effective relations between the DAC and the public entities that report to it. A Chief Financial Officer's Forum, CEO's Forum and Chairpersons' Forum were established. Chaired by the Minister, the NAC attended the following meetings in the year under review:

Dates	Forum
15 November 2012	CFO's Forum
16 August 2012 22 November 2012	CEO's Forum
28 November 2012	Chairpersons' Forum (attended by CEO and Chairperson)

4. THE COUNCIL

Appointed by the Minister of Arts and Culture in March 2011, the NAC Council comprises 20 members as listed in the table below. In terms of the NAC Act, Council has a direct responsibility for decisions with regard to grant funding, and as such, the NAC Council met on six occasions during the financial year under review, three of which were meetings to approve project and international bursary funding, local bursary funding and Arts Organisation Support funding.

Name	Designation	Date appointed	Date resigned	Other Committees	No. of Meetings attended
Ms Matlhodi Angelina Makwetla	Chairperson	March 2011	Not applicable	ExCo	7 Council meetings 9 ExCo meetings
Mr Mohau Samuel Mphomela	Deputy Chairperson	March 2011	Not applicable	ExCo Chair: Arts Organisation Support Funding & Festival Funding Advisory Panel meetings	7 Council meetings 11 ExCo meetings 2 Arts Organisation Support Funding & Festival Funding Advisory Panel meetings
Prof Gessler Moses Nkondo	Member	March 2011	Not applicable	HR Committee Education Committee	6 Council meetings 1 HR committee meeting 1 Education Committee meeting

Name	Designation	Date appointed	Date resigned	Other Committees	No. of Meetings attended
Ms Phylis Klotz	Member	March 2011	Not applicable	HR Committee Education Committee Dance Advisory Panel Member: Arts Organisation Support Funding & Festival Funding Advisory Panel	4 Council meetings 3 HR Committee meetings 2 Dance advisory panel meetings 2 Arts Organisation Support Funding & Festival Funding Advisory Panel meetings 1 Education Committee meeting
Mr Shadrack Bokaba	Member	March 2011	February 2013	Chair: Music Advisory Panel Member: Arts Organisation Support Funding & Festival Funding Advisory Panel	3 Council meetings 4 ExCo meetings (co-opted member) 2 Music Advisory Panel Meetings 1 Arts Organisation Support Funding Panel meeting
Ms Nwabisa Mavuso	Member	March 2011	Not applicable	HR Committee	5 Council meetings 3 HR Committee meetings
Ms Erica Elk	Member	March 2011	Not applicable	Chair: Craft Advisory Panel Chair: Education Committee	7 Council meetings 2 Craft Advisory Panel meetings 1 Education Committee meeting
Ms Seipati Bernice Dichabe	Member	March 2011	Not applicable	ExCo Member: Arts Organisation Support & Festival Funding Panel	7 Council meetings 16 ExCo meetings 2 Arts Organisation Support Funding & Festival Funding Advisory Panel meetings

Name	Designation	Date appointed	Date resigned	Other Committees	No. of Meetings attended
Ms Nakedi Ribane	Member	March 2011	Not applicable	Chair: Theatre Advisory Panel Member: Arts Organisation Support & Festival Funding Panel	7 Council meetings 1 Theatre Advisory Panel meetings 2 Arts Organisation Support Funding & Festival Funding Advisory Panel meetings
Dr Mordacai Nangakhulu Lidhovo	Member	March 2011	Not applicable	ExCo Chair: HR Committee	4 Council Meetings 9 ExCo meetings 3 HR Committee Meetings
Mr Bongani John Tembe	Member	March 2011	Not applicable	Chair: Multi-Disciplinary Advisory Panel	3 Council meetings 2 Multi-Disciplinary Advisory Panel meetings
Mr Zamindlela Joseph Bhengu	Member	March 2011	Not applicable	Chair: Audit and Risk Committee ExCo	7 Council meetings 16 ExCo meetings 7 ARC meetings 1 HR Committee meeting
Mr Jonny Simon Masilela	Member	March 2011	Not applicable	Chair: Literature Advisory Panel Member: Arts Organisation Support and Festival Funding Panel Committee of Provinces Member	7 Council meetings 2 Literature Advisory Panel meetings 2 Arts Organisation Support Funding and Festival Funding Advisory Panel meetings 3 Committee of Provinces meetings
Mr Nelson Ntshangase	Member	March 2011	Not applicable	ARC Member Committee of Provinces Member	7 Council meetings 7 ARC meetings 3 Committee of Provinces meetings 1 HR Committee Meeting

Name	Designation	Date appointed	Date resigned	Other Committees	No. of Meetings attended
Adv Tsoarelo Humphrey Malakoane	Member	March 2011	November 2012	ARC Member Chair: Committee of Provinces	None
Mr Manne Shadrack Thebe	Member	March 2011	Not applicable	ARC Member Committee of Provinces Member	6 Council meetings 6 ARC meetings 1 HR Committee Meeting 3 Committee of Provinces meetings
Mr Meshack Mavuso	Member	March 2011	May 2012	Chair: Theatre Advisory Panel	No meetings attended in 2012/2013
Mr Chikapa Enock Ray Phiri	Member	March 2011	Not applicable	Committee of Provinces Member	6 Council meetings attended 3 Committee of Provinces meetings
Mr Dendheni Andrew Nhlangwini	Member	March 2011	Not applicable	Chair: Committee of Provinces Education Committee Member	7 Council meetings attended 3 Committee of Provinces meetings 1 Education Committee meeting attended

Name	Designation	Date appointed	Date resigned	Other Committees	No. of Meetings attended
Prof Dominic Thorburn	Member	March 2011	Not applicable	Chair: Visual Arts Advisory Panel Committee of Provinces Member Education Committee Member	6 Council meetings attended 2 Visual Arts Advisory Panel meetings attended 2 Arts Organisation Support Funding and Festival Funding Advisory Panel meetings 3 Committee of Provinces meetings 1 Education committee meeting attended

Section 8 of the NAC Act empowers Council, at its discretion, to establish committees to assist Council in the performance of its functions and applying the recommendations of the King III report In addition to the Delegation of Authority, Council delegated specific responsibilities to a number of committees which operate within terms of reference approved by the Council. The following Committees were operational for the financial year under review:

- Executive Committee;
- Audit and Risk Committee;
- Human Resources Committee;
- Committee of Provinces;
- Education Committee; and
- Arts Funding Advisory Panels.

Committees

Committee	No. of meetings	No. of members	Name of members
Executive Committee	16	5	• Mrs Angelina Makwetla • Mr Mohau Mphomela • Mr Zama Bhengu • Ms Seipati Dichabe • Dr Nanga Lidovho
Audit and Risk Committee	7	3	• Mr Zama Bhengu • Mr Ndela Ntshangase • Mr Manne Thebe
Human Resources Committee	3	3	• Dr Nanga Lidovho • Ms Phyllis Klotz • Ms Nwabisa Mavuso

Committee	No. of meetings	No. of members	Name of members
Committee of Provinces	3	6	• Mr Andrew Nhlangwini • Mr Johnny Masilela • Mr Ndela Ntshangase • Prof Dominic Thorburn • Mr Manne Thebe • Mr Chikapa Phiri
Education Committee	1	5	• Ms Erica Elk • Ms Phyllis Klotz • Mr Andrew Nhlangwini • Prof Muxe Nkondo • Prof Dominic Thorburn
Advisory Panel: Craft	2	5	• Ms Erica Elk (Chair) • Mr Windy Mthembu • Ms Magdalena Harley • Ms Susan Sellschop • Mr Andile Magengelele
Advisory Panel: Dance	2	5	• Ms Phyllis Klotz (Chair) • Dr Vusabantu Ngema • Mr Alfred Hinkel • Mr Gerard Samuel • Mr Jimmy Notuku
Advisory Panel: Literature	2	5	• Mr Johnny Masilela (Chair) • Mr Vonani Bila • Dr CM Hoza • Ms Linda L. Kwatsha • Mr Mathene Mahenke
Advisory Panel: Multi-Discipline	2	5	• Mr Bongani Tembe (Chair) • Mr Skin Sipoko • Mr Jerry Mabuza • Mr Malesela Aphane • Ms Zaide Harneker
Advisory Panel: Music	2	5	• Mr Shadrack Bokaba (Chair) • Mr Oupa Selemane • Mr Sibusiso Njeza • Mr Mandrew Mnguni • Mr Mfanimpela Mlambo
Advisory Panel: Theatre	2	5	• Ms Nakedi Ribane (Chair) • Ms Nobesuthu Rayi • Ms Mmabatho Mogomotsi • Dr Niel Le Roux • Mr Pascar Dube
Advisory Panel: Visual Arts	2	5	• Prof Dominic Thorburn (Chair) • Dr Collen Morare • Ms Nontobeko Ntombela • Mr Pumlani Mbanya • Mr Lucky Khuzwayo

Committee	No. of meetings	No. of members	Name of members
Advisory Panel: Arts Organisation Support Funding and Festival Funding	2	8	• Mr Mohau Mpomela (Chair) • Ms Phyllis Klotz • Mr Johnny Masilela • Mr Shadrack Bokaba • Ms Nakedi Ribane • Prof Dominic Thorburn • Ms Zaide Harneker (Substitute member) • Mr Andile Magengelele (Substitute member)

Remuneration of Council Members

Council members are remunerated in accordance with the rates stipulated by National Treasury for particular categories of public entities, inclusive of preparation fees. Emoluments to Council members are detailed in Note 26 to the AFS.

