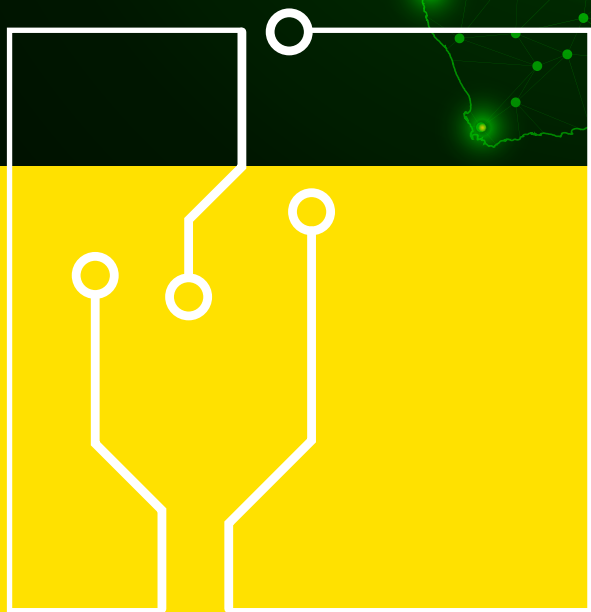




We inform. You choose.

FILM AND PUBLICATION BOARD



ANNUAL REPORT

2018
19

A young boy is shown from the chest up, wearing a dark cape over a light-colored shirt and goggles. He is reaching his right arm up towards the top of the frame. The background is a solid blue color. A yellow line starts from a small circle on the left, goes up, then right, then down, ending at the top right corner. The text 'WE INFORM' is in white and 'YOU CHOOSE' is in yellow.

WE INFORM
YOU CHOOSE

VISIBLE CONTENT-CLASSIFICATION AUTHORITY

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SECTION



GENERAL INFORMATION

The Film and Publication Board regulates the content of films, games and certain publications through classification by maintaining relevance to the values and norms of South African society through scientific research; balancing the right to freedom of expression with an obligation to protect children from exposure to potentially disturbing, harmful and inappropriate materials, and protecting children from sexual exploitation in media content in order to educate the broader South African society to make informed choices.



PUBLIC ENTITY'S GENERAL INFORMATION



Registered Name	Film and Publication Board
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Contact Details

Head Office	420 Witch Hazel Avenue Eco Glades 2 Eco Park Centurion 0157 Tel: 012 003 1400 Fax: 012 661 0074
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Cape Town	9 Long Street Third Floor Corner Riebeek and Long Street Cape Town Tel: 021 418 3038 Fax: 021 461 8126
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Durban:	4 Silver Oaks 36 Silverton Road Durban Tel: 031 201 2158 Fax: 031 261 7130
---------	--

Email:	clientsupport@fpb.org.za
--------	--

Website:	www.fpb.org.za
----------	--

FPB hotline	www.fpbhotline.org.za
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Hotline number	0800 148 148
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External Auditors:	Auditor-General of South Africa
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Bankers Information:	ABSA
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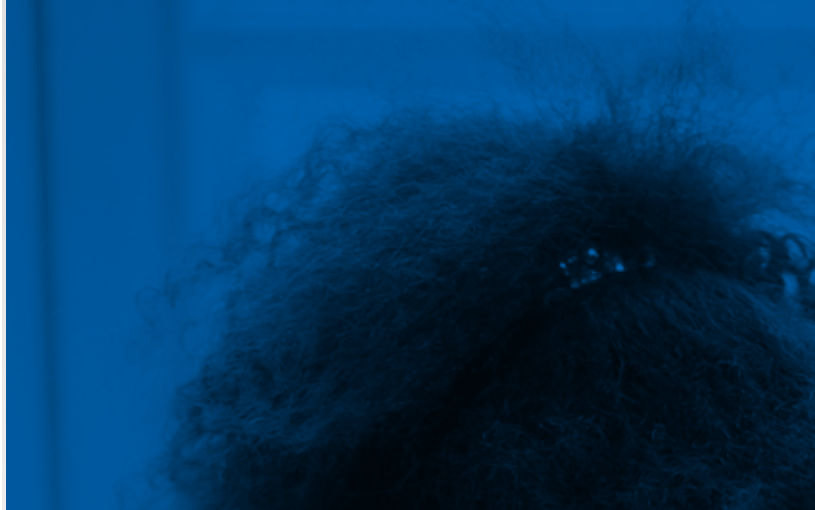
Council Secretary:	Mr Tlale Mokutu
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LIST OF ABBREVIATIONS

4IR	Fourth Industrial Revolution
APP	Annual Performance Plan
CFO	Chief Financial Officer
CSAM	Child Sexual Abuse Material
CSEC	Commercial Sexual Exploitation of Children
DoC	Department of Communications
DTT	Digital Terrestrial Television
FPB	Film and Publication Board
FP Act	Films and Publications Act
FP Bill	Films and Publications Amendment Bill
GIBS	Gordon Institute of Business Science
GCIS	Government Communications and Information System
GRAP	Generally Recognised Accounting Practice
INHOPE	International Association of Hotlines
ISP	Internet Service Provider
NDP	National Development Plan
NEHAWU	National Education, Health and Allied Workers' Union
OD	Organisational Design
PEPUDA	Protection of Equality and Prevention of Unfair Discrimination Act
PFMA	Public Finance Management Act
POPI	Protection of Personal Information Act
SADC	Southern African Development Community
SAPS	South African Police Service
SID	Safer Internet Day
UNICEF	United Nations Children's Fund



SECTION



PERFORMANCE INFORMATION

The FPB has to ensure that its tools of trade are in place, to uphold delivery of its mandate as a credible regulator. In addition, the capacity and capability of the FPB needs to reflect technological changes, so that it is positioned to efficiently regulate a growing, advancing industry.



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY

FOR THE YEAR ENDED 31 MARCH 2019

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

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor-General. The annual report is complete, accurate and free from any omissions.

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

The Annual Financial Statements (Section 6) have been prepared in accordance with 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 judgments made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been recognised to provide reasonable assurance as to the integrity and reliability of the performance information, human resource information as well as 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, performance information, human resources information and the financial affairs of the public entity for the financial year ended 31 March 2019.

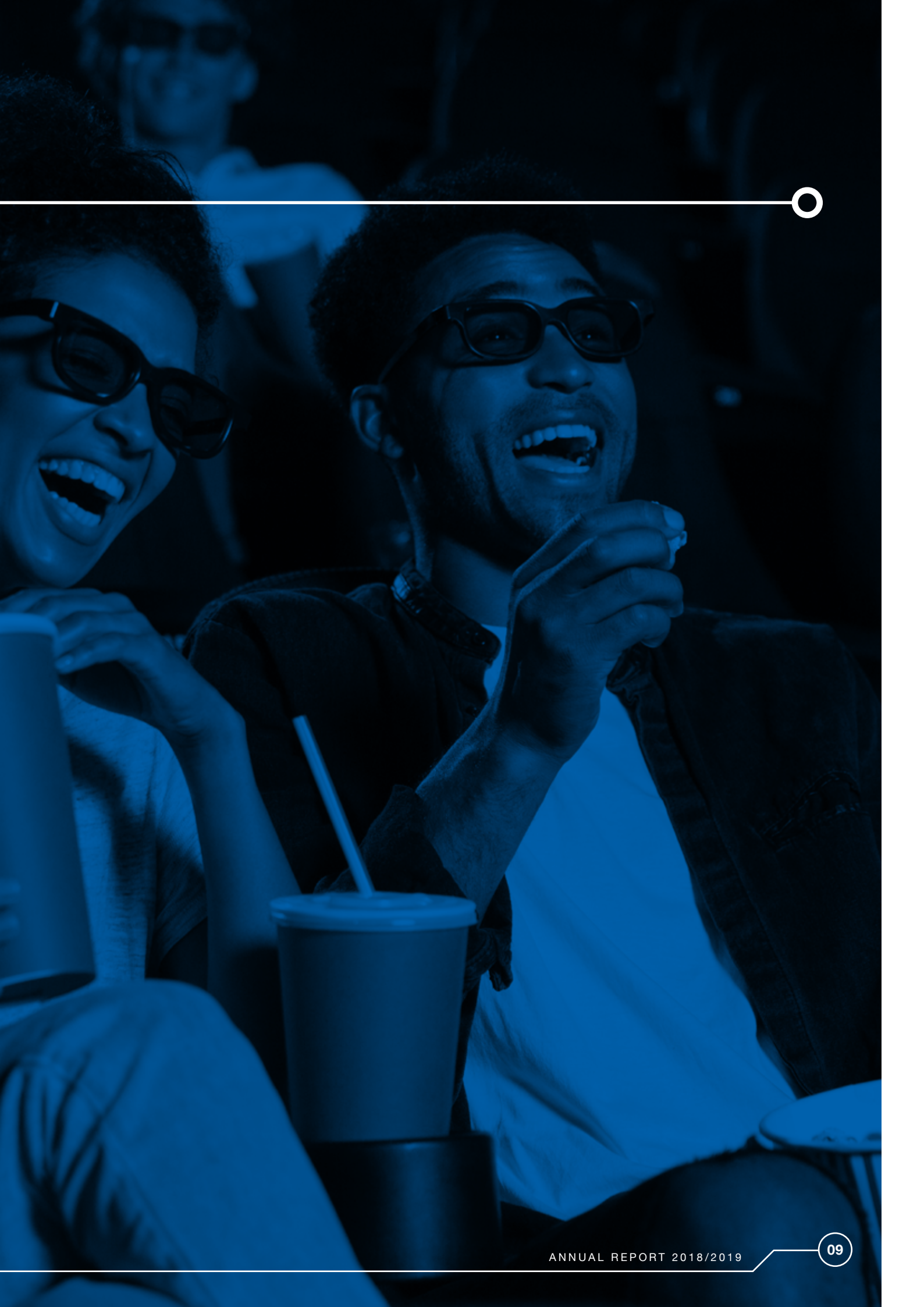
Yours faithfully



Acting Chief Executive Officer
Dr Maria Motebang



Council Chairperson
Mrs Thoko Mpumlwana





SECTION



STRATEGIC OVERVIEW

Over the next five years, the FPB will focus on technology-driven content regulation, public education, creating a technologically neutral legislative environment, international and local partnerships, research and compliance monitoring, resource mobilisation and strategic institutional alignment.



STRATEGIC OVERVIEW

FPB MANDATE

Derived from the Films and Publications Act 65 of 1996 as amended in 2004 and 2009, the FPB is mandated to regulate: (1) the creation, production, possession and distribution of certain publications and certain films by means of classification; (2) the imposition of age restrictions and giving consumer advice; and (3) make exploitative use of children in pornographic publications, films, or on the internet, punishable. Therefore, the mandate of the FPB can be summarised as follows:

- i. Regulate the creation, production, possession and distribution of films, games and certain publications by way of classification,
- ii. Protect children from exposure to disturbing and harmful material and from premature exposure to adult material,
- iii. Render the use of children in and exposure of children to pornography a punishable offence.

FPB VISION

‘A leading and credible content regulator that empowers the public to make informed choices’

FPB MISSION

‘Ensure the regulation of media entertainment content by empowering the public, contributing to child protection and promoting the growth of industry’

KEY PRIORITIES FOR THE NEXT FIVE YEARS

The FPB Council endorsed the following five key priorities as strategic priorities to influence the application of the strategy:

- a) Technology-driven content regulation,
- b) Public education (empower adults and protect children),
- c) Legislative review (technologically neutral legislative regime),
- d) International and local partnerships (to ensure better regulation of the web) with renewed focus on local partnerships,
- e) Research, compliance monitoring, and monitoring and evaluation to inform future priorities,
- f) Resource mobilisation and development of appropriate funding model, and
- g) Strategic institutional alignment.

FILM AND PUBLICATIONS BOARD - STRATEGY MAP

CONTRIBUTE TO THE OVERALL
MANDATE OF THE DOC: NDP
OUTCOME 14: ACHIEVE SOCIAL
COHESION & NATION BUILDING
& FILM & PUBLICATIONS ACT
NO. 65

VISION AND MISSION

ACHIEVING THE FOLLOWING SEVEN (7) KEY PRIORITIES

THROUGH THE FOLLOWING STRATEGIES

CONTRIBUTING TO THE FOLLOWING BROADER STRATEGIC OUTCOMES

ALONG FPB SIX THEMATIC AREAS

FPB'S VALUES:
EMBRACING THE
BATHO PELE (PEOPLE
FIRST) PRINCIPLES OF
GOVERNMENT AS THE
CORE VALUES.

**KEY DETERMINANTS
OF EFFECTIVENESS:**

- ACCOUNTABILITY
- HUMAN DIGNITY
- SOCIAL JUSTICE
- INTEGRITY
- TRANSPARENCY
- PROFESSIONALISM

Executing activities and initiatives aimed
at successfully monitoring and creation,
production, distribution and possession
of legal adult entertainment, through the
classification of content of films, production,
interactive games, issue sanctions

Vision: "A leading and credible content
regulator"

1. Technology driven content classification
2. Consumer education (empower adult
and protect children)
3. Legislative review (platform neutral
legislative regime).

...through the following **STRATEGIES...**

Effective and visible monitoring
of industry throughout the
entire value chain (content
creators, producers
and distributors of films,
publications and games) for
the protection of consumers
and primarily children and
adults through information

Informed consumers, general
members of the public and
industry about the mandate,
programmes and operations
of the FPB

Research,
compliance,
monitoring and
evaluation

High impact,
high visibility
communications

Resourcing and
financing plans

Policy and
legislative review
and alignment

Technology-
driven content
classification

Regional continental
and international
partnerships

The imposition of age restrictions, and giving
of consumer advice

Make exploitative use of children in
pornographic publication, films, or on the
internet punishable

Mission: "Ensure effective child protection, empowerment of consumers and a contribution to
the economic growth of the industry through regulation of media content"

4. Local and international partnership (to
ensure better regulation of the web)
5. Research, compliance monitoring and
monitoring and evaluation to inform
future priorities

6. Funding and resource mobilization
7. Integrate informal business into formal
business

Elevation of information and communications
technology (ICT) as a significant pillar for
online regulation

Meetings the demands of technological
advancement in SA and internationally;
and finally 'high impact, high visibility'
organisational communication in terms of the
mandate of the FPB

Effective, efficient and
sustainable management of
FPB operations

Effective and innovative
regulation of the content
distributed on online, mobile
and related platforms for
the protection of children,
youth and adults through
information

Expansion of the FPB
footprint and a qualitative
impact made through
effective partnerships and
stakeholder relationships and
in pursuance of our mandate

WE INFORM YOU CHOOSE

PRINCIPLES CENTRAL TO FPB REGULATIONS

- a. Protection of children from early exposure to adult material and use in child pornography (child sexual abuse material) productions – child pornography punishable by law.
- b. Provide consumer advice on media content – ‘we inform, you choose’.
- c. Provide designated areas for distribution of adult material (pornography).

