



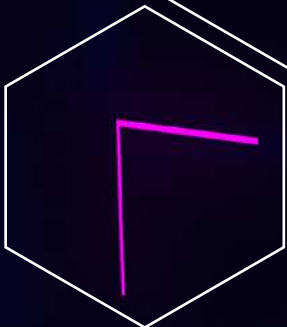
**Film and
Publication
Board**

Content Regulatory Authority of South Africa.



ANNUAL REPORT

20 23-24



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List of Abbreviations

AIS	Africa Internet Summit
AGM	Annual General Meeting
APP	Annual Performance Plan
ARC	Audit and Risk Committee
BCCSA	Broadcasting Complaints Commission of South Africa
BPR	Business Process Reengineering
CAPEX	Capital Expenditure
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
COE	Compensation of Employees
COP	Child Online Protection
DCDT	Department of Communication and Digital Technology
DFO	Durban Film Office
Exco	Executive Committee
FPB	Film and Publication Board
GOSRN	Global Online Safety Regulators' Network
HCBIS	Human Capital Business Improvement Strategy
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
ICT4D	Information Communication Technology for Development
ICMEC	International Centre for Missing and Exploited Children
ITU	International Telecommunications Union
IEC	Independent Electoral Commission
INHOPE	International Association of Internet Hotline Providers
ISD	Institute for Strategic Dialogue
MANCO	Management Committee
MoU	Memorandum of Understanding
NCII	Non-Consensual sharing of Intimate Images
NGO	Non-governmental organisation
OCR	Online Content Regulation
PFMA	Public Finance Management Act
SAOSYC	South African Online Safety Youth Council
SOC	Security Operations Centre
SCOPA	Standing Committee on Public Accounts
T&SF	Trust and Safety Forum
TVET	Technical Vocational Education and Training
VOD	Video-on-demand

Chairperson's Foreword



This report is aimed at providing the activities of the Film and Publication Board (FPB) for the year ended 31 March 2024. The report demonstrates our dedication to sharing our story, showcasing our performance, and acknowledging the efforts of all our stakeholders who have contributed to our success in the execution of our expanded mandate in terms of the Films and Publications Amendment Act (Act No. 11 of 2019). This mandate is to protect consumers against harmful and prohibited content as defined in the Act by regulating the creation, production, possession and distribution of films, games and certain publications, including those available on the internet.

Our achievements, milestones and challenges

The 2023/24 financial year was characterised by negative market conditions that resulted in a wave of company closures and disinvestment from the South African market. Furthermore, the entity, among other challenges, experienced

resistance from some operators to pay their online license fees, which, in turn, negatively impacted on the entity's ability to generate additional revenue in accordance with its projections.

Notwithstanding the formidable challenges posed by the economic environment, the entity demonstrated remarkable resilience and adaptability, managing to achieve a commendable performance outcome of 85% against the targets contained in its Annual Performance Plan (APP). Our primary objective for the forthcoming financial year is to rigorously focus on ensuring that the measures and strategies we have implemented to enhance performance yield tangible results, thereby leading to a notable improvement in the entity's overall performance.

Below are some of our achievements for the financial year ending 31 March 2024:

- Deployment of the Online Content Regulation Software system – the deployment of the system has improved our turnaround time using technology. The use of the system will also assist in delivering on our promise of efficient service delivery.
- Implementation of the FPB's strategy, which supported the Independent Electoral Commission (IEC) by conducting online monitoring in the build-up towards the 2024 National and Provincial Elections. This served to prevent the increase in prohibited and harmful content, including hate speech, fake news and the incitement of violence during the 2024 elections. The FPB, as a content regulator, partnered with the IEC to monitor the distribution of information during the elections.
- The entity continued to support the law enforcement agencies in analysing child sexual abuse material (CSAM). This led to the conviction of offenders who had contravened the law and highlights the entity's role in building a world free of CSAM.
- The development and implementation of regulatory instruments to give effect to the amended Act to strengthen compliance and enforcement.

- The first sitting of the Enforcement Committee after its appointment took place to hear two matters of non-compliance with the registration requirements in line with the provisions of section 18(1) of the Films and Publications Act.

Corporate governance

The FPB remains committed to creating long-term value for all its stakeholders and maintaining the highest standards of governance, ethics and social responsibility. In fulfilling this commitment, the FPB Council recognises its ultimate accountability for the entity’s performance, acknowledging that strategy, risk, performance and sustainability are intertwined. Guided by the principles and requirements of the Films and Publications Amendment Act (No. 11 of 2019), the Public Finance Management Act (No. 1 of 1999), and the King IV Report on Corporate Governance for South Africa (published in 2016), the Council strives to ensure the entity’s long-term sustainability and responsible governance.

Conclusion

We acknowledge the support and collaboration of all our stakeholders, including the Minister and the Deputy Minister of Communications and Digital Technologies, our Council members, staff, industry partners, law enforcement agencies and the public, who have contributed to our success during the past financial year. We look forward to building on our achievements and continuing to protect consumers against harmful and prohibited content, while promoting a safe and responsible content creation and distribution environment.



Ms Zamantungwa Mkosi

Chairperson of the Film and Publication Council





CEO's Report

undermined by acts of prohibited content that would be detrimental to a free and fair electoral process, such as harmful and prohibited content that could incite violence and propagate war. Not only would this be the litmus test for the FPB, since we are doing this for the first time, but we would be the first online safety regulator to do this. This provided an opportunity to benchmark us with our partners within the GOSRN. We hope to deliver a good report in the next financial year.

Inevitable challenges

Our task of transforming the FPB into a full-fledged online safety regulatory came at a huge cost for an organisation that, for a long time, has been a narrow classification entity in its quest to add more capacity to deliver on the new powers accorded to it by the amended Act. The high employee costs (R80 million) recorded during the period, as reflected in our (audited) financial statements, attest to this. These huge costs had to be borne by the entity without additional financial resources. However, as an organisation, we had to seize the opportunities provided by the Act for self-generated revenue through regulations fees such as classification, the registration of online content distributors and internet service providers, and the licensing of film festivals. Although the growth in these fees has not been at an accelerated pace given a number of challenges, including the fluid nature of the online industry and resistance from certain distributors regarding the requirements to pay, huge progress was made in turning this into a reliable revenue source to sustain the organisation's mandate.

Gratitude

We wish to thank the FPB Council for its visionary leadership and support during the period, as well as the entire FPB team for its continued hard work and dedication.

Dr Mashilo Boloka
Chief Executive Officer

The year at glance

As the second year of implementing our strategy to reposition the FPB as an online content regulator pursuant to the objectives of the Films and Publications Act, the reporting period that ended on 31 March 2024 has been an exciting and equally challenging year to us as an organisation.

Although a performance of 85% posited for the year represents a decline relative to the previous year (92%), the commitment to maintain a high-performing organisation remains. The major setback in this performance is the inability to achieve a key target relating to increasing self-generated revenue or even maintaining last year's revenue of R13 million. This is critical to the sustainability, given the declining grant from the fiscus in view of the pressing needs facing the country. I will reflect and bounce back even stronger in the next financial year!

Highlights

The acceptance on the Global Online Safety Regulators' Network (GOSRN) and being appointed as the Vice-Chairperson, deputising Gill Whitehead from Ofcom, underlined the confidence shown by the world in the FPB as a global partner in creating a safer online environment.

The partnership with the Independent Electoral Commission (IEC) ensured that the 2024 National and Provincial Elections were not

Statement of Responsibility & Confirmation of Accuracy for the Year Ended 31 March 2024

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

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

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

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

The accounting authority is responsible for the presentation of the financial statements and for the judgement made in this information.

The accounting authority is responsible for

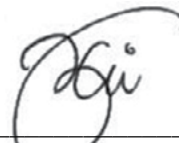
establishing and implementing a system of internal control has been recognised to provide reasonable assurance as to the integrity of the performance information, the human resource information and the annual financial statements.

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024



Dr Mashilo Boloka
Chief Executive Officer



Ms Zamantungwa Mkosi
Chairperson of the Film and Publication Board

Strategic Overview

MANDATE

The Films and Publications Act (No. 65 of 1996), as amended (No. 11 of 2009), repealed the Indecent or Obscene Photographic Matter Act (Act No. 37 of 1967) and the Publications Act (Act No. 42 of 1974). It created a new comprehensive regulatory framework for films, games and certain publications. The Films and Publications Act provides for the establishment of the Film and Publication Board that is responsible for the classification of films, games and certain publications. No film or game may be distributed or exhibited in public unless it has been classified by the Film and Publication Board.

The Films and Publications Act is a “law of general application”, as required by section 36(1) of the Constitution. The Constitutional Court has held that such a requirement derives from an important principle of the rule of law, namely that “rules be stated in a clear and accessible manner”.¹

To this end, the Legislature may, and has, consistent with the Constitution, promulgated the Films and Publications Act to regulate the creation, production, possession and distribution of films, games and certain publications, including those on the internet, by way of classification to do the following:

- a. Protect consumers against harmful and disturbing material while allowing adults to make informed choices for themselves and the children in their care by providing consumer advice
- b. Protect children from exposure to disturbing and harmful material and from premature exposure to adult material
- c. Make the use of children in pornography and exposure to pornography punishable
- d. Criminalise the possession, production and distribution of child pornography
- e. Create offences for non-compliance with this Act.²

In doing so, the provisions of the Films and Publications Act are justifiable, noting that the nature of the right and extent of the limitation, on the one hand, and the purpose of the limitation, on the other, need to be considered.³

Acknowledging that the freedom of expression is an important right in our Bill of Rights, there is nonetheless a legitimate government purpose to empower the FPB to execute its legislative mandate. The main purpose of the Films and Publications Act, through the regulatory tool used by the FPB, is to classify content to provide age ratings and consumer advisories to ensure that consumers make appropriate viewing and gaming choices for themselves and the children in their care.

The FPB’s classification regime is premised on the formulation of classification guidelines,⁴ which is informed by empirical evidence on what can be deemed harmful for adults and children. The formulation of the classification guidelines entails extensive public consultation, ensuring that the standards placed within the classification guidelines are in line with public expectations. This means that the classification guidelines’ formulation process is evidence-based, transparent and has accountability mechanisms, all of which are essential in the regulatory policy formulation of a democratic state. Such a process is undertaken, however, within the framework of the Bill of Rights so as to ensure compliance with section 8(1) and (3) of the Constitution, which provides, with regard to the former, that the Bill of Rights applies to all law, and binds the legislature, the executive, the judiciary and all organs of state; and with regard to the latter, that, in giving effect to the Bill of Rights, one must apply or, if necessary, develop the common law to the extent that legislation does not give effect to any right and develop rules of the common law to limit any right provided that the limitation is in accordance with section 36(1) of the Constitution.

¹ Dawood and Another v Minister of Home Affairs and Others, Shalabi and Another v Minister of Home Affairs and Others; Thomas and Another v Minister of Home Affairs and Others 2000 (3) SA 936 (CC); 2000 (8) BCLR 837 (CC) para 47.

² Section 2 of the Films and Publications Act, 1996 (Act No. 65 of 1996), as amended.

³ S v Manamela and Another (Director-General of Justice Intervening) 2000 (3) SA 1 (CC); 2000 (5) BCLR 491 (CC) paras 65-66.

⁴ Section 4A(1)(a) of the Films and Publications Act, Act No. 65 of 1996.



KEY PRIORITIES

STRATEGIC PROJECTS

During the medium term, the FPB will drive the following strategic projects, which are set to transform it in line with the future regulatory landscape:

- Implementation of the Films and Publications Amendment Act (No. 11 of 2019), which has significantly expanded the mandate of the FPB from a traditional classification authority to an online content regulator whose future objective is to protect the country's citizens and children against harmful and prohibited content online.
- Transformation of the FPB as the future online content regulator in view of rapidly changing technological developments. The transformation of the FPB as the future online content regulator is set to locate and transform the FPB within the context of the changing regulatory landscape by clearly outlining what the FPB should regulate and the model of its regulation.

VALUES

VALUE	DESCRIPTION
ACCOUNTABILITY	Promoting responsibility, transparency and credibility
INTEGRITY	Executing our mission with consistency, honesty and fairness
EXCELLENCE	Upholding professionalism, consistency, ethics and good governance in our operations and conduct with stakeholders
INNOVATION	Providing market-leading research and innovation to effectively shape the rating and regulation of media content
CONSULTATION	Subscribing to the principle of people first, value and respect for the diversity of views and multiculturalism in our country
AGILITY	A regulator that is dynamic and flexible in executing its mandate

Table 1: Values

LEGISLATIVE MANDATE

The mandate of the FPB is to protect consumers against harmful and prohibited content as defined in the Films and Publications Act by regulating the creation, production, possession and distribution of films, games and certain publications, including those on the internet.

FUNCTIONS, POWERS, AND DUTIES OF THE FPB COUNCIL

In accordance with section 4A (1) of the Films and Publications Act, the FPB Council shall:

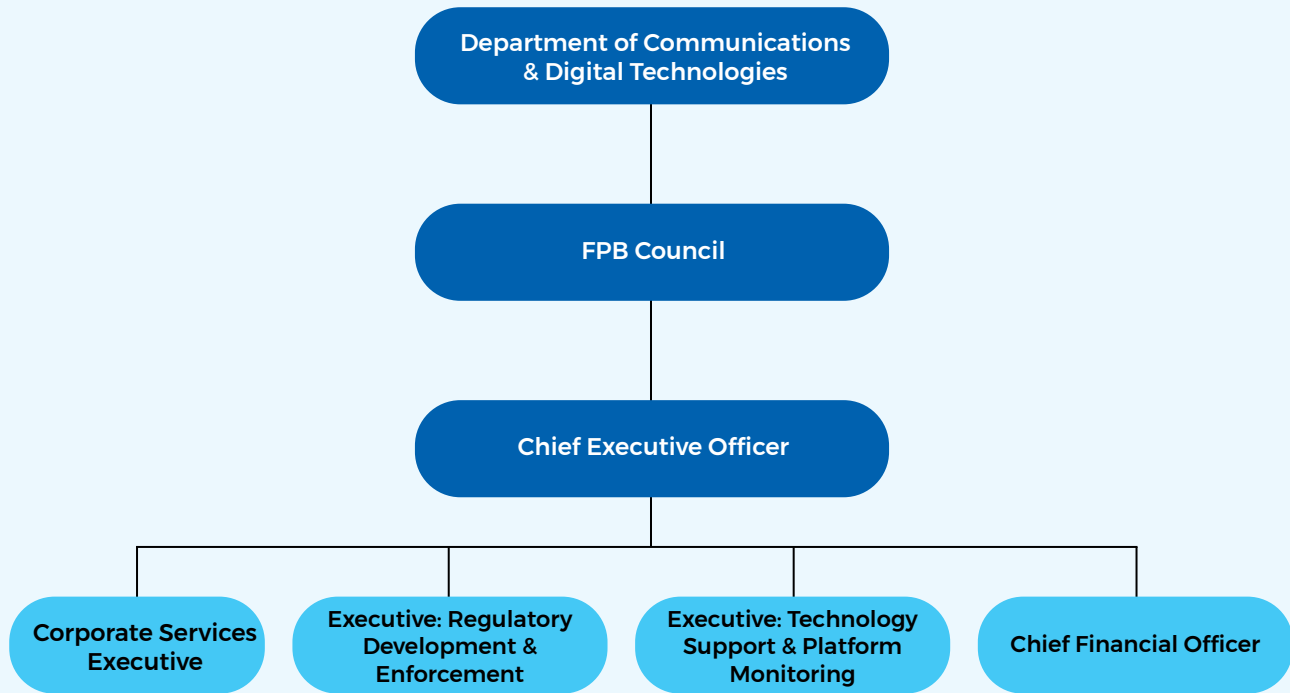
- a. In consultation with the Minister, issue directives of general application, including classification guidelines, in accordance with matters of national policy consistent with the purpose of the Films and Publications Act.
- b. Determine and issue a Code of Conduct for members of Council.
- c. In consultation with the Minister, appoint a Chief Executive Officer (CEO).
- d. In consultation with the Minister, determine the qualifications and experience, as well as terms and conditions, for the employment of classifiers.
- e. Appoint such number of classifiers that comply with the determinations as may be required, having regard to the likely volume of applications and submissions that will be made in terms of the Films and Publications Act.
- f. At least four times a year, review and report to the Minister on the functioning of the FPB to ensure that the objects of the Films and Publications Act are implemented efficiently and that the FPB discharges its obligations and responsibilities in accordance with the Films and Publications Act or any other law.
- g. Exercise and perform such other functions, powers and duties as are conferred or imposed on the Council by or under the Act or any other law.

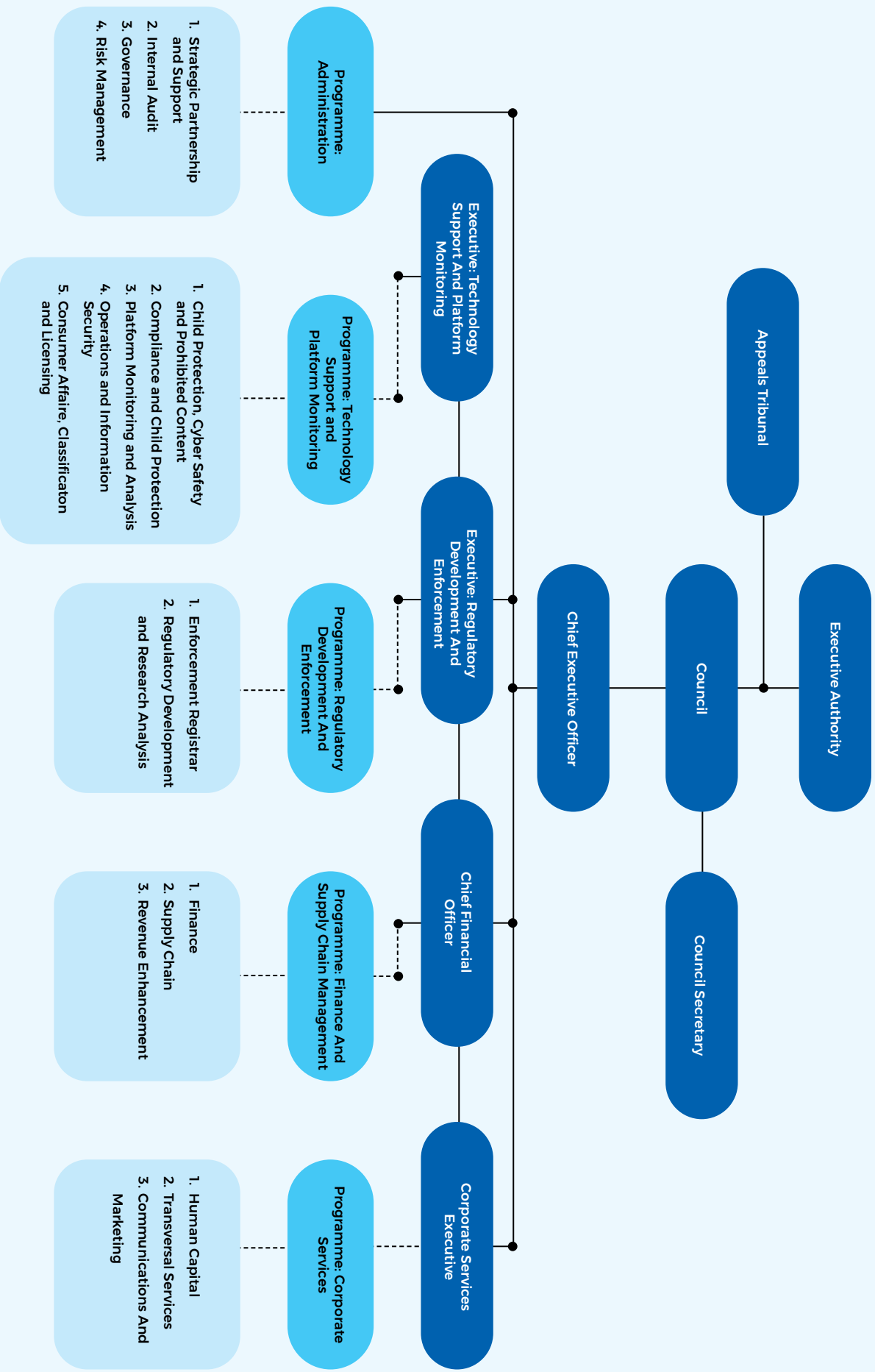
ROLE	DESCRIPTION (AND RELATED PROVISIONS)
Regulatory role	Regulate the creation, production, possession and distribution of films, games and certain publications. The Films and Publications Act brings greater accountability and the Enforcement Committee as a legal instrument to strengthen the institution's ability to enforce compliance (section 3(1)(d) and (2)).
Issue and renew classification and accredit distribution licences	Issue and renew classification licences and accredit distribution licences.
Classification and compliance monitoring	Impose age restrictions and give consumer advice on the content of films, games and certain publications, with due regard to the protection of members of the public, and, in particular, children, against disturbing and harmful content (section 18 and 21).
Prohibited content and illegal conduct online	Prohibit and penalise the distribution of content that amounts to prohibited content online.
Child protection	Make punishable the exploitative use of children in the pornographic (child sexual abuse material) content of films, games, certain publications and online material.