5. RISK MANAGEMENT

The NAC manages risk in accordance with a risk register, approved by Council, which is updated annually. The risk register is based on an annual risk assessment conducted by the NAC's internal auditor. The risk register, including mitigation strategies and progress with regard to implementation, is updated quarterly and presented to Council.

6. INTERNAL CONTROL

Strengthening internal controls was a substantial focus in the year under review. To this end, a range of financial and human resource policies were reviewed and approved. In addition, administrative compliance was strengthened considerably, with improved Supply Chain Management processes and capacity with the appointment of an SCM officer. A quarterly control dashboard was prepared in consultation with AGSA and presented to Council.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

In accordance with the PFMA, the NAC has a duly constituted Audit and Risk Committee comprising three Council members. A new external member was appointed in the year under review. In terms of the Corporate Governance Framework and Charter of the Audit Committee the role of the committee is:

- Effectiveness of the internal control systems;
- Effectiveness of the internal audit function;
- Risk areas of operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of financial information provided to Management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;

- Compliance with legal and regulatory provisions; and
- Activities of the internal audit function, including its annual work programme, coordination with the external auditors (i.e. the Auditor-General), the reports of significant investigations and the responses of management to specific recommendations.

Internal audit services are provided by an outsourced service provider, SekelaXabiso. Based on a three-year and annual audit plan developed in the year under review, the following internal audits were conducted:

- NAC Follow up Audit Dec 2012;
- NAC Corporate Governance Audit;
- Pre-Implementation Review;
- NAC Compliance Audits;
- General Controls Review;
- Financial Discipline Review; and
- Performance against Objectives.

The report of the Audit and Risk Committee is included in the Annual Financial Statements.

8. COMPLIANCE WITH LAWS AND REGULATIONS

The focus on compliance was on resolving matters raised by internal and external auditors in reports dating back to 2010/2011. Supply Chain Management policy and capacity was also bolstered substantially with the appointment of a full time Supply Chain Management Officer and a review of NAC SCM policy. Critical to the process of improving compliance was receiving condonation for the purchase of Downtown Studios and also approval for the transfer of the building and assets to the Downtown Music Hub.

Furthermore, the NAC is finalising a list of regulations and Acts to comply with. This will be a checklist to ensure compliance with relevant regulations and Acts.

9. FRAUD AND CORRUPTION

The NAC has a Fraud Prevention Strategy available to all staff. Assessing possible fraud risks is also part of the annual risk assessment workshop where staff members are encouraged to disclose and share any information that might pose a risk to the NAC. The Fraud Prevention Awareness Campaign co-ordinated by the Department of Arts and Culture is also implemented at the NAC. Information to create awareness is put on the notice board of the NAC.

The campaign makes staff aware of mechanisms to report fraud and corruption through surveys, the results of which were published for employee awareness. Employees are provided with confidential numbers to report any possible fraud and corruption including, but not limited to, the Presidential hotline.

Fraud prevention activities at the NAC also include pre-employment screening for all appointments and evidence of such screening is maintained by the HR Department. The following aspects are included in the screening:

- Verification of identity;
- Police criminal history;
- Reference checks with the two most recent employers – this will normally require telephone contact;
- A consideration of any gaps in employment history and the reasons for those gaps; and
- Verification of formal qualifications claimed.

10. MINIMISING CONFLICT OF INTEREST

The NAC stipulates that members of Council and Advisory Panel members should not receive grant funding from the organisation. In 2012/2013, Council, with the support of the DAC, approved an interpretation of this clause which would allow the organisations that individual members are employed by or associated with to apply for funding, but that would explicitly exclude individual Council members from applying. In support of this commitment to effective governance, Declarations of Interest were completed prior to each Council or sub-committee meeting and annual declarations were completed by all Council members.

11. CODE OF CONDUCT

The conduct of Council is governed by the NAC Corporate Governance Framework which stipulates that each member is obliged to act honestly and in good faith. In particular, the Framework requires all members to:

- Act within their powers and in the interest, and for the benefit of the NAC;
- Not to act with self interest in making short and long term decisions;
- Carry out their duties with appropriate skill and care, and exercise their own judgement;
- Uphold the values and objectives of the NAC;
- Uphold the NAC's core policies;
- Contribute to and share responsibility for Council decisions;
- Read Council papers;
- Attend and effectively participate in meetings, training sessions and other events;
- Represent the NAC and its values, policies and decisions;
- Declare any relevant interest;
- Furnish the NAC's auditors with all information and explanations they require;
- Respect confidentiality of information and not disclose confidential information about the NAC, its staff or its stakeholders; and
- Comply with the law, letter and spirit of the corporate governance principles and practices set out in the Framework.

Council members not complying are subject to the provisions of the NAC Act with regard to vacating their seat on Council and non-compliant staff members are subject to the NAC's disciplinary process.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NAC is a very small organisation with no specific hazards in the work conducted on a daily basis. In accordance with the Occupational Health and Safety Act, the NAC has a duly appointed safety officer, floor marshals and first aid resources.

PART D: HUMAN RESOURCE MANAGEMENT

Artwork by Tshiamo Art & Crafts; Mangaung, Free State

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The staff complement of the NAC remained reasonably stable in the year under review, with two appointments, and two resignations, one at senior management level. Ongoing disciplinary actions are taken against two staff members at management level, the Chief Operating Officer and IT & Admin Manager, as a result of a forensic audit into fruitless, wasteful and irregular expenditure in 2010/2011. This placed significant pressure on the remaining management members to fulfill a range of functions.

Temporary staff members were hired to assist in the finance section and with the funding process. This enhanced the efficiencies within the respective units, and assisted the organisation in dealing with a far greater number of applications than in the past. As part of its commitment to skills development and employee growth, bursaries were administered for staff development and training was provided on financial management. In addition, due to the demands of the France South Africa Seasons programme, the NAC hired an additional seven staff members on contract. Unfortunately plans to expand the NAC's internship programme to include four interns could not be implemented due to budget constraints. However in keeping with the size of the programme in the last financial year, two interns were employed in the Communication unit.

In May 2012, Council approved a proposal for an organisational review which will be implemented in the 2013/2014 financial year in partnership with the Treasury Technical Assistance Unit (TAU). The aim of the review will be to align the organisational structure with the five-year strategic objectives of the organisation, to review internal business processes to improve service delivery and to conduct a skills audit to inform a training and development programme.

A management/staff representative forum was established to encourage more open discussion on issues that affect both groups. In particular, a proposal for the organisation review was drafted and presented to Council for approval through this forum.

The NAC reviewed a number of policies in order to comply with legislation and in an effort to improve the well-being of its employees. In the year under review, the HR policy environment was considerably strengthened through a review of all HR policies.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The NAC is a small organisation, employing 26 full time staff members. In support of the France South Africa Seasons project, a total of seven additional contract staff members were employed. The tables below provide detail on the costs, employment equity profile and vacancy profile of the NAC's full time staff complement.