FPB VALUES

The FPB embraces the *Batho Pele* (People First) principles of government as its core values. These are to be observed at all times and demonstrated by all employees in all engagements with both internal and external stakeholders. The *Batho Pele* principles are key determinants to enable effectiveness. In addition, the FPB strategy promotes the following values:

- a) Accountability
- b) Human Dignity
- c) Social Justice
- d) Integrity
- e) Professionalism
- f) Innovation

LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATES

The FPB does not have a direct constitutional mandate, as it is a regulator and a quasi-judicial body, because it licenses, regulates, adjudicates and issues sanctions. The FPB carries out its work with due regard for the rights contained in the Constitution of the Republic of South Africa, which recognises and protects the rights of every citizen, thereby ensuring an open and democratic society.

Of particular importance are sections 16, 28, 32 and 36 of the Constitution of the Republic of South Africa and Act No 108 of 1996, which stipulate that everyone has the right to freedom of expression. This includes freedom of the press and other media, artistic creativity and the freedom to receive or impart information or ideas, the right to have access to information, the right to human dignity and the right to freedom of choice.

Section 16 of the Constitution contains limitations to the right to freedom of speech, namely propaganda for war; incitement of imminent violence; or advocacy of hatred that is based on race, ethnicity, gender or religion, and that constitutes incitement to cause harm.

These limitations can be found in numerous pieces of legislation issued since 1994, notably in the Protection of Equality and Prevention of Unfair Discrimination Act 2000 (PEPUDA) and, more specifically, the Films and Publications Act 16 of 1996, as amended.

Section 28 of the Constitution guarantees that every child will be protected from degradation, abuse, exposure to harmful materials or exposure to child pornography and that the child's best interests are of paramount importance in every matter concerning the child.

The FPB's work is aligned to Outcome 14 of the National Development Plan (NDP), which seeks to achieve social cohesion and nation building. As a sub-outcome, fostering constitutional values forms part of what the FPB does in schools with its key messaging on cyber safety, which outlines the right to privacy and integrity.

LEGISLATIVE MANDATES

It is important to locate the role of the FPB, as mandated through the Films and Publications Act of 1996 (as amended), in the context of a raft of legislation that is relevant and related to the business of the FPB. This section outlines the following pieces of legislation that form part of the FPB's mandate;

- i. Constitution of the Republic of South Africa,
- ii. Child Justice Act 75 of 2008,
- iii. Criminal Law (Sexual Offences and Related Matters) Amendment Act 32 of 2007 (for example sections 10 and 19 of the Criminal Law Act 2007 and Section 15 of the Child Justice Act 2008).

The Protection of Personal Information Act proclaims that the right to privacy includes a right to protection against the unlawful collection, retention, dissemination and use of personal information (POPI Act 4 of 2013). This Act has implications for the increasing incidences of online abuse, such as so-called revenge porn, the distribution of explicit images of people without their consent and the distribution of cyberbullying content — all of which manifest in multi-layered victimisation. Taking action against such abuse is within the mandate of the FPB.

The Electronic Communications Act of 2005, as amended, regulates electronic media, particularly in the milieu of media convergence. The Prevention and Combatting of Trafficking in Persons Act, 2013, pronounces on the recruitment and exploitation of children in sex trafficking and in the production of pornography.

In pursuing its strategic vision, the FPB is guided by these laws, while upholding the values of the Constitution.

As a credible content classifier, the FPB is responsible for activities and initiatives aimed at successfully monitoring the creation, production, distribution and possession of legal adult entertainment, through the classification of the content of films, publications and interactive games. To ensure the objectives of the Act are carried out successfully, the FPB develops policies, procedures and processes.

In its pursuit of key outcomes and objectives, the FPB is further tasked with the protection of children and the empowerment of adults against exploitative and harmful material. It thus plays a key leadership role in implementing anti-child pornography campaigns. The organisation operates in an environment that is largely influenced by rapid technological innovations in media communication channels and a proliferation of media platforms.

One of the FPB's challenges is occasioned by non-compliance with and limitations on technology platforms for which content is regulated or due for regulation. A key programme of this strategy is the legislative review process, which will ultimately lead to an enhanced legislative framework for the organisation. The legislative review will focus on empowering the FPB to institute penalties for non-compliance. Further, it will ensure that the legislation and technology are neutral in ensuring that the legislation remains relevant, despite changes in technology.

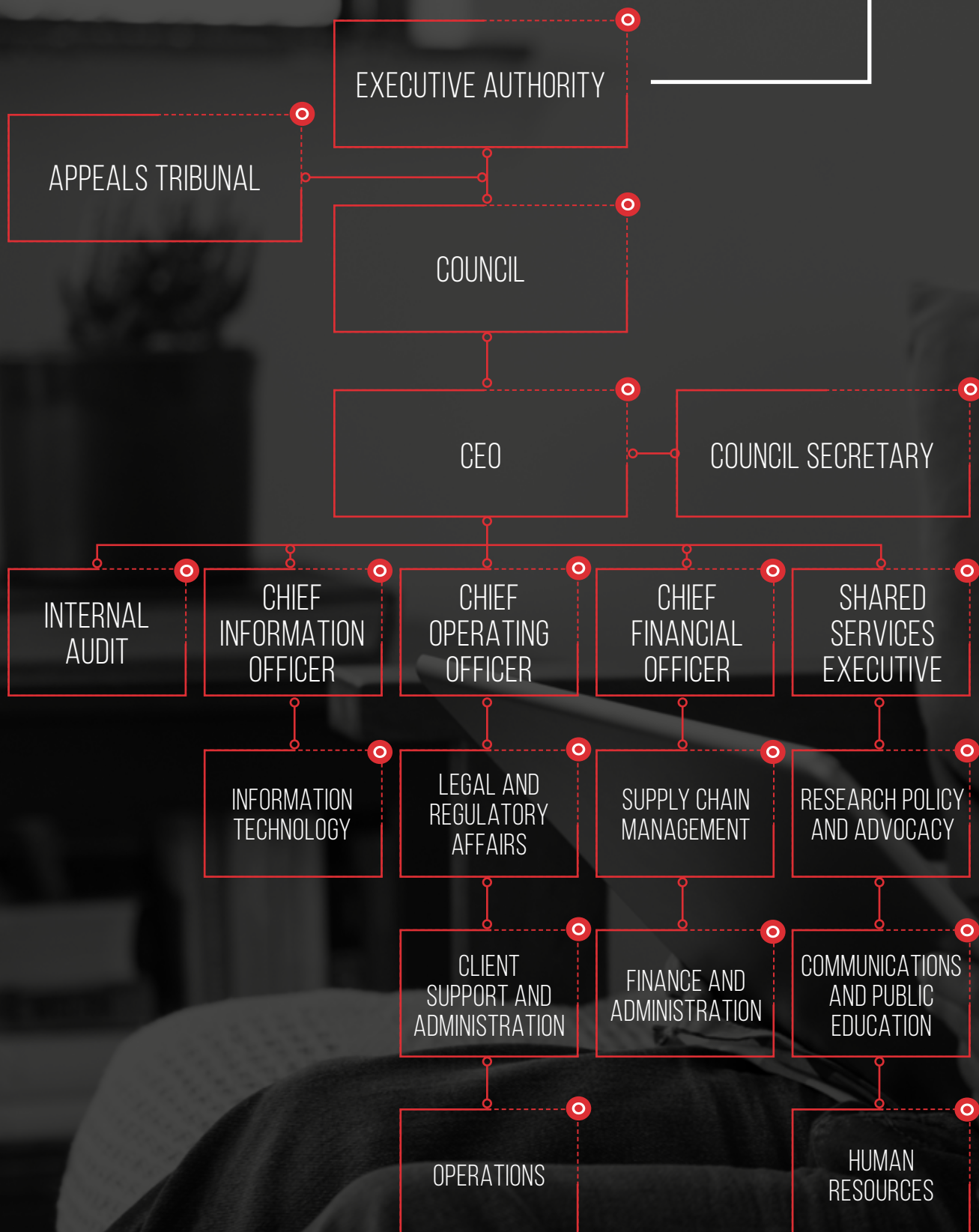
POLICY MANDATES

There is no policy mandate, as the FPB is an implementing entity for the Department of Communications (DoC).

One of the FPB's challenges is market non-compliance with and limitations on technology platforms for which content is regulated or due for regulation. A legislative review will empower the FPB to institute penalties for non-compliance.



ORGANISATIONAL ENVIRONMENT



The assignment of age-appropriate ratings to content empowers parents and caregivers to screen content consumed by children and those in their care.



A portrait of Mrs Thoko Mpumlwana, a Black woman with short hair, wearing glasses, a dark textured jacket over a light-colored top, and a pearl necklace. She is smiling slightly and looking towards the camera. The background is a solid yellow color.

CHAIRPERSON'S FOREWORD

“Our strategic focus for the coming year is to finalise the Online Content Regulation Policy, and harmonise content regulation within the region and across platforms. We have identified television content regulation as needing improvement, and we are working with the Ministry and other stakeholders to address this.”

MRS THOKO
MPUMLWANA



In spite of operational challenges, the FPB has achieved 79% of its annual performance targets. In the previous year the achievement was 80%. Unfortunately, we had to halt the filling of vacancies during the last quarter of the financial year, following announcement by the Minister that the departments of communications, and telecommunications and postal services and the GCIS would merge and all entities reporting to the two erstwhile departments would be rationalised.

The Films and Publications Amendment Bill was finally passed by the National Assembly after concurrence by the National Council of Provinces, and we are waiting for the State President to assent to it. We have begun in earnest to review the Regulations applicable to the Act. In the reporting period, we reviewed the Classification Guidelines and tariffs. Once the Bill becomes law, we will be better equipped to regulate online distribution, especially with the enhanced enforcement capacity.

We have been assigned to implement and report on Outcome 14 of the NDP 2030, 'nation-building and social cohesion'. This is closely embedded in our mandate, and in keeping with the responsibility, we run extensive digital literacy and cyber-safety campaigns.

We participate in the WebRangers programme, a peer-to-peer education and awareness initiative with our partners, and run a comprehensive training programme for law enforcement agencies, educators and parents on safe internet use, child abuse materials and child sexual abuse. As a value-add, we work on behalf of the creative industry on piracy and intellectual property protection. To this end, we have conducted 130 raids, during which 140 722 illegal discs with an estimated street value of R14 072 200 were confiscated and destroyed.

With more households having access to mobile devices and the internet, the number of children using the internet has thus increased exponentially. Global Kids Online, a joint initiative from Innocenti — the research arm of UNICEF — the EU Kids Online network and the London School of Economics and Political Science, conducted a study on how children use the internet.

The study involved children aged nine to 17 years in South Africa, the Philippines and Serbia, and those aged 13 to 17 in Argentina. The primary aim was to assess which children were using the internet, what they were learning, the opportunities and risks. It included surveys and interviews with the children to hear their perspectives. The report, published in November 2016,

found that, among other things, although the internet presented some learning opportunities to young children, it was also dangerous when used unchecked. Most interestingly, some of the children surveyed think of the internet as a human right, a necessity, and an inseparable part of their lives.

When asked whether anything had happened to them online in the past year that had upset them, three-quarters of the Argentinian children surveyed said yes, compared to one in five children in South Africa. This included gossiping about other people, racism, xenophobia and killings, being invited by older strangers and seeing nude adverts.

These are the realities of society, requiring that we become extra-vigilant in monitoring the online activities of our children. The tendency by the modern, busy parent to outsource the care of children to television and mobile devices provides fertile ground for paedophilia and child sexual abuse. We cannot over-emphasise the importance of parental guidance and the need to mitigate the ever-present risk of exposure of children to harmful online content. We, therefore, need to each play our part in making the use of mobile devices and the internet less harmful to children.

Sadly, the internet has increased the risk of the exposure of children to the online underworld, referred to as the dark web, where all kinds of evil activities, from drug and child trafficking, to child pornography, take place. Syndicates prowl the internet in search of the next victim. Through our affiliation with the International Association of Hotlines (INHOPE), we have succeeded in having inappropriate and offensive online content taken down. However, our biggest preoccupation should be to prevent such content from finding its way onto the internet in the first place. This requires a great deal of education and awareness.

Our strategic focus for the coming year is to finalise the Online Content Regulation Policy, and harmonise content regulation within the region and across platforms. We have identified television content regulation as needing improvement, and we are working with the Ministry and other stakeholders to address this.

POLITICAL MANDATE AND REPORTING

The FPB reports to the Minister of Communications as its Executive Authority, and to Parliament as its ultimate oversight body. In the reporting period, we shared platforms

with the Ministry and DoC in joint community outreach, awareness and imbizo campaigns across the country.

KEY ACTIVITIES FOR 2018/2019

The FPB successfully hosted the Harmonisation of Content Regulation in Africa think-tank, where a number of players from SADC and further afield in Africa shared initial ideas on what needs to be done to achieve ultimate regulatory convergence. This was in pursuit of the 2014 SADC communications inter-ministerial resolution on harmonisation of content regulation. The workshop ended with the adoption of a roadmap and election of a working group to coordinate efforts towards a bigger, multi-stakeholder conference in the next financial year. It is expected that participation will be opened to as many stakeholders on the continent as possible.

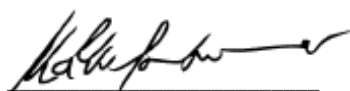
Both the Council and Appeal Tribunal are still fully constituted and continue to implement the entity's legislated mandate.

The organisation has enjoyed some stability, with all four executive positions filled on a full-time basis. The only vacancy at that level is the Chief Executive Officer position, on which Council is still engaging the Minister.