Table 2: The FPB's legislative powers and functions

Our Governance Structure

As the following graphic illustrates the FPB Council is responsible for the strategic direction and oversight of the entity. The Executive Committee, under the leadership of the Chief Executive Officer is responsible for the day-to-day management of the entity





Members of Council



Ms Zamatungwa Mkosi
Council Chairperson



Prof. Siyasanga Tyali
Deputy Council Chairperson



Mr Phosa Mashangoane
Council Member



Ms Maggie Pillay
Council Member



Ms. Zanele Nkosi
Council Member



Ms Mpho Sedibe
Council Member



Dr. Andile Nontso
Council Member



Adv. Tokyo Nevondwe
Council Member



Ms. Lungelo Nxele
Council Member

Executive Committee



Dr. Mashilo Boloka
Chief Executive Officer



Ms Hulisani Ramugadi
Chief Financial Officer



Mr Ephraim Tlhako
Executive - Technology Support
and Platform Monitoring



Ms Beverly Nkumanda
Corporate Service Executive



Adv. Makhosazana Lindhorst
Executive - Regulatory
Development and Enforcement

PART B: Performance Information



Progress Towards Achievement of Institutional Impacts and Outcomes

In terms of the Department of Planning, Monitoring and Evaluation, the Revised Framework for Strategic Plans and Annual Performance Plans, December 2019, the outputs a government institution delivers on an annual basis must contribute towards the realisation of its medium-term outcomes and long-term impact outlined in its strategic plan. Therefore, the Board's outputs delivered under the year in review were geared at contributing to the Board's medium-term outcomes and long-term impact as stated below.

3.1 IMPACT STATEMENT

IMPACT STATEMENT	An effective Regulator of content that empowers and protects the public
-------------------------	-------------------------------------------------------------------------

3.2 OUTCOMES

OUTCOME	OUTCOME INDICATOR	BASELINE	TARGET
1.1.1 Digitally driven organisation	% of the Digital Transformation Strategy Roadmap implemented	New indicator	95% of activities planned for the year achieved
1.1.2. Efficient, effective and appropriately resourced regulator.	Approved Human Capital Business Improvement Strategy (HCBIS)	New indicator	100% completion of the HCBIS implementation plan
2.1.1. Improved licensing and content classification	% of content classification decisions issued within 7 working days	New indicator	90% of licensing and classification decisions issued within 5 working days
2.1.2. Improved online content regulation	% of online distributor applications (self-classification) concluded within 6 months	New indicator	90% of online distributor applications received processed within 6 months
2.1.3. Effective and efficient compliance and enforcement	% of matters before Enforcement Committee finalised within a specific timeframe	New indicator	90% of matters before Enforcement Committee finalised within 12 months

OUTCOME	OUTCOME INDICATOR	BASELINE	TARGET
3.1.1. Efficient service delivery	% of consumer complaints/queries resolved within 10 working days	New indicator	60% of consumer complaints/queries resolved within 10 working days
4.1.1. Maximise non-government revenue	The increase in percentage of self-generated revenue over total revenue	New indicator	Self-generated revenue will comprise 21% of total revenue
5.1.1. Increased local and international MOUs signed with strategic partners	Number of MOUs signed with strategic partners	2 formalised MOUs	5 MOUs signed with strategic partners
5.2.1. The public and Industry are informed of the expanded FPB mandate	% implementation of the Public Education Plan	100% implementation of the FPB Public Education Plan	100% implementation of the FPB Public Education Plan

Table 3: Institutional Impacts and Outcomes



Overview of FPB's Performance

TECHNOLOGY AND PLATFORM MONITORING

The Technology and Platform Monitoring Programme oversees the operations of the FPB and comprises five sub-programmes: Classification, Child Protection, Public Complaints Management, Platform Monitoring, and ICT Operations and Security. Collectively, Programme 4 is responsible for four annual output indicators that are aligned to the FPB's strategic objectives.

CLASSIFICATION

81% of classification decisions were issued within seven days. This is an improvement compared to the previous financial year when this performance target was not achieved. The deployment of the Online Content Regulation (OCR) system, as well as dedication from the team, has contributed to improvements in the classification function. There is, however, still a need to review the classification function in line with global industry trends and benchmarking with other classification entities around the world, especially as more content is consumed via online platforms.

The cost of classification is another area of concern as the current tariff model is not sustainable for the FPB. The FPB has undertaken a process to review its tariff and self-revenue generation model, which will recommend the best way forward. With the automation of the classification process through the use of the OCR system, it is anticipated that there will be a reduction in the cost of classification.

The deployment of the OCR system has led to a number of benefits and improvements in the classification process. However, some system challenges are being resolved on an ongoing basis to ensure that the system addresses all business requirements. There are also other positive changes to the classification process as a result of automating the process through the OCR system. For example, the deployment of the OCR system reduces the number of classifiers required to issue a classification decision. This results in cost savings.

Therefore, major benefits of the OCR system are improvements in classification decision turnaround time and the reduction of costs

associated with the classification process, as classification decisions can be issued with 24 hours and only one classifier and one quality assurer are required to form a Classification Committee.

CHILD PROTECTION

Section 18(G) of the Films and Publications Act states that no person may create, produce or distribute, in any medium, including the internet and social media, any films or photographs depicting sexual violence and violence against children. The Films and Publications Act is clear that any person who participates in the creation, production and distribution of films or photographs depicting sexual violence and violence against children shall be guilty of an offence.

The FPB's child protection officers are responsible for the analysis of material suspected to contain sexual violence and violence against children, which are either referred to them by the law enforcement agencies or reported via the FPB's hotline. They also play a huge role in supporting the law enforcement agencies during prosecution, as well as in educating children, youth and the public about online safety and how and where to report CSAM.

Eighteen CSAM cases were referred during the 2023/24 financial year, with one case carried over from 2022/23.



CASE DETAILS	OUTCOME
Krugersdorp/2022	Subpoena issued for 4 April 2024.
Sandringham/2020	Sentenced to 12 life sentences.
Bishop Lavi/2021	Sentenced to 25 years.
Hercules/2020	Fined R80 0000 and five years' suspended sentence.
Johannesburg Central/2022	Sentenced to 20 years' direct imprisonment.
Boksburg North/2022	Matter on court roll. Set court date: 15 May 2024.
Midrand/2018	Awaiting warrant of arrest to be issued.
Philipstown/2021	Sentencing occurred on 21 February 2024. Perpetrator sentenced to 115 years in prison. Charges include possession of child pornography and multiple rape charges.
Johannesburg Central/2022	Perpetrator sentenced to 20 years' imprisonment.
Benoni/2022	Five years' suspended sentence and R40 000 fine. Entered into the sex offenders' register.
Pretoria West/2020	The perpetrator cannot be located. Investigating officer will place a "wanted" alert.
Jeffrey's Bay/2022	Matter still in court. Initial appearance was for February 2024, but postponed due to the alleged perpetrator not having legal representation. Court appearance scheduled for May 2024.
Kimberley/2023	Matter on court roll. No set court date for appearance has been provided.
Florida/2019	Matter on court roll.

Table 4: CSAM Cases

The role played by the child protection officers in the successful prosecution of CSAM cases is commendable. This highlights the FPB's role in online safety and ensuring that children are protected against harmful content. It is motivating to the FPB to realise that matters relating to CSAM are not thrown out of court, but are successfully prosecuted, proving that the Films and Publications Amendment Act of 2019 is actively being used for sentencing in these cases. The following are some of the CSAM cases covered by the media:

- **Bishop Lavis case:** The perpetrator of the young girl in the Western Cape was her biological mother. A 33-year-old mother from Bonteheuwel was sentenced to 25 years' imprisonment for selling photographs of her naked child online. The woman entered into a plea and sentencing agreement in November last year when she was sentenced to 25 years' imprisonment.
- **Sandringham case:** Gerhard Ackerman was sentenced to 12 life sentences. The charges brought against him included

the production and distribution of child pornography, murder and human trafficking.

- **Philipstown case:** A 56-year-old Northern Cape man has been sentenced to 115 years in prison for sexual offences against minors. The man was convicted in the De Aar regional court of numerous charges, including, but not limited to, rape, compelled rape, sexual assault and the possession of 734 images and 172 videos of child pornography. With the insurmountable evidence against the accused, he pleaded guilty to all 18 counts.

To further cement its position in combatting the creation and distribution of CSAM online across the globe, the FPB is a member of the International Association of Internet Hotline Providers (INHOPE), a global network of hotlines working together to report such material and combat all forms of child sexual abuse material on the internet. The FPB's CEO is represented on its board. To reinforce its role, the FPB has established a hotline for the public to report

CSAM cases. Reported child sexual abuse material or child pornography content reported on the hotline is referred to the law enforcement agencies for criminal prosecution. For a hotline to be a member of INHOPE, it must continuously meet certain standards and be assessed on an ongoing basis.

PUBLIC COMPLAINTS MANAGEMENT

The FPB received 83 public complaints. Of these, 82 (98.8%) were resolved within the set turnaround time, while the remaining one (1.2%) was resolved after the set turnaround time. The majority of the complaints were received in Quarter 3 regarding a classified film and an application was received for reclassification. The complaints received during this period called for a specific film not to be banned as it had some religious and political connotations. The other complaints received were related to the sharing of private sexual pictures, complaints regarding classification ratings on online platforms and defamation of character, among other things. The analysis of the complaints is provided below:

	Q1	Q2	Q3	Q4	2023/24	%
Total complaints received	2	4	72	5	83	100
Total closed within turnaround times	2	4	71	5	82	98.8
Total closed outside turnaround times	0	0	1	0	1	1.2

Table 5

The FPB received 3 032 queries in the 2023/24 financial year. Of these, 2 990 (98.6%) were resolved within the set turnaround time, while the remaining 42 (1.4%) were resolved after the set turnaround time. Most of the queries received were related to distributor registrations and renewals. There were 1 512 queries on registrations or renewals, 1 070 related to inquiries about content classification and only one query on non-compliance by distributors. There were 449 general queries received and resolved. The general queries consisted of information on vacancies, tenders, accounts, the mandate of the FPB, industry requirements, workshops and public engagements.

	Q1	Q2	Q3	Q4	2023/24	%
Total queries	768	872	617	775	3032	100
Total closed within turnaround times	756	852	612	770	2990	98.6
Total closed outside turnaround times	12	20	5	5	42	1.4

Table 6

For the 2024/25 financial year, the Public Complaints Unit will continue to attend to and prioritise the investigation of all public complaints received as mandated within the legislative constraints of the Films and Publications Act, as amended. The Unit plans to have more advocacy engagements with all relevant stakeholders, as well as members of the public, on the complaints handling procedures and to create awareness on how to lodge a complaint and the type of complaints that can be lodged with the FPB. This will be done in conjunction with the other outreach and advocacy teams, as well as other FPB partners that hold engagements, where the Unit will be given an opportunity to deliver a presentation on the FPB's public complaints procedure.

PLATFORM MONITORING

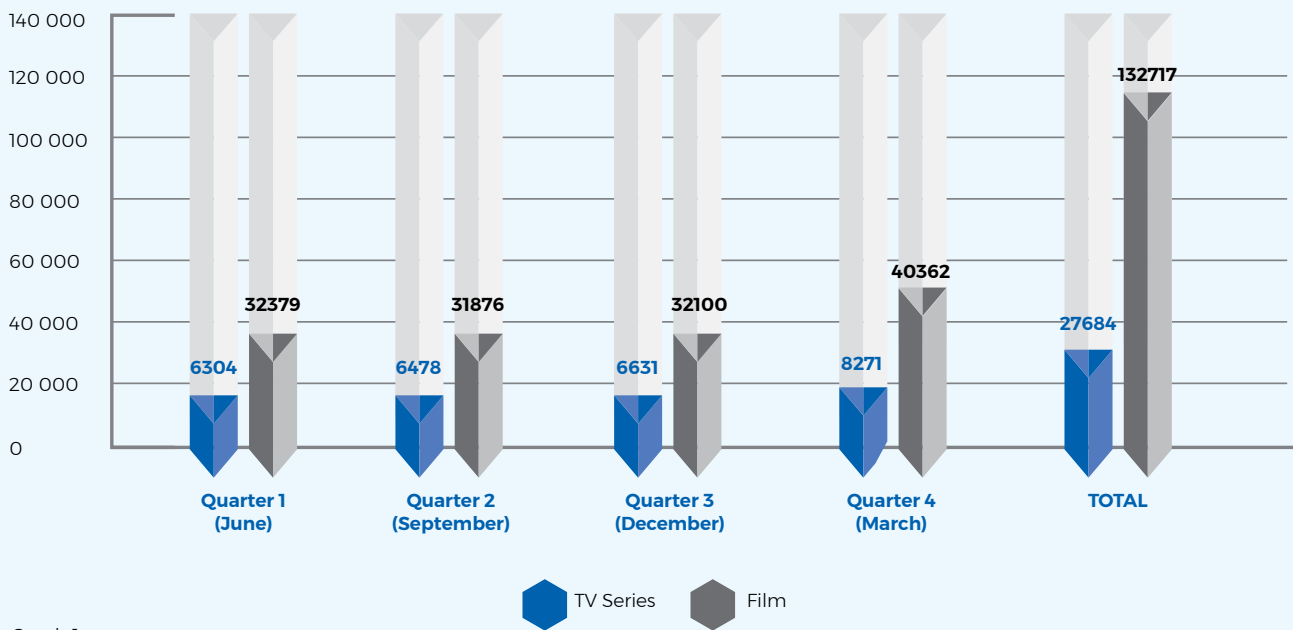
Section 18C of the Films and Publications Amendment Act of 2019 states that the FPB may, on application and upon payment of the prescribed fee by a commercial online distributor, approve and accredit such commercial online distributor to conduct classifications of films, games and publications.

This is on condition that the commercial online distributor does the following:

- Applies the classification guidelines as determined by the FPB
- Ensures that the decisions of the commercial online distributor comply with the requirements as may be set by the FPB from time to time

To verify whether the commercial online distributors comply with the FPB's classification requirements and guidelines in line with the coregulation model as prescribed by the Films and Publications Act, the FPB conducts quality assurance through a sampling exercise. In the 2023/24 financial year, 1 164 titles from commercial online distributors were sampled to verify compliance with the FPB's classification guidelines. There is definitely a need for the FPB to increase its quality assurance capabilities to ensure the effective compliance monitoring of commercial online distributors as content on their platforms is continuously increasing and, as a result, the FPB has undertaken a process to recruit quality assurers. Below is the analysis of video-on-demand (VOD) content on online platforms:

VOD titles available on platforms Quarter 1-4 2023/24



Graph 1:

The FPB, as an online content regulator, has a central and crucial role to play both in the regulatory and non-regulatory context in the lead-up to and during the 2024 National and Provincial Elections. To this effect, the FPB embarked on a collaborative effort with the IEC to leverage on the two institutions' partnerships with key stakeholders to monitor, detect and prevent the spread of prohibited content and any other prohibited content falling within the FPB's legislative mandate. To boost its effort to proactively monitor online platforms for prohibited and harmful content, as well as to support the IEC during the 2024 National and

Provincial Elections, the FPB has undertaken a procurement process to implement an online platform monitoring system.

The challenge with online platform monitoring is that the current process is still manual and not as effective. The implementation of the online platform monitoring system will assist in proactively monitoring prohibited content online and assisting with efficiencies in removing such content. With the limitations of the manual process, 590 social media posts were proactively monitored to identify prohibited online content. With the successful

implementation of the online monitoring system, the FPB will definitely be able to identify and flag more prohibited online content than it has currently been able to do.

ICT OPERATIONS AND SECURITY

A priority for the FPB was the implementation of the digital roadmap projects in line with the FPB's digital strategy. Seven digital transformation projects were prioritised for the 2023/24 financial year. The following prioritised projects were implemented during the financial year:

- The Hotline mobile app was deployed. This further expands the FPB Hotline's accessibility as the public will now be able to report CSAM via the app.
- The Online Public Complaints Portal was developed and deployed, enabling the public to easily log complaints electronically on the FPB's website.
- The deployment of the OCR system has been finalised and can now classify all content, including films. This is a huge achievement for the FPB as it has been battling with efficiencies in the classification area. With the full deployment of the OCR system, there is already an improvement in classification decision turnaround times.
- The FPB's website has been revamped and the Communications and Marketing team will officially launch the new website to the public. The new website will enable the public to interact with the FPB much easier and will enhance the FPB's brand and marketing.
- The Analytics Platform (dashboard), which assists with management reporting and visualises data for informed decision making, has been deployed. The analytics dashboard is a centralised reporting platform that enables easy access to critical management information and reports.
- The Lexis Nexis Secure Signature Solution has been fully deployed. The digital signature solution is critical in ensuring that FPB information is secured and that the business documents approval process is digitised and more efficient.

The FPB's information and communication technology (ICT) environment remained highly available in the financial year with no cyber security incidents reported.

REGULATORY DEVELOPMENT AND ENFORCEMENT PROGRAMME

Three research projects were completed to inform the prioritised regulatory instruments. These projects entailed research on the following topics:

- What constitutes harmful and prohibited content
- Industry code on the prevention of online harms
- Peer-to-peer video-sharing guidelines.