Total Personnel Cost

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of Employees	Average Personnel Cost per Employee (R'000)
NAC Staff		12 779	15,5%	26	492
Temporary Staff		432	0.5%	6	72
Provisions		521			
Total	**82 680**	**13 732**			

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of personnel exp. to Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	2 766	22%	3	922
Senior Management	718	6%	1	718
Professional Qualified				
Skilled	7 920	61%	15	528
Semi-skilled	1 269	10%	6	212
Unskilled	106	1%	1	106
TOTAL	**12 779**	**100%**	**26**	

Training Costs

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of Employees Trained	Avg. training Cost per Employee (R'000)
Finance		58	2.3%	2	29
Grants		121	2.5%	15	8
Operations		6	0.6%	1	6
Admin		0	0%	0	0
Marketing		0	0%	0	0
CEO		18	0.9%	0	18
Human Resources		1	0.2%	1	1
TOTAL	**12 779**	**204**		**19**	

Employment and Vacancies

	2011/2012 No. of Employees	2012/2013 Approved Posts	2012/2013 No. of Employees	2012/2013 Vacancies	% of Vacancies
NAC	24	26	26	-	100%

Programme	2011/2012 No. of Employees	2012/2013 Approved Posts	2012/2013 No. of Employees	2012/2013 Vacancies	% of Vacancies
Top Management	3	3	3	-	
Senior Management	1	1	1	-	
Professional Qualified	4	7	6	1	
Skilled	11	11	11	-	
Semi-skilled	4	4	4	-	
Unskilled	1	1	1	-	
TOTAL	**24**	**27**	**26**	**1**	**3.9%**

Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	3	-	-	3
Senior Management	1	-	-	1
Professional Qualified	4	2	-*	6
Skilled	11	-	-	11
Semi-skilled	4	-	-	4
Unskilled	1	-	-	1
Total	**24**	**2**	**1**	**26**

Reasons for Staff Leaving

The organisation recorded one termination in the year under review. The affected staff member received offers of employment outside the organisation.

*A Supply Chain Officer was appointed in June 2012 and resigned in September 2012.

Reason	Number	% of total no. of staff leaving
Death		
Resignation	1	
Dismissal		
Retirement		
Ill health		
Expiry of contract		
Other		
Total	**1**	

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	
Written Warning	1
Final Written warning	
Dismissal	
Verbal Warning	

The NAC initiated disciplinary action against two managers implicated in fruitless, wasteful and irregular expenditure reported in 2010/2011. Based on the outcome of a forensic audit, these two managers were suspended and as at 31 March 2013, the disciplinary processes are still underway.

Employment Equity Status

Levels	Employment Equity Status							
	African		Coloured		Indian		White	
	Male	Female	Male	Female	Male	Female	Male	Female
Top Management	2	-	-	-	-	-	-	1
Senior Management	-	1	-	-	-	-	-	-
Professional Qualified	2	4	-	-	1	-	-	-
Skilled	4	6	-	1	-	-	-	-
Semi-skilled	1	2	-	1	-	-	-	-
Unskilled			-	-	-	-	-	-
TOTAL	9	13	-	2	1	-	-	1

The NAC does not currently employ any people with disabilities.

PART E: FINANCIAL INFORMATION

National Arts Council of South Africa
Annual Financial Statements
for the year ended 31 March 2013

General Information

Country of incorporation and domicile	South Africa
Auditors	Auditor-General of South Africa
Company registration number	1989/001413/08

The reports and statements set out below comprise the annual financial statements presented to the Auditor-General:

The following supplementary information does not form part of the annual financial statements and is unaudited:

Council's Responsibilities and Approval

The Council is required by the Public Finance Management Act (No. 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Council to ensure that the annual financial statements fairly present the state of affairs of the National Arts Council of South Africa as at the end of the financial year and the results of its operations and cash flows for the period. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

The Council acknowledges that they are ultimately responsible for the system of internal financial control established by the National Arts Council of South Africa and place considerable importance on maintaining a strong control environment. To enable the Council to meet these responsibilities, there are standards set by the Accounting Authority for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the National Arts Council of South Africa and all employees are required to maintain the highest ethical standards in ensuring the National Arts Council of South Africa's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the National Arts Council of South Africa is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the National Arts Council of South Africa endeavours to minimise these risks by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Council has reviewed the entity's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The National Arts Council of South Africa is wholly dependent on the Department of Arts and Culture for continued funding of operations. The annual financial statements are prepared on the basis that the National Arts Council of South Africa is a going concern.

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

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 103 to 106.

The annual financial statements set out on pages 108 to 149, which have been prepared on going concern basis, were approved by the Council on 31 July 2013 and were signed on its behalf by:

Chairperson: Council

Chairperson: Audit and Risk Committee

Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2013.

Audit and Risk Committee members and attendance

The Audit and Risk Committee comprises of the members listed hereunder and should meet at least 4 times per annum as per its approved terms of reference. During the year under review, 7 meetings were held.

Name of member	Number of meetings attended
Z Bhengu (Chairperson)	7
N Ntshangase	7
M Thebe	6

Audit and Risk Committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the National Arts Council of South Africa over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements, and the Management Report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The Audit and Risk Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the management of the National Arts Council of South Africa during the year under review.

Evaluation of annual financial statements

The Audit and Risk Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the internal auditors;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The Audit and Risk Committee concurs with and accepts the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Internal audit

The Audit and Risk Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the National Arts Council of South Africa and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson: Audit and Risk Committee
Date: 31 July 2013

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE NATIONAL ARTS COUNCIL OF SOUTH AFRICA

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the National Arts Council of South Africa set out on pages 108 to 149, which comprise statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Arts Council of South Africa as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

8. As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2012 have been restated as a result of errors discovered during the financial year ended 31 March 2013 in the financial statements of the National Arts Council of South Africa.

Additional matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 150 to 151 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 15 to 74 of the annual report.

13. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information.*

    The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

14. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

15. Although no material finding concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the following matter.

Achievement of planned targets

16. Of the total number of 53 targets planned for the year, 11 targets were not fully achieved during the year under review. This represents 21% of total planned targets that were not achieved during the year under review. This was due to the budget and capacity constraints relevant to the following programmes: Arts Administration, Human Resources IT & Financial Administration, Communication and Research.

Compliance with laws and regulations

17. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements

18. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of the prescribed financial reporting framework as required by section 55(2)(a) of the PFMA. Material misstatements on non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors were subsequently corrected.

Procurement and contract management

19. A deviation from three quotations was approved on the basis of it being an emergency, even though proper planning would have prevented such an emergency.

20. Certain contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3.

21. Certain contracts were awarded to bidders who did not submit the South African Revenue Services tax clearance certificate.

Expenditure management

22. The accounting authority did not always take effective and appropriate steps to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA.

Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

24. Leadership did not adequately monitor the implementation of policies and procedures to guide the effectiveness of the operations of the entity to avoid instances of non-compliance with laws and regulations as detailed above.

Financial and performance management

25. The financial statements were subject to material amendments resulting from the audit as a result of inadequate review for completeness and accuracy thereof prior to submission for audit.

<u>Other reports</u>

Investigations

26. An investigation into an allegation of financial and procurement irregularities was completed during the year. Various measures recommended were in the process of implementation.

Auditor-General

Johannesburg
31 July 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Accounting Officer's Report

The Council submits their report for the year ended 31 March 2013.

1. Going concern

We draw attention to the fact that as at 31 March 2013, the National Arts Council of South Africa had accumulated surplus of R 70,125,235 and that the entity's total assets exceeded its liabilities by R 73,223,524.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2. Subsequent events

The Council has appointed a new CEO after the end of the financial year. Ms R Mangope was appointed on 1 July 2013.