Once again, we have had more than one Minister during the financial year. However, the fact that the current Minister previously served in the DoC assisted a great deal, since she already understood our mandate and issues. Accountability instruments have remained robust and up to date, enabling the entity to implement and account for its mandate. The Executive Authority's continued support of the entity is appreciated, and we hope that, moving forward, the rationalisation process will result in the pooling of resources, which will contribute to greater reach and even more efficiencies.

The FPB remains focused on its mandate, the dictates of the Constitution as well as the NDP, underpinned by the principles of Ubuntu and Batho Pele.

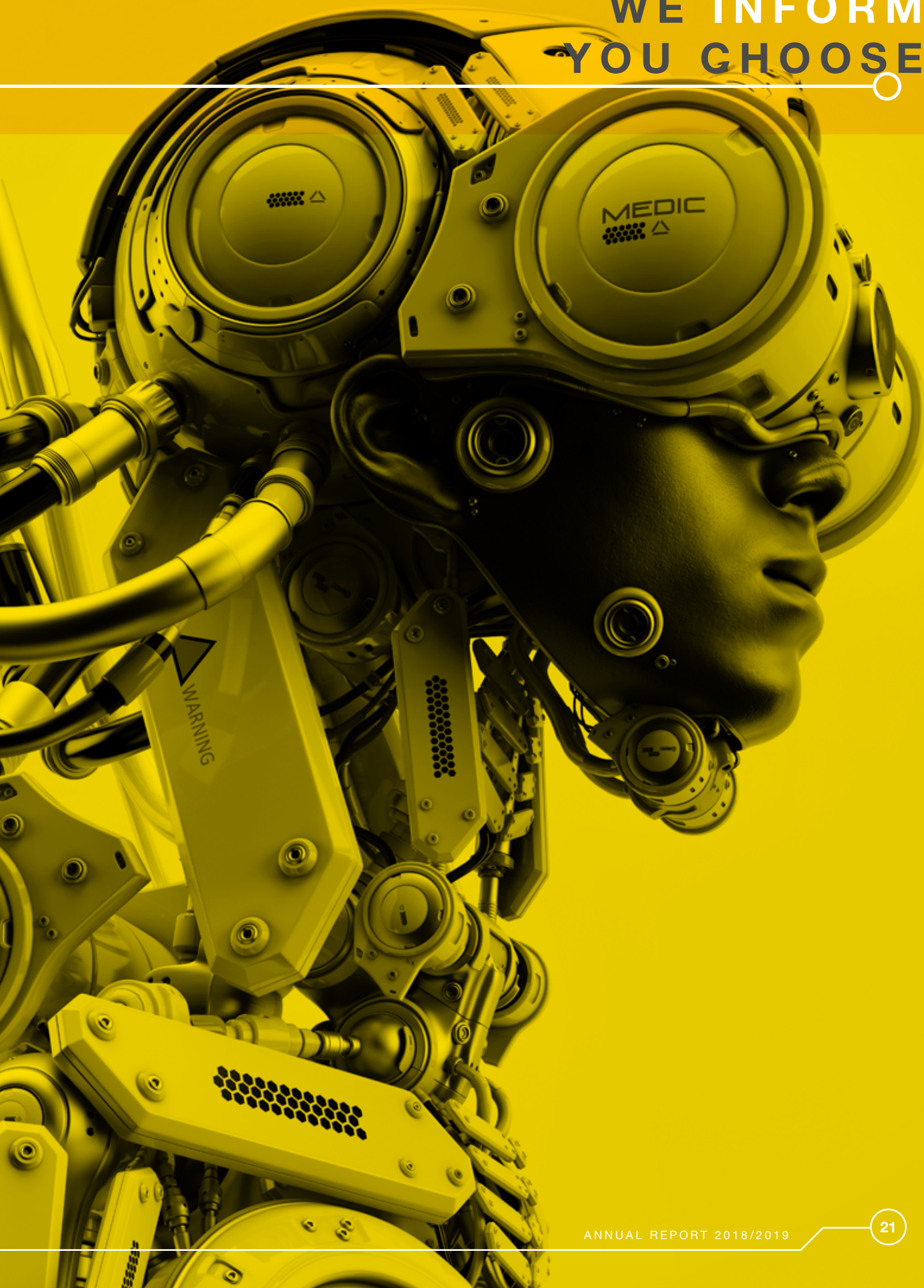
I thank the Council, Appeal Tribunal, management and staff of the FPB for their resilience and dedication to ensuring that the FPB's work has a positive impact on the communities we serve.



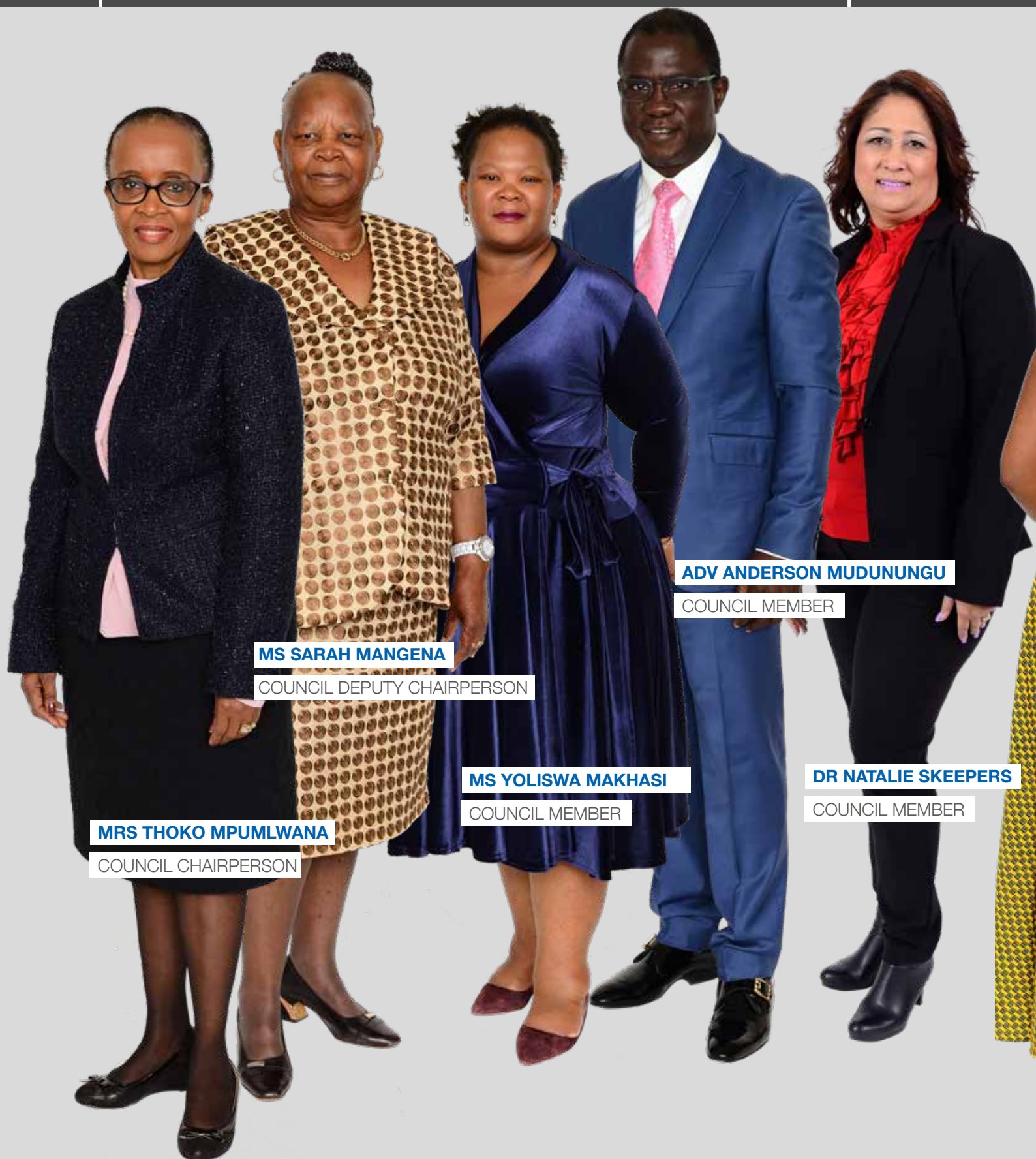
Mrs NF Thoko Mpumlwana
Council Chairperson



WE INFORM
YOU CHOOSE



MEMBERS OF COUNCIL



MS SARAH MANGENA

COUNCIL DEPUTY CHAIRPERSON

MS YOLISWA MAKHASI

COUNCIL MEMBER

ADV ANDERSON MUDUNUNGU

COUNCIL MEMBER

DR NATALIE SKEEPERS

COUNCIL MEMBER

MRS THOKO MPUMLWANA

COUNCIL CHAIRPERSON

WE INFORM YOU CHOOSE



MR MATONE DITLHAKA

COUNCIL MEMBER

MS NOMVUYO MHLAKAZA

COUNCIL MEMBER

MS NOBUNTU DUBAZANA

COUNCIL MEMBER

ADV LUFUNO NEVONDWE

COUNCIL MEMBER

MS ZANELE NKOSI

CHAIRPERSON OF RISK
AND AUDIT COMMITTEE



CEO'S FOREWORD

“We believe that an inclusive consultative approach produces the best results, as the classification decisions that are made should balance the rights of all South African citizens.”

DR MARIA
MOTEBANG



The FPB takes pride in being one of the statutorily established organisations that is mandated to be a guardian of the children of South Africa. The protection of children from exposure to harmful content and from exploitation for the creation of pornographic material is at the core of the work that we do. The FPB has a long and successful history of transforming to keep pace with changing times in our country and continent. It has successfully transitioned from an apartheid censorship organisation to a post-democracy classification Board. The transition to democracy necessitated a new rights-respecting approach to content regulation, positioning us as one of the most progressive content regulators on the continent. More recently, we have grappled with disruption in content creation and distribution, brought about by the

rise of digital technology. We have had to respond to these technological disruptions to place ourselves in the forefront of content classification and compliance monitoring by adopting new strategies and technologies.

At all times the Classification Guidelines that we apply must ensure that regulation of content takes place within the precepts of our democratic constitution and laws and is aligned to social mores and values. Therefore, the newly reviewed guidelines will ensure that we continue to keep abreast of ever changing norms and values.

The guidelines are well researched and debated with the public. These allow us to standardise and quality assure the ratings and advisories that we give to films, games and publications. The guidelines are indeed one of our most important tools in carrying out our assigned duty to guide consumers and protect children from exposure to harmful material.

We believe that an inclusive consultative approach produces the best results, as the classification decisions that are made should balance the rights of all South African citizens. Although the consultative process was a lengthy one to complete, we are assured that, having taken the discussion to all nine provinces and having engaged with a wide stakeholder base, we can confidently implement the new guidelines as being reflective of diverse interest groups.

The guidelines review process presented an initial discussion paper for public input. This was informed by biennial convergence studies that sourced information from almost 20 000 South Africans. Additionally, insights were gathered from legal developments, technology changes in the ever-changing content dissemination space and child development theories.

The discussion paper was subjected to a first round of discussions with the public. Inputs received were factored into draft guidelines, which were taken back to the public in 2018, culminating in the guidelines submitted to the FPB Council and the Minister of Communications for approval. During these public discussion phases, inputs were received from about 2 000 citizens and from a host of industry stakeholders and interest groups. We are now operationalising the new guidelines and rolling out consumer and stakeholder awareness campaigns.

Awareness and education constitute a second tool through which the FPB fulfils its mandate of protecting the public, especially children, from harmful content. Whilst effective

regulation of content dissemination is a noble goal, it cannot be carried out meaningfully without consumer buy-in and adherence. We have continued our drive to reach citizens with our messages of child protection, stepping up our efforts especially in digital literacy and safety campaigns. We thank the many stakeholders at schools, non-governmental organisations, other government organisations and like-minded businesses that held hands with us in our advocacy campaigns over the past year.

We continue to work closely with law enforcement agencies to build cases against suspected paedophiles and secure convictions through the justice system, while collaborating with INHOPE to trace child pornography syndicates globally. Our work with law enforcement also takes illicit distributors of DVDs off our streets, assisting in securing the economic viability of legal distribution value chains and keeping unregulated content from being viewed by minors.

Deepening linkages with counterparts in Africa and the world, strengthening ties with the local creative and distribution industry and working more closely with other government departments on common causes have delivered a growing network of ambassadors who help us spread the message of protecting the public from harmful content. In Africa, we have begun ongoing discussions with counterparts on the harmonisation of content regulation on the continent.

Changes in the leadership of the organisation during the year brought much needed stability and direction to our work. The Executive Committee of the FPB thanks staff for their dedication during the period and for their continued commitment to carrying out our mandate. Our organisation is on a growth trajectory towards inculcating a high-performance culture. We believe that the passion of our staff for our social cohesion goals will continue to be our distinguishing characteristic, even as we move through a period in the new financial year when the mother departments merge.