The peer-to-peer video-sharing guidelines seek to guide the required code of conduct when sharing videos among peers. This research identified child sexual abuse material, cyber bullying, hate speech and the non-consensual sharing of intimate images as some of the content that is usually shared among peers. The study outlined the key criteria that should be considered when developing the instruments. The Draft Accreditation Framework was completed following an extensive internal and external stakeholder consultation process. In order to enhance our revenue model, market analysis to determine the appropriate revenue and tariff model was conducted. The results will assist the organisation to develop tariff regulations that are informed by research.

In order to determine the impact of social media on children and the general public, a trend analysis was conducted on the impact of social media. This study focused on the Western Cape region. The results of the study revealed that learners experience cyber bullying online, among other things. This study will be escalated to a national study in the new financial year.

Regulatory instruments were developed during the 2023/24 financial year. The purpose of these instruments was to give effect to the amended act and simplify the law. Acknowledging that public participation is a cornerstone of the South African democracy and the Constitution, consultation sessions were held across the country. The prioritised instruments were guidelines on what constitutes harmful and prohibited content to guide the Appeals Tribunal. An industry code on the prevention of online harm was further developed. The aim is to provide a standard requirement on measures the industry has to put in place to protect children online. The peer-to-peer video-

sharing guideline further outlines the code of conduct that is required among peers when sharing videos.

In order to enhance compliance with registration requirements, a notice to comply with the provisions of section 18(1) of the Films and Publications Act was published in the Government Gazette.

In order to ensure that our classification guidelines are in line with the changing norms and values of our society, extensive consultations were conducted across the country. The inputs received from members of the public ranged from individual views to submissions on behalf of entities with a national footprint and from all sectors of society, content producers and consumers of such content. Classification guidelines were reviewed. These guidelines will be published in the new financial year.

In order to ensure that children are not exposed to prohibited content as defined in the Films and Publications Act, take-down notices were dispatched to social media platforms in line with section 77 of the Electronic Communications and Transactions Act (No. 25 of 2002), read with the Films and Publications Act (No. 65 of

1996). Compliance notices were issued to non-compliant distributors and joint investigations were conducted with the police to investigate the illegal distribution of DVDs. These DVDs were confiscated and destroyed.

A Regulators' Roundtable was conducted. The purpose of the roundtable was to reflect on the South African digital environment from a regulatory perspective and to look at ways to foster better collaboration among regulators. In order to enhance collaboration among regulators, Terms of Reference for the Forum of Regulators were finalised. The forum is anticipated to be launched in the new financial year.

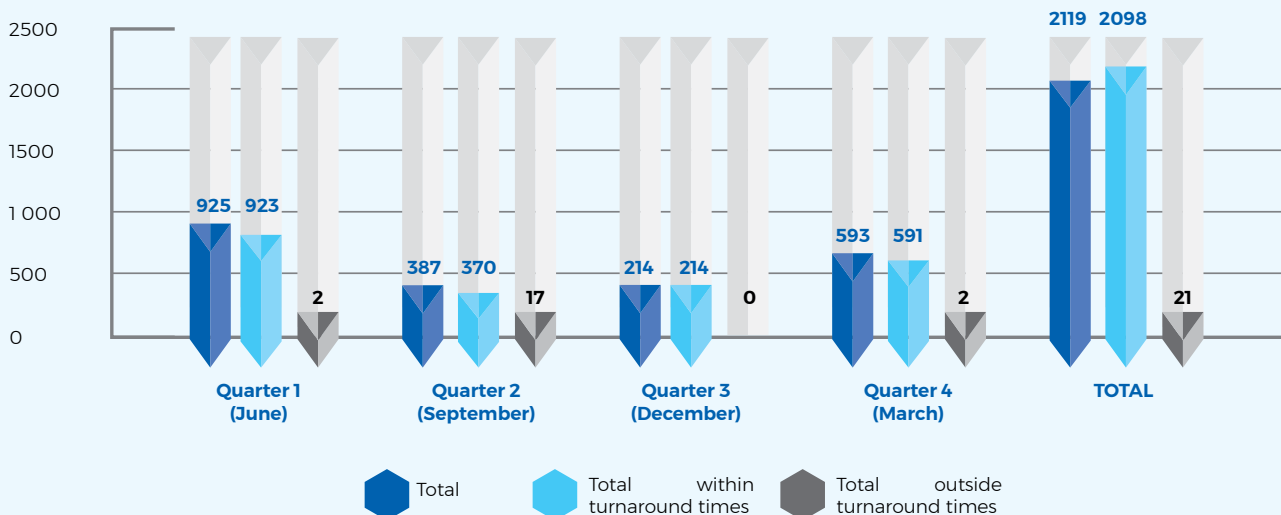
REGISTRATION AND LICENSING

The target of 95% of licensing decisions issued within five working days was achieved for the financial year with 99.01% of licensing decisions issued within five days. With efficient processes in place, the sub-unit has managed to achieve this target and deliver on it as per the turnaround times. There were 2 119 applications processed. Of these, 2 098 (99.01%) applications were processed with the five-day turnaround times and 21 (0.99%) were processed outside the turnaround times.

	Q1	Q2	Q3	Q4	TOTAL
Total	925	387	214	593	2 119
Total within turnaround times	923	370	214	591	2 098
Total outside turnaround times	2	17	0	2	21

Table 7

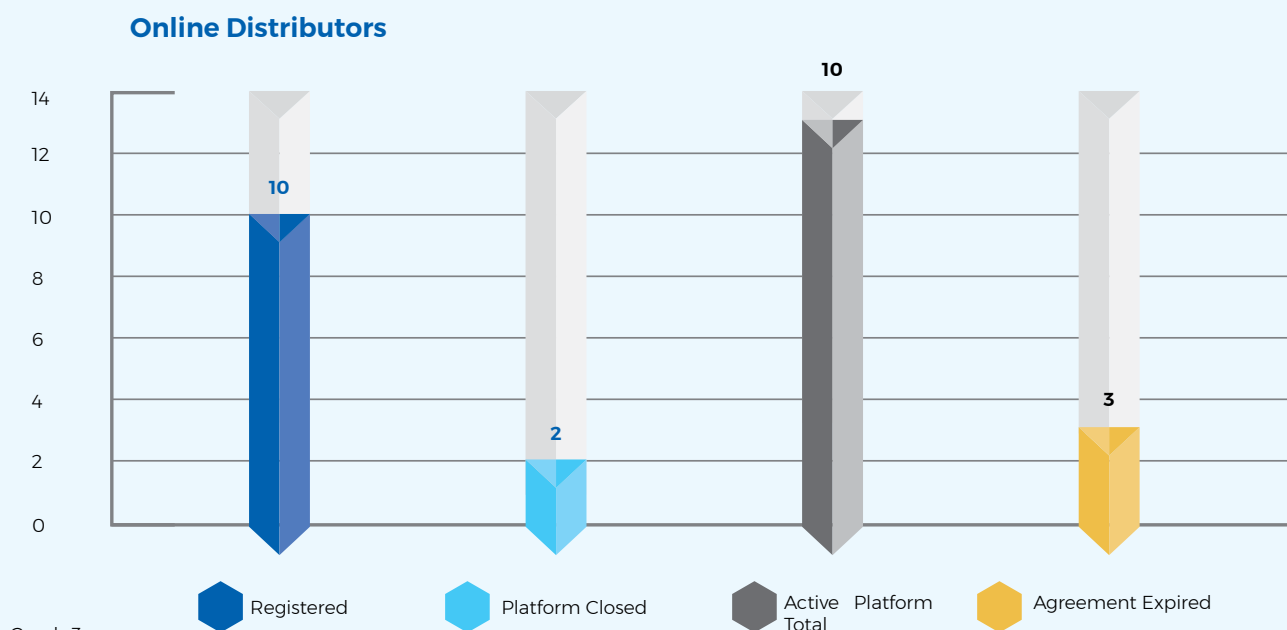
Licensing Applications - 2023/24



Graph 2:

ONLINE CONTENT DISTRIBUTORS

With regard to the target of 90% of online distributor applications received and processed within 90 days, the FPB engaged with 15 online distributors. Of these online distributors, two platforms were closed during the financial year. Ten online distributors are registered with the FPB and three agreements have expired. These distributors are consulting with the FPB on renewing their agreements.



COMPLIANCE MONITORING

The compliance monitoring team conducted 5 187 inspections, as indicated in the table below, and identified cases of non-compliance, for which 188 notices of contravention were issued.

INSPECTIONS	Q1	Q2	Q3	Q4	TOTAL
Physical	511	377	265	255	1 408
Online	1 274	1 201	723	581	3 779
Combined total	1 785	1 578	988	836	5 187

Table 8

ENFORCEMENT COMMITTEE

During the year under review, two vacancies on the Enforcement Committee were filled. The vacancies were due to the resignation of one member and one member that had initially been appointed to join the Appeals Tribunal. The Committee had its first sitting during this financial year. Two matters of non-compliance with the registration requirements were presented to the committee. Both matters were dismissed on the grounds of procedural fairness.

The Enforcement Committee consists of the following members:

1. Judge Thokozile Masipa – Chairperson
2. Mr Francois Beukeman – Member
3. Ms Nalini Maharaj – Member
4. Ms Goitsewang Mathebula – Member
5. Mr Nzumbululo Siphuma – Member

APPEAL TRIBUNAL

During this financial year one matter was referred to the Appeal Tribunal for adjudication. The matter before the Appeal Tribunal of the Film and Publication Board (FPB) related to the classification decision regarding a film which was given an age-rating and consumer advice of 13 LV. The Appellant sought to appeal this rating by requesting a lower age-rating of 10 – 12 PG with no consumer advice. The application was dismissed.

EXPANDING THE FPB’S FOOTPRINT

Integrated stakeholder engagement

The FPB’s Communications Unit comprises the following functions: stakeholder engagement, outreach, advocacy, and communications and marketing. These sub-disciplines, when implemented in an integrated and collaborative manner, culminate in the effective management of the reputation and brand image of the organisation.

The goal of the Integrated Stakeholder Engagement and Communications Strategy is key to achieving the organisation’s long-term vision and can be summarised as follows: high visibility, high impact:

- Communication that informs and transforms.
- Mobilising stakeholders both internally and externally, as advocates of the FPB’s key messages.
- Key messaging as it relates to the amended Films and Publications Act.
- Message delivery that is tailored to the content consumption behaviour of the public and creates measurable impact.
- Exploring the use of innovative technologies and platforms to convey key messages.

The integrated multi-channel communication approach will ensure that the FPB reaches the focused stakeholder groupings delineated in the stakeholder ecosystem map.







Advocacy and outreach achievements

Target Market	Total number conducted	Male	Female
Law enforcement agency	32	291	206
Distributor	7	216	64
Parents	35	755	1 434
Educators	59	363	699
Cinema	31	111	186
Learner outreach	86	12 836	15 435
Cinema activation	5	1117	1334
Vulnerable groups	18	383	708
Stakeholder engagement	60	2 169	4 487
Total	255	16 461	22 397

Table 9

FINANCIAL YEAR

	No. of posts	Reach	Engagements	Impressions	New followers	Total followers
	361	393 229	38 845	464 990	1 198	86 211
	No. of posts	No. of mentions	Profile visits	Impressions	New followers	Total followers
	551	1 202	178 668	389 056	1 213	45 610
	No. of posts	Reach	Engagements		New followers	Total followers
	360	20 943	19 053	0	342	23 243
	No. of posts	Page views	Searched	Impressions	New followers	Total followers
	195	20 229	10 823	109 855	1 196	18 486
Total	1 467	435 603	247 389	963 901	3 949	173 550

Media engagement

The anticipated rise in online harms on digital platforms requires an intentional public engagement strategy to ensure the high visibility of the FPB brand. The Communication Strategy was revised and approved with an implementation plan to ensure brand visibility. The strategy promotes proactive media engagement to promote the extended mandate of the FPB.

Media platform	Average	Mentions	Reach
Editorial (online publications)	R1 622 134.70	61	161 676 381
Print	R1 957 785.65	26	643 459
Broadcast	R863 415.74	21	492 353
Total	R4 443 336.09	108	162 812 193

Table 10



STRATEGIC PARTNERSHIPS & COLLABORATIONS

1. Two MoU's signed with strategic partners

The Film and Publication Board (FPB) & the Durban Film Office (DFO) Memorandum of Understanding (MoU) was signed during the Durban International Film Festival (DIFF) period in July 2023. This marked a significant milestone for the FPB, acknowledging that the Kwa Zulu Natal film industry is one of the largest within South Africa, and contributes a lot to the provincial revenue and that of the country. Through this partnership, the FPB will gain access to up and coming creators and producers of films to workshop them through content regulation and compliance requirements. Hip movie screenings project of the DFO to promote public viewing of films by the communities, will be an ideal platform for the FPB to create public awareness on the importance of classification age ratings, online cyber safety, to share information about the legislative prohibitions on online harms.

2. 100% implementation of the integrated stakeholder engagement plan

The annual target of 100% Implementation of the approved Annual Stakeholder Engagement Plan was over-achieved, the annual target was 100% Roadshows to institutions of higher learning. The FPB hosted a session at the Sol Plaatjie university and the University of the Free States. The sessions aimed at engaging the youth on online harms, to solicit their experiences and challenges as they navigate the online space for social and academic interactions. The strategic intent is to ensure that the youth voices are heard by our partners entities as well as our industry partners.

Representatives from regulators, the FPB legal provisions and complaints handling procedures were shared with the youth, how FPB provides recourse for victims of non-consensual sharing of intimate images (NCII, colloquially known as revenge pornography). The importance of observing age ratings in content and what that means. The Information regulator provided the youth with information on what their rights and obligations are, how to protect their personal information and shared contacts as well as ways of reporting misuse of their information.

ICASA highlighted their regulatory role within the content vague chain, indicated the role of the BCCSA in handling public complaints, as well as encouraged the youth to report any content on linear broadcast channels that is deemed disturbing and harmful. ZADNA on the other hand highlighted their role as the za domain authority, encouraged the youth to develop own web addresses using the za domain and how that would ensure security and ability to escalate complaints about misuse and abuse.

The presence of platform owners in the panel also assisted the youth to raise their safety and security concerns, while the platform owners provided the youth with the reporting and security systems available for the public to use.



Choir at UFS rendering opening melodies



At Sol Plaatjie university FPB legal Officer Andrew Sebapu, on FP Act provisions

3. The Industry Engagement session

The FPB hosted an industry consultation on the regulatory tools which was led by the research and legal teams. The industry members joined online from overseas and in Gauteng compose of the major contributors to the FPB revenue as they are composed of the biggest number of submissions for classification.



Industry engagement session (Gauteng and streaming online for out of Gauteng and overseas)

4. FPB supports the DCDT ministry and Presidency initiatives

The FPB non regulatory function, the comms and marketing, the strategic partnerships and the executive team were involved in support of initiatives from the DCDT minister and deputy minister, as well as from the presidency. The team supported the DCDT budget vote in Cape Town by hosting a week long programme that included learners cyber safety activations, career exhibition, raid with SAPS and strategic stakeholder meeting led y the FPB Western regional office. The engagements highlighted the critical role that the FPB plays in support of the ministerial agenda an public service delivery.

The FPB secured a strategic partnership session with META and hosted the South Africa Online Safety Youth Summit as part of celebration of the National Youth Month. The collaboration afforded the FPB Online Safety Youth Council (SAOSYC) an opportunity to present to the youth the peer to peer engagements report, to highlight the mission, vision and strategic direction. To invite the youth to join them in their journey as they host engagements across the country aimed at creating online safety. The programme to a four days plan with two days dedicated at training workshops for SAOSYC members, as well as the last day that focused on multisectoral approach to the online safety initiative.





5. % Implementation of the approved Annual International Engagement Plan

The international engagements schedule resumed with the FPB participation in support of the DCDT's role at the International Telecommunications Union (ITU) which was hosted in Geneva Switzerland. The objective of the SG-17 meetings is to afford member states to make recommendations on diverse topics the FPB participated in the meeting due to its role in COP. The aim and objective/s of the Child Online Protection (COP) Initiative within the ITU Aim to bringing together partners from all sectors of the global community to ensure a safe and secure online experience for children everywhere.

The FPB secured board membership at the French Laboratory for Women's Rights Online, and will be participating amongst experts to roll-out projects aimed at facilitating empowerment of women online.

The FPB's virtual participation and presentation at the TikTok Safer Internet Summit that was hosted in Accra, Ghana. The FPB shared its experiences and challenges on online content regulation, the initiatives it has put in place to ensure online children safety.

6. INHOPE board meeting, AGM and training in Malta

The FPB attended the INHOPE board meeting, AGM and training as part of the membership conditions. The AGM provides INHOPE membership with updates, highlights

and critical matters that are of interest to the membership. The team also attended training on employee wellness, as it relates to hotline operators. The outcome of the training highlighted the importance of elevating the wellness programme of FPB hotline operators as well as the content moderation team.

7. Africa Internet Academy on Good Regulatory practices in Kenya

The FPB attended the Africa Internet Academy on Good Regulatory practices symposium in Kenya at as per invitation from the industry partner Google, who also bore the costs for the travel. The purpose of the seminar was to discuss the role of regulators in a digital economy, in consideration that technology is evolving with a potential to disrupt and improve the way society live. This therefore requires for policymakers and regulatory to develop good regulatory practices that will enhance innovation.

8. International Telecommunications Union's Global Regulators Symposium in Egypt

The FPB team joined government officials and entity representative at the GSR 2023, the symposium mainly "aims to accelerate sustainable digital transformation through common approaches to collaborative digital policy, regulation, and governance across economic sectors and across borders. One of the main thrusts of the symposium is that the "digital space is inclusive, trusted and safe for everyone. The recommendations and actions to be taken include:

Continued participation of the FPB in the ITU study group to support the DCDT ministry on online child protection agenda of ITU, pursue leadership of the SA regulators forum, promotion of cross- sectoral regulatory approach, leverage on the platform to build capacity, knowledge and technical skills transfer. The FPB should also consider participating in the ITU' COP space in the future.

The FPB was accepted as a member of the Global Online Safety Regulators Network, this affords the organisation to participate and influence policy on global online safety issues. A first African country to be accepted, an opportunity to elevate the FPB in its leadership of the online content regulation agenda within the Africa through the online content Regulation Harmonisation project.

9. FPB's Participation at Africa the Internet Summit 2023 (AIS23)

The quarter under review, saw the implementation of the signed MoU in the FPB's collaboration and partnership with the domain name authority .Zadna at the 2023 Africa Internet Summit (AIS23). AIS'23 brought to South Africa the ICT business and technical communities from countries within Africa to discuss and benchmark issues regarding Internet policy, Internet governance, Information Communication Technology for Development (ICT4D), Internet access, and technical capacity building.



The FPB utilised the summit as a platform to position the FPB as the online content regulator, to solicit interest and support for a collective approach to effective regulation of the online space. The vision towards harmonisation of content regulation within the African continent, requires the FPB to position itself and garner interest and support from such forums. The summit, provided an opportunity for the FPB to learn, to network and to create strategic relations relationships with top executives from ICANN, Internet Society, AfNOG, among

others. Renowned speakers and experts offered perspectives, presentations, and participate in panel discussions on the latest developments and case studies in e-infrastructures, applications, research, entrepreneurship, and more. The summit covered in-depth policy development talks, training courses, seminars, tutorials, plenary sessions, and panel discussions. AIS'23 will have numerous opportunities for knowledge, idea and skills sharing, discussions, debates and networking. The summit will be conducted in a hybrid style, with a capacity of 1000 people.