Statement of Financial Position

	Note(s)	2013 R	2012 (Restated) R
Assets			
Current Assets			
Trade and other receivables	4	2,679,093	772,453
Cash and cash equivalents	5	67,776,885	55,509,094
		70,455,978	56,281,547
Non Current Assets			
Investment property	31	9,100,000	8,050,000
Property, plant and equipment	2	7,865,267	7,267,099
Intangible assets	3	107,375	115,661
		17,072,642	**15,432,760**
Total Assets		**87,528,620**	**71,714,307**
Liabilities			
Current Liabilities			
Trade and other payables	9	3,618,581	3,944,188
Projects and Bursaries payable	8	1,052,591	6,796,141
Finance lease obligation	6	465,363	319,873
France South Africa Season Project	30	6,506,497	-
Administered Funds	7	426,947	2,279,590
Deferred Grant income	32	660,764	724,827
		12,730,743	**14,064,619**
Non Current Liabilities			
Finance lease obligation	6	1,574,356	2,051,429
Total Liabilities		**14,305,099**	**16,116,048**
Net Assets		**73,223,524**	**55,598,262**
Net Assets			
Reserves			
Revaluation reserve		3,098,289	1,398,289
Accumulated surplus		70,125,235	54,199,973
Total Net Assets		**73,223,524**	**55,598,262**

	Note(s)	2013 R	2012 (Restated) R
Revenue	10	89,542,528	70,830,937
Other income	11	6,845,253	8,227,202
Operating expenses	13	(15,045,656)	(12,708,363)
Staff costs	14	(13,732,042)	(12,347,913)
Projects and bursaries expenses	33	(55,262,329)	(48,636,155)
Operating surplus		**12,347,754**	**5,365,708**
Investment revenue	12	2,532,679	2,678,593
Fair value adjustments	34	1,050,000	-
Finance Cost	15	(291,038)	(366,251)
Surplus for the year		**15,639,395**	**7,678,050**

	Revaluation reserve R	Accumulated surplus (Restated) R	Total net assets (Restated) R
Balance at 01 April 2011	**1,398,289**	**46,703,100**	**48,101,389**
Surplus for the year	-	7,678,049	7,678,049
Total changes	-	7,678,049	7,678,049
Balance at 01 April 2012	**1,398,289**	**54,485,840**	**55,884,129**
Surplus for the year	-	15,639,395	15,639,395
Revaluation of Building	1,700,000	-	1,700,000
Total changes	1,700,000	15,639,395	17,339,395
Balance at 31 March 2013	**3,098,289**	**70,125,235**	**73,223,524**

	Note(s)	2013 R	2012 (Restated) R
Cash flows from operating activities			
Receipts			
Grants and other income received		93,190,418	73,166,815
Interest received call account		2,532,679	2,678,593
Other income		6,841,056	8,435,207
		102,564,153	84,280,615
Payments			
Staff costs		(13,732,042)	(12,347,913)
Suppliers		(20,465,426)	(27,327,895)
Finance Costs		(291,038)	(354,268)
Projects and bursaries		(55,262,329)	(48,636,155)
		(89,750,835)	(88,666,231)
Net cash flows from operating activities	19	**12,813,318**	**(4,385,616)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(122,415)	(81,162)
Purchase of other intangible assets	3	(91,529)	(123,092)
Net cash flows from investing activities		**(213,944)**	**(204,254)**
Cash flows from financing activities			
Finance lease payments		(331,583)	(254,374)
Net increase/(decrease) in cash and cash equivalents		**12,267,791**	**(4,844,244)**
Cash and cash equivalents at the beginning of the year		55,509,094	60,353,339
Cash and cash equivalents at the end of the year	5	**67,776,885**	**55,509,095**

1. Presentation of Annual Financial Statements

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

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, is presented below. These accounting policies are consistent with the policies applied in the previous financial year.

1.1 Property, plant and equipment

Property, plant and equipment are tangible non current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment are its purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non monetary asset or monetary assets, or a combination of monetary and non monetary assets, the asset acquired is initially measured at fair value. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Costs include the costs incurred initially to acquire or construct an item of property, plant and equipment and the costs 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 is carried at cost less accumulated depreciation and any impairment losses except for the land which is carried at cost. Subsequent measurement of land is reviewed by management, if any increases in the carrying amount arising on revaluation of land, this is credited directly to a revaluation surplus.

Property, plant and equipment are depreciated on a straight line basis over their expected useful lives to their estimated residual value.

The Council adopted the revaluation model for measurement of Buildings.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Useful life
Land	Indefinite
Buildings	50 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years
Other equipment	5 years
Signage	3 years
Digital equipment	3 years
Heritage	3 years

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

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations materially differ from the previous estimate. Aquisition of assets will depend on availability of budget.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item, is depreciated separately.

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

Items of property, plant and equipment are derecognised when the asset is disposed of, or when there are no further economic benefits or service potential expected from the use of the asset.

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

1.2 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

Where an intangible asset is acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

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	2 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from their use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in the surplus or deficit when the asset is derecognised.

1.3 Financial instruments

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Leases

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 - lessee

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, 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.

Minimum 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 so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.5 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.6 Employee benefits

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

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity. The proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long term employee benefits are benefits (other than post employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi employer plans to provide post employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

1.7 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditure for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised.

1.8 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

1.9 Revenue from non exchange transactions

Non exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an armís length transaction.

Measurement

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

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably; and
- to the extent to which there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.10 Investment income

Investment income is recognised on a time proportion basis using the effective interest method.

1.11 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.13 Irregular expenditure

Irregular expenditure as defined in Section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or, that is not in accordance with a requirement of any applicable legislation, including:

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury Practice Note no. 4 of 2008/2009 which was issued in terms of Sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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

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

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

- Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.14 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the National Arts Council of South Africa has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

1.15 Budget information

The National Arts Council of South Africa is typically subject to budgetary limits in the form of budget authorisations, which is given effect through authorising legislation.

General purpose financial reporting by National Arts Council of South Africa shall provide information on whether resources were obtained and used in accordance with the adopted budget.

The Annual Financial Statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Annual Financial Statements. Due to the constraints of the 25% ceiling for administration expenses, Council approved the use of interest earned to augment the operations of the National Arts Council of South Africa.

1.16 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, management in their dealings with the National Arts Council of South Africa.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

2. Property, plant and equipment

	2013			2012 (Restated)		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	900,000	-	900,000	900,000	-	900,000
Buildings	4,400,000	(165,288)	4,234,712	2,700,000	(98,401)	2,601,599
Furniture and fixtures	388,175	(337,490)	50,685	485,831	(270,076)	215,755
Motor vehicles	145,559	(145,559)	-	145,559	(145,559)	-
Office equipment	367,588	(306,007)	61,581	215,436	(165,348)	50,088
Computer equipment	628,962	(508,810)	120,152	636,492	(533,211)	103,281
Musical equipment	3,004,000	(2,164,466)	839,534	3,010,000	(1,773,830)	1,236,170
Painting	17,638	-	17,638	17,638	-	17,638
Photocopiers	2,540,749	(919,811)	1,620,938	2,540,749	(450,613)	2,090,136
Banners	64,962	(54,800)	10,162	64,962	(34,806)	30,156
Digital equipment	57,404	(47,539)	9,865	60,644	(38,368)	22,276
Total	**12,515,037**	**(4,649,770)**	**7,865,267**	**10,777,311**	**(3,510,212)**	**7,267,099**

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Revaluations	Other Movement, changes	Depreciation	Total
Buildings	2,601,599	-	1,700,000	(12,887)	(54,000)	4,234,712
Banners	30,156	-	-	330	(20,324)	10,162
Computer equipment	103,281	93,310	-	13,174	(89,613)	120,152
Office equipment	50,088	29,105	-	26,756	(44,368)	61,581
Digital equipment	22,276	-	-	88	(12,499)	9,865
Photocopiers	2,090,136	-	-	38,951	(508,149)	1,620,938
Furniture and fixtures	215,755	-	-	(108,473)	(56,597)	50,685
Paintings	17,638	-	-	-	-	17,638
Land	900,000	-	-	-	-	900,000
Musical equipment	1,236,170	-	-	(2,103)	(394,533)	839,534
	7,267,099	**122,415**	**1,700,000**	**(44,164)**	**(1,180,083)**	**7,865,267**

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Additions through entity combinations	Re-classification of Assets	Other Movement, changes	Depreciation	Total
Buildings	-	-	-	2,628,000	23,099	(49,500)	2,601,599
Banners	51,761	-	-	-	47	(21,652)	30,156
Motor vehicles	7	-	-	-	(1)	(6)	-
Computer equipment	141,367	67,653	-	-	(2,844)	(102,895)	103,281
Office equipment	132,745	-	-	-	16,193	(98,850)	50,088
Digital equipment	21,964	13,509	-	-	(771)	(12,426)	22,276
Photocopiers	405,962	2,337,091	(166,222)	-	(600)	(486,095)	2,090,136
Furniture and fixtures	173,797	-	-	-	94,017	(52,059)	215,755
Paintings	17,638	-	-	-	-	-	17,638
Land	3,528,000	-	-	(2,628,000)	-	-	900,000
Musical equipments	1,706,403	-	-	-	48,173	(518,406)	1,236,170
	6,179,644	**2,418,253**	**(166,222)**	**-**	**177,313**	**(1,341,889)**	**7,267,099**

Revaluations

The effective date of the revaluations was 12 April 2013. Revaluations were performed by independent valuer, Mr J. Goosen, Professional Associated Valuer, of Corporate Valuations. Mr J Goosen is not connected to the National Arts Council of South Africa.