Dr Maria Motebang
Acting Chief Executive Officer

EXECUTIVE COMMITTEE



DR MARIA MOTEKANG

ACTING CHIEF EXECUTIVE OFFICER

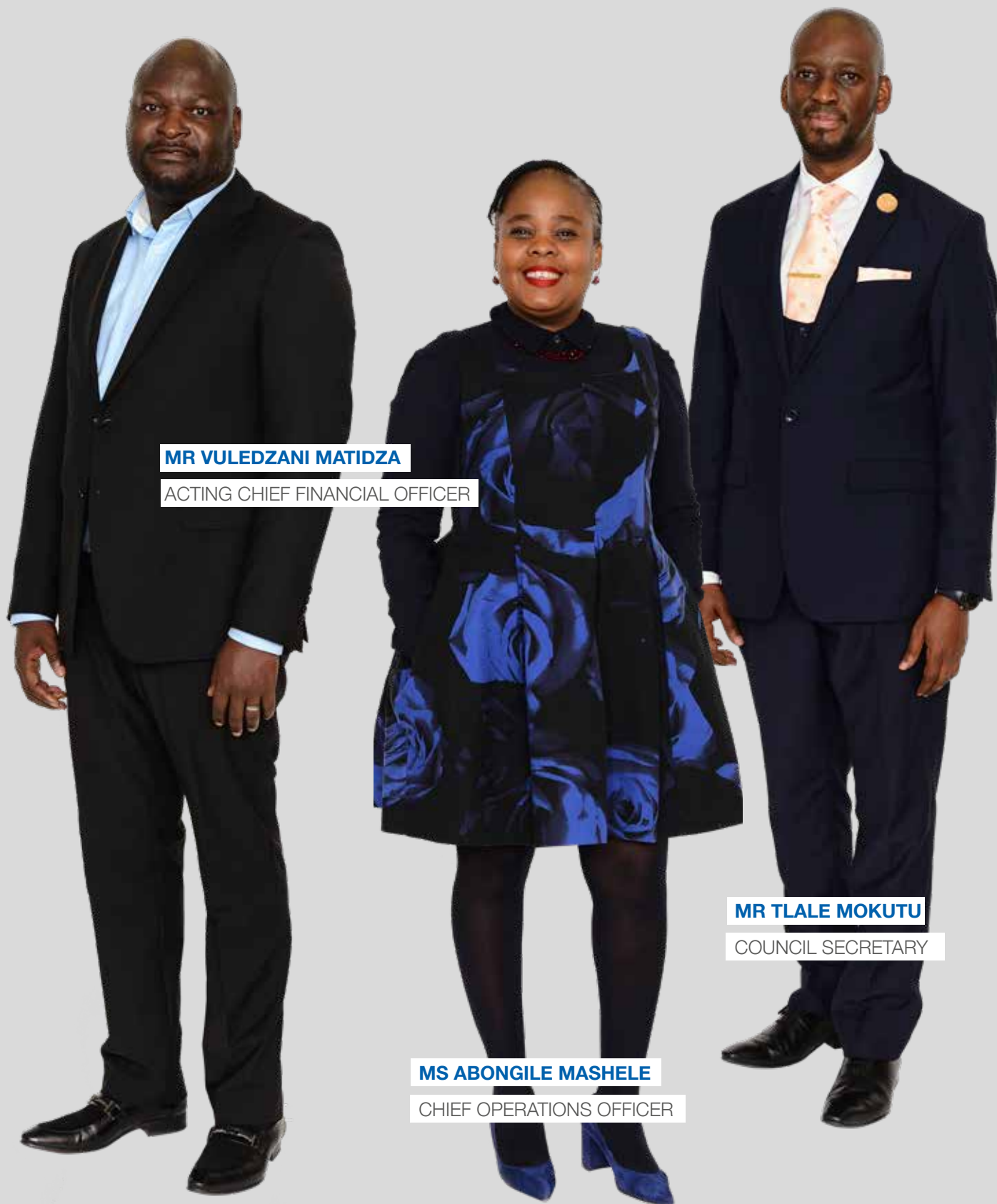
MR NDZIMENI RAMUGONDO

CHIEF INFORMATION OFFICER

MS LAURIE LESS

SHARED SERVICES EXECUTIVE

WE INFORM YOU CHOOSE



MR VULEDZANI MATIDZA

ACTING CHIEF FINANCIAL OFFICER

MS ABONGILE MASHELE

CHIEF OPERATIONS OFFICER

MR TLALE MOKUTU

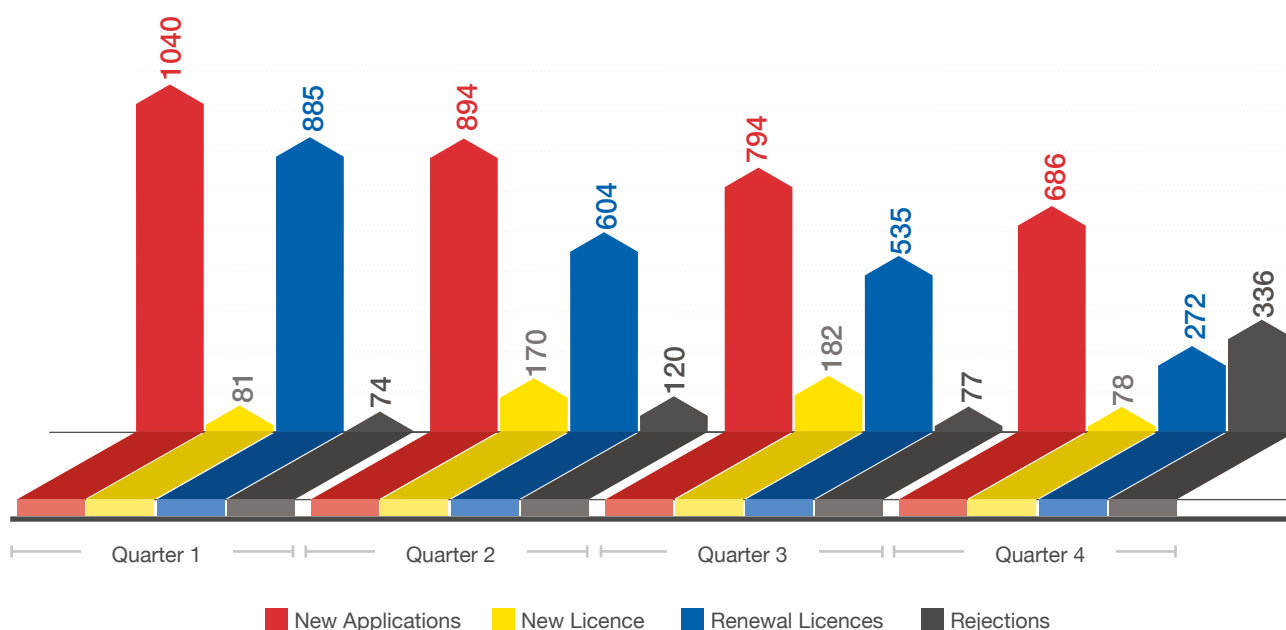
COUNCIL SECRETARY

OVERVIEW OF PERFORMANCE

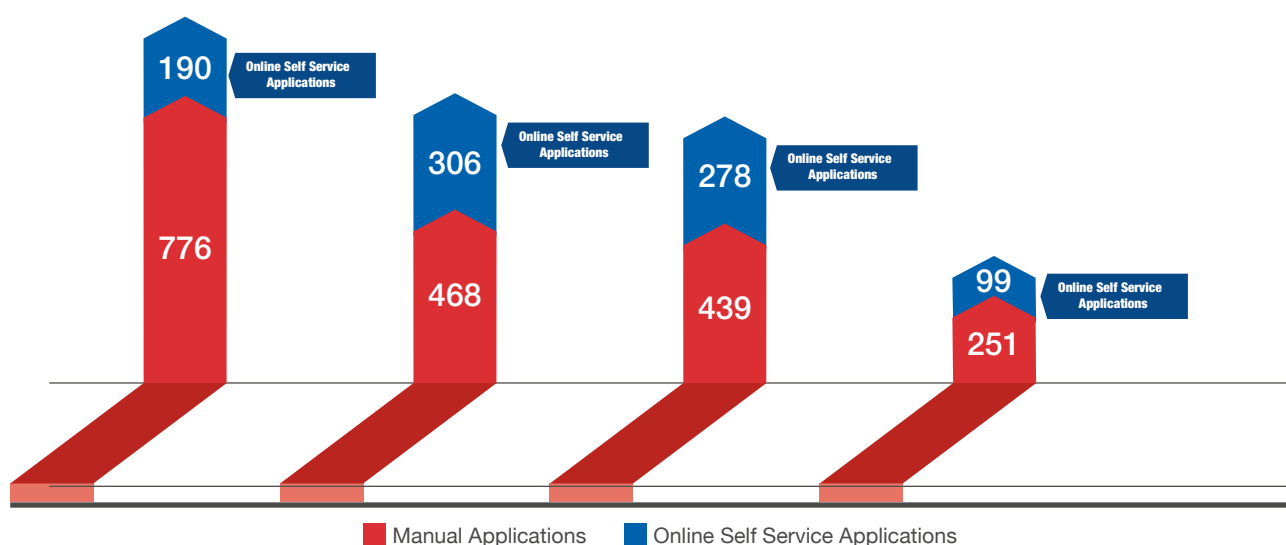
REGISTRATIONS AND RENEWALS

The FPB processed 3 414 distributor registrations, 607 of which were rejected due to non-adherence to requirements stipulated in the Act. Some 2 807 licences were issued, a combination of new registrations and renewals.

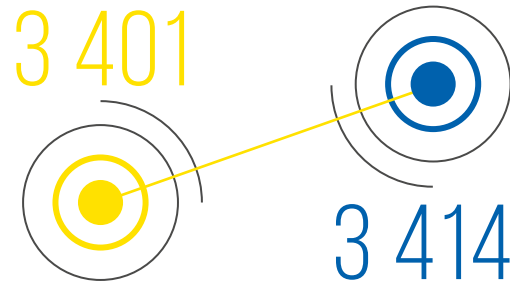
NEW REGISTRATIONS AND RENEWALS



MANUAL VS ONLINE SELF/SERVICE APPLICATIONS



There was a slight increase in the number of renewals received, with 3 414 renewals during the year compared to 3 401 in the previous year. This can be attributed to robust compliance monitoring activities. Automation of this process has allowed for advance notification to distributors when licences are due to expire and an online process is assisting distributors to make applications remotely. The FPB has incentivised online applications with lower tariffs. The number of new distributor applications has reduced year on year as a result of the number of players who wish to trade in the cinema and DVD market.



LICENSING OF ONLINE CONTENT DISTRIBUTORS

The FPB entered into seven licence agreements with online streaming platforms operating in South Africa. Several other players entering the market were engaged to ensure that they follow the provisions of the Act.

As part of the licence requirements, the FPB supports online distributors through training and quality assurance of classification reports to ensure adherence to the FPB Classification Guidelines. The quality assurance process also identifies gaps in the application of the guidelines and informs the FPB's industry training.

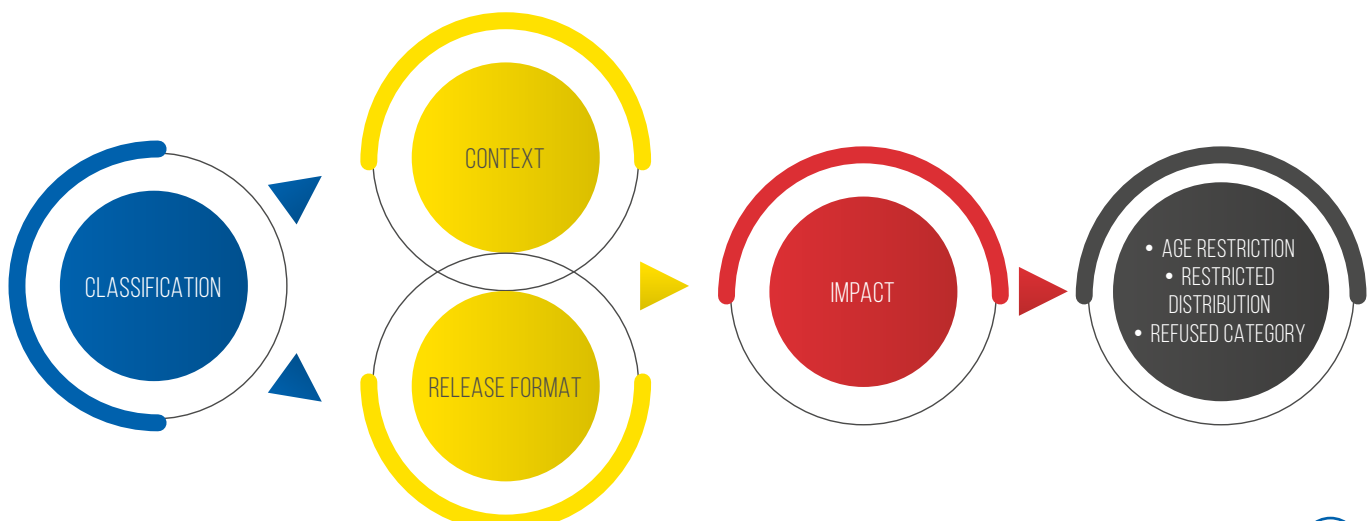
CLASSIFICATION

TYPES OF CONTENT EXAMINED

In the 2018/2019 financial year, 1 540 eligible titles were classified or exempted from full classification. Classification entails adherence to legal prescripts, implementation of the Classification Governance Framework, demographically representative classification committees, the application of Classification Guidelines and an intensive quality assurance process that ensures the least-restrictive rating is given.

CONSIDERATIONS

POSSIBLE DECISIONS



DVD and cinema material submitted for classification declined year on year, attributed to growth in online streaming services, which have grown rapidly after not having been a dominant factor in the last five years.

A significant decline has been noted in submissions for feature films and trailers. Stagnation in adult material (only five new titles were submitted) is attributed by distributors to piracy and the impact of freely available adult content online. The high piracy rate is verified through the number of adult content DVDs confiscated and destroyed by FPB and law enforcement authorities after raids of illegal distributors.

FILM FESTIVALS AND THE FPB CONTRIBUTION TO THE INDUSTRY

The FPB prides itself on its contribution to the local film industry through the exemption of material flighted at film festivals, except for restricted (such as X18, XX) or refused categories of content.

In the 2018/2019 financial year, there was a 50% increase in the number of film festivals that have complied with

exemption requirements. This amounted to more than 427 individual titles screened during 12 festivals with a running time of 17 757 minutes (296 hours or 37 working days). The cost to the FPB outweighs the tariff charged for film festival exemptions and exceeded R200 000 in 2018/2019.