10. FPB & Independent Electoral Commission (IEC)

The FPB and the Independent Electoral Commission held talks in preparation for the upcoming 2024 national elections. The FPB presented to the IEC the provisions of the Films and publications Act as it relates to the regulation of commercial and noncommercial online distributors, in particular provisions on online harms.

FPB as the online content regulator with the primary mandate to protect the South African public from harmful content, has a critical role to play in creating public awareness on what is deemed prohibited content, the close working relationship with the IEC in the interest of online safety for the South African public is critical.

The mandate of the FPB, with specific reference to the regulatory powers, are:

- To Issue and grant licenses/certificates to commercial distributors and ISPs of online content; and grant exemptions
- Determine what is harmful or disturbing in terms of schedule 3 of the Act;
- Issue legal notices to online content distributors and ISPs regarding the protection of the public against harmful and prohibited content and through the Enforcement Committee chaired by a Retired Judge;
- issue sanctions and penalties for non-compliance;
- In consultation with the Minister, develop regulatory instruments and guidelines for compliance with the Act (s31 of the Act)
- Enforce general compliance with the provisions of the Act (Online monitoring Team and Compliance Officers)
- Conduct public education and awareness regarding content classification and Online safety (harmful and prohibited content).

ANNUAL PERFORMANCE INFORMATION

STRATEGIC FOCUS 1: ORGANISATIONAL TRANSFORMATION

Strategic Objective 1.1: Migration from classification authority to online content regulator

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/over-achievement	Plan of action
1.1.1 Digitally driven organisation	Percentage of Digital Transformation Roadmap implemented	Approved Digital Transformation Roadmap	90% of the projects in the digital roadmap planned for the year achieved	86% of the projects in the digital roadmap planned for the year achieved.	Not achieved	<ol style="list-style-type: none"> Delays in the procurement process for the Security Operations Centre (SOC) system not completed. The SOC system is one of seven projects that were planned to be implemented as part of the Digital Roadmap plan, but could not be finalised in Q4 as a result of delays in finalising the Terms of Reference and specifications for the system. 	Optimise processes for the implementation of procurement plans to ensure all specifications and projects are delivered on time with available budget resources. The procurement process for the SOC system was finalised in Q1 of the new financial year. Implementation is to be completed in Q2.

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/over-achievement	Plan of action
1.1.2 Efficient, effective, and appropriately resourced regulator.	Approved Human Capital Business Improvement Strategy (HCBIS) and implementation plan implemented.	HCBIS and implementation plan approved at Council and implementation commenced.	60% of the HCBIS implementation plan completed	65% of the HCBIS implementation plan complete.	Achieved	Consistent engagements between management, staff and organised labour enhanced organisational culture, which forms a critical part of the HCBIS. The overachievement can be attributed to these engagements.	N/A

STRATEGIC FOCUS 2: REGULATORY CAPACITY AND ENFORCEMENT

Strategic Objective 2.1: Efficient and effective content regulation

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/over-achievement	Plan of action
2.1.1 Improved content classification	Review the OCR classification system	New indicator	Report on the reviewed OCR classification system	OCR review report concluded	Achieved	N/A	N/A
2.1.2 Improved online content regulation	Accreditation Framework reviewed	Accreditation Framework	Revised Accreditation Framework	Revised Accreditation Framework approved	Achieved	N/A	N/A
	Percentage of programme implementation on online prohibited and harmful content focusing on vulnerable groups	New target	50% of the programme implemented on online prohibited and harmful content focusing on vulnerable groups	100% of programme on online prohibited and harmful content focusing on vulnerable groups implemented	Achieved	N/A	N/A
2.1.3 Implementation of Films and Publications Amendment Act developed and/or updated	Number of prioritised research projects concluded to support regulatory development	New target	Three prioritised research projects concluded to support regulatory development	Three prioritised research projects developed and concluded to support regulatory development	Achieved	N/A	N/A
	Regulatory instruments implemented	New indicator	Approved regulatory instruments implemented	Approved regulatory instruments implemented	Achieved	N/A	N/A

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/over-achievement	Plan of action
2.1.3 Implementation of Films and Publications Amendment Act developed and/or updated	Percentage of the prioritised regulatory instruments developed	New indicator	50% of the prioritised regulatory instruments developed	100% of the prioritised instruments were developed and approved by Council	Achieved	Regulatory Compliance and Enforcement sub-programme had technical support during the drafting of the prioritised regulatory instruments	N/A
	Percentage of the approved regulator of the future proposal plan implemented	Rephrased	60% of the approved regulator of the future proposal plan implemented	73% of the approved regulator of the future proposal plan implemented	Achieved	Realignment of functions across various programmes led to improvement in business processes and completion of tasks	N/A
2.1.4 Effective and efficient compliance and enforcement	Review of Technical Classification Guidelines completed	New indicator	Technical amendment of classification guidelines completed	Classification guidelines amended and approved by Council	Achieved	N/A	N/A
	Percentage implementation of the compliance and enforcement plan	New indicator	60% implementation of the compliance and enforcement plan	88% of the compliance and enforcement plan implemented	Achieved	Realignment of functions between Programme 4 and Programme 5 led to an improvement in compliance and enforcement	N/A

STRATEGIC FOCUS 3: CUSTOMER FOCUS

Strategic Objective 3.1: Effective and efficient service delivery

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/ over-achievement	Plan of action
3.1.1 Efficient service delivery	Percentage of public complaints resolved within 60 working days	Rephrased indicator	50% of public complaints resolved within 60 working days	98.8% of public complaints were resolved within 60 working days	Achieved	Efficient resolution of complaints received due to the low number of complaints	N/A
	Percentage of classification decisions issued within 7 working days	70.1% of classification decisions issued within 7 working days	80% of classification decisions issued within 7 working days.	81% of classification decisions were issued within 7 working days	Achieved	The deployment and use of the OCR system in the classification process has assisted in the improvement of the turnaround times	N/A
	Percentage of licensing and registration processed within 5 working days	Rephrased indicator	95% of application for licenses processed within 5 working days	99% of applications for licensing and registration processed within 5 working days	Achieved	New effective licensing process that was implemented in Q4 assisted the unit to exceed the planned target	N/A
	Percentage of online distributor application concluded (self-classification)	90% of online distributor applications received processed within 90 days	90% of online distributor applications received processed within 90 days	100% of online distributor applications were processed within 90 days	Achieved	New effective licensing process implemented in Q4 assisted the Regulatory Development Unit to exceed the planned target	N/A

STRATEGIC FOCUS 4: FINANCIAL SUSTAINABILITY

Strategic Objective 4.1: Increase the percentage of self-generated revenue

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation /over-achievement	Plan of action
4.1.1 Maximise non-government revenue	The increase in the percentage of self-generated revenue over total revenue	18% increase on own generated revenue	15%	Achieved 11% of self-generated revenue as a composition of total revenue	Not achieved	<p>Non-achievement attributed to the online licence fees generating less revenue than the annual budget by 65% due to the following reasons:</p> <ul style="list-style-type: none"> Resistance from some operators owing to legislative lacunae and clarity Outdated tariff model in classification Negative market conditions resulting in the closure of and divestment from South African industry 	<p>To mitigate:</p> <ol style="list-style-type: none"> Conduct detailed market analysis to guide revenue projections Seize new revenue opportunities in sectors such as online music and certain publications Monitor the implementation of the inflation-linked increases implemented on 1 April 2024 Finalisation of the outstanding tariff review Implement aggressive registration drive and awareness on compliance with the Act Revenue implementation plan to be reviewed
	Percentage implementation of the approved Revenue Strategy Plan	New indicator	60% implementation of the approved Revenue Strategy Plan	60% of the approved Revenue Strategy Plan implemented	Achieved	N/A	N/A

STRATEGIC FOCUS 5: STAKEHOLDER MANAGEMENT AND COLLABORATIONS

Strategic Objective 5.1: Leverage local and international strategic partnerships to achieve the amended mandate of the FPB

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/over-achievement	Plan of action
5.1.1 Increased local and/or international MoUs signed with strategic partners	Number of MoUs signed with strategic partners	2 MoUs signed with strategic partners SABC and ZEDNA	2 MoUs signed with strategic partners	2 MoUs signed with strategic partners Durban Film Office and NEMISA	Achieved	N/A	N/A

Strategic Objective 5.2: Improved awareness of the expanded FPB mandate

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/over-achievement	Plan of action
5.2.1 The public and industry are educated on the expanded FPB mandate	Percentage implementation of the public education plan	Rephrased	100% implementation of the integrated stakeholder engagement plan	96% of the integrated stakeholder engagement plan was implemented	Not achieved	<p>1. Non-achievement due to more focus being placed on digital platforms. This affected plans to print physical branding and marketing material, and leaflets than had initially been planned</p> <p>2. A planned media briefing could not be held</p>	<p>Develop and print pamphlets and brochures on the FPB's mandate and requirements in Q1 of 2024/25 and full utilisation of traditional media platforms such as television through partnerships and collaboration</p> <p>The FPB also planned to conduct media briefings on a quarterly basis</p>

Outcome indicator	Output indicator	Actual achievement 2022/23	Planned target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement for 2023/24	Reasons for deviation/ over-achievement	Plan of action
	Percentage of the prioritised training programme on the FPB's expanded mandate implemented	New indicator	30% of the prioritised training programme on the FPB's expanded mandate implemented	30% of the prioritised training programme was implemented	Achieved	N/A	N/A

REVENUE COLLECTION

Sources of revenue	2023/2024			2022/2023		
	Estimate	Actual amount collected	(Over-)/under-collection	Estimate	Actual amount collected	(Over-)/under-collection
	R'000	R'000	R'000	R'000	R'000	R'000
Classification fees	1 650	1 184	466	1 795	1 297	498
Registration fees	174	545	- 371	284	264	20
Annual renewal fees	364	200	164	343	153	190
Internet service provider registration	111	31	80	104	175	- 71
Interest received	2 564	2 957	- 393	1 974	2 191	- 217
Online license fees	24 000	7 291	16 709	12 271	11 043	1 228
Grant	103 860	103 860	-	102 870	102 870	-
Other income	-	578	- 578	-	105	- 105
Total	132 723	116 646	16 077	119 641	118 098	1 543

The FPB's revenue was under-collected by 56%. The main areas of under-collection are classification fees due to the reduced number of materials submitted for classification and online license fees due to delays in the finalisation of the distributors' onboarding. The Enforcement Committee has considered matters presented for non-compliance in the current year. The FPB will continue to raise compliance awareness to ensure compliance with the Act.



PART C: Governance-Risk & Compliance



The Council is responsible for monitoring principles of corporate governance, and completely aligns itself with the application of the recommendations of the King report on corporate governance (King IV). The Council is committed to corporate processes and ensures that the FPB's operations are conducted ethically, taking best practice into account.

To the best of the Council's knowledge, information and belief, the FPB complied with applicable legislation, policies and procedures, as well as the codes of governance, in the period under review.

Council Charter

The Council has adopted a formal charter, which clearly articulates its duties and responsibilities, and which is reviewed and approved biennially. The Council Charter is closely aligned with King IV. The Council confirms that, during the period under review, it satisfactorily discharged its duties and obligations as contained in the Council Charter.

Composition of the Council and its role

The FPB Council comprised 10 Council members, including the CEO, all from diverse backgrounds. They were appointed by the Minister of Communication and Digital Technologies based on experience, technical skills, qualifications and knowledge. The Minister of Communication and Digital Technologies appointed the Council on 21 April 2022 in line with section 6 and 8 of the Films and Publications Act.

The Council's primary responsibility is the leadership of the FPB, strategic direction and policy, operational performance, financial matters, risk management and compliance. It is also responsible for general management and control, exercising leadership, integrity and judgement in directing the FPB based on transparency, accountability and responsibility. The Council is the focal point of the FPB's corporate governance system. Authority for the day-to-day management of the FPB's activities is delegated to the management team through a Delegation of Authority Framework approved by the Council. The mandate, role and responsibilities of the Council are stipulated in the Council Charter as set out in the Films and Publications Act.

Induction of new members

A comprehensive induction programme is to be conducted once a new Council or Council member is appointed. This is to ensure that new Council members have the required knowledge of the FPB's structure, operations, policies and industry-related issues, and to enable them to fulfil their duties and responsibilities. The Council Secretary administers this programme.

Delegation of authority

The Council exercises oversight authority to lead, control and manage the business of the FPB. Through a Delegation of Authority Framework, the Council has delegated certain powers and functions to the CEO and the Executive Committee (Exco) to manage the FPB's day-to-day business affairs. The delegation of authority assists the CEO and Exco in decision making and meeting strategic objectives without absolving the Council of its accountability and responsibilities to the FPB. There are, however, some non-delegated matters reserved for approval by the Council and/or the Minister of Communication and Digital Technologies in terms of the Films and Publications Act, the Council Charter and the Delegation of Authority document.

Portfolio committees

Parliament exercises its oversight role through evaluating the performance of the public entity by interrogating its annual financial statements and other relevant documents that have to be tabled from time to time.

Parliament's Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor. SCOPA also provides commentary on the number of meetings held with the Portfolio Committees, and the key issues raised by the Portfolio Committee members.

The Portfolio Committee exercises oversight over the service delivery performance of the public entity. It reviews the non-financial information contained in the annual reports of the public entity and is concerned with service delivery and enhancing economic growth.

Executive authority

Oversight by the executive authority rests by and large on the prescripts of the Public Finance Management Act (PFMA). The PFMA governs and gives authority to the executive authority for oversight powers.

The executive authority also has the power to appoint and dismiss the Board of a public entity. The executive authority must ensure that the appropriate mix of executive and non-executive directors is appointed and that directors have the necessary skills to guide the public entity.

Council reports to the executive authority on a quarterly basis through the submission of quarterly performance reports that provide a detailed report on the entity's activities during the period under review. In addition, Council provides the executive authority with an annual report at the end of each financial year, which provides a report on all the activities of the Board, Council, Appeal Tribunal and Enforcement Committee during that financial year, and on the financial position of the Board, Council, Appeal Tribunal and Enforcement Committee at the end of the financial year.

Council Secretary

The Council Secretary has a pivotal role to play in advising the Council on its roles and responsibilities, among other duties. The roles and responsibilities of the Council Secretary are defined in the Council Charter, read together with the Companies Act and the King IV Report. The Council Secretary is responsible to the Council through the office of the CEO for, inter alia, ensuring compliance with procedures and applicable statutes and regulations. All directors have unlimited access to the advice and services of the Council Secretary, and all directors are entitled to seek independent professional

advice at the FPB's expense concerning the affairs of the FPB after obtaining the approval of the Chairperson.

The Council Secretary maintains an arm's-length relationship with the Council and its members, and is empowered with the necessary authority and support to carry out its duties, which include maintaining all statutory records, biennially reviewing all Council and Committee charters, assisting the Chairperson with the annual Council evaluation, advising the Council on business ethics and good governance, ensuring that the Council's policies and instructions are communicated to the appropriate persons in the FPB, ensuring that the Council receives adequate information to make informed decisions, and ensuring the Council's induction, training and development.

The Council has considered the skills, qualifications and performance of the Council Secretary. The Council is satisfied with the service provider's continuing suitability for the position.

Council meetings and Council committees

Council meetings are held at least once every quarter, with special meetings convened when necessary. During the period under review, four scheduled Council meetings, five special Council meetings, an annual general meeting (AGM) and several Council workshops were convened. Executive members attended Council meetings as invitees. Details of attendance are as follows:

Council meeting attendance	Meeting date					
	26 April 2023	27 July 2023	31 October 2024	30 November 2024	30 January 2024	19 February 2024 (Special)
Ms Zama Mkosi	✓	✓	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓	✓	✓
Ms Lungelo Nxele	✓	✓	✓	✓	✓	✓
Adv Tokyo Nevondwe	✓	✓	✓	✓	✓	✓
Ms Zanele Nkosi	✓	✓	✓	✓	✓	✓
Dr Andile Nontso	✓	✓	✓	✓	✓	✓
Ms Mpho Sedibe	✓	✓	✓	✓	✓	✓
Mr Phosa Mashangoane	✓	✓	✓	✓	✓	✓
Ms Maggie Pillay	✓	✓	✓	✓	✓	✓

✓: Attended A: Apology

Audit & Risk Committee

The Audit and Risk committee (ARC), as established in accordance with Section 51(1)(a)(ii) and Section 77 of the Public Finance Management Act (PFMA), as well as Treasury Regulation 27.1, serves as a vital governance structure within the entity.

Members and attendance

The Committee consisted of the members as listed in the table below. Throughout the reporting period, the committee convened a total of five meetings; including one special session held jointly with the Finance Committee.

Member	Meetings Attended
Ms Z Nkosi (Chairperson)	5/5
Ms M Sedibe	5/5
Adv T Nevondwe	5/5

Financial Committee

The Financial Committee was appointed by the FPB Council and has four independent non-executive Council members. The purpose of the Financial Committee is mainly to assist the Council by overseeing and providing guidance to management on financial administration, budgeting, financial reporting and related matters.

During the period under review, the Financial Committee met eight times to review, inter alia, major financial transactions that fall within the threshold that requires the Council's approval on behalf of the Council. This included conducting the quarterly review of financial statements, reviewing and monitoring organisational cash flow reports, and overseeing and monitoring the risk and control environments of the Finance Unit.

Attendance of Finance Committee meetings	Meeting dates			
Committee member	21 April 2024	24 April 2024	26 October 2023	24 January 2024
Ms Zanele Nkosi	✓	✓	✓	✓
Ms Lungelo Nxele	✓	✓	✓	✓
Dr Andile Nontso	✓	✓	✓	✓
Ms Mpho Sedibe	✓	✓	✓	✓

✓: Attended A: Apology

Operations and ICT Committee

The Operations and ICT Committee was appointed by the FPB Council and has four non-executive Council members. The duties and functions of the Committee, inter alia, include the provision of oversight and advice to the Council on the strategic direction and activities of the Operations and Shared Services Division, including, but not limited to, planning, implementation, performance reporting and risk monitoring in the following functions:

Industry regulation of the following:

- i. Classification
- ii. Child protection
- iii. Communications and public education
- iv. Compliance monitoring
- v. Facilities management
- vi. The legal and regulatory framework
- vii. Research, policy and advocacy

ICT governance:

- i. Alignment of ICT with the business direction
- ii. Achievement of strategic ICT objectives
- iii. Availability of suitable ICT resources, skills and infrastructure
- iv. Optimisation of ICT costs and risk, return and competitive aspects of ICT investments

During the period under review, the Operations and ICT Committee met six times to review the FPB’s functions in respect of operational, performance reporting and ICT governance matters, as well as to make recommendations to the Council regarding their relevance to the Council’s mandate.

Attendance at Operations and ICT Committee meetings	Meeting dates			
Committee member	18 April 2023	20 July 2024	24 October 2023	23 January 2024
Ms Lungelo Nxele	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓
Ms Maggie Pillay	✓	✓	✓	✓
Mr Phosa Mashangoane	✓	✓	✓	✓

✓: Attended A: Apology

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee was appointed by the FPB Council and has four non-executive Council members. The duties and functions of the committee, inter alia, include overseeing and providing guidance to management on human capital, human resources, remuneration, recruitment and other related matters.