There are various methods commonly used for determining the market value of real estate. These methods of valuation comprise:

- Direct Comparable Sales Approach
- Cost Approach
- Income Approach

In order to determine which methods applies to the subject properties; cognisance was taken of the fact that the subject property is an income producing property. Taking this into account, the Income Approach was considered to be the most appropriate for the subject property.

This method entails the determination of the Net Annual Income for the property, which is then capitalised at appropriate market related capitalisation rate.

3. Intangible assets

	2013			2012 (Restated)		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	332,497	(225,122)	107,375	246,077	(130,416)	115,661

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Computer software	115,661	91,529	(56,113)	(43,702)	107,375

Reconciliation of intangible assets - 2012

	Opening balance	Additions	Amortisation	Total
Computer software	1	123,092	(7,432)	115,661

4. Trade and other receivables

	2013	2012
	R	R
Staff advances	15,300	21,404
Deposits	10,715	11,106
Trade Debtors	1,514,685	-
Salary Control	15,533	-
Downtown Music Hub	703,040	546,337
Interest receivables	270,617	193,606
France South African Season Project	149,203	-
	2,679,093	**772,453**

Trade receivables are non-interest bearing and are normally settled on a 30 day term.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	15,587	43,086
Cash at Bank Current Account	7,438,203	8,642,458
Cash at Bank Call Account	60,323,095	46,823,550
	67,776,885	**55,509,094**
Analysis of Bank Accounts		
NAC - Petty Cash	5,000	3,000
Downtown Studios Petty Cash	10,587	40,086
NAC - Current Account	115,787	7,680,623
NAC - Downtown Studios Current Account	18,521	34,944
Mmino - Current Account	797,215	911,919
France South Africa Season Current Account	6,506,497	-
NAC - CAll Account	59,101,862	45,653,893
Mmino - Call Account	1,221,233	1,169,657
NAC IFACCA - Current Account	183	14,972
	67,776,885	**55,509,094**

6. Finance lease obligation

	2013	2012
	R	R
Minimum lease payments due		
- within one year	501,363	634,847
- in second to fifth year inclusive	2,040,532	2,583,806
	2,541,895	3,218,653
less: future finance charges	(502,176)	(847,351)
Present value of minimum lease payments	**2,039,719**	**2,371,302**
Present value of minimum lease payments due		
- within one year	465,363	319,873
- in second to fifth year inclusive	1,574,356	2,051,429
	2,039,719	2,371,302
Non current liabilities	1,574,356	2,051,429
Current liabilities	465,363	319,873
	2,039,719	2,371,302

7. Administered Fund

The National Arts Council of South Africa received funds from the Department of Arts and Culture to be used for specific projects. These funds are only used as directed by the Department of Arts and Culture in achieving its mandate.

Department of Arts and Culture (DAC) ringfenced Funds		
DAC Ringfenced Funds	2,279,590	2,293,784
Movement	(29,279)	(14,194)
Payment to Downtown Studios	(1,823,442)	-
	426,869	**2,279,590**

8. Projects and Bursaries Payable

Projects and bursary expenditure is the core business of the National Arts Council of South Africa, to fund projects and bursaries. In the prior periods, the National Arts Council recognised the approved funding amounts and related liability after the approval of the projects. Subsequent payments were processed through the liability.

8. Projects and Bursaries Payable (continued)

In the year under review, only those projects and bursaries that met the criteria of a present obligation are recognised.

	2013	2012
	R	R
Project and Bursaries Payable		
2011 Surplus Projects payable	6,796,141	6,796,141
Movement	(1,198,352)	-
Revoked Projects	(5,255,783)	-
Allocated Grant Control Account	710,585	-
	1,052,591	**6,796,141**

9. Trade and other payables

Trade payables	1,207,281	1,854,127
Union Fees control	15,360	11,520
Accrued expenses	1,413,053	887,950
Deposits received	64,426	71,634
Other payables	723,600	910,436
Mmino Account	-	208,521
Income received in advance	194,861	-
	3,618,581	**3,944,188**

Trade payables are non-interest bearing and normally settled on a 30 day term

10. Revenue

Rental income	358,083	439,317
Government grants received NAC	87,527,000	69,760,825
Government grants received Downtown Studios	924,134	-
Tapes and studio time	733,311	630,795
	89,542,528	**70,830,937**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Tapes and studio time	733,311	630,795
Rental income	358,083	439,317
	1,091,394	**1,070,112**

The amount included in revenue arising from none xchange transactions is as follows:

		2013	2012
		R	R
Government Grant			
Department of Arts and Culture	Grant received NAC	87,527,000	69,760,825
Department of Arts and Culture	Grant received Downtown Studios	924,134	-
		88,451,134	**69,760,825**

11. Other income

Income from insurance	3,738	79,579
Gains or loss on disposal of assets/extinguishment of liabilities	-	693,265
Revoked Projects	5,255,784	7,454,358
Management Fee French South African Season Project	1,334,835	-
Bad debts recovered	134,783	-
Other income	116,113	-
	6,845,253	**8,227,202**

12. Investment revenue

Interest revenue		
Bank	**2,532,679**	**2,678,593**

13. Operating expenses

	2013	2012
	R	R
Auditors fees	2,281,758	903,386
Bank charges	28,332	69,706
Cleaning	394,921	422,616
Consulting and professional fees	80,551	169,628
Discount allowed	5,997	7,106
Fines and penalties	47,474	-
Insurance	261,840	260,528
IT expenses	325,392	415,248
Legal expenses	410,457	110,726
Marketing	1,504,485	836,821
Motor vehicle expenses	7,305	4,345
Recruitment costs	105,255	260,585
Postage and courier	107,990	96,404
Printing and stationery	420,824	348,481
Security	817,357	841,059
Staff welfare	99,329	173,443
Subscriptions and membership fees	132,950	80,612
Telephone and fax	522,808	541,110
Staff training	203,677	121,970
Travel local	2,353,077	2,187,143
Water and electricity	991,046	1,125,776
Conference and Seminars	45,005	13,899
Honorarium council and panel	1,621,633	725,193
Monitoring of Projects	449,875	494,055
Expenses reimbursement	20,250	19,510
Depreciation, amortisation and impairments	1,223,786	1,605,071
Venue and catering expenses	386,267	30,229
Repairs and maintenance	191,488	89,762
Bad Debts written off	3,006	752,226
Tapes expenses	1,521	1,725
	15,045,656	**12,708,363**

14. Staff costs

	2013		2012
	R		R
Basic salary	10,609,843		10,712,645
Medical aid	825,387		719,582
UIF	88,800		65,226
Leave pay provision	446,559		186,843
Provident fund	1,652,721		663,617
Overtime payments	108,732		-
	13,732,042		**12,347,913**

15. Finance Cost

Finance Costs	**291,038**	**366,251**

16. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the revaluation model method for Buildings.

17. New standards and interpretations

17.1 Standards and interpretations effective and adopted in the current year

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

GRAP 23: Revenue from non exchange transactions

Revenue from non exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity;
  - is a member of the management of the entity or its controlling entity.

- An entity is related to the reporting entity if any of the following conditions apply:
  - the entity is a member of the same economic entity (which means that each controlling entity,

controlled entity and fellow controlled entity is related to the other);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that a related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:
- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence.

The standard sets out the requirements, inter alia, for the disclosure of:
- Control;
- Related party transactions; and
- Remuneration of management.

The effective date of the standard is for years beginning on or after 01 April 2013.

The entity expects to adopt the standard for the first time in the 2013 annual financial statements.

17.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2013 or later periods:

GRAP 25: Employee benefits
The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an entity to recognise:
- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP 25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP 25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an entity in exchange for service rendered by employees;
- Defined contribution plans as post employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;
- Defined benefit plans as post employment benefit plans other than defined contribution plans;
- Multi employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
  pool the assets contributed by various entities that are not under common control; and
  use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned;
- Other long term employee benefits as employee benefits (other than post employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post employment benefit plans as formal or informal arrangements under which an entity provides post employment benefits for one or more employees;
- Short term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
  an entity's decision to terminate an employee's employment before the normal retirement date; or
  an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short term employee benefits;
  - All short term employee benefits;
  - Short term compensated absences;
  - Bonus, incentive and performance related payments;

- Post employment benefits: Defined contribution plans;
- Other long term employee benefits; and
- Termination benefits.