CLASSIFICATION DECISIONS AND DISTRIBUTOR TARGET MARKET

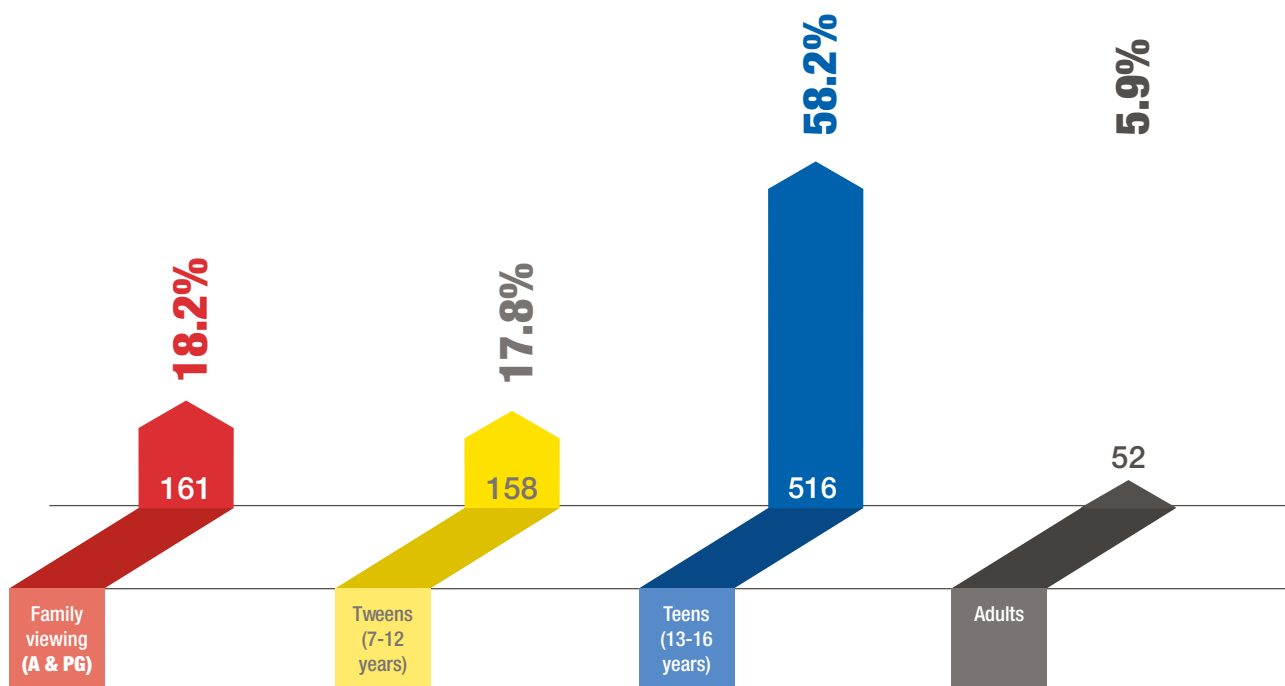
The FPB noted a sustained trend in age categories and intended target markets in 2017/2018 through 2018/2019. Films targeted at the teenage market (13 to 16 years) still predominate, at 58% of the total feature films distributed in South Africa.

In stark contrast, films created for family viewing ('A' and 'PG') and for tweens (seven to 12 years) accounted for only 36% of material classified. According to Statistics SA, about 15% of the population is younger than six and 29.5% below 15. FPB has noticed a gap in the market for films suitable for family viewing.

During the year, a total of 198 games were submitted to the FPB for classification, 38 (19.2%) of which were suitable for

2018/2019 FEATURE FILM TARGET MARKET

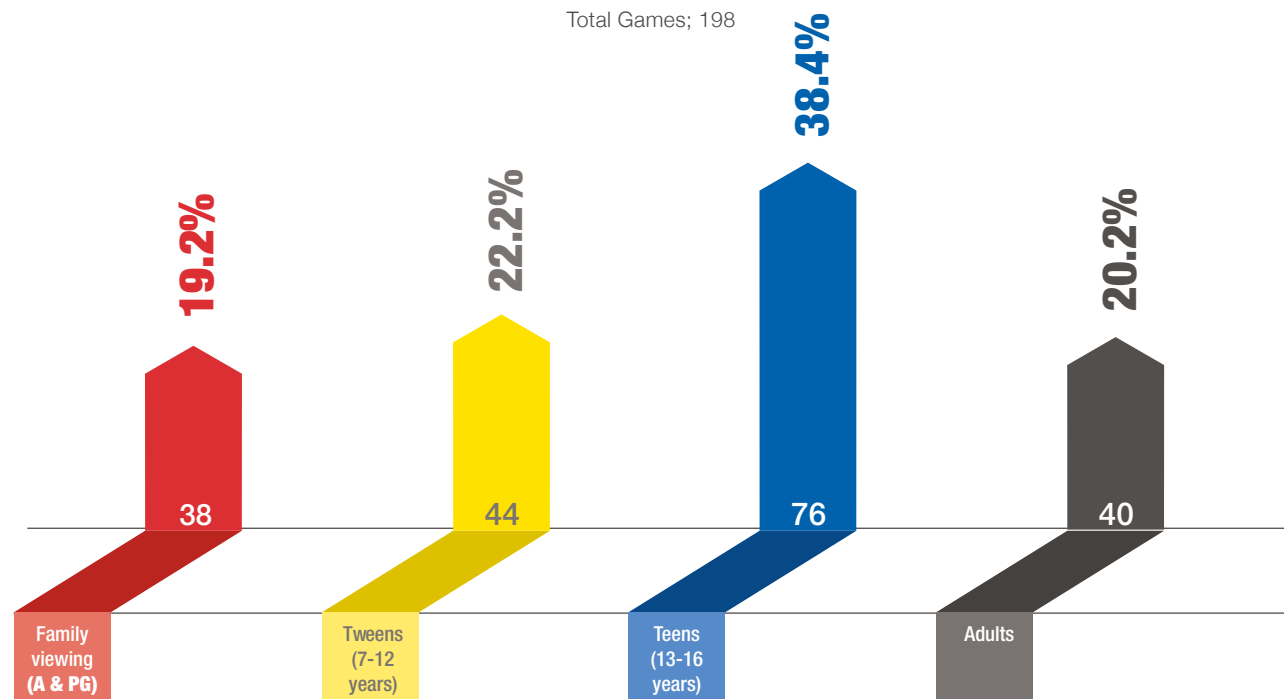
Total Number of Features; 887 Films



all children to play with parental guidance. Seventeen games are appropriate for children aged 7 to 9PG (with supervision). Six classified games were suitable for children aged 10 to play without parental guidance, whilst 21 games were suitable for ages 10 to 12PG. Seventy-six games were available for teenagers between the ages of 13 to 16. There were 40 games that should not be played by under 18s, as they contain harmful elements such as very strong violence, language and substance abuse and, in some instances, sexual conduct and sexual violence.

2018/2019 GAMES — TARGET MARKET

Total Games; 198



PREVALENT CLASSIFIABLE ELEMENTS IN CONTENT

Violence remains the most prevalent element in films, followed by offensive or crude language, sexual activity and substance abuse. In games, violence is aggravated where violent acts are required to advance to other levels, to gain rewards or when playing in first-person game mode.

Consumer advice for prejudice and sexual violence is assigned to more Bollywood and South African productions than to international content. This is linked in some cases to the telling of local stories from our divided past or to the intention of the content creator to raise awareness of social ills.

As part of its contribution to social cohesion, the FPB will continue to assist the sector and the country to reflect on the impact of media entertainment on societal values and norms.

APPEALS OF CLASSIFICATION DECISIONS

There were six appeals against the FPB classification decisions in 2018/2019 compared to four in the previous year. Five of these appeals were argued in full in front of the Appeal Tribunal. One appeal was dismissed as the format in which the film was screened in theatres did not tally with the running time of the version submitted for classification by the distributor. Three of the remaining five classification decisions were replaced with the decision applied for by the distributor, whilst two were upheld.



SKYSCRAPER

United International Pictures (UIP)

FPB CLASSIFICATION
COMMITTEE DECISION

APPEAL TRIBUNAL
DECISION

16LV

13LV

28 JUNE
2018

20 SEPTEMBER
2018

12 JUNE
2018

THYS & TRIX

Filmfinity (Pty) Ltd

FPB CLASSIFICATION
COMMITTEE DECISION

APPEAL TRIBUNAL
DECISION

16DLV

Appeal
dismissed
(release format)

JOHNNY ENGLISH STRIKES AGAIN

UIP

FPB CLASSIFICATION
COMMITTEE DECISION

APPEAL TRIBUNAL
DECISION

10-12PG
DLV

10-12PG
DLV

SPIDER-MAN: INTO THE SPIDER-VERSE

Filmfinity (Pty) LTD

FPB CLASSIFICATION
COMMITTEE DECISION

APPEAL TRIBUNAL
DECISION

10-12PGV
(PPS)

7-9PG

WHAT MEN WANT

UIP

FPB CLASSIFICATION
COMMITTEE DECISION

APPEAL TRIBUNAL
DECISION

18DLPS

16DLPS

30 JANUARY
2019

21 DECEMBER
2018

18 FEBRUARY
2019

HOW TO TRAIN YOUR DRAGON: THE HIDDEN WORLD

UIP

FPB CLASSIFICATION
COMMITTEE DECISION

APPEAL TRIBUNAL
DECISION

7-9PGV

7-9PGV

WE INFORM
YOU CHOOSE

INDUSTRY COMPLIANCE MONITORING

Compliance monitoring involves inspections of physical and online distribution stores to ensure that distributors are registered according to law, submit for classification the material they would like to distribute and display classification details on distributed material.

In 2018/2019, the FPB conducted 1 896 online inspections (104% against annual target), 736 quality assurance inspections on online distributors (131% of annual target) and 668 social network platform inspections (108% of annual target).

Inspections of licensed video-on-demand distributors took place with monthly sampled reports submitted to the quality assurance team. Feedback from sampled reports assists distributors to comply fully with FPB Classification Guidelines. During the year, 9 946 inspections were conducted: 7 926 targeted inspections (2 447 of which were found to be unregistered), 1 267 internet service providers and 533 publications.

101 notices/warnings were issued for the following non-compliances:

- Two for unclassified material
- 98 for unregistered stores
- One for unregistered store and material not classified.

In collaboration with the South African Police Service (SAPS), Metro Police and municipal law enforcement, 130 raids were conducted and 140 722 discs confiscated. Some 182 cases were opened and 87 analysis reports developed and submitted as evidence in court, which resulted in 91 arrests. Regional coordinators testified in eight court cases, all yielding successful prosecutions.

Confiscated material destroyed amounted to 197 686 discs with an estimated street value of R19.7 million.

Some 1 267 internet service provider (ISP) inspections were conducted and the providers were trained on child pornography-related activities that might cross their platforms. They were encouraged to install filtering

software to restrict access to pornographic websites, for the protection of minors who often use their services for school work. In addition, 49 awareness workshops were conducted targeting 271 cinema staff members nationwide on the work of the FPB, the classification process, the relevance of classification decisions and the importance of protecting children.

ONLINE CHILD PROTECTION SERVICES

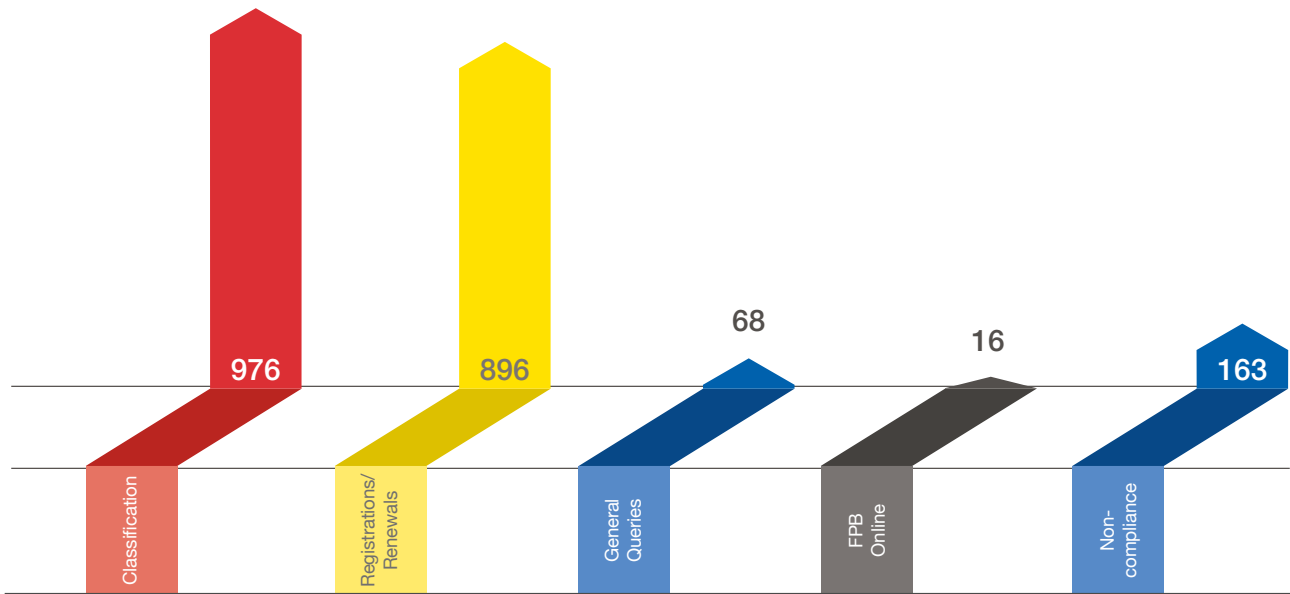
The FPB child protection team works with the online monitoring team to investigate suspected child sexual abuse material. These teams are certified as internet content analysts by INHOPE.

INHOPE, a collaborative global network of hotlines that deal with illegal content online, is committed to stamping out child pornography. The FPB hotline investigates cases reported by the public, referring them to law enforcement authorities and the ISPs. Some 101 cases were referred through the FPB Hotline website <http://www.fpbhotline.org.za/> and the client support service, which marks a 78% decrease over the prior year. Eighteen cases were referred to other INHOPE-affiliated hotlines, the same number as in the previous financial year.

The FPB assisted law enforcement with the analysis of 16 cases that contained 239 922 content elements. Twenty-three cases were referred by the SAPS to the FPB, an increase of 28% year on year, attributed to improved relationships, increased awareness and better expertise in analysis of child pornography and CSAM. Most of the cases referred to the FPB were from Western Cape and KwaZulu-Natal.

CLIENT QUERIES AND CLIENT SATISFACTION LEVELS

Queries during the year totalled 2 113, 96% of which were resolved within the targeted turnaround times. The queries related to regulatory compliance requirements (88%), classification (46%), registrations/renewals (42%) and regulatory non-compliance (8%). No queries were received from members of the public.