During the period under review, the Human Resource and Remuneration Committee met nine times to review the strategic direction and activities of the Shared Services Division, with a particular focus on human resources planning, administration and remuneration.



Attendance at Human Resource and Remuneration Committee meetings	Meeting dates			
Committee member	19 April 2023	21 July 2023	25 October 2023	22 January 2024
Adv Tokyo Nevondwe	✓	✓	✓	✓
Dr Andile Nontso	✓	✓	✓	✓
Ms Mpho Sedibe	✓	✓	✓	✓
Mr Phosa Mashangoane	✓	✓	✓	✓

✓: Attended A: Apology

Chairperson's Committee

The Chairperson's Committee is appointed by the FPB Council and has four non-executive Council members. The CEO is a permanent invitee to committee meetings.

The Chairperson's Committee is responsible for performing advisory functions to the Council and Chairperson. In addition, the Chairperson's Committee is tasked with taking decisions on any matters within the prerogative of the Chairperson's Committee, as well as other urgent matters that will have an impact on the operations of the FPB, except policy matters. During the period under review, the Chairperson's Committee met nine times to assist the Council in respect of all activities of the Council and its committees.

Attendance of Chairperson's Committee meetings	Meeting dates			
Committee member	25 April 2023	26 July 2023	30 October 2023	26 January 2024
Ms Zama Mkosi	✓	✓	✓	✓
Prof Siyasanga Tyali	✓	✓	✓	✓
Ms Lungelo Nxele	✓	✓	✓	✓
Adv Tokyo Nevondwe	✓	✓	✓	✓
Ms Zanele Nkosi	✓	✓	✓	✓

✓: Attended A: Apology

Ad-hoc meetings and workshops

Council held seven ad-hoc meetings, mainly focusing on the strategy and workshop on the future regulator and regulatory instruments.

Attendance of Ad-hoc meetings	Council member	8 March 2023 (Special Operations and ICT Committee)	10 March 2023 (Special Human Relation and Remuneration Committee)	16 March 2023 (Strategic session)	11 May 2023 (Joint Human Relations and Remuneration Committee, Finance Committee and Audit and Risk Committee)	15 May 2023 (Special Council meeting)	30 May 2023 (Joint Finance Committee and Audit and Risk Committee)	31 May 2023 (Special Council meeting)	29 August 2023 (Chairperson's Committee: Enforcement Committee Interviews)	6 September 2023 (Strategic session)	7 September 2023 (Strategic session)	3 November 2023 (Special Joint Finance Committee and Operations and ICT Committee)	17 November 2023 (Special Human Resource and Remuneration Committee)	22 November 2023 (Special Operations and ICT Committee)	27 November 2023 (Special Chairman's Committee: Induction: Company Secretariat Services)	30 November 2023 (Special Council meeting)	29 January 2024 (Strategic session)	19 February 2024 (Special Council meeting)
	Ms Zama Mkosi			✓		✓		✓	✓	✓	✓				✓	✓	✓	✓
	Prof Siyasanga Tyali	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
	Ms Lungelo Nxele	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
	Adv Tokyo Nevondwe		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
	Ms Zanele Nkosi			✓	✓	✓	✓	✓	✓			✓			✓	✓	✓	✓
	Dr Andile Nontso		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓			✓	✓	✓
	Ms Mpho Sedibe		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓			✓	✓	✓
	Mr Phosa Mashangoane	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓		✓	✓	✓
	Ms Maggie Pillay	✓		✓		✓		✓		✓	✓	✓		✓		✓	✓	✓

Name	Annual remuneration R
Ms Zama Mkosi	377 798
Prof Siyasanga Tyali	309 622
Ms Lungelo Nxele	261 272
Adv Tokyo Nevondwe	284 280
Ms Zanele Nkosi	175 306
Dr Andile Nontso	246 242
Ms Mpho Sedibe	203 726
Mr Phosa Mashangoane	271 085
Ms Maggie Pillay	198 860

Appeal Tribunal composition

The members of the FPB Appeal Tribunal were appointed in October 2022 for a period of five years, terminating in 2027. The appointed members were as follows:

- Siyazi Tyatyam (Chairperson)
- Sohani Natasha Chundhur
- Litheko Modisane
- James Hlamalani-Shikwambana
- Phuthi Phukubje
- Nomaswazi Shabangu-Mndawe
- Shandukani Mulaudzi
- Sisanda Nkoala
- Manko Buffel (reappointment)

Internal Audit

During the period under review, the Audit and Risk Committee did the following:

- Approved the Annual Operational Internal Audit Plan and Three-year Rolling Strategic Internal Audit Plan

- Approved the Internal Audit Charter and Internal Audit Manual
- Approved the updated Combined Assurance Framework and Terms of Reference
- Considered the internal audit reports relating to the effectiveness of the entity's internal control environment, systems and processes
- Considered the quality and appropriateness of management's action plans in response to identified shortcomings
- Considered the effectiveness of the Internal Audit Activity by monitoring the progress and quality of the work based on the annual audit plan
- Considered the adequacy of internal audit resources in ensuring the effective discharge of all its functions

In an effort to assist the Accounting Officer and the ARC to effectively carry out their duties, the Internal Audit Activity completed 20 audits or reviews during the period under review.

Risk Management

Risk-Management Approach The Film and Publication Board (FPB) uses the Top-Down risk management approach and assesses, manages and reports all significant risks and related mitigation plans consistently throughout the organisation in line with defined risk-management practices and reporting protocols. The approach fosters the management of risks from the Top (Executive and Management managing strategic risks) to the Bottom (Managers and Assistant Managers managing operational risks) within respective programmes.

Enterprise Risk-Management Policy and Strategy

The FPB operates in terms of the Enterprise Risk-Management Framework (Policy, Strategy, and Implementation Plan) derived from the National Treasury's Risk-Management Framework. This framework is further aligned to the FPB's Strategic and Annual Performance Plans to ensure that it is relevant for managing the organisation's risk exposure. The FPB has established risk appetites and a tolerance threshold, which are used to measure the level of acceptable risks throughout the organisation. This framework is applied to ensure effective implementation of enterprise risk-management systems and processes. The approved Risk Appetite and Tolerance-levels assist with the determination of the points at which risks are considered significant and require mitigations to be implemented to manage the risk exposures to acceptable levels.

Awareness Culture

There are various processes to ensure awareness and commitment of the entire Organisation, such as:

- a. Risk-awareness workshops;
- b. Induction of new employees; and
- c. Uploading of risk management enabling documents in the FPB's intranet (Sharepoint) for ease of access by all employees.

Risk assessment

The top-down risk management approach adopted by the FPB requires strategic risk assessments to be completed first, and thereafter the operational risk assessments to be completed. The risk assessments are further considered on the basis of the FPB's risk appetite

and tolerance levels. The 2023/24 strategic risk assessments were completed on time with relevant reports presented to MANCO, Exco and the ARC for consideration and approval, and for Council for sign-off.

Management of risks

Management of strategic risks and the implementation of the respective risk mitigation plans were monitored on a quarterly basis. Monitoring reports were compiled and presented on a quarterly basis to the Management Committee (MANCO), Exco, the ARC and Council.

Strategic risk management

Of ten (10) strategic risks identified during the 2023/24 financial year, 3 retired/moved from the register to operational risk register. Zero (0) has been managed within acceptable risk-level (appetite) while 9 remained outside acceptable risk-levels however the 9 risks are medium and one (1) high risk (outside the FPB's control).

Strategic risks that remained outside the acceptable risk-levels were due to the following key challenges/root causes:

- a. Staff resistance to change;
- b. Unfavourable economic conditions;
- c. Increasing expenditure due to expanded mandate;
- d. Ageing ICT infrastructure;
- e. Manual classification process (Lack of fully automated system to do classification);
- f. Ineffective implementation of the Amendment legislative mandate;
- g. Draft White paper on Audio and Audio-Visual media Services;
- h. Inadequate awareness on the FP Act and regulatory guidelines by industry players and ordinary members of the public;
- i. Resistance or challenge on the Legislation by industry stakeholders; and
- j. Transition from online distributor agreement to a new registration regime.

Operational Risks Management

Of thirty-two (32) operational risks (which 2 emerged in Quarter 4), seventeen (17) have been managed to acceptable risk levels while fifteen (15) remained outside acceptable risk levels. These risks were reported to ARC and escalated to EXCO for further engagements. Operational risks that remained outside the acceptable levels were due to the following key challenges /weaknesses:

- a. Inadequate consultation platforms;
- b. Inadequate capacity (financial and human resources);
- c. Delays in review of the internal Policies;
- d. Tariff model not aligned to the new mandate

Value add

Enterprise risk management systems and processes have assisted the FPB in the achievement of strategic focus by ensuring that the following are considered during the 2023/24 strategic planning processes:

- Risk management being part of the strategic planning process. This assisted in ensuring that resources are prioritised and allocated to the relevant key strategic focus and that realistic targets are set. This was also the case when the FPB revised the APP targets and milestones due to the expanded mandate.
- Current and emerging strategic risks. These risks assist the process by ensuring that the APP includes mitigations or interventions to address these identified strategic risks.
- Key root causes for the identified strategic risks. These key root causes or challenges have also been considered and analysed to ensure that proper mitigations are planned to address the identified strategic risks to acceptable appetite and tolerance levels, e.g. the availability of resources (financial, human and other relevant resources), inadequate technologies, etc.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance Management Policy and Framework

The FPB operates in terms of the approved Compliance Management Framework and the Policy which are derived from the relevant legislation and best practices. The approved enabling documents were revised in the period under review, and the implementation thereof. The framework is further aligned to relevant FPB policies to ensure alignment and relevance for managing the FPB's compliance exposures. Implementation of the framework is achieved through the following initiatives:

- a. Developed the FPB Compliance Universe/Matrix

- b. monitoring and reporting on the implementation of the FPB Compliance Universe/Matrix to MANCO, EXCO, ARC and the Council on a quarterly basis.
- c. Monitoring and reporting of FPB Policy Register to MANCO, EXCO, ARC and the Council on a quarterly basis.
- d. Incorporating and ensuring compliance risks are identified at different levels of the risk-management process, i.e. during strategic and operational risk identification and assessment processes; this will ensure that compliance risk becomes part of the enterprise risk-management value chain.

FRAUD AND CORRUPTION

Fraud Prevention Plan and Implementation

The Film and Publication Board has developed a Fraud-Prevention Plan (Strategy, Policy, Investigation Procedure, Implementation Plan and Whistle-Blowing Policy) derived from the National Anti-Corruption Framework (NACF) and other relevant prescripts. The Framework was revised and approved in July 2023 for implementation in the 2023/24 financial year. This Framework is further aligned to relevant Organisational Policies and Procedures to ensure alignment and relevance for managing FPB's fraud and corruption exposures.

Implementation of the Framework is achieved through the following initiatives:

- a. Annual Fraud risks assessment which the mitigation actions are monitored quarterly and reported to MANCO, EXCO, ARC and Council.
- b. Awareness on prevention of fraud and corruption including, among other things, induction of new employees.
- c. Monitoring and reporting on the implementation of the Fraud Prevention Plan to the MANCO, EXCO, Audit and Risk Committee and Council on a quarterly basis.
- d. The Audit and Risk providing oversight over the effectiveness of fraud prevention systems and processes.
- e. Progress on investigations conducted and/or sanctions taken are reported to ARC as and when they happen for independent professional advice.

AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

The Audit and Risk committee (ARC), as established in accordance with Section 51(1) (a)(ii) and Section 77 of the Public Finance Management Act (PFMA), as well as Treasury Regulation 27.1, serves as a vital governance structure within the entity.

Members and attendance

The Committee consisted of the members as listed in the table below. Throughout the reporting period, the committee convened a total of five meetings; including one special session held jointly with the Finance Committee.

Member	Date Appointed	Meetings Attended
Ms Z Nkosi (Chairperson)	22 April 2021	5/5
Ms M Sedibe	22 April 2021	5/5
Adv T Nevondwe	22 April 2021	5/5
Prof S Tyali	22 April 2021	5/5

Charter

The Committee has thoroughly reviewed and formally adopted a charter for the current year. This charter, duly approved by the Council, regulates the affairs and activities of the Committee and further ensures alignment with the relevant statutory requirements outlined in the regulations mentioned above.

Effectiveness of internal controls

The systems of internal control are designed to provide cost effective assurance in achieving the organisational objectives through ensuring that assets are safeguarded, operations are effective and efficient, financial and performance information is reliable and there is compliance with the laws and regulations.

In line with the relevant regulations, the Committee provided oversight on the operations and business activities within the entity. This was achieved through the quarterly reporting processes by management, internal audit reviews as prioritised in the risk-based annual audit operational plan approved by

the Committee and reports from the AGSA. The Committee is of the opinion that although the systems of internal control within FPB were mostly adequate and effective during the year under review, there is still room for improvement.

The Committee noted that adequate reviews were not performed on the amounts disclosed in the annual financial statements. Furthermore, proper record keeping was not implemented in a timely manner to ensure the accuracy and completeness of information supporting both financial and performance reporting.

The Committee has recommended that action plans be developed and implemented in order to enable an effective internal control environment.

Internal audit

The Committee reviewed and approved the internal audit's risk based three-year rolling plan and operational plan for 2023/24. The Committee also monitored performance of the Internal Audit against its approved operational plan on a quarterly basis.

Capacity constraints within the function were noted during the year and as a result, not all the planned engagements as per the operational plan were undertaken. Despite this, the Committee was satisfied with the work completed, the coordination with the external auditors and the follow-up on management corrective action plans. Overall, the work performed by internal audit has enabled the Committee to fulfil its oversight duties during the year.

The Committee has recommended that management address the capacity constraints so as to strengthen the function.

Risk management

The Committee performed oversight on the entity's risk management activities. Strategic and operational risk assessments were conducted by management for the year under review and the registers were discussed and reviewed by the Committee. Reports on the quarterly risk management processes were also considered and recommendations made.

The following was considered and reviewed by the Committee:

- Strategic and operational risk register
- Enterprise risk management policy and strategy
- Risk implementation plan
- Fraud prevention policy and strategy
- Fraud implementation plan
- Compliance plan

The Committee has emphasized the need to enhance risk management processes to enable proper identification and mitigation of potential risks pertaining to the expanded mandate of the entity.

In-Year Management Reporting

The Committee has received and consistently reviewed both the financial and performance information quarterly reports prepared by management. It has also ensured that monthly and quarterly reporting processes are in accordance with the PFMA and all relevant legislation.

Evaluation of annual financial statements and performance information

The Committee has:

- Reviewed and discussed the annual financial statements and performance report to be included in the annual report;
- Reviewed the AGSA's management reports and the management responses thereto;
- Reviewed significant adjustment resulting from the audit;
- Reviewed any changes in accounting policies and practices; and
- Reviewed entity compliance with applicable regulatory provisions.

Auditor General's Report

The Committee reviewed the entity's implementation of the audit findings raised in the prior year and is satisfied that the matters were adequately addressed.

The Committee reviewed the audit strategy and also satisfied itself with the independence and objectivity of the AGSA.

The Committee concurs and accepts the conclusions of the AGSA on the annual financial statements, performance information and compliance review, and is of the opinion that the audited annual financial statements be accepted and read together with the audit report of the AGSA.

Conclusion

The Committee has noted with concerns that the entity has regressed from a clean audit opinion to unqualified audit opinion with material findings. The Committee is of the opinion that the entity can revert to a clean audit if there is commitment to establish a stable leadership that will ensure a robust control environment, effective governance, sufficient management review and supervisory checks.

I would like to thank the Committee members, Executive Authority, Council, Executive Management, senior management and staff of the FPB for their continued support during the year.



Zanele Nkosi

Chairperson: Audit and Risk Committee

B-BBEE Compliance

Performance Information

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

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable
Developing and implementing a preferential procurement policy?	Yes	Compliance through supply chain process
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Not applicable

PART D: Human Resource Management

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Film and Publication Board Annual Report 2023/24



The 2023/24 financial year was the second year that the organisation continued with the implementation of its 2020–2025 Strategic Plan and the 2023/24 APP. During this reporting period, the organisation continued to function according to an approved organisational structure that was aligned to the organisation's new mandate. Critical positions were filled, which stabilised the leadership roles and ensured that the expanded mandate was implemented.

The organisation initiated a Business Process Reengineering (BPR) project aimed at reviewing the business or organisational processes to be aligned, simplified and transparent to facilitate the harmonisation and efficient delivery of services to clients. The Council approved the to-be reports. Plans are underway to implement the BPR recommendations. Rebuilding the organisational culture was also prioritised for the current financial year. It aimed to improve communication, team cohesion and staff morale. Quarterly engagements were facilitated with staff and organised labour on organisational performance, executive decisions and staff awards.

Concerning human capital-related matters, as of the end of March 2024, the organisation had 114 funded positions on its establishment. Of these posts, 101 were filled and 13 were vacant. This equates to a 11.4% vacancy rate. The organisation was allocated a total adjusted and exclusively earmarked amount of R81 426 162 million for the compensation of employees (COE) in the 2023/24 financial year. At the end of March 2024, the organisation had spent R80 094 567 million of its COE budget.

In alignment with the talent management and succession planning process and procedure, the FPB's executives approved 17 employees on lateral transfer to new positions within the FPB's structure. This was aimed at aligning employees' career aspirations with the newly approved organisational structure. These

employees were further supported through focused career management, career coaching and development interventions to ensure a smooth transition to their new roles.

The Executive implemented all planned consultation meetings with organised labour on the organisational restructuring and other identified organisational matters. The change management intervention highlighted the fact that how discipline is managed in the workplace has a bearing on organisational efforts to develop a professional and ethical workforce. The executives noted that a high level of discipline influences organisational performance and ultimately results in positive service delivery outcomes.

The Human Capital Unit, in consultation with line managers, implemented interventions to reduce the timelines in terms of which employees' grievances and disciplinary processes are resolved. The litigation report is presented to Council quarterly to ensure the timely resolution of reported grievances and disciplinary actions. The cost of litigation was reduced by ensuring that employees' grievances were resolved timeously. For cases referred to the Commission for Conciliation, Mediation and Arbitration (CCMA), the organisation was represented by the internal legal section.

The human capital report provides an overview of some of the activities and trends that have occurred over the 12-month reporting period. These include statistical data relating to staff movements, employment equity, and race and gender representation, staff-related expenditure patterns and labour relations.

The following tables summarise final audited expenditure by programme and by salary bands. In particular, it provides an indication of the amount spent on personnel costs in terms of the programmes or salary bands within the entity.