The standard states Post employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post employment benefits: Defined benefit plans, as per the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
  - Actuarial valuation method;
  - Attributing benefits to periods of service;
  - Actuarial assumptions;
  - Actuarial assumptions: Discount rate;
  - Actuarial assumptions: Salaries, benefits and medical costs;
  - Actuarial gains and losses; and
  - Past service cost.

- Plan assets:
  - Fair value of plan assets;
  - Reimbursements; and
  - Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2013.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

18. Bad Debts

	2013	2012
	R	R
Debt written off	3,006	752,226

19. Net cash flows from operating activities

Surplus	15,639,395	7,678,050
Adjustments for:		
Depreciation	1,180,084	1,341,889
Amortisation	43,702	7,432
Bad Debts written off	3,006	752,226
Other non cash expenses	47,983	(90,953)
Fair value adjustments	(1,050,000)	-
Deferred income	(64,063)	-
Other income: amortisation of deferred income	116,113	-
Profit on Sale (finance lease)	-	(859,487)
Movement in PPE related to other changes	44,164	-
13th cheque provision included in staff costs	88,933	-
Deferred Income	-	(237,329)
Leave pay provision included in staff cost	446,559	(402,260)
Discount allowed	5,997	7,106
France - South Africa Season Project	6,506,497	-
Changes in working capital:		
Trade and other receivables	(1,906,640)	947,865
Increase/(Decrease) in trade and other payables	(692,219)	1,209,591
Increase /(Decrease) in projects and bursary payables	(5,743,550)	(14,739,746)
Increase/(Decrease) in administered funds	(1,852,643)	-
	12,813,318	**(4,385,616)**

20. Commitments

	2013	2012
	R	R
Authorised expenditure		
Projects already contracted for but not fully paid		
• Craft	486,615	1,228,416
• Music	224,337	940,585
• Visual Arts	337,856	1,202,975
• Literature	149,950	745,450
• Theatre	409,132	1,298,947
• Dance	501,230	631,730
• Multi	439,100	1,231,761
• Arts Organisation Support Funding (Company Funding 2012)	3,302,000	19,690,000
• Arts Organisation Support Funding (Company Funding 2013)	22,000,000	-
• Company funding (prior periods)	5,125,000	7,180,000
• Surplus fund - 2010	-	100,000
• Orchestras	1,693,505	319,560
• 2013 Projects (Balance)	12,272,227	-
• Capacity building programme across all disciplines	3,300,000	-
• Supporting access and diversity	570,000	-
• Support Funding Festival Funding	8,393,000	-
• Recognition of arts icons across all disciplines	1,500,000	-
• So You Think You Can Write	842,000	-
• Dance Scholarship	400,000	-
• Creativity in Craft Training	332,350	-
• Benchmarking Study: VANSA	59,000	-
• Multi Panel Projects x 2	200,500	-
• SAMRO Music Capacity Project	100,000	-
	62,637,802	34,569,424

	2013	2012
	R	R
Projects Not yet contracted for and authorised by Council		
Capacity building programme across all disciplines	-	6,000,000
Recognition of arts icons across all disciplines	-	1,500,000
Supporting access and diversity (9 Provinces)	1,500,000	4,500,000
Supporting resource centres	2,000,000	2,000,000
To augment existing allocations to specific projects Panels	-	6,000,000
BASA Partnership	1,300,000	-
Biography Writing	300,000	-
Book on African Dance	400,000	-
Catalogue on SA Artifacts	500,000	-
	6,000,000	**20,000,000**

The accumulated surplus from prior years will be utilised as outlined above. This committed expenditure relates to projects contracted for but where funds have not been paid as yet. Some of these contracts are due to projects not being completed as yet or awaiting project closure reports and annual financial statements as required by the stipulated funding conditions. In the 2011/2012 financial year, NAC received approval to retain surplus funds. These were paid during the current financial year, only the balance is disclosed above.

21. Contingencies

Contingent Liabilities

During the year under review, the entity has a contingent liability as a result of the committed amounts The National Arts Council of South Africa has an accumulated surplus of R70 125 235 (2012 - R54 381 149 restated) and a surplus of R15 639 393 (2012 - R7 678 050 restated). The amounts are committed at year end.

Based on the legal counsel estimate, the financial exposure for the desciplinary hearing is R272 800

Contingent Liability		
Surplus for the year	15,639,393	7,678,049
Legal counsel estimate	272,800	-
	15,912,193	**7,678,049**

22. Related parties

	2013		2012
	R		R
Relationships			
Controlling entity			
Department of Arts and Culture	Controlling Entity - Grant		
Downtown Music Hub	Strategic partner on Music project		
Related party balances			
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Department of Arts and Culture	**(426,947)**		**(2,279,590)**

All balances are unsecured, interest free, with no fixed terms of repayment and are recorded at fair values.

	2013		2012
Related party transactions			
Amount paid to (received from) related parties			
Department of Arts and Culture	**(87,527,000)**		**(68,485,000)**

23. Emoluments

Executive 2013	Basic Salary	Salary Structure 13th Cheque	Other Benefits	Provident Fund contribution	Medical Aid Contributions	*Total Remuneration
Chief Executive Officer	813,271	84,422	1,785	93,083	21,999	1,014,560
Chief Operating Officer	727,964	77,647	1,785	85,613	40,914	933,923
Chief Financial Officer	647,758	71,092	1,785	78,386	56,074	855,095
	2,188,993	**233,161**	**5,355**	**257,082**	**118,987**	**2,803,578**

*The total remuneration is the cost to company package to the National Arts Council

	Basic Salary	Salary Structure 13th Cheque	Leave Benefit lump sum payout	Gratuity lump sum payout	Acting Allowance	Travel Allowance	Provident Fund contribution	Medical Aid Contributions	*Total Remuneration
Chief Executive Officer (From January 2012)	198,642	-	-	374	-	-	15,224	5,364	219,604
Chief Executive Officer to (31 July 2011)	240,090	42,404	84,266	623	-	28,000	29,831	18,292	443,506
Chief Operating Officer	730,008	67,213	-	1,497	36,459	-	50,174	35,970	921,321
Chief Financial Officer (from January 2012)	149,655	-	-	374	-	-	12,821	8,878	171,728
Acting Chief Financial Officer (to December 2011)	342,215	52,210	-	998	105,96 6	-	35,651	52,890	589,930
	1,660,610	**161,827**	**84,266**	**3,866**	**142,425**	**28,000**	**143,701**	**121,394**	**2,346,089**

*The total remuneration is the cost to company package to the National Arts Council

2013

Non - executive Council members

	Honorarium	Total
Ms Angie Makwetla	167,598	167,598
Mr Mohau Samuel Mphomela	145,785	145,785
Mr Zamindlela Joseph Bhengu	134,116	134,116
Prof. Gessler Samuel Nkondo	24,752	24,752
Ms Phylis Klotz	60,028	60,028
Mr Shadrack Bokaba	49,420	49,420
Ms Nwabisa Mavuso	22,984	22,984
Ms Erica Elk	44,116	44,116
Ms Seipati Bernice Dichabe	85,260	85,260
Ms Nakedi Ribane	58,176	58,176
Dr. Mordacai Nangakhulu Lidhovo	58,176	58,176
Mr Bob Mabena	3,536	3,536
Mr Bongani John Tembe	7,072	7,072
Mr Jonny Simon Masilela	84,780	84,780
Mr Ndela Nelson Ntshangase	68,868	68,868
Mr Manne Shadrack Thebe	54,724	54,724
Mr Chikapa Enoch Ray Phiri	26,520	26,520
Mr Dandheni Andrew Nhlangwini	40,664	40,664
Prof. Dominic Thorburn	47,652	47,652
Adv. Tsoarelo Humphrey Malakoane	5,304	5,304
	1,189,531	**1,189,531**