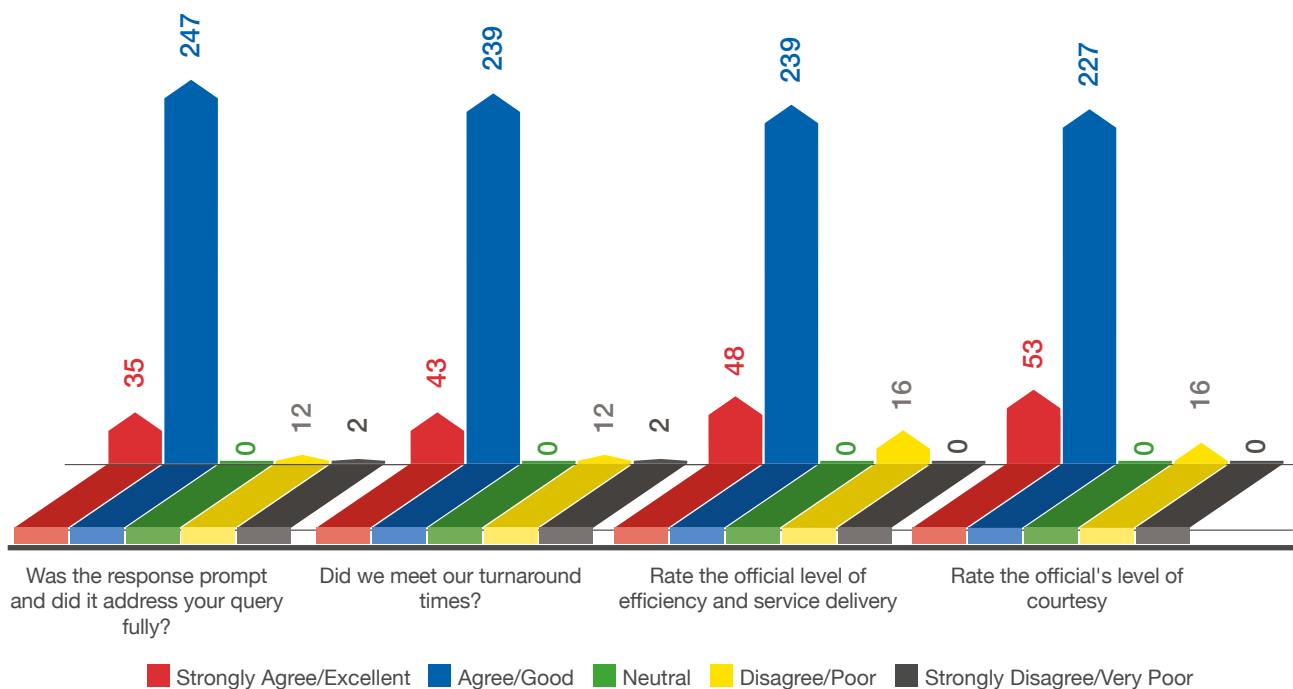


CUSTOMER SATISFACTION SURVEYS

Quarterly surveys are administered to source feedback on operational efficiency against the agreed service delivery standards. Some 1 888 survey questionnaires were administered, with 95% of respondents satisfied with the prompt response and considered their queries fully addressed and resolved, with 12% rating the service 'excellent' and 83% 'good'.

Ninety-five percent of respondents were satisfied with the turnaround times for services rendered and with the efficiency and service delivery, and 95% rated the courtesy of FPB staff as 'excellent' and 'good', with only 5% giving a 'poor' rating.

SURVEYS CONDUCTED IN 2018/2019



LEGAL AND REGULATORY INSTRUMENTS REVIEW

The Films and Publications Amendment Bill, 2015 (FP Bill) was approved by both Houses of Parliament on the basis that Section 16 of the Principal Act was revised to emphasise that there is no duty to submit publications for classification unless they contain prohibited content in terms of Section 16 (2) of the Constitution. Self-regulation is permitted for publications in the public interest, such as the news. Entities that are members of the Press Council would be exempt from classification. The FP Bill proposes that the FPB need not classify other publications prior to distribution, but complaints from the public regarding offensive publications may warrant post-release classification.

The FP Bill further amends the FP Act to align the definition of child pornography to the definition in terms of the Criminal Law (Sexual Offences and Related Matters) Amendment Act, 32 of 2007, and decriminalises the online distribution of adult content on all platforms, including digital.

The establishment of a co-regulation system will allow accredited independent classification bodies to classify their own digital films, games and publications. The FPB would enter into licence agreements with online distributors to undertake their own classification using the Classification Guidelines of the FPB, but dependent on regular audits for quality assurance. Should an online distributor not wish to enter into this agreement, it will be required to submit all titles to the FPB for classification. Importantly, the FP Bill provides for an effective penalty structure in support of, among others, co-regulation.

REGULATORY TARIFF REVIEW

The FPB finalised the tariff review process started in the previous financial year, the purpose being to develop an appropriate and justifiable pricing model for all platforms, distributor sizes and the online streaming market. The FPB finalised the consideration of public inputs. A proposed tariff model has been placed before the Minister of Communications for consideration and approval.

CLASSIFICATION GUIDELINES REVIEW PROCESS

The review started in 2017/2018 with the discussion paper launched in Gauteng on 19 February 2018. The financial year under review involved public engagement on the draft Classification Guidelines. For the first time in its history, the FPB convened consultations across all provinces, reaching a total of 1 233 participants. Furthermore, written inputs were received from five organisations.

The final version of the Classification Guidelines was approved by the Minister of Communications in March 2019. A major change to the guidelines has been the removal of the age-restrictive distribution category of '10'. Blasphemy has been removed as a standalone classifiable element as it is already an analysis under prejudice that complies with Constitutional principles. In addition, the guidelines were simplified to make them easier to interpret and apply and to enable consumers to understand the principles and methods used when classifying material.

ORGANISATIONAL SUSTAINABILITY

Automation of all human capital functions was initiated, which will culminate in the deployment of the SAGE300 system in the next financial year. A comprehensive business requirements assessment and mapping of all business processes in the organisation were undertaken.

Talent management initiatives were implemented to retain talent within the FPB, particularly with the impending rationalisation announced by the Minister of Communications.

HUMAN CAPITAL MANAGEMENT

The reporting period was both exceptionally challenging and a period of great innovation for the FPB's human capital function, with the introduction of data analytics and forecasting skills as innovations introduced to improve decision-making in the organisation. The unit continued its focus on supporting the capacity and capability components of the organisational plan and ensuring that the

required human capital resources, skills and performance requirements are in place. To improve operational efficiencies and to build a strong and competent workforce, several improvements were implemented, including:

- Organisational design (OD) exercise
- Policy development
- Change management, and
- Introduction of data analytics into reporting to improve decision-making.

A new Human Capital Management Strategy (2018-2022) was developed and approved by Council. It is geared to provide end-to-end, technologically proficient solutions for an optimised and sustainable organisation. It proposes a business partnering model premised on five strategic pillars.

The OD project was a significant development, as the FPB has grown considerably since the last organisational redesign exercise in 2010/2011 — from 63 posts in March 2012 to 94 in the current structure. In addition, there is a strong focus and effort on revolutionising government through the Minister's 4IR initiative.

The OD project addresses the need for the FPB to review its position in the sector holistically and meet the demands of a changing environment.

Employee turnover was moderate in the reporting period, and four executives were appointed, bringing a level of stability to the leadership team. Additionally, two vacant unit manager posts, communications and legal, were filled.

Turnover was high in the 2017-2020 classifier pool, with eight replacement classifiers appointed and a further group placed in a reserve pool as a contingency for any future resignations during the three-year term.

Current forecast data analytics anticipate a future resignation rate of between one to two employees per quarter for permanent FPB employees and one further resignation per quarter for the classifiers pool.

The FPB entered into a recognition agreement with National Education, Health and Allied Workers' Union in January 2019 with union consultations on a broad range of issues currently underway.

The FPB implemented its fifth internship programme from 01 July 2018. Ten interns were appointed and exposed to a wide range of FPB work experiences. They are currently enrolled in a career development and personal excellence programme.

The second year of the FPB management succession programme was implemented and two C-band candidates were enrolled on the management development programme at the Gordon Institute of Business Science (GIBS), which addresses the gap between assistant manager/specialist and unit manager levels in the organisation and prepares internal candidates for advancement.

The FPB invested R622 164.09 in employee skills training and development (individual and team-based short training courses) and a further R593 302.11 in employee educational assistance (tertiary qualifications) for 69 (82%) employees. The total investment in human resource development of FPB employees for the year under review was R1 215 466.20 (3% of total cost to company, 1% higher than the national requirement).

The FPB wellness programme continues to provide quarterly compulsory group debriefing services for employees (classifiers and compliance monitoring teams) exposed to potentially disturbing material or traumatic work activities.

A new wellness service provider, Careways, was appointed in November 2018 and is assisting with employee wellbeing initiatives. The quarterly wellness days are well supported and include a range of health testing services and awareness sessions.

COMMUNICATIONS AND PUBLIC EDUCATION

The role of the communications and public education unit is critical in creating a positive brand image and reputation for the FPB, as the organisation works towards enhancing social cohesion in the country. This is done through stakeholder engagement, public relations, marketing, digital media and community outreach.

The unit educates the public about the dangers of exposing children prematurely to inappropriate and harmful content. To achieve this, a three-year Integrated Communications Strategy was approved to support a 'high visibility, high impact' approach to grow the FPB's footprint across the country and the continent through focused public education campaigns and strategic stakeholder engagements.

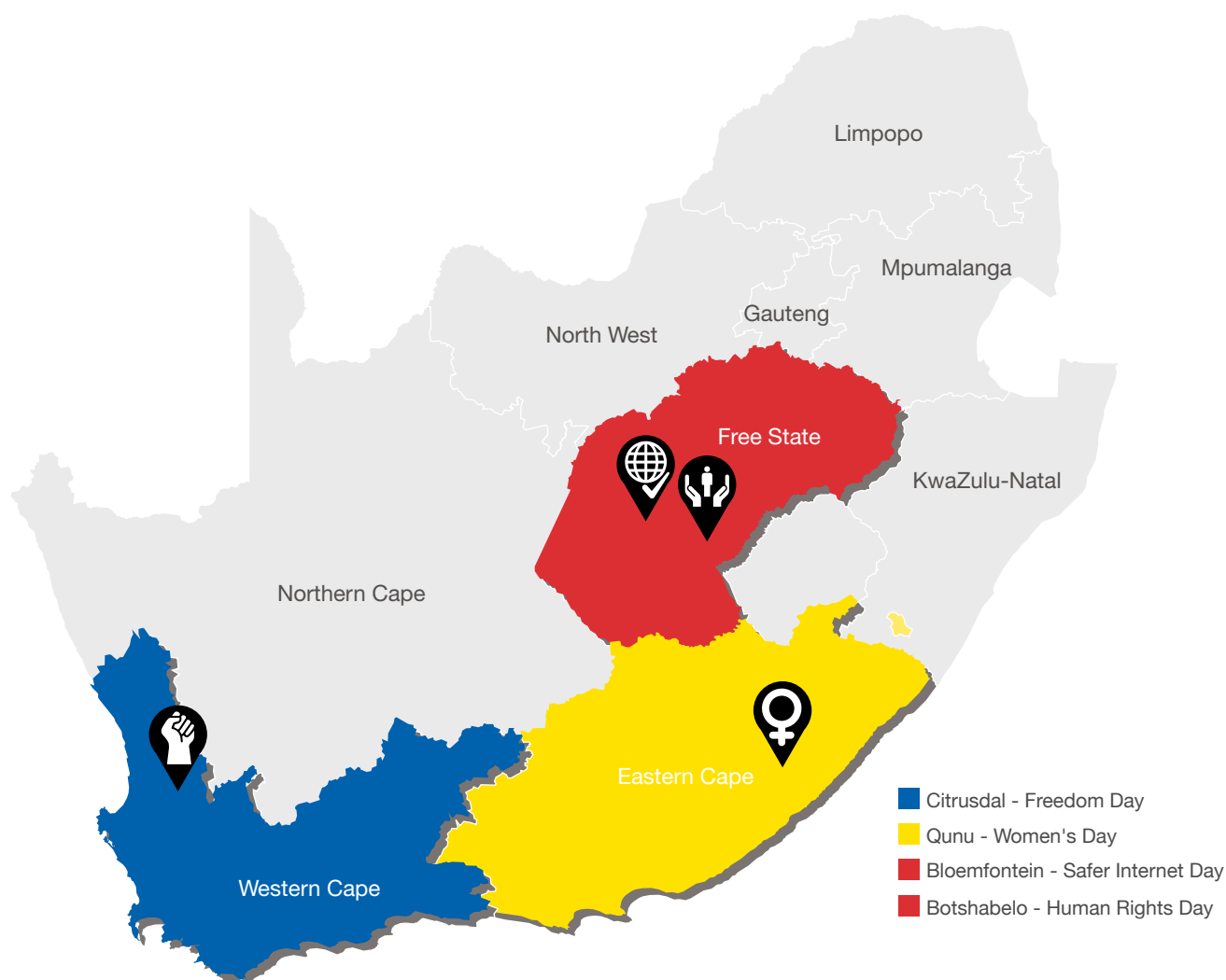
PUBLIC EDUCATION AND AWARENESS CAMPAIGNS

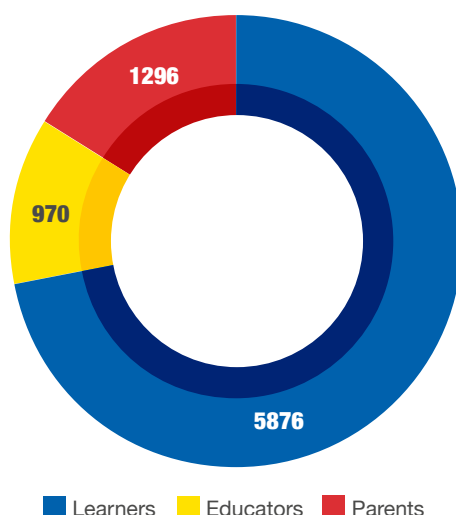
Safer Internet Day (SID) remains a flagship campaign for FPB. SID is an annual campaign conducted globally under the auspices of INHOPE, a key stakeholder for the FPB in the fight against online exploitation of children. With responsible digital citizenship as a key outcome, the **#ThinkB4UPost** campaign was launched on SID in the Bloemfontein area in February 2019 and ran as a social media and marketing campaign throughout the fourth quarter.

Four multi-unit activities were conducted in rural and urban areas, reaching learners, educators and parents.