1. Personnel costs by programme, activity or objective, 2023/24

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Personnel costs as a percentage of total expenditure (R'000)	Number of employees	Average personnel cost per employee (R'000)
Staff	130 821	74 605	57.03	101	739
Classifiers	130 821	4 547	3.48	43	106

2. Personnel costs by salary bands, 2023/24

Salary band	Personnel expenditure (R'000)	Percentage of total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Classifiers	4 547	5.74	43	106
Support staff	49 967	63.13	81	617
Senior Management	14 308	18.08	14	1 022
Executive	10 330	13.05	6	1 722
Total	79 152	100	144	550

3. Performance rewards

Performance rewards by race, gender and disability, 1 April 2023 to 31 March 2024

	Number of beneficiaries	Cost R	Percentage of rewards to employees
African			
Male	44	1 844 365	59
Female	21	880 265	28
Indian			
Male	5	209 587	7
Female	0	0	0
Coloured			
Male	2	83 835	3
Female	0	0	0
White			
Male	2	83 835	3
Female	1	41 917	1
Total	75	3 143 804	100
Employees with disability	2		

4. Training costs

Programme, activity or objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a percentage of personnel cost	Number of employees trained	Average training cost per employee R
Job description and job profiling training	65 398	64 170	0.98	18	3 565
SPSS training customised to FPB survey data	11 915	74 000	6.21	3	24 667
Career management	81 353	434 050	5.34	38	11 422
Effective workplace discipline (labour relations training)	85 159	64 000	0.75	23	2 783
Cybersecurity awareness training workshop report	4 290	0	0.00	2	0
Effective performance management	96 447	132 263	1.37	26	5 087
Supervisory management skills	2 758	11 130	4.04	1	11 130
11th Annual National Public Sector Clean Audit Turnaround Indaba	7 773	20 698	2.66	2	10 349
Project Management Tools and Techniques US120385	20 219	38 795	1.92	5	7 759
Public Finance Management training	3 807	19 136	5.03	2	9 568
Bid Committee training	168 795	127 412	0.75	51	2 498
Leader as a Coach	22 899	22 899	1.00	1	22 899
Pre-coaching needs analysis, coachee on-boarding - Enneagram profiling (professional)	27 216	16 146	0.59	4	4 037
Quarterly Compliance Officers Workshop	30 278	0	0.00	12	0
GRP training	5 014	12 650	2.52	1	12 650
GRAP training	32 983	22 770	0.69	11	2 070
Postgraduate Diploma in IA	0	29 560	0.00	1	29 560

Programme, activity or objective	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a percentage of personnel cost	Number of employees trained	Average training cost per employee R
Postgraduate Diploma in IA	0	29 776	0.00	1	29 776
Bachelor of Applied Social Science at SACAP	0	90 000	0.00	1	90 000
Bachelor of Arts in Government Administration	0	15 400	0.00	1	15 400
Bachelor's degree in Forensic Investigation at UNISA	0	5 865	0.00	1	5 865
Paid for Jura e-book (Bachelor's degree in Forensic Investigation at UNISA)	0	1 053	0.00	1	1 053
Master of Business Leadership (MBL) at UNISA	0	156 430	0.00	1	156 430
Bachelor of Honours Degree in HRM at Mancosa	0	31 248	0.00	1	31 248
Paid for books (Advanced Diploma in Business Management at Mancosa)	0	6 170	0.00	1	6 170
Advanced Diploma in Business Management at Mancosa	0	26 400	0	1	26 400
Bachelor's degree in Economics at UNISA	0	17 235	0.00	1	17 235
Paid for books (Bachelor's degree in Economics at UNISA)	0	745	0.00	1	745
Bachelor's degree in Public Administration at Mancosa	0	27 489	0.00	1	27 489
Bachelor of Arts in Government Administration and Development at Mancosa	0	27 489	0.00	1	27 489
Master's degree in Forensic Science and Technology at UNISA	0	73 710	0.00	1	73 710
Advanced Diploma in Policing at Nzotho School	0	29 785	0.00	1	29 785

5. Employment and vacancies

Employment and vacancies by salary bands, 31 March 2024

Salary band	Number of posts 31 March 2023	Number of posts filled 31 March 2023	Number of posts 31 March 2024	Number of posts filled 31 March 2024	Vacancy rate
Programme 1	13	11	19	15	21%
Programme 2	19	15	23	25	-9%
Programme 3	11	7	20	13	35%
Programme 4	64	54	27	37	-37%
Programme 5	18	9	25	11	56%
Total	125	96	114	101	11.4%

6. Employment changes

Salary bands	Number of employees per level as at 1 April 2023	Appointments and transfers in	Terminations and transfers out	Employment at end of period at 31 March 2024
Support staff	80	19	11	81
Senior management	11	7	6	14
Executive management	5	1	3	6
Total	96	27	20	101

7. Termination 1 April 2023 to 31 March 2024

Termination type	Number	Percentage of total
Death	0	0
Resignation	13	65
Expiry of contract	7	35
Dismissal - organisational changes	0	0
Dismissal - misconduct	0	0
Dismissal - inefficiency	0	0
Discharge due to ill-health	0	0
Retirement	0	0
Other	0	0
Total	20	100
Total number of employees who left as a percentage of the total employment		17%

8 Misconduct and disciplinary action, 1 April 2023 to 31 March 2024

Outcomes of disciplinary hearings	Number	Percentage of total
Correctional counselling (included letters of caution in this)	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Grievances	0	0
CCMA	5	100
Theft and Loss Committee	0	0
Case withdrawn	0	0
Other - historical matters ongoing	0	0
Total	0	100%



PART E: PFMA Compliance Report



1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/24	2022/23
	R	R
Opening balance	2 799 912	2 766 359
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	295	33 553
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable ⁵	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	2 800 207	2 799 912

Reconciling notes

Description	2023/24	2022/23
	R	R
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year 2022/23 and identified in the current year 2023/2024	-	-
Irregular expenditure for the current year	295	33 553
Total	295	33 553

b) Details of irregular expenditure (under assessment, determination and investigation)

Description ⁶	2023/24	2022/23
	R	R
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	295	-
Irregular expenditure under investigation	-	-
Total	295	-
<i>Include discussion here where deemed relevant.</i>		

⁵ Transfer to receivables

⁶ Group similar items

c) Details of irregular expenditure condoned

Description	2023/24	2022/23
	R	R
Irregular expenditure condoned	-	-
Total	-	-

No irregular expenditure condoned during the year

d) Details of irregular expenditure removed (not condoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

No irregular expenditure removed from the register

e) Details of irregular expenditure recoverable

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-

No irregular expenditure recoverable

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

The FPB did not write off irregular expenditure during the year.

ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS**g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)**

Description
None
Total

None.

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)⁷

Description	2023/24	2022/23
	R'000	R'000
None		
Total		

None.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
No disciplinary action taken during current year

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2022/23
	R	R
Opening balance	3 511	3 549
Adjustment to opening balance	-2879	-37
Opening balance as restated	632	-
Add: Fruitless and wasteful expenditure confirmed	R8	-
Less: Fruitless and wasteful expenditure recoverable ⁸	-2	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-156	-
Closing balance	482	3 511

The total of R2.8 million was reversed after the assessment was conducted. It was confirmed that the amount had been incorrectly classified as fruitless and wasteful expenditure. The opening balance was overstated by R37 896 and was adjusted accordingly.

Reconciling notes

Description	2023/24	2022/23
	R	R
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	7 860	3 049 417
Total	7 860	3 049 417

⁷ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

⁸ Transfer to receivables

b) Details of fruitless and wasteful expenditure (under assessment, determination and investigation)

Description ⁹	2023/24	2022/23
	R	R
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	7 860	-
Fruitless and wasteful expenditure under investigation	-	-
Total	7 860	-

Include discussion here where deemed relevant.

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/24	2022/23
	R	R
Fruitless and wasteful expenditure recoverable	7 860	4240
Total	7 860	4240

Include discussion here where deemed relevant.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/24	2022/23
	R	R
Fruitless and wasteful expenditure written off	3 035 254	-
Total	3 035 254	-

Include discussion here where deemed relevant.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Damages of FPB car JT13DN GP for estimated R4 345.12

Include discussion here where deemed relevant.

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))¹⁰**a) Details of material losses through criminal conduct**

Material losses through criminal conduct	2023/24	2022/23
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	-	-

Include discussion here where deemed relevant.

⁹Group similar items

¹⁰Information related to material losses must also be disclosed in the annual financial statements.

b) Details of other material losses

Nature of other material losses	2023/24	2022/23
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	-	-

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recoverable

Nature of losses	2023/24	2022/23
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	-	-

Include discussion here where deemed relevant.

d) Other material losses not recoverable and written off

Nature of losses	2023/24	2022/23
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	-	-

Include discussion here where deemed relevant.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated value
		R
Valid invoices received	616	7 665 332.48
Invoices paid within 30 days or agreed period	609	7 465 428.85
Invoices paid after 30 days or agreed period	4	190 015.12
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	3	9 888.51

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R
Appointment of company to develop female parliamentarians on online gender-based violence and electoral Integrity	Institute for Strategic Dialogue	Normal deviation	Deviation	1 312 000
CaseWare licence renewal and GRAP template	Adapt IT	Sole supplier	PO2282	379 501
BarnOwl license renewal	Idbase Technologies Solutions	Sole supplier	PO2223	239 568
Durban Film Mart	Durban Film Mart Institute	Sole supplier	PO2213	483 000
Easy intelligence Reporting Software	Tlhabollo Consulting	Sole supplier	PO2253	227 700
Evidence for CSAM	Cyanre The Digital Forensic Lab	Emergency	Emergency	205 275
Total				2 847 044

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R	R	R
Off-site storage of physical documents	Metrofile Holdings Pty	Variations	PO2143	93 876	-	107 958
Online support and maintenance	Tipp Focus Consulting	Expansion	RFT03/2020/21	4 954 065	-	4 954 065
Total						5 062 023

PART F: Financial Information



Report of the auditor-general to parliament on the Film and Publication Board

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Film and Publication Board (FPS) set out on pages 78 to 110, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Film and Publication Board as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following material performance indicators related to strategic objective 2.1: efficient and effective content regulation presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Accreditation Framework Reviewed
- Percentage(%) of programme implementation on online prohibited and harmful content focusing on vulnerable groups
- Number of prioritised research projects concluded to support regulatory development
- Regulatory instruments Implemented
- Percentage (%) of the prioritized regulatory instruments developed
- Percentage (%) of the approved Regulator of the Future Proposal Plan implemented
- Percentage (%) Implementation of the compliance and enforcement plan

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements
- the targets linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and or the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only.

15. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Other matter

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

Achievement of planned targets

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

Material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements

were in the reported performance information for Strategic objective 2.1 Efficient and effective content regulation. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
22. I identified material non-compliance with the selected legislative requirements.

Annual financial statements

23. The financial statements submitted for auditing were fully not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA.

Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected subsequently, resulting in the financial statements receiving an unqualified opinion.

Other information in the annual report

24. The accounting authority is responsible for the other information. The other information comprises the information included in the final annual report, which includes the accounting authority's report. The other information does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in strategic objective presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in strategic objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

30. Management did not ensure that adequate reviews were performed on the amounts disclosed in the annual financial statements to ensure that accurate and complete amounts are disclosed in the financial statements submitted for audit in line with the requirements of GRAP.

31. Management did not ensure that adequate reviews were performed on annual performance report to ensure that accurate and complete indicators are reported in annual performance report, and to further ensure that the appropriate documents are submitted for audit purposes.

Pretoria

31 July 2024

Auditor - General



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in

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

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

Communication with those charged with governance

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

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
PFMA	Section 1 (definition of irregular expenditure) Section 38(1)(a)(iv) Section 38(1)(b) Section 38(1)(c)(i) Section 38(1)(c)(ii) Section 38(1)(d) Section 38(1)(h)(iii) Section 39(1)(a) Section 39(2)(a) Section 40(1)(a) Section 40(1)(b) Section 40(1)(c)(i) Section 43(4) Section 44 Section 45(b) Section 51(1)(a)(iv) Section 57(b)
Treasury Regulations	Regulation 4.1.1 Regulation 4.1.3 Regulation 5.1.1 Regulation 5.2.1 Regulation 5.2.3(a) Regulation 5.2.3(d) Regulation 5.3.1 Regulation 6.3.1(a) Regulation 6.3.1(b) Regulation 6.3.1(c) Regulation 6.3.1(d) Regulation 6.4.1(b) Regulation 7.2.1 Regulation 8.1.1 Regulation 8.2.1 Regulation 8.2.2 Regulation 8.2.3 Regulation 8.4.1 Regulation 9.1.1 Regulation 9.1.4 Regulation 10.1.1(a) Regulation 10.1.2 Regulation 11.4.1 Regulation 11.4.2 Regulation 11.5.1 Regulation 12.5.1 Regulation 15.10.1.2(c) Regulation 16A3.2 (fairness) Regulation 16A3.2(a) Regulation 16A6.1 Regulation 16A6.2(a) Regulation 16A6.2(b) Regulation 16A6.3(a) Regulation 16A6.3(b) Regulation 16A6.3(c)

Legislation	Sections or regulations
	Regulation 16A6.3(e) Regulation 16A6.4 Regulation 16A6.5 Regulation 16A6.6 Regulation 16A7.1 Regulation 16A.7.3 Regulation 16A7.6 Regulation 16A.7.7 Regulation 16A8.3 Regulation 16A8.4 Regulation 16A9.1(d) Regulation 16A9.1(e) Regulation 16A9.1(f) Regulation 16A9.2(a)(ii) Regulation 17.1.1 Regulation 18.2 Regulation 19.8.4
Construction Industry Development Board (CIDB) Act 38 of 2000	Section 18(1)
CIDB Regulations	Regulations 17 Regulation 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Section 1(i) Section 2.1(a) Section 2.1(b) Section 2.1(f)
Preferential Procurement Regulations of 2011	Regulation 4.1 Regulation 4.3 Regulation 5.5 Regulation 6.1 Regulation 6.5 Regulation 7.1 Regulation 9.1 Regulation 9.5 Regulation 11.2 Regulation 11.5
Preferential Procurement Regulations of 2017	Regulation 4.1 Regulation 4.2 Regulation 5.1 Regulation 5.3 Regulation 5.6 Regulation 5.7 Regulation 6.1 Regulation 6.2 Regulation 6.3 Regulation 6.5 Regulation 6.6 Regulation 6.8 Regulation 7.1 Regulation 7.2 Regulation 7.3 Regulation 7.5 Regulation 7.6 Regulation 7.8

Legislation	Sections or regulations
Preferential Procurement Regulations of 2017	Regulation 8.2 Regulation 8.5 Regulation 9.1 Regulation 10.1 Regulation 10.2 Regulation 11.1 Regulation 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations of 2016	Regulation 18(1) Regulation 18(2) Regulation 25(1)(e)(i) Regulation 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)
NT SCM Instruction Note 05 of 2009/10	Paragraph 3.3
NT SCM Instruction Note 04 of 2015/16	Paragraph 3.4
NT SCM Instruction Note 03 of 2016/17	Paragraph 8.1 Paragraph 8.2 Paragraph 8.3 Paragraph 8.5
NT SCM Instruction Note 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 07 of 2017/18	Paragraph 4.3
NT SCM Instruction note 03 of 2019/20 [Annexure A- FIPDM]	Paragraphs 5.5.1(vi) Paragraph 5.5.1(x)
NT SCM Instruction Note 08 of 2019/20	Paragraph 3.1.1 Paragraph 3.6 Paragraph 3.7.2 Paragraph 3.7.6(i) Paragraph 3.7.6(ii) Paragraph 3.7.6(iii)
NT SCM Instruction Note 03 of 2020/21	Paragraph 3.6 Paragraph 3.7 Paragraph 5.1(i) Paragraph 6.1 Paragraph 6.3'

Statement of Financial Position

as at March 31, 2024

Figures in Rand	Note(s)	2024	2023(Restated)
Assets			
Current Assets			
Cash and cash equivalents	3	33,068,531	35,787,114
Receivables from exchange transactions	4	3,096,161	3,088,722
Statutory receivable - Exchange transaction	5	3,123,253	7,913,915
		39,287,945	46,789,751
Non-Current Assets			
Property, plant and equipment	6	7,993,500	9,059,769
Intangible assets	7	11,475,289	10,036,432
		19,468,789	19,096,201
Total Assets		58,756,734	65,885,952
Liabilities			
Current Liabilities			
Finance lease obligation	8	236,325	-
Payables from exchange transactions	9	14,584,567	9,287,068
Provisions	10	8,079,851	8,832,347
		22,900,743	18,119,415
Non-Current Liabilities			
Finance lease obligation	8	410,569	-
Total Liabilities		23,311,312	18,119,415
Net Assets		35,445,422	47,766,537
Accumulated surplus		35,445,422	47,766,537

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023(Restated)
Revenue			
Revenue from exchange transactions			
Regulation Fees	12	9,826,374	13,547,622
Other revenue	13	577,716	104,889
Interest received - investment	15	2,956,609	2,191,010
Total revenue from exchange transactions		13,360,699	15,843,521
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	14	103,860,000	102,870,000
Total revenue	11	117,220,699	118,713,521
Expenditure			
Employee related costs	16	(80,094,567)	(65,451,506)
Depreciation and amortisation	6&7	(2,857,369)	(2,390,948)
Finance costs	18	(41,743)	(9,783)
Lease rentals on operating lease	22	(6,851,215)	(6,442,456)
Loss on disposal of assets		(746,306)	-
General expenses	17	(38,950,614)	(45,783,026)
Total expenditure		(129,541,814)	(120,077,719)
Deficit for the period		(12,321,115)	(1,364,198)

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus/(deficit)	Total net assets
Balance at April 01, 2022 as previously reported	47,064,708	47,064,708
Adjustments	2,066,027	2,066,027
Prior period error - 28		
Balance at March 31, 2022 as restated*	49,130,735	49,130,735
Deficit for the period	(1,364,198)	(1,364,198)
Total changes	(1,364,198)	(1,364,198)
Opening balance as previously reported	47,320,690	47,320,690
Adjustments		
Prior period error	445,847	445,847
	28	
Restated* Balance at March 31, 2023 as restated*	47,766,537	47,766,537
Deficit for the period	(12,321,115)	(12,321,115)
Total changes	(12,321,115)	(12,321,115)
Balance at March 31, 2024	35,445,422	35,445,422

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 (Restated)
Cash flows from operating activities			
Receipts			
Grants		103,860,000	102,870,000
Interest received		2,956,609	2,191,010
Other receipts		199,173	104,889
Regulation Fees		14,609,597	11,396,516
		121,625,379	116,562,415
Payments			
Employee costs		(81,054,540)	(65,378,467)
Suppliers		(40,296,849)	(51,785,576)
		(121,351,389)	(117,164,043)
Net cash flows from operating activities	20	273,990	(601,628)
Cash flows from investing activities			
Purchase of infrastructure, plant and equipment	6	(2,142,814)	(2,018,169)
Proceeds from sale of Infrastructure, plant and equipment	6	378,543	-
Purchase of intangible assets	7	(1,833,457)	-
Net cash flows from investing activities		(3,597,728)	(2,018,169)
Cash flows from financing activities			
Finance lease payments		646,898	(290,517)
Finance cost		(41,743)	(9,783)
Net cash flows from financing activities		605,155	(300,300)
Net increase/(decrease) in cash and cash equivalents		(2,718,583)	(2,920,097)
Cash and cash equivalents at the beginning of the period		35,787,114	38,707,211
Cash and cash equivalents at the end of the period	3	33,068,531	35,787,114

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Regulation fees	26,298,788	-	26,298,788	9,826,374	(16,472,414)	(a)
Other income	-	-	-	577,716	577,716	(b)
Interest received - investment	2,564,300	300,000	2,864,300	2,956,609	92,309	
Total revenue from exchange transactions	28,863,088	300,000	29,163,088	13,360,699	(15,802,389)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	103,860,000	-	103,860,000	103,860,000	-	
Total revenue	132,723,088	300,000	133,023,088	117,220,699	(15,802,389)	
Expenditure						
Personnel	(78,385,785)	(3,040,377)	(81,426,162)	(80,094,567)	1,331,595	(c)
Finance costs	-	-	-	(41,743)	(41,743)	
Lease rentals on operating lease	(6,557,375)	(292,559)	(6,849,934)	(6,851,215)	(1,281)	(d)
Travel and subsistence	(2,790,624)	(1,582,998)	(4,373,622)	(7,183,002)	(2,809,380)	
Training and development	(1,436,758)	110,328	(1,326,430)	(1,346,259)	(19,829)	(e)
Administrative	(35,148,896)	7,392,276	(27,756,620)	(23,688,909)	4,067,711	(f)
Marketing and communications	(3,144,673)	442,572	(2,702,101)	(1,523,866)	1,178,235	(g)
Consulting	(3,442,388)	220,758	(3,221,630)	(2,626,477)	595,153	

Statement of Comparison of Budget and Actual Amounts (Continued)

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						(h)
Legal services	(1,302,747)	(3,550,000)	(4,852,747)	(2,127,277)	2,725,470	
Repairs and maintenance	(513,842)	-	(513,842)	(454,823)	59,019	
Total expenditure	(132,723,088)	(300,000)	(133,023,088)	(125,938,138)	7,084,950	
Operating deficit	-	-	-	(8,717,439)	(8,717,439)	
Loss on disposal of assets and liabilities	-	-	-	(746,306)	(746,306)	
Deficit before taxation	-	-	-	(9,463,745)	(9,463,745)	
Deficit for the year from continuing operations	-	-	-	(9,463,745)	(9,463,745)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(9,463,745)	(9,463,745)	
Reconciliation Basis difference				(2,857,370)		
Depreciation and amortisation				(2,857,370)		
Actual Amount in the Statement of Financial Performance				(12,321,115)		

Statement of Comparison of Budget and Actual Amounts

The budget for 2023/2024 financial year was approved and prepared on the accrual basis (except for depreciation and amortisation) and all transactions were accounted for on accrual basis. Transfers received during the current financial year were from the Department of Communications and Digital Technologies and entities included in the budget were disclosed in Note 21. The changes between original budget and the adjustment budget is mainly due to a consequence of reallocation within the budget.