Non - executive Panel members

	Honorarium	Total
Mr Malesela Aphane	7,600	7,600
Mr Vonani Bila	11,400	11,400
Mr Pascar Dube	15,200	15,200
Ms Magdalena Harely	15,200	15,200
Ms Zaide Harneker	53,200	53,200
Mr Alfred Hinkel	15,200	15,200
Dr Cynthia Hoza	15,200	15,200
Mr Lucky Khuzwayo	15,200	15,200
Dr Linda Kwatsha	15,200	15,200
Dr Daniel LeRoux	15,200	15,200
Mr Jerry Mabuza	19,000	19,000
Mr Andile Magengelele	54,910	54,910
Mr Mathene Mahanke	15,200	15,200
Mr Phumlani Mbanya	15,200	15,200
Mr Mfanimpela Mlambo	15,200	15,200
Mr Mandrew Mnguni	15,200	15,200
Ms Mmabatho Mogomotsi	15,770	15,770
Dr Collen Morare	15,200	15,200
Mr Windy Mthembu	15,200	15,200
Mr Vusi Ngema	20,710	20,710
Mr Sibusiso Njeza	15,200	15,200
Mr Jimmy Notuku	19,000	19,000
Ms Nontobeko Ntombela	15,770	15,770
Ms Nobesuthu Rayi	15,200	15,200
Mr Oupa Salemale	15,200	15,200
Mr Gerard Samuel	11,400	11,400
Ms Susan Sellschop	7,600	7,600
Mr Skin Sipoko	15,200	15,200
	494,760	**494,760**

2012

	Honorarium	Total
Ms Angie Makwetla	102,381	102,381
Mr Zamindlela Joseph Bhengu	70,306	70,306
Prof. Gessler Samuel Nkondo	21,892	21,892
Mr Mohau Samuel Mphomela	79,489	79,489
Ms Phylis Klotz	28,548	28,548
Mr Shadrack Bokaba	18,524	18,524
Ms Nwabisa Mavuso	16,840	16,840
Ms Erica Elk	24,418	24,418
Ms Seipati Bernice Dichabe	35,364	35,364
Ms Nakedi Ribane	20,208	20,208
Dr. Mordacai Nangakhulu Lidhovo	47,072	47,072
Mr Bob Mabena	8,420	8,420
Mr Bongani John Tembe	16,840	16,840
Mr Jonny Simon Masilela	41,940	41,940
Mr Ndela Nelson Ntshangase	36,706	36,706
Mr Manne Shadrack Thebe	25,260	25,260
Mr Chikapa Enoch Ray Phiri	22,734	22,734
Mr Christo Owen Van Der Rheede	10,104	10,104
Mr Dandheni Andrew Nhlangwini	25,260	25,260
Prof. Dominic Thorburn	18,524	18,524
Adv. Tsoarelo Humphrey Malakoane	20,208	20,208
Mr Meshack Mavuso	15,998	15,998
Ms MM Moja	18,182	18,182
	725,218	**725,218**

24. Prior period errors

In the prior year, the purchase of software was omitted in the cost of the asset. This software was delivered and installed prior to year end.

Interest income received in the prior year was omitted by error. This income was received in the first month of the new year which relates to the prior year.

The prior year closing balance did not agree to the opening balance. This resulted in the accumulated surplus to be overstated and the accounts payables to be understated which relates to the balance at year end.

Depreciation for Mmino project was omitted in the prior year.

Revoked projects in project expenses was not reclassified in the prior year.

Depreciation was omitted in the prior year.

Decrease
Tapes expenses were included with tape income in the prior year.

The non-current assets held for transfer included in the prior year financial statements to have been re classified into investment property and property, plant and equipment.

The presentation of land and buildings disclosed as one item has been split into land and buildings respectively.

The contigent liability as disclosed in the prior year financial statements has been increased by R65 066 due to prior year errors.

The effect of the above errors is as follows:

	2013	2012
	R	R
Statement of financial position		
Increase in intangible assets	-	35,687
Increase in trade and other payables	-	(35,687)
Increase in trade and other receivables	-	193,606
Increase in trade and other payables	-	(608,148)
Increase in accumulated depreciation	-	(4,121)
Decrease in project and bursaries payable	-	57,958
Increase in accumulated depreciation	-	(117,126)
Decrease in trade and other payable	-	317,645
Statement of financial performance		
Increase in revenue - Interest received	-	(193,606)
Increase in revenue - Tapes	-	(1,724)
Increase in expenses - Tapes	-	1,724
Increase in project expenses	-	608,148
Increase in depreciation	-	4,121
Decrease in project expenses	-	(9,000)
Increase in depreciation	-	117,126
Increase in other income	-	(48,958)
Decrease in operating expenses	-	(1,018,513)
Decrease in other income	-	258,687
Decrease in rental income	-	442,181

	2013	2012
	R	R

25. Going concern

We draw attention to the fact that at 31 March 2013, the entity had accumulated surplus of R 70,125,235 and that the entity's total assets exceeded its liabilities by R 73,223,524.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

26. Fruitless and wasteful expenditure

During the current financial year, management discovered penalties and interest paid to SARS for late payment of tax for May 2011 to November 2011. This information only came to the attention of management in the current year. This was reported to the Accounting Officer and was condoned.	**47,474**	-

27. Irregular expenditure

Opening balance	17,457,600	13,238,710
Add: Irregular Expenditure current year	4,928,666	4,218,890
	22,386,266	**17,457,600**

Analysis of expenditure awaiting condonation per age classification

Current year	4,928,666	4,218,890
Prior years	17,457,600	13,238,710
	22,386,266	**17,457,600**

Details of irregular expenditure - current year

Incident	Disciplinary steps taken/ criminal proceedings	2013	2012
During the financial year, expenditure was incurred and paid to the service provider for travel services without following the supply chain process.	No	1,451,775	660,226
During the financial year, expenditure was incurred and paid to service providers without any evidence of a completed SBD 4 form.	No	388,175	53,993
During the current financial year, the National Arts Council of South Africa integrated the financial records of Downtown Studios into NAC as a programme. Downtown Studios did not adopt the Treasury Regulations or follow the PFMA with regards to expenditure, hence all of Downtown Studio's expenditure is irregular.	No	1,528,542	2,387,029
During the current financial year, the National Arts Council of South Africa integrated the financial records of Fox Street Properties as a programme. Fox Street Properties did not adopt the Treasury Regulations or follow the PFMA with regards to expenditure. Hence all of Fox Street Properties expenditure is irregular.	No	596,770	1,117,642
During the financial year, expenditure was incurred and paid to service providers without evidence of a valid tax clearance certificates.	No	226,682	-
During the financial year, expenditure was incurred and paid to service providers without obtaining three quotes.	No	105,358	-
During the financial year, expenditure was incurred and paid to a service provider for a finance lease agreement signed for more than 36 months.	No	631,064	-
		4,928,666	4,218,890

28. Reconciliation between budget and cash flow statement

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities:

Operating activities		
Actual amount as presented in the budget statement	115,260,004	84,087,009
Basis differences	(102,446,686)	(88,508,313)
	12,813,318	**(4,421,304)**
Net cash flows from operating activities		
Investing activities		
Actual amount as presented in the budget statement	(122,415)	(81,162)
Basis differences	(91,529)	(87,405)
Net cash flows from investing activities	**(213,944)**	**(168,567)**
Financing activities		
Actual amount as presented in the budget statement	(331,583)	(254,374)
Net cash generated from operating, investing and financing activities	**12,267,791**	**(4,844,245)**

29. Financial Instruments

Liquidity

The National Arts Council of South Africa manages liquidity through the management of working capital, capital expenditure and cash flow and by variance reports between actual and budget items.

As at 31st March 2013	Interest Rate %	Year 1	Year 1-5	Over 5 Years
Long term Liability	linked to prime	465,363	1,574,356	-
Trade and other payables	interest free	3,618,581	-	-

As at 31st March 2013	Interest Rate %	Year 1	Year 1-5	Over 5 Years
Long term Liability	linked to prime	319,873	2,051,429	-
Trade and other payables	Interest free	3,944,188	-	-

Financial Instruments	**2013**	**2012**
Cash and cash equivalents	67,776,885	55,509,094
Trade and other receivables	2,679,093	772,453

30. France - South Africa Season Project

The France - South Africa Seasons 2012 & 2013 is a multifaceted bilateral collaboration between France and South Africa, concluded in 2011 by the heads of states of France and South Africa. The project was handled by the NAC in the current financial year. The goal of the Seasons is to create opportunities for exchange, collaboration and innovation in a range of fields, including art, science and technology, business, sport, education and many others.