Activity Theme	Province	Town
Freedom Day	Western Cape	Citrusdal
Women's Day	Eastern Cape	Qunu
Safer Internet Day	Free State	Bloemfontein
Human Rights Day	Free State	Botshabelo

MULTI-UNIT ACTIVITIES





MEDIA RELATIONS AND SOCIAL MEDIA

The FPB adopts an omni-channel approach to media management, developing relationships with journalists (in particular in 2018/2019 with the South African National Editors Forum) to support its high visibility, high impact reputation management campaign. Key messages over the period included;

- Cyber-safety and safer internet usage
- The Classification Guidelines process and its impacts on freedom of speech balanced against protection of individual human rights
- The increase of gaming as a new pathology

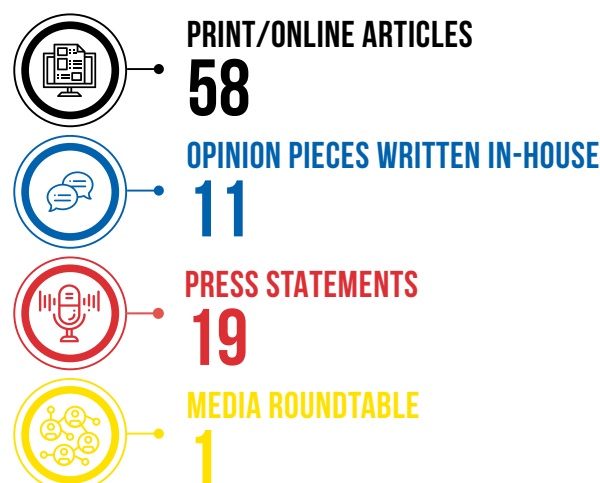
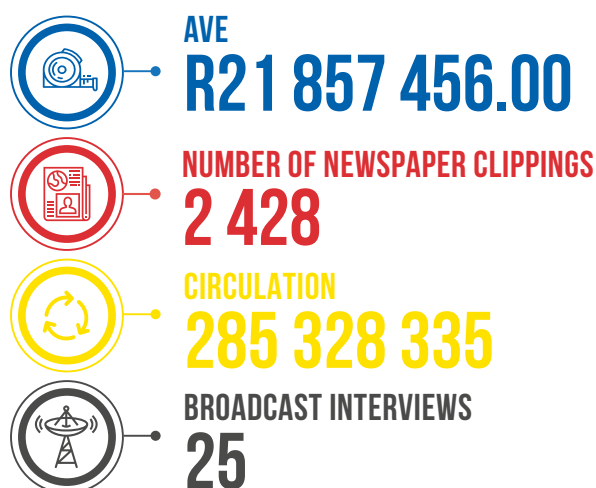
The media programme focused on publishing content around the FPB mandate on the FPB website, in traditional

media and on the FPB's social media platforms (YouTube, Instagram, Twitter and Facebook).

Higher-than-average media coverage was received, largely because of strategically proactive media engagements. The Classification Guidelines review process provided an ideal opportunity for the FPB to address topical issues that have posed a reputational challenge in the past. These included the cultural sensitivity debate sparked in the previous year by the reclassification of the film *Inxeba* by the Appeal Tribunal.

The FPB's media analytics point to social media platforms being a far stronger tool than traditional media for disseminating messages, due to immediacy and the multiplier effect with peer-to-peer sharing. These platforms have assisted the FPB to increase its digital and social footprint in creating awareness for the FPB.

MEDIA RELATIONS STATISTICS



SOCIAL MEDIA STATISTICS



TWITTER STATISTICS

- Twitter impressions decreased by 80.14% (from 3 713 395 to 737 500)



FACEBOOK STATISTICS

- Page engagements increased by 57.13% (From 12 665 to 19 901).

STRATEGIC PARTNERSHIPS

Strategic partnerships form the backbone of the FPB's work, as it endeavours to grow its footprint. Focus during the year continued on establishment and maintenance of both national and international partnerships.

A crucial success factor for content classification is alignment of Classification Guidelines to the norms and standards of society. This requires intensive dialogue with the public and key sectors of society through nationwide public consultation. Various FPB stakeholders played a role in the success of these consultations, including GCIS, Gauteng Film Commission, CRL Commission, Commission for Gender Equality, Brand South Africa and Traditional Leaders.

Film festivals have proven to be ideal platforms to engage film makers about the role of content regulation in the industry value chain. The FPB attended the following film festivals:

- Durban International Film Festival
- BRICS Film Festival
- DISCOP
- Limpopo International Film Festival

RESEARCH

The research unit positioned the FPB as a thought leader in content regulation through opinion pieces published internally and externally. Articles are consciously nuanced and balanced, positioning the FPB as a deliberative entity, with a contribution to make to national debates on the impact of media on children and society. Moreover, opinion pieces and insight reports are a vehicle for disseminating the FPB's work to industry, parents, learners and the general public.

The unit supported the Harmonisation of Content Regulation in Africa stakeholder project by drafting a concept note that included a valuable compendium (summaries) of media content regulation in the SADC region, as well as in Kenya, Ghana, Senegal and Nigeria.

The introduction of insights reports has heightened the unit's profile in the organisation. These reports highlighted topics such as:

- Graphicness and the theory of vivid media violence
- Cyberbullying in the 21st century: Causes, effects and suggested interventions
- Literature review on violence against women – a triangulation of the SAPS 2017-2018 crime statistics, the Medical Research Council's 'Burden of disease' study and the Sonke Gender Justice report on violence against women

The reports have supported other work in the organisation, including the literature review on violence against women, which was used to develop a concept note for the 2018 16 Days of no Violence Against Women and Children campaign. The 'Cyberbullying in the 21st century' report formed the basis for interventions on combatting teenage suicide, proven to have increased because of social media influence. The content was used in public education and online campaigns.

Focus group discussions, in support of Strategic Objective 1, bring targeted participants around the table to discuss a specific topic that supplements the quantitative research conducted in support of the FPB's work. Five focus groups were conducted — in Gauteng, Limpopo, Northern Cape and Eastern Cape. A concept note was developed for a future focus group discussion with a cohort of professionals.

INFORMATION, COMMUNICATION AND TECHNOLOGY

The Information, Communication and Technology unit (ICT) unit recorded several achievements over and above what was committed on the organisation's Annual Performance Plan (APP). To ensure stability within the unit, the position of the Chief Information Officer was filled.

The unit's achievements included the following:

- Implementation of business continuity and disaster recovery capability. Available capability ensured business

continuity when the data centre was impacted by non-functioning air-conditioners, as the organisation was able to access systems from the disaster recovery site. To ensure continued business continuity and discovery recovery, an FPB management team was constituted to ensure continuous improvement and testing.

- Security penetration testing was conducted to understand the strength of the current security configuration and identify areas for improvement, to ensure protection against potential security threats.
- The reviewed 2019/20 ICT strategy (Digital Agenda) will usher the FPB into the next digital era of innovative technologies driving 4IR, whilst ensuring effective operations of current ICT services.

FINANCIAL TRENDS

INCOME AND EXPENDITURE

REVENUE

Revenue comprises an operational grant from the DoC, classification fees for films, games and some publications, and registration fees of new movie distributors.

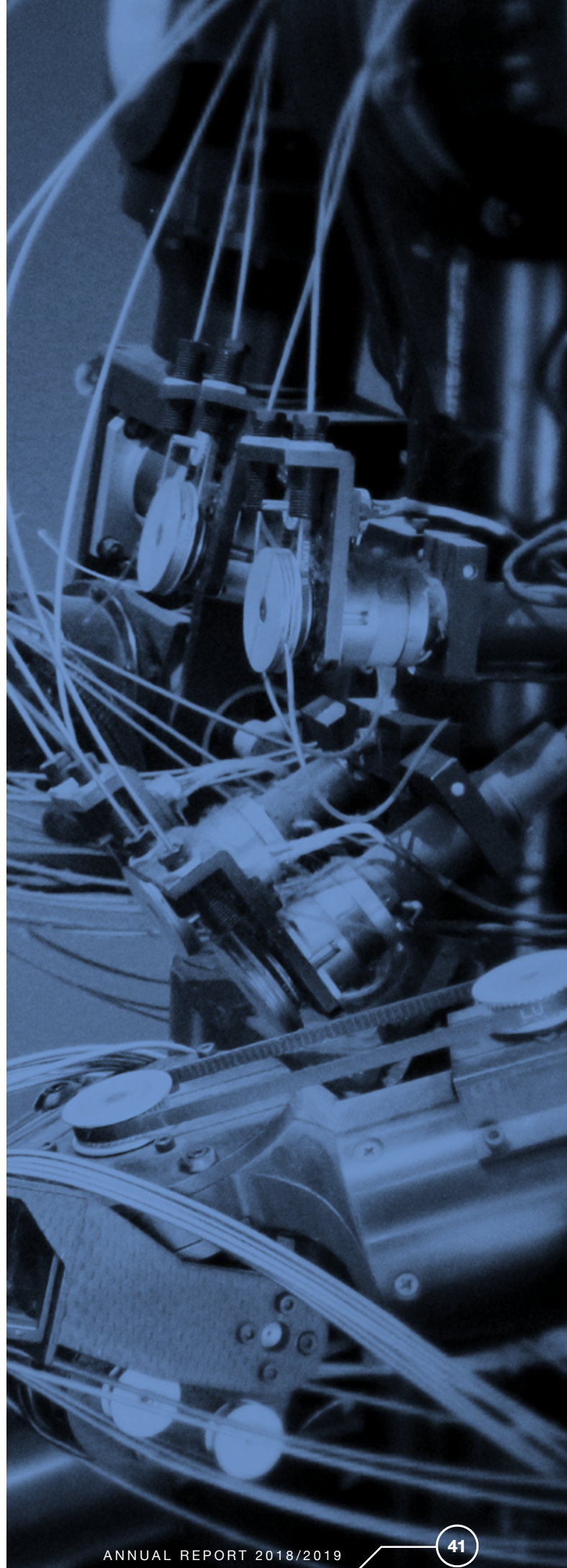
The operational grant for 2018/2019 was R94 577 000, 3.2% higher than the R91 684 000 of 2017/2018. Regulation fees were R7 907 284, compared to R7 741 329 in the previous financial year, a decrease of 1.5% attributable to the decline in volume of material received and new distributors entering the market.

As indicated, the FPB faces severe budgeting pressures, as operational grant increases are way below expected inflation increases and own revenue is decreasing, albeit slightly.

PERSONNEL AND OTHER OPERATING EXPENDITURE

Personnel expenditure, including performance bonuses, increased by 7%. Administrative expenditure decreased from R36 950 558 in 2017/2018 to R35 856 228, indicating some results from cost-saving measures. For example, costs of workshops and meetings, advertising and national travel were reduced by 40%.

The accounting surplus was R7 156 304 compared to R7 446 311 in the previous financial year.





SECTION



GOVERNANCE

The next step for the FPB is to attain a single classification system; a general standard of content classification throughout the country, which is not based on any specific platform.



CORPORATE GOVERNANCE REPORT

COUNCIL AND COMMITTEES

The FPB's Council was established in terms of Section 3(1) of the Act and is the accounting authority in terms of sections 49(1) and (2)(a) of the Public Finance Management Act (PFMA). The Council reports on the FPB's performance to the Executive Authority in terms of Section 4A (1) of the Film and Publications Act. Council and its committees are fully effective in carrying out their work.

INSTITUTIONAL GOVERNANCE

The following is a brief outline of the activities of the Council and its committees for this reporting year:

COUNCIL

The Council is fully constituted and has continued to do its work diligently. Our relationship with the Minister and the DoC as well as Parliament has remained cordial, and our reporting has been strictly in line with legislation and applicable National Treasury Regulations.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has remained vigilant and robust in ensuring compliance with financial regulations and governance obligations. The committee has been thorough in its work and focused on attainment of set annual performance and expenditure targets. Assistance by the internal audit unit provided both the Council and the Audit and Risk Committee with assurance that the FPB was compliant with its governance obligations.

The term of one of the external members ended during the third quarter of the financial year, and he was replaced with a Council member. Another external member has not been appointed as an impending rationalisation process has placed a moratorium on filling of other internal vacancies.

CHAIRPERSONS COMMITTEE

This committee comprises the Chairperson, Deputy Chairperson and chairpersons of all Council committees. It focuses on business coordination, strategy implementation and compliance with the Code of Conduct and Ethics, and on urgent corporate governance matters between Council meetings. The committee held all its scheduled meetings and four special meetings focused on recruitment.

FINANCE COMMITTEE

The Finance Committee is one of the most important Council committees as it ensures that the organisation is financially sound. The robustness of the committee in scrutinising financial statements and ensuring accurate financial reporting remains one of the key reasons for the FPB's financial sustainability. During the year under review, the Finance Committee held four quarterly meetings and two joint meetings with the Audit and Risk Committee, in line with the annual Council schedule. The joint meetings considered the Annual Financial Statements, annual performance information report and the Auditor-General's management report.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee is responsible primarily for monitoring human capital management policies and all related aspects of organisational capacity, including training and remuneration. During the reporting period, it held all four scheduled meetings. The committee has continuously reviewed policies to ensure compliance and alignment with legislation and the national policy framework.

OPERATIONS AND ICT COMMITTEE

The Operations and ICT Committee oversees all aspects of the organisation's strategic operations, which include classification, distributor registrations, compliance monitoring, child protection, communications, research, ICT governance and stakeholder relations. During the period under review, the committee oversaw the review of Classification Guidelines and the new tariff model.

CORPORATE GOVERNANCE

All governance structures, including the Council, its committees and the Audit and Risk Committee, are in good standing.

The Appeal Tribunal is in place and is fully constituted.

All but two Council members filed their declarations of interests within the stipulated time in compliance with the PFMA and Public Service Act of 1994, as amended.

All members of the various FPB governance structures were remunerated based on National Treasury Guidelines.

The Council Charter, Code of Conduct and Ethics and the terms of reference for committees were reviewed and updated. The governance agreement with the Executive Authority was reviewed and adopted for the year under review.

The FPB's governance instruments are, therefore, up to date and valid. I can also confirm that the FPB is in a healthy financial state and therefore remain a going concern.