- a. Undercollection of regulation fees is attributable to delayed renewal of expired agreements with online content distributors and slow onboarding of non-compliant online distributors and on classification fees is as a result of less material submitted for classification. This is in line with the industry trends where there is a decline in the physical (DVD, etc.) material. We however anticipate an increase in the submission of film festivals as film festivals are more seasonal and fluctuate.
- b. Other revenue is not budgeted for as it is not material, however FPB received the income from the auction of the disposed assets.
- c. The personnel budget was underspend mainly because of vacancies. When positions are filled on an acting basis, the acting allowance is lower than the full time cost.
- d. The overspending was mainly due to the additional costs incurred in implementing the expanded mandate and introducing additional outreach activities in all the provinces to disseminate the information about the FPB's new mandate.
- e. The underspending in admin costs is due to the fact that management implemented cost containment measures on line items like stationery, catering, workshops and utilisation of the transversal contracts.
- f. The underspending was due to delay in the finalisation of the communication strategy and new branding in the new offices..
- g. The underspending on consulting was as a result of some of the project being done internal

- h. The underspending on legal services was largely due to the adjustment on the budget during mid term to accommodate one of the litigation case that the organisation anticipated but the case did not materialise.

ACCOUNTING POLICIES

1. Presentation of Financial Statements

The 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 financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention unless specified otherwise. They are presented in South African Rand value. The AFS is rounded to the nearest Rand.

A summary of the significant accounting policies, which have been consistently applied are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements made relates to: the useful lives of, or expected pattern of consumption of economic benefits or service potential embodied in, depreciable assets, provisions, contingent liabilities, tax revenue due to government, bad debts arising from uncollected taxes, the fair value of financial assets and financial liabilities and warranty obligations.

Trade and other receivables

The entity assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit. The impairment is established when there is objective evidence that the FPB will not be able to collect all amounts due according to the original terms of receivables.

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

Property, plant and equipment and Intangible assets are considered for impairment if there is a reason to believe that an impairment may be necessary.

The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

The leave pay provision is based on actual days leave due to employees at their rate of remuneration. Remuneration increases take effect annually at the beginning of the financial year. In determining the provision, it is assumed that no leave will be forfeited. The assumption is based on past history.

The entity is required to recognise provisions for claims arising from litigation when the occurrence of the claim is probable and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgments regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal unit.

Litigation is however unpredictable and actual costs incurred could differ materially from those estimated at the reporting date.

Going Concern Assumption

The Annual Financial Statements have been prepared on a going concern basis.

Offsetting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

Depreciation and amortisation

At the end of each financial year, management assesses whether there is any indication that the FPB's expectations about the useful life of assets included in the property, plant and equipment and intangible assets have changed since the preceding reporting date. If any such indication exists, the change has been accounted for as a change in accounting estimate in accordance with Standards of GRAP on Accounting Policies, changes in accounting estimates and errors. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

1.2 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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the 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.

1.2 Property, plant and equipment (continued)

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Item	Average useful life
Furniture and fixtures	12-20 years
Motor vehicles	5 years
Office equipment	4-15 years
Computer equipment	4-8 years
Leasehold improvements	2-10 years
Leased - Motor vehicles	3-5 years

The entity assesses at each reporting date whether there is any indication that the entity expectations about the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in 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 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.

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identifiable if it either:

- is separable, i.e. 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, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

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.

The entity will test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment by comparing its recoverable amount and recoverable service amount, as appropriate, with its carrying amount:

- annually; and
- whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

1.3 Intangible assets (continued)

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

Item	Depreciation method	Average useful life
Computer software	Straight line	3 - 12 Years

Intangible assets are derecognised:

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

1.4 Financial instruments

Classification

The entity has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

The classification depends on whether or not the financial instrument meets the criteria of a specific financial instrument category.

Financial assets Class	Category
Receivables from exchange transaction	Financial asset measured at amortised cost
Cash and Cash equivalents	
Financial liabilities Class	Category
Payables from exchange transaction	Financial liability measured at amortised cost

Initial recognition and measurement

The entity recognises a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

The entity classifies the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or residual interest in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and a residual interest.

The entity measures all financial assets and financial liabilities at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

The entity shall disclose the carrying amounts of each of the categories of financial instruments.

Subsequent measurement

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Trade and other receivables

Trade 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 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 180 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.

1.4 Financial instruments (continued)

Payables from exchange transactions

Trade 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 amortised cost.

1.5 Statutory receivables

Identification

Statutory receivables are receivables that arise from the Films and Publications Act 65 of 1996, as amended, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

The transaction amount (for purposes of this Standard) for a statutory receivable is determined using the gazetted tariffs as approved by the minister of Communications and Digital Technologies in line with the Films and Publications Act 65 of 1996.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Subsequent measurement

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether statutory receivables are impaired, an entity assesses whether there are any indications that:

- a. individually significant receivables are impaired; and/or
- b. groups of similar, individually insignificant, receivables are impaired.

If there is no indication that an individually significant statutory receivable is impaired it is included in a group of similar receivables and collectively assessed for impairment. Statutory receivables shall be grouped together and assessed collectively for impairment when they exhibit similar characteristics which provide information about the possible collectability of the amounts owing to the entity. If an impairment loss is, or continues to be, recognised for an individually significant receivable, then those receivables are not included in a collective assessment.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

1.5 Statutory receivables (continued)

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated

third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:

- » derecognise the receivable; and
- » recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.6 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

At the commencement of the lease term, lessees shall recognise assets acquired under finance leases as assets and the associated lease obligations as liabilities in their statement of financial position. The assets and liabilities shall be recognised at amounts equal to the fair value of the leased property or if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognised as an asset.

Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be 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. Contingent rents shall be charged as expenses in the periods in which they are incurred.

1.6 Leases (continued)

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standards of GRAP on Property, Plant and Equipment (GRAP 17) and Intangible Assets (GRAP 31). If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Operating leases - lessee

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and / or liability is measured at the undiscounted difference between the straight-line lease payments and the contractual lease payments.

1.7 Impairment of cash-generating assets

Criteria developed by entity for cash-generating assets are as follows:

Designation

At initial recognition, the entity designates an asset as cash-generating unit as cash-generating. The designation is made on the basis of an entity's objective of using the asset.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the

present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Recognition and measurement (individual asset)

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

1.7 Impairment of cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.8 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, if 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 employee 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.

Short-term employee benefits

Short-term employee benefits are 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.

Short-term employee benefits include items such as:

- wages, salaries, UIF and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.8 Employee benefits (continued)

Post-employment benefits: Defined contribution plans

Defined contribution plans are 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.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.9 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liability is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity;

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 to be recognised as a provision shall be 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.

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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 23.

1.10 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.

1.10 Revenue from exchange transactions (continued)

Measurement

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

Rendering of services

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

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

- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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

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

Interest

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

1.11 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.

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 that 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.

1.12 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

1.12 Borrowing costs (continued)

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

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;

Exchange differences are recognised in surplus or deficit in the period in which they arise.

1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.15 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.

1.16 Irregular expenditure

Irregular expenditure as defined in section 1 of the Public Finance Management Act (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

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.17 Budget information

The 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 Statement of comparison of budget and actual amounts. The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 04/01/2023 to 03/31/2024.

1.18 Related parties

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.

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, that management in their dealings with the entity.

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

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.

1.19 Change in accounting policy

There was no change in accounting policy and standard that was adopted during the year.

2. New standards and interpretations

The following standards of GRAP have been approved but are not yet effective and not yet applied for the year ended 31 March 2024:

GRAP 1 (amendments related to materiality) Presentation of Financial Statements -

Effective date 1 April 2023

The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.

GRAP 1 (amendments related to going concern) Presentation of Financial Statements - The effective date is yet to be determined by the Minister of Finance

The transitional provisions are specified in the revised Standard. The entity will consider using the Standard in developing an accounting policy once it becomes effective.

GRAP 103: Heritage Assets - Effective date (To be confirmed)

The entity does not have any heritage asset therefore this standard will not have any impact on the entity.

GRAP 104 - Financial instruments - Effective date 1 April 2025

The amendments are aligning GRAP 104 to IFRS 9. In terms of the new classification requirements, financial assets may only be classified at amortised cost if entity's management model is to hold financial assets to collect contractual cash flows, and those cash flows consist solely of principal and interest payments. Based on management's initial assessment, the classification of financial assets is unlikely to change following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets

was received too late to enable proper decision.

The new impairment requirements are based on an Expected Credit Loss (ECL) model. Management is in the process of assessing the impact of the new impairment requirements on the financial statements.

GRAP 105 - Transfer of Functions Between Entities Under Common Controls - Effective date (To be confirmed)

The objective of this Standard is to establish principles and requirements for the acquirer and transferor in a transfer of functions between entities under common control and its effects. Based on the management assessment FPB will not be affected by this standard.

GRAP 106 - Transfer of Functions Between Entities Not Under Common Controls - Effective date (To be confirmed)

The objective of this Standard is to establish principles and requirements for the acquirer in a transfer of functions between entities not under common control and its effects. Based on the management assessment FPB will not be affected by this standard.

GRAP 107 - Mergers - Effective date (To be confirmed)

The objective of this Standard is to establish principles and requirements for the combined entity and combining entities in a merger and its effects. Based on the management assessment FPB will not be affected by this standard.

3. Cash and cash equivalents

Figures in Rand	2024	2023 (Restated)
Cash and cash equivalents consist of:		
Cash on hand	9,916	817
Bank balances	5,481,359	8,313,403
Short-term deposits	27,577,256	27,472,894
	33,068,531	35,787,114

The short term deposits relate to investments held at Corporation for Public Deposit (CPD) and ABSA call account and it is available for use immediately as required by FPB.

Cash and cash equivalents held by the entity are available for use.

4. Receivables from exchange transactions

Figures in Rand	2024	2023
Debtors	2,954,942	2,954,942
Staff petty cash advance	12,419	16,380
Sundry Deposit	117,400	117,400
Pre payments	11,400	-
	3,096,161	3,088,722

Debtors

The debtors amount include the amount of R988 931 owed by Vodacom, R756 140 relating to amount owed by DPW, other amount relate to overpayment by staff and other sundry debtors. At the end of the reporting period none of the trade and other receivables from exchange transactions were past due and impaired.

Staff petty cash advance

The Staff petty cash advance are the advances given to staff members for catering, fuel, and other petty items.

Sundry Deposit

The sundry deposit of R117 400 is held by the lessor of the operating leases for the rental of FPB Offices in Durban.

Prepayments

The amount for prepayments relates to payment made in advance for the lease rentals.

5. Statutory receivable - Exchange transaction

Figures in Rand	2024	2023
Current assets		
Statutory receivable	3,123,253	7,913,915

Statutory receivables arise from the Films and Publications Act 65 of 1996, as amended, and requires the distributors to register with the board for an annual license to distribute content physically or online. The receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably. The entity is required or entitled in terms of Films and Publications Act 65 of 1996, as amended to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" as well as the relevant policy on Revenue from exchange transactions.

Management analysed the statutory receivable to consider if there is any of them that are past due and concluded that none of them as at 31 March 2024 are impaired. At the end of the reporting period management reviewed the composition of the receivables and concluded that the material statutory receivables were current, and comprised reputable companies which are leaders in their fields as such the probability of such companies not paying their debts is negligible. Furthermore, the immaterial receivables are related to amounts owed by distributors who conduct business with FPB on a regular basis. These will be recovered as and when payments are made prior to classification of material.

Age analysis for statutory receivable - 2024	
180 Days	- R560 334
150 Days	- R13 724
120 Days	- R1 281
90 Days	- R2 474
60 Days	- R19 661
30 Days	- R161 419
Current	- R2 364 359
Total	- R3 123 253

Age analysis for statutory receivable - 2023	
180 Days	- R5 498 608
150 Days	- R355 457
120 Days	- R30 000
90 Days	- R285 477
60 Days	- R498 842
30 Days	- R1 178 927
Current	- R66 604
Total	- R7 913 915

6. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	3,741,087	(2,274,111)	1,466,976	3,742,744	(2,105,517)	1,637,227
Motor vehicles	3,796,457	(2,095,873)	1,700,584	3,332,324	(1,865,123)	1,467,201
Office equipment	3,105,259	(1,808,974)	1,296,285	3,460,830	(2,083,982)	1,376,848
Computer equipment	6,719,550	(3,823,386)	2,896,164	9,028,523	(4,594,842)	4,433,681
Leasehold improvements	1,968,866	(1,964,614)	4,252	1,968,866	(1,960,363)	8,503
Leased - office equipment	755,088	(125,849)	629,239	892,206	(755,897)	136,309
Total	20,086,307	(12,092,807)	7,993,500	22,425,493	(13,365,724)	9,059,769

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,637,227	-	(830)	(169,421)	1,466,976
Motor vehicles	1,467,201	804,373	-	(570,990)	1,700,584
Office equipment	1,376,848	158,774	(46,906)	(192,431)	1,296,285
Computer equipment	4,433,681	424,574	(698,574)	(1,263,517)	2,896,164
Leasehold improvements	8,503	-	-	(4,251)	4,252
Leased - Office equipment	136,309	755,089	-	(262,159)	629,239
	9,059,769	2,142,810	(746,310)	(2,462,769)	7,993,500

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,809,581	-	(1,908)	(170,446)	1,637,227
Motor vehicles	1,986,238	-	-	(519,037)	1,467,201
Office equipment	1,527,125	37,221	-	(187,498)	1,376,848
Computer equipment	3,640,652	1,980,942	-	(1,187,913)	4,433,681
Leasehold improvements	17,006	-	-	(8,503)	8,503
Leased - office equipment	272,619	-	-	(136,310)	136,309
	9,253,221	2,018,163	(1,908)	(2,209,707)	9,059,769

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Pledged as security

None of the assets disclosed above have been pledged as security for liabilities.

Repairs and Maintenance

The amount for repair and maintenance of property plant and equipment was R71 802.

7. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2,744,689	(1,859,356)	885,333	5,717,960	(1,797,481)	3,920,479
Intangible assets internally generated	10,851,995	(262,039)	10,589,956	6,115,953	-	6,115,953
Total	13,596,684	(2,121,395)	11,475,289	11,833,913	(1,797,481)	10,036,432

7. Intangible assets (continued)

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Additions	Internally generated	Other changes, movements	Amortisation	Total
Computer software	3,920,479	-	(2,902,585)	20,155	(152,716)	885,333
Intangible assets internally generated	6,115,953	1,833,457	2,902,585	(20,155)	(241,884)	10,589,956
	10,036,432	1,833,457	-	-	(394,600)	11,475,289

Reconciliation of intangible assets - 31 March 2023

	Opening balance	Transfers	Amortisation	Total
Computer software	1,197,227	2,902,585	(179,333)	3,920,479
Intangible assets under development	9,018,538	(2,902,585)	-	6,115,953
	10,215,765	-	(179,333)	10,036,432

Online Content Regulation Software (OCR)

The amount of intangible assets internally developed is for the costs of development for the OCR and it is material to the operations of FPB. The conclusion of the phase two which include configuration and implementation of the film classification component and business use acceptance testing was tested and commissioned for operations in Q4 of 2023/24 financial period.

Pledged as security

None of the assets disclosed above have been pledged as security for liabilities.

8. Finance lease obligation

Figures in Rand	2024	2023
Minimum lease payments due		
- within one year	299,876	132,022
- in second to fifth year inclusive	449,814	-
	749,690	132,022
less: future finance charges	(102,796)	-
Present value of minimum lease payments	646,894	132,022
Present value of minimum lease payments due		
- within one year	236,325	132,022
- in second to fifth year inclusive	410,569	-
	646,894	132,022
Non-current liabilities	410,569	-
Current liabilities	236,325	-
	646,894	-

The FPB has entered into a lease agreement for eight (8) photocopiers for a period of three years (36 months) effective from 01 October 2023, ending 30 September 2026. The transaction has been treated as a finance lease as per the requirements of GRAP. The lease contract does not have an annual escalation Interest rates and the repayments are fixed at the contract date. The entity will pay the total monthly minimum charge and the additional scan/copy charges if any. All leases have fixed repayments and no arrangements have been entered into for contingent rent. The service provider will also be entitled to an interest on all overdue amounts at the rate of 2% above the prime lending rate.

9. Payables from exchange transactions

Figures in Rand	2024	2023
Trade payables	5,927,033	1,607,264
Payments received in advanced - contract in process	718,414	677,366
Debtors with credit balance	4,875,088	2,674,608
Pension	-	206,964
Medical aid	22,346	24,934
Other accruals *	3,041,686	4,095,932
	14,584,567	9,287,068

*Included under other accrual is the 13th cheque accrual of R597 495.01 (R652 937.82. 31 March 2023). The 13th cheque is an option available to employees to receive their total cost to company remuneration over 13 months and not 12 months. The 13th cheque is paid to staff in December.