The French Season in South Africa was successfully hosted in 2012 and we will soon launch the South African Season in France which will take place between May and December 2013. The National Arts Council, a public entity reporting to the Department of Arts and Culture (DAC), is the implementing agency on the South African side.

France - South Africa Season Project Bank Balance		
French SA Season ABSA Bank Account	**6,506,497**	**-**

31. Investment property

	2013			2012 (Restated)		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	9,100,000	-	9,100,000	8,050,000	-	8,050,000

Reconciliation of investment property 2013

	Opening balance	Fair value adjustments	Total
Investment property	8,050,000	1,050,000	9,100,000

Reconciliation of investment property 2012

	Opening balance	Total
Investment property	8,050,000	8,050,000
Fair value of investment properties	9,100,000	8,050,000

Restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the entity have to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the entity subsequently uses the fair value measurement, disclose the following:

- a description of the investment property,
- an explanation of why fair value cannot be determined reliably,
- if possible, the range of estimates within which fair value is highly likely to lie, and
- on disposal of investment property not carried at fair value:
  - the fact that the entity has disposed of investment property not carried at fair value,
  - the carrying amount of that investment property at the time of sale, and
  - the amount of gain or loss recognised.

When the entity's policy is to subsequently measure investment property on the cost model, when the entity cannot determine the fair value of the investment property reliably, the entity must disclose:

- a description of the investment property,
- an explanation of why fair value cannot be determined reliably, and
- if possible, the range of estimates within which fair value is highly likely to lie.

32. Deferred Grant Income

Deferred grant income represents conditional funds received in respect of the Mmino Project that have remained unutilised at the end of the financial year under review. These unutilised funds are subsequently recognised as grant income in the statement of financial performance when all the conditions as per the grant contract are fulfilled. The Mmino project was completed on 30 June 2011.

	2013	2012
	R	R
Mmino Projects		
Balance	660,764	724,827
	660,764	**724,827**

33. Project and Bursary Expenses

Projects	12,409,755	35,555,328
Orchestras	15,611,060	-
Company Funding	19,926,006	9,875,000
Individuals	5,250,975	104,200
Bursaries	2,064,533	3,101,627
	55,262,329	**48,636,155**

The projects costs of prior year comprise of ringfenced money for Orchestras. The Orchestras cost is disclosed separately in the current year.

34. Fair value adjustments

Investment property (Fair value model)	1,050,000	-

The fair value relates to Fox Street Properties which is known as Erf 1159 City and Suburban, Johannesburg situated at 62 Goud Street.

The valuation was performed by Corporate Valuations. The revalued market value came to R9 100 000 at November 2012 from the previous R8 050 000 revalued amount.

35. Statement of comparative and actual information

2013	Original budget	Budget adjustments	Final budget	Actual outcome	Variance
Financial Performance					
Grant Received	87,527,000	-	87,527,000	88,451,134	(924,134)
Rental and Facilities	-	-	-	358,083	(358,083)
Income from insurance	-	-	-	119,851	(119,851)
Bad debts recovered	-	-	-	134,783	(134,783)
Studio Time and tapes	-	-	-	733,311	(733,311)
Revoked projects	-	-	-	5,255,784	(5,255,784)
Management fee	-	-	-	1,334,835	(1,334,835)
Interest received call account	1,100,000	526,000	1,626,000	2,532,679	(906,679)
Total revenue (excluding capital transfers and contributions)	**88,627,000**	**526,00**	**89,153,000**	**98,920,460**	**(9,767,460)**

2013	Original budget	Budget adjustments	Final budget	Actual outcome	Variance
Staff costs	12,681,000	1,219,000	13,900,000	13,732,042	167,958
Depreciation and amortisation	-	-	-	1,223,786	(1,223,786)
Tapes expenses	-	-	-	1,521	(1,521)
Conferences	45,500	-	45,500	45,005	495
Finance costs	100,000	219,488	319,488	291,038	28,450
Bad Debts written off	-	-	-	3,006	(3,006)
Discount allowed	-	-	-	5,997	(5,997)
Printing and stationery	290,000	284,708	574,708	420,824	153,884
Penalties and fines	-	-	-	47,474	(47,474)
Repairs and Maintenance	111,672	76,672	188,344	191,488	(3,144)
IT Expenses	430,980	253,024	684,004	325,392	358,612
Legal expenses	15,000	405,000	420,000	410,457	9,543
Motor vehicle expenses	30,500	-	30,500	7,305	23,195
Project and Bursaries expenses	65,645,255	-	65,645,255	55,262,329	10,382,926
Expense reimbursements	478,134	(428,236)	49,898	20,250	29,648
Recruitment costs	50,000	50,008	100,008	105,255	(5,247)
Staff welfare	73,000	-	73,000	99,329	(26,329)
Marketing costs	1,244,000	386,193	1,630,193	1,504,485	125,708
Staff Training	250,000	(42,311)	207,689	203,677	4,012
Postage and courier	100,000	(7,732)	92,268	107,990	(15,722)
Telephone and Fax	450,000	75,304	525,304	522,808	2,496
Travel and Accommodation	1,855,900	541,064	2,396,964	2,353,077	43,887
Security	140,000	100,000	240,000	817,357	(577,357)
Audit fees	905,000	1,142,261	2,047,261	2,281,758	(234,497)
Bank charge	30,000	(3,000)	27,000	28,332	(1,332)
Cleaning	100,000	32,004	132,004	394,921	(262,917)
Consulting	95,000	(24,422)	70,578	80,551	(9,973)
Honorarium	800,000	810,000	1,610,000	1,621,633	(11,633)
Water and Electricity	230,000	40,000	270,000	991,046	(721,046)
Insurance	100,000	70,000	170,000	261,840	(91,840)
Subscription	130,000	-	130,000	132,950	(2,950)
Venue and facility	270,000	163,469	433,469	386,267	47,202
Monitoring and Evaluation	1,719,924	(1,257,612)	462,312	449,875	12,437
Total expenditure	**88,370,865**	**4,104,882**	**92,475,747**	**84,331,065**	**8,144,677**
Fair Value Adjustment	-	-	-	1,050,000	
Surplus for the year	**256,135**	**(3,578,882)**	**(3,322,747)**	**15,639,395**	

Detailed Statement of Comprehensive Income

	2013	2012
	R	R
Revenue		
Government grants received	88,451,134	69,760,825
Rental of facilities and equipment	358,083	439,317
Income from insurance	119,851	79,579
Revenue from exchange transactions: Rental income	733,311	630,795
Administration and management fees received	1,334,835	-
Operational recoveries	134,783	-
Revoked Projects	5,255,784	7,454,358
Gains on disposal of assets / Extinguishment of liability	-	693,265
Interest received: call account	2,532,679	2,678,593
Total Revenue	**98,920,460**	**81,736,732**

Detailed Statement of Comprehensive Income

Expenditure		
Staff Costs	13,732,042	12,347,913
Depreciation and amortisation	1,223,786	1,605,071
Finance costs	291,038	366,251
Project and Bursaries expenses	55,262,329	48,636,155
Auditors fees	2,281,758	903,386
Bad Debts written off	3,006	752,226
Bank charges	28,332	69,706
Cleaning	394,921	422,616
Conference	45,005	13,899
Consulting	80,551	169,628
Legal expenses	410,457	110,726
Discount Allowed	5,997	7,106
Studio tapes	1,521	1,725
Expense reimbursements	20,250	19,510
Fines and penalties	47,474	-
Honorarium: Board and Panel	1,621,633	725,193
Insurance	261,840	260,528
IT expenses	325,392	415,248

	2013	2012
	R	R
Marketing	1,504,485	836,821
Monitoring of projects	449,875	494,055
Motor vehicle expenses	7,305	4,345
Placement fees	105,255	260,585
Postage and courier	107,990	96,404
Printing and stationery	420,824	348,481
Repairs and maintenance	191,488	89,762
Security	817,357	841,059
Staff welfare	99,329	173,443
Subscriptions and website management	132,950	80,612
Telephone expenses	522,808	541,110
Staff Training	203,677	121,970
Travel and accommodation	2,353,077	2,187,143
Water and Electricity	991,046	1,125,776
Venue and catering expenses	386,267	30,229
Total Expenditure	**84,331,065**	**74,058,683**
Fair value adjustments	1,050,000	-
Surplus for the year	15,639,395	7,678,049

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