Figures in Rand	2024	2023
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10. Provisions

Reconciliation of provisions - 31 March 2024

	Opening Balance	Additions	Utilised during the year	Total
1. Performance Bonuses	3,443,804	1,210,549	(3,143,804)	1,510,549
2. Leave Pay	1,786,300	1,929,604	(748,845)	2,967,059
3. Litigation and claims	3,602,243	-	-	3,602,243
	8,832,347	3,140,153	(3,892,649)	8,079,851

Reconciliation of provisions - 31 March 2023

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
1. Performance Bonuses	3,468,661	3,143,804	-	(3,168,661)	3,443,804
2. Leave Pay	1,421,043	567,366	(202,109)	-	1,786,300
3. Litigation and Claims	2,097,106	1,505,137	-	-	3,602,243
	6,986,810	5,216,307	(202,109)	(3,168,661)	8,832,347

Provisions are liabilities of uncertain timing or amount thus the reason for the disclosure of uncertainties about timing or amounts. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1. The provision recognised on performance bonuses amount is based on the 2% of the approved annual salary cost. The payment for bonuses is subject to approval by council and is not expected to exceed the budgeted amount.

2. The leave pay provision accounts for vested leave pay to which employees may become entitled upon exit from the service of FPB.

3. Provision raised for litigation and claims relate to labour relations matter and the assumption used to determine the amount is based on the cost to company salary that the employee was earning when they exited FPB. On 5th May 2021 the CCMA awarded a former employee who was dismissed R1,174,380. The FPB has launched a review application in the Labour Court on 15 June 2021. FPB is still waiting for the sat down date from the Labour Court.

11. Revenue

Figures in Rand	2024	2023
Regulation fees (Classification and Registration fees)	9,826,374	13,547,622
Other income	577,716	104,889
Interest received - investment and bank balance	2,956,609	2,191,010
Government grants & subsidies	103,860,000	102,870,000
	117,220,699	118,713,521

The amount included in revenue arising from exchanges of goods or services are as follows:

Classification fees	1,163,682	1,296,699
Registration fees	545,336	263,805
Annual renewal fees	199,719	152,977
Online license fees	7,886,414	11,658,942
Internet service provider registration	31,223	175,199
Other income	577,716	104,889
Interest received - investment and bank balance	2,956,609	2,191,010
	13,360,699	15,843,521

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

Government grants & subsidies	103,860,000	102,870,000
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12. Regulation fees

Classification fees	1,163,682	1,296,699
Registration fees	545,336	263,805
Annual renewal fees	199,719	152,977
Online license fees	7,886,414	11,658,942
Internet service provider registration	31,223	175,199
	9,826,374	13,547,622

13. Other revenue

Other income and recoveries*	401,726	104,889
Gains on foreign exchange	175,990	-
	577,716	104,889

*Included under other income and recoveries is the amount received from the auction of the disposed assets and other minor income.

14. Government grants and subsidies

Operating grants

Department of Communication and Digital Technologies - Operating grant	103,860,000	102,870,000
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The entity receives government grants from the National Treasury via the Department of Communication and Digital Technologies. These funds are utilised to execute the mandate of the Film and Publication Board. The Grant from the National Treasury is not a conditional grant.

15. Interest received - Investment

Figures in Rand	2024	2023
Interest revenue		
Interest from investment accounts	2,956,609	2,191,010

16. Employee related costs

Salaries and Bonuses	44,804,098	37,432,501
Classifiers remuneration	3,474,772	3,810,902
Medical aid - Employer contributions	3,422,129	3,206,756
UIF	403,962	382,270
Leave pay provision charge	1,180,759	367,332
Retirement fund contributions	7,790,747	6,010,945
Staff debt	73,970	478,640
PAYE	18,944,130	13,762,160
	80,094,567	65,451,506

17. General expenses

Advertising	58,006	2,270
Auditors remuneration	2,637,363	1,896,388
Bank charges	64,590	68,202
Cleaning and Maintenance*	696,727	623,231
Consulting and Professional Fees**	5,595,437	4,969,279
FPB Council	2,328,190	1,912,849
Insurance	1,173,768	1,427,924
ICT expenses***	10,262,177	9,166,801
Fleet	698,486	719,522
Fuel and oil	3,750	812
Postage and courier	4,171	2,548
Printing and stationery	85,779	192,292
Public relations ****	1,609,858	2,511,042
Research and development costs	162,805	207
Staff development, recruitment and welfare	2,070,427	2,298,136
Subscriptions and membership fees	98,736	298,988
Telephone and fax	1,094,601	833,366
Transport and freight	74,650	40,352
Travel - local ***	5,259,729	10,652,988
Travel - overseas	1,732,076	1,280,130
Refuse	32,107	280,683
Water and Electricity	1,057,270	1,261,376
Management fees	289,625	3,786,156
Enforcement committee	170,009	58,089
Workshops & meetings	1,247,043	1,146,667
Stakeholders Relations	84,993	84,993
Lease expenses	224,379	63,198
Appeal Tribunal	59,359	124,177
Storage - Classification Material	74,503	80,360
	38,950,614	45,783,026

*Cleaning and Maintenance - amount include the general maintenance, office maintenance and deep cleaning.

**Consulting fees - is inclusive of legal fees amount of R2 333 074, R1017 772 of Process reengineering project, R363 005 of secretarial services, R690 593 of drafting guidelines, tariff regulation research and drafting of the white paper on audio visuals.

***ICT expenses - Include system maintenance and license fees - The cost drivers is mainly due to the disaster recovery services, connectivity fees and license fees

****Public relations and Travel (Local) - The cost of travel relate to added outreach activities In an effort to implement the expanded mandate of the FPB, however due to cost containment measures the organisation reduced the costs by R5.3m compared to the R10.7m spent in the previous financial year. Publication amount of R489 744 relate to website costs, R483 000 relate to Durban Film Festivals sponsorship and R637 114 relate to Annual report.

The amount of repairs and maintenance in relation to property, plant and equipment is immaterial and it is included under ICT expenses and cleaning and maintenance.

18. Finance Costs

Figures in Rand	2024	2023
Finance leases	41,743	9,783

19. Auditors' remuneration

Fees	2,637,363	1,896,388
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20. Net cash flows from operating activities

Deficit	(12,321,115)	(1,364,198)
Adjustments for:		
Depreciation and amortisation expense	2,857,369	2,390,948
Loss on sale of assets	746,309	-
Finance costs - Finance leases	41,743	9,783
Movements in provisions	(752,496)	1,845,537
Proceeds from sale of assets	(378,543)	-
Changes in working capital:		
Receivables from exchange transactions	(7,439)	(539,960)
Statutory receivables	4,790,662	(1,611,146)
Payables from exchange transactions	5,297,500	(1,332,592)
	273,990	(601,628)

21. Employee benefit obligations

Retirement Benefit Payment

The Film and Publication Board contributes for all qualifying employees the retirement benefits to a Fund in which assets are held and controlled by Alexander Forbes Retirement Fund. As at 31 March 2024, current services costs of R7 790 747 - (31 March 2023 R6 010 945) were recognized as expenses which is limited to the contributions that were paid. Actual contributions paid during the current financial year have been disclosed as Note 16.

22. Lease rentals on operating lease

	2024	2023
Operating lease		
Premises	6,851,215	6,442,456

22.1 Operating Lease - Head Office

Film and Publication Board has an outstanding commitment in respect of operating lease for Head Office situated in Centurion, The lease agreement was entered into for a period of 5 years effective from 1 February 2012.

In February 2014, the Film and Publication Board acquired new office space for their Head Office situated in Centurion, The lease agreement was entered into for a period of 3 years effective from 1 February 2014.

In February 2018, The Film and Publication board entered into an agreement on a month to month lease until recently when they entered into another lease agreement for 12 months from 1 March 2022 to 28 February 2023.

The current extension is valid from 1 March 2024 to 28 February 2025.

There is no contingent rental payable in terms of the agreement.

Annual escalations 6.5% (2024 & 2023)

Future Minimum Lease Payments

Figures in Rand	2024	2023
Up to 1 Year	5,741,873	5,391,430
5 or More Years	-	-

22.2 Operating Lease - Durban Office

The Film and Publication Board acquired additional office space for their Regional Office situated in Durban, The lease agreement was entered into for a period of 3 years effective from 1 August 2015 to July 2018 and it was further extended for additional 3 years from 01 August 2018 to 31 July 2021 and it was again extended for additional 12 months from 01 August 2021 to 31 July 2022. There is an additional extension of 12 months from 1 August 2022 to 31 July 2023. Operating leases liabilities for this lease fall due as follows:

There is no contingent rental payable in terms of the agreement.

Annual escalations 9%- 2024 & 0%: 2023

Future Minimum Lease Payments

Up to 1 Year	878,135	760,027
5 or More Years	-	-

22.3 Operating Lease - Cape Town Office

The Film and Publication Board acquired office space for their Regional Office situated in Cape Town, The lease agreement was entered into for a period of 5 years effective from 1 March 2016 to February 2021 and it was further extended for additional 12 months from 01 March 2021 to 28 February 2022 and it was again extended for another 12 months from 1 March 2022 to February 2023. The lease was further extended for another 12 months from 1 March 2023 to 28 February 2024.

The current extension is valid from 1 March 2024 to 28 February 2025.

Operating leases liabilities for this lease fall due as follows:

There is no contingent rental payable in terms of the agreement.

Annual escalations 5.5% (2024 & 2023)

Future Minimum Lease Payments

Figures in Rand	2024	2023
Up to 1 Year	690,707	654,156
5 or More Years	-	-

23. Contingencies

Contingent liability for Labour disputes (23.1)	13,598,134	10,208,104
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23.1 Litigation and claims

23.1.1 This amount relates to a labour disputes between FPB and the Union (NEHAWU). NEHAWU has launched an application on 27 January 2023 before the Labour Court requesting specific performance by the FPB in terms of a collective agreement concluded between the parties. Should the FPB be unsuccessful in opposing the application it should be liable to pay.

23.2 Accumulated surplus

In terms of the section(53)3 of the PFMA, a public entity may not accumulate surplus funds without approval from National Treasury. Approval will be requested from National Treasury to retain current year's accumulated surplus. In the preceding years the National Treasury has always allowed the retention of the accumulated surplus.

24. Events after the reporting date

There were no material events after the reporting date.

25. Related parties transactions

FPB is a section 3A Public Entity listed in the PFMA. In terms of the PFMA, FPB is mandated to report to the Minister of Communications and Digital Technologies as its Executive Authority

Related parties transactions

Amount paid to (received from) related parties

Department of Communications and Digital Technologies	103,860,000	102,870,000
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FPB procured ICT-related services from SITA for the financial year 2023/24 to the value of R2 090 234 and the commitments to the value of R972 124 (R972 124: 31 March 2023). SITA and FPB are part of the same economic portfolio that is under the control of the DCTD.

Remuneration of management

Management class: Councillors

Councillors/Board members

Nevondwe LT	284,280	248,237
Mkosi Z (Chairperson)	377,798	224,145
Tyali SM (Deputy Chairperson)	309,622	284,839
Nxele L	261,272	228,879
Sedibe M	203,726	157,143
Pillay M	198,860	140,610
Nkosi GZ	175,306	286,889
Mashangoane PJ	271,085	175,494
Nontso A	246,242	166,614
	2,328,191	1,912,850

Figures in Rand

2024 2023

25. Related parties transactions (continued)
Management class: Executive management
2024 - Executive Management

Name	Basic salary	Bonuses and performance related payments	Retirement fund contributions	Medical Aid Contributions	Group Life Insurance	Acting Allowance	Cellphone Allowance	Total
1. Boloka M - Chief Executive Officer	2,020,193	41,917	107,754	52,501	49,567	-	55,440	2,327,372
2. Tlhako E - Technology support and Platform Monitoring Executive	1,896,901	-	-	-	-	-	55,440	1,952,341
3. Lindhorst M - Regulatory Development and Enforcement Executive	1,962,307	-	96,744	52,501	44,502	-	55,440	2,211,494
4. Litha M - Corporate Service Executive	269,701	-	12,775	-	5,877	-	9,240	297,593
5. Nkumanda B - Corporate Service Executive	258,550	-	11,764	-	6,711	129,640	9,240	415,905
6. Ramugadi H - Chief Financial Officer	1,494,660	-	79,302	-	36,479	-	50,038	1,660,479
	7,902,312	41,917	308,339	105,002	143,136	129,640	234,838	8,865,184

4. Litha M resigned on 12 June 2023

5. Nkumanda B commenced acting from 13 June 2023 to 31 January 2024 and subsequent to that she was appointed from 1 February 2024.

6. Ramugadi H was appointed from 8 May 2023

Key management personnel have also been identified as related parties because of the position that they hold and their remuneration has been disclosed above. There were no commitments to related parties for the year-ended 31 March 2024 and 31 March 2023.

Figures in Rand

2024

2023

25. Related parties transactions (continued)

2023 - Executive Management

Name	Basic salary	Bonuses and performance related payments	Retirement fund contributions	Medical Aid Contributions	Group Life Insurance	Acting Allowance	Cellphone Allowance	Total
1. Boloka M - Chief Executive Officer	2,091,736	-	47,992	30,634	10,952	-	13,860	2,195,174
2. Chowan M - Chief Financial Officer	1,774,825	-	-	-	-	-	55,440	1,830,265
3. Thako E - Technology support and Platform Monitoring Executive	301,044	-	-	-	-	-	9,240	310,284
4. Bacwadi J - Chief Information Officer (Seconded)	1,648,298	-	-	-	-	-	-	1,648,298
5. Lindhorst M - Regulatory Development and Enforcement Executive	371,202	39,644	13,859	-	10,580	-	11,798	447,083
6. Litha M - Corporate Service Executive #	418,614	47,168	-	-	11,661	-	17,058	494,501
7. Gregoriou P - Regulatory Development and Enforcement Executive (Acting)	-	-	-	-	-	50,395	-	50,395
8. May N - Chief Operations Officer (Acting)	-	-	-	-	-	21,339	-	21,339
9. Nkumanda B - Corporate Service Executive (Acting)	-	-	-	-	-	59,552	-	59,552
	6,605,719	86,812	61,851	30,634	33,193	131,286	107,396	7,056,891

1. Boloka M was seconded from DCDT and he was subsequently appointed as the CEO effective from 1 January 2023.

2. Chowan M is on contract hence his salary does not include other contributions

3. Thako E was appointed from 1 February 2023

4. Bacwadi J was seconded from SITA and his last day of service with the FPB was 10 January 2022

5. Lindhorst M was appointed from 16 January 2023

6. Litha M was appointed from 12 December 2022

7. Gregoriou P commenced acting from 1 June 2022 to 30 November 2022

8. May N commenced acting from 1 September 2021 to 31 May 2022

9. Nkumanda B commenced acting as from 1 June 2022 to 30 November 2022

26. Risk management

Liquidity risk

The FPB is only exposed to liquidity risk with regard to the payment of its payables and finance lease obligation. These payables are all due within the short-term. The FPB manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in investment accounts.

At March 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	14,205,131	-	-	-
Finance lease liability	236,325	410,569	-	-
At March 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	9,287,068	-	-	-
Finance lease liability	132,022	-	-	-

Interest rate risk

FPB invests surplus cash on which it earns interest income. The interest income is not independent of changes in market interest rates.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity.

Maximum exposure to credit risk

FPB's exposure to credit risk to loans and receivables is limited

The entities maximum exposure to credit risk is the carrying amount of the financial assets.

FPB credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables are exposed to a low credit risk as most of FPB's revenue transactions require deposits

Financial assets	2024	2023
Cash and cash equivalents	33,068,531	35,787,114
Receivables from exchange transactions	3,096,161	3,088,722
	36,164,692	38,875,836
Financial liabilities		
Finance lease liability	646,894	-
Payables from exchange transactions	13,987,072	8,634,130
	14,633,966	8,634,130

27. Fruitless and wasteful and Irregular Expenditure

Fruitless and wasteful expenditure	-	-
Irregular expenditure	7,860	-
	295	33,553
Closing balance	8,155	33,553

Please refer to the annual report for the reconciling notes of the fruitless and wasteful expenditure and irregular expenditure.

28. Prior period errors

1. Online license fees - (Classification)

During the prior years, the FPB had incorrectly recognised revenue from exchange transactions relating to statutory receivables on a straight line basis over the contract period applicable to the distribution licence. In terms of the requirements of GRAP 108, Statutory Receivables and GRAP 9, Revenue from exchange transactions, the requirements for recognition of revenue is satisfied on issue of the licence and should be recognised in full on issue of the licence.

2. Expenses recorded in the incorrect financial period

During the year it was noted that travel expenditure relating to the 2022/23 financial year were incorrectly processed in the 2023/24 financial year. This was mainly due to the late submission of the invoices by the service provider.

3. Classification error on UIF and PAYE

Management discovered that there was an amount that relates to PAYE for classifiers that was disclosed as UIF. The correction will not have impact on the total amount of employee costs as this is just a reclassifying of accounts.

4. OCR Classification error

Management discovered that there was an error on the classification of the OCR system. The internally generated assets was previously incorrectly classified under computer software at a balance of R2 902 585.

5. Online license fees

FPB and Multichoice had a contract that was concluded in 2022/23 however the volumes which were distributed could only be determined during 2023/24, consequently the revenue as well.

The amount of the correction on the affected financial statement line item is.

Statement of financial position as adjusted:	As previously stated	Adjustment	Restated balance
Deferred revenue	(2,137,713)	2,137,713	-
Other Accrual	(3,034,451)	(1,061,482)	(4,095,932)
Accumulated surplus opening balance	(46,146,357)	(1,620,180)	(47,766,537)
Statutory receivables	7,369,966	543,949	7,913,915
Deficit for the year	(918,351)	(445,847)	(1,364,198)
	(44,866,906)	(445,847)	(45,312,752)

Statement of financial performance as adjusted:	As previously stated	Adjustment	Restated balance
Regulation fees	12,931,987	615,635	13,547,622
General expenses (Travel)	(44,721,544)	(1,061,482)	(45,783,026)
	(31,789,557)	(445,847)	(32,235,404)

Statement of Cashflow

The impact of the error on the statement of cashflow was a increase in the regulation fees R615 635 and admin expenses by R1 061 482 and increase in the statement financial position statutory receivable and other accruals by R445 847.

Figures in Rand	2024	2023
29. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
· Property, plant and equipment	820,156	1,310,861
· Intangible assets	-	714,818
	820,156	2,025,679
Total capital commitments		
Already contracted for but not provided for	820,156	2,025,679
Authorised operational expenditure		
Already contracted for but not provided for		
· Operating Expenditure	30,682,061	28,806,202
	30,682,061	28,806,202
Total operational commitments		
Already contracted for but not provided for	30,682,061	28,806,202

Commitments disclosed relates to contracts awarded but not completed before 31 March 2024. The operating lease commitments have been disclosed in Note 22. Cash and cash equivalents balance disclosed in Note 3 as well as the MTEF budget will be utilised to finance these commitments during the 2023/24 financial year.

30. Changes in accounting estimate

GRAP 17 - property, plant and equipment requires the review of the useful life of an asset at least at each financial year end. The FPB revised the useful life as at 1 April 2023 for various category of assets within the range that was initially approved in 2015/16 financial year. The assumptions were revised as follows.

Leasehold improvement - additional 12 months
 Motor vehicle - additional 12 months
 Computer software - additional 12 Months

The effect of the change in accounting estimate on the current year's results was an increase in the current year's surplus by R31 265.63 The effect of the change in accounting estimate on future financial periods will be a decrease in net surplus by R31 265.63.



**Film and
Publication
Board**

Content Regulatory Authority of South Africa.

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