COUNCIL MEETINGS

COUNCIL AND SPECIAL COUNCIL MEETING ATTENDANCE

Committee Member		29/05/18	28/06/18	07/07/18 (Strategy)	27/08/19	11/09/18	00/10/18 (Strategy)	22/11/18	05/03/19	12/03/19 (Classification Guidelines workshop)
1	Mrs Thoko Mpumlwana	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Ms Sarah Mangena	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Adv Lufuno Nevondwe	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Ms Yoliswa Makhasi	✓	X	✓	✓	✓	✓	✓	✓	✓
5	Mr Matone Ditlhake	✓	✓	✓	X	✓	✓	✓	✓	X
6	Ms Nobuntu Dubazana	✓	✓	✓	✓	X	✓	X	X	✓
7	Dr Natalie Skeepers	✓	✓	✓	✓	X	✓	X	✓	X
8	Adv Anderson Mudunungu	✓	✓	✓	✓	✓	✓	X	X	X
9	Ms Zanele Nkosi	✓	✓	✓	✓	✓	✓	✓	✓	X
10	Ms Vuyokazi Mhlakaza	X	✓	✓	✓	X	✓	✓	X	X

COUNCIL AND SPECIAL COUNCIL MEETING ATTENDANCE CONTINUED

Committee Member		05/01/18	28/06/18	30/07/18	20/08/18	27/08/18
1	Mrs Thoko Mpumlwana (Council Chairperson)	✓	✓	✓	✓	✓
2	Ms Sarah Mangena	✓	✓	✓	✓	✓
3	Adv Lufuno Nevondwe	✓	✓	✓	✓	✓
4	Ms Yoliswa Makhasi	✓	X	✓	✓	X
5	Mr Matone Ditlhake	✓	✓	✓	✓	X
6	Ms Nobuntu Dubazana	✓	✓	✓	✓	✓
7	Dr Natalie Skeepers	✓	✓	✓	✓	✓
8	Adv Anderson Mudunungu	X	✓	X	X	✓
9	Ms Zanele Nkosi	✓	✓	✓	X	✓
10	Ms Vuyokazi Mhlakaza	✓	✓	✓	✓	✓

CHAIRPERSONS COMMITTEE (CHAIRCO)

Committee Member		16/05/18	26/06/18	19/09/18	15/11/18
1	Mrs Thoko Mpumlwana	✓	✓	✓	✓
2	Ms Sarah Mangena	✓	✓	✓	✓
3	Adv Lufuno Nevondwe	Not a member	✓	✓	X
4	Ms Yoliswa Makhasi	✓	✓	X	X
5	Mr Matone Ditlhake	X	✓	✓	✓
6	Ms Zanele Nkosi	X	✓	X	✓

HUMAN RESOURCES AND REMUNERATION COMM (HR/REMCO) ATTENDANCE

Committee Member		21-05-2018	04-09-2018	08-11-2018	07-02-2019
1	Ms Yoliswa Makhasi (Chairperson)	N/A	✓	✓	✓
2	Ms Sarah Mangena	✓	✓	✓	✓
3	Adv Anderson Mudunungu	X	✓	X	X
4	Ms Vuyokazi Mhlakaza	X	✓	X	X

FINANCE COMMITTEE (FINCOM)

Committee Member		26-04-2018	25-05-2018 (Joint AC)	27-07-2018 (Joint AC)	28-08-2018	08-11-2018	01-02-2019
1.	Mr Matone Dithlake (Chairperson)	✓	✓	X	X	✓	X
2.	Ms Nobuntu Dubazana	✓	✓	X	X	✓	✓
3.	Adv Lufuno Nevondwe	N/A	N/A	X	✓	X	X
4.	Ms Yoliswa Makhasi	X	✓	X	N/A		
5.	Dr Natalie Skeepers	N/A	✓	✓	✓	X	✓

AUDIT AND RISK COMMITTEE

Committee Member		25-04-2018	25-05-2018 (Joint Fincom)	27-07-2018 (Joint Fincom)	29-08-2018	30-10-2018	01-02-2019
1	Ms Zanele Nkosi (Chairperson)	✓	✓	✓	✓	✓	✓
2	Ms Sarah Mangena	X	✓	✓	✓	✓	✓
3	Dr Natalie Skeepers	✓	✓	✓	✓	✓	✓
4	Mr Mandla Dihadlha	X	✓	X	X	✓	Resigned
5	Adv Lufuno Nevondwe	N/A					✓

ICT STEERING COMMITTEE

Committee Member		11-05-2018	07-09-2018	26-10-2018	25-01-2019
1	Mr Sandile Ndaba	✓	✓	✓	X
2	Ms Vuyokazi Menye	✓	✓	✓	✓
3	Mr Norman Baloyi	✓	✓	✓	✓

JOINT FINANCE AND AUDIT RISK COMMITTEE

Committee Member		25-05-2018	27-07-2018
1	Mr Matone Dithlake	✓	X
2	Ms Sarah Mangena	✓	✓
3	Adv Lufuno Nevondwe (new member)	N/A	N/A
4	Ms Nobuntu Dubazana	✓	X
5	Dr Natalie Skeepers	✓	X
6	Ms Zanele Nkosi	✓	✓
7	Mr Mandla Dihadlha (no longer a member)	X	✓

OPERATIONS AND ICT COMMITTEE

Committee Member		18-05-2018	27-09-2018	12-11-2018	20-02-2019
1	Adv Lufuno Nevondwe (Chairperson)	✓	✓	✓	✓
2	Ms Nobuntu Dubazana	✓	X	X	✓
3	Ms Yoliswa Makhasi	✓	✓	X	✓
4	Ms Vuyokazi Mhlakaza	X	X	✓	X

APPEAL TRIBUNAL MEMBERS ATTENDANCE LIST

Appeal Tribunal (AT) Member		28-06-2018 (Thys & Trix)	12-07-2018 (Skyscraper)	20-09-2018 (Johnny English)	21-12-2018 (Spider-Man Into the Spider Web)	30-01-2019 (How to Train a Dragon: Hidden World)	18-02-2019 (What Men Want)
1	Mr Christopher Mamathuntsha (Chairperson)	✓	X	✓	✓	✓	✓
2	Ms Nonduduzo Khanyile	✓	✓	X	✓	✓	X
3	Ms Nonkolisa Sigcau	✓	✓	✓	✓	✓	✓
4	Mr Sizwe Snail	X	✓	✓	✓	X	✓
5	Ms Manko Buffel	✓	✓	X	✓	✓	✓
6	Mr Lutendo Malada	✓	✓ (Acting Chair)	X	✓	X	X
7	Prof Adelaide Magwaza	X	X	✓	✓	✓	X
8	Adv Thembelihle Ndlovu	✓	X	X	✓	X	X

WORKSHOPS	
Appeal Tribunal Workshop	13-14 November 2018

Through the work of the Council, the FPB continues to make an impact on the lives of ordinary South Africans. We have made major strides in ensuring that content classification is recognised as a necessary intervention in nation-building and fostering social cohesion, especially as it applies to the protection of children.

The next step for the FPB is to attain a single classification system; a general standard of content classification throughout the country, which is not based on any specific platform.

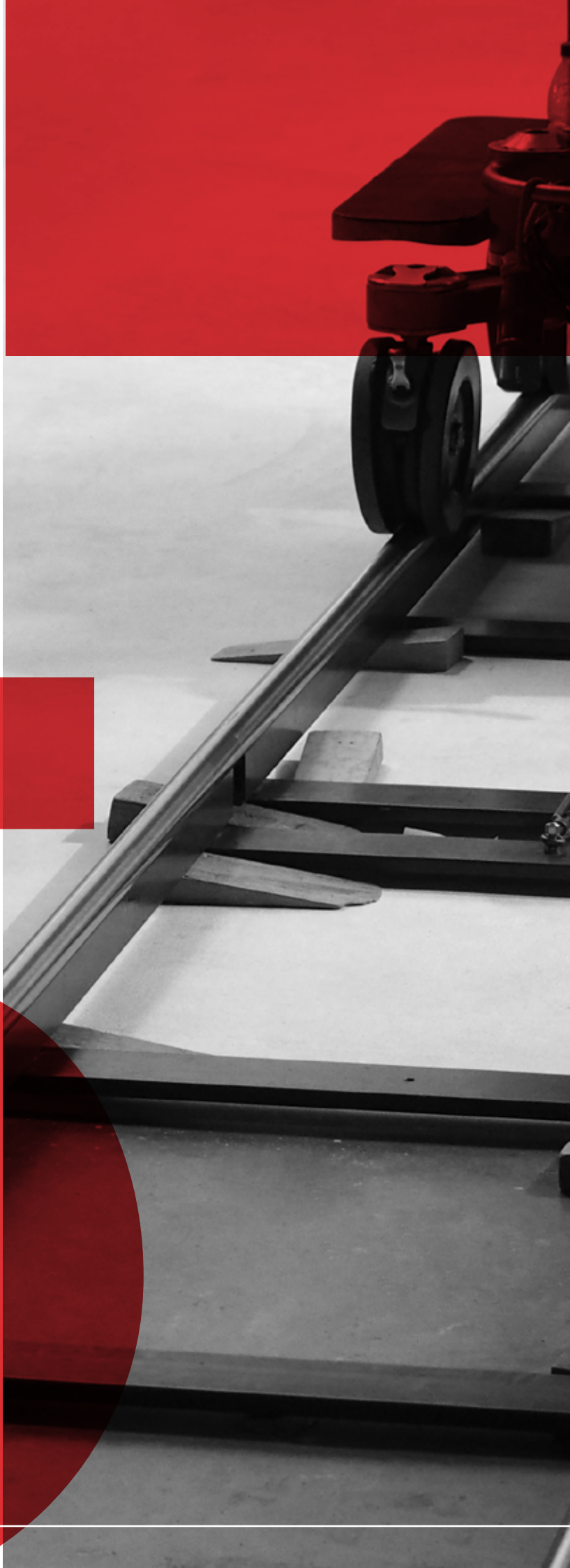
With the impending finalisation of the Amendment Bill, the FPB will be on a much stronger regulatory footing than it is now.

**WE INFORM
YOU CHOOSE**





SECTION



HUMAN RESOURCE MANAGEMENT

The FPB team is committed to delivering high-quality service to all stakeholders — the public, fellow staff members and other government agencies; to ensuring that stakeholders receive relevant and sufficient information, and to addressing issues promptly, to the full satisfaction of the client.



HUMAN RESOURCE REPORT

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

EXPENDITURE

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

TABLE 1 – PERSONNEL COSTS BY PROGRAMME 2018/2019

	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services	Personnel Costs as a % of Total Expenditure	Average Personnel Cost Per Employee
Programme	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Staff	51 854	50 663	1 191	0	98%	574
Classifiers	7 269	7 269	0.00	0	100%	182
Total	59 123	57 932	1 191	0	98%	457

TABLE 2 – PERSONNEL COSTS BY SALARY BANDS, 2018/2019

Salary Band	Personnel Expenditure (R'000)	% of total Personnel Cost (R'000)	Average Personnel Cost per Employee (R'000)
Classifiers	7 269	12.5%	182
Support Staff	34 986	60.4%	498
Senior Management	10 243	17.7%	931
Executive	5 434	9.4%	906
Total	57 932	100%	457

EMPLOYMENT AND VACANCIES

TABLE 3 – EMPLOYMENT AND VACANCIES BY SALARY BANDS, 31 MARCH 2019

Salary Band	Number of Posts 31 March 2018	Number of Filled Posts 31 March 2018	Number of Posts 31 March 2019	Number of Filled Posts 31 March 2019	Vacancy Rate %	Additional to the Establishment – (added to FPB structure)
Support Staff	74	67	78	67	14.10%	4
Senior Management	11	9	11	10	9.09%	1
Executive Management	5	0	5	4	20.00%	0
Programme Total	90	75	94	81	13.80%	5

TABLE 4 : REASONS WHY STAFF ARE LEAVING THE ENTITY

Termination Type	Number	% of total
Death	0	0%
Resignation	5	56%
Expiry of Contract	3	33%
Dismissal – Organisational Changes	0	0%
Dismissal – Misconduct	0	0%
Dismissal – Inefficiency	0	0%
Discharge due to Ill-health	0	0%
Retirement	0	0%
Other	1	11%
Total	9	100%
Total number of employees who left as a % of total employment		10%

EMPLOYMENT EQUITY

TABLE 5: TOTAL NUMBER OF EMPLOYEES (INCLUDING PEOPLE WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AT 31 MARCH 2019:

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Support Staff	26	2	4	1	44	0	1	2	80
Senior Management	3	0	1	2	3	1	0	0	10
Executive Management	1	0	0	0	2	1	0	0	4
Total	30	2	5	3	49	2	1	2	94
Persons with disabilities – included in the above table	0	0	0	0	2	0	0	0	2

TABLE 6: SKILLS DEVELOPMENT FOR THE PERIOD 01 APRIL 2018 TO 31 MARCH 2019

Occupational Categories	Male				Female				Total	% Employees Trained
	African	Coloured	Indian	White	African	Coloured	Indian	White		
Support Staff	21	3	3	1	31	0	1	1	61	58.09%
Senior Management	1	0	0	1	1	0	0	0	3	2.85%
Executive Management	0	0	0	0	0	0	0	0	0	0.00%
Total	22	3	3	2	32	0	1	1	64	60.95%
Persons with Disabilities	0	0	0	0	1	0	0	0	1	0.95%

TABLE 7: PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY, 01 APRIL 2018 TO 31 MARCH 2019

	Number of Beneficiaries	Cost	% of Rewards to Employees
African			
Male	21	R376 993.03	32.32%
Female	35	R609 277.83	52.23%
Indian			
Male	5	R119 853.96	10.27%
Female	1	R19 632.88	1.68%
Coloured			
Male	0	0.00	0
Female	0	0.00	0
White			
Male	1	R15 920.31	1.36%
Female	1	R24 874.04	2.13%
Total	63	R1 166 551.97	100%
Employees with Disabilities	0	0.00	0

TABLE 8: MISCONDUCT AND DISCIPLINARY ACTION, 01 APRIL 2018 TO 31 MARCH 2019

Outcomes of Disciplinary Hearings	Number	% of total
Correctional Counselling (including Letters of Caution)	0	0%
Verbal Warning	4	40%
Written Warning	3	30%
Final Written Warning	1	10%
Suspended without Pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Case Withdrawn	0	0%
Other (Letter of Caution)	2	20%
Total	10	100%

TABLE 9: EMPLOYMENT CHANGES

Salary Bands	Number of Employees per Level at 01 April 2018	Appointments and Transfers In	Terminations and Transfers Out	Employment at end of Period at 31 March 2019
Support Staff	74	18	8	84
Senior Management	11	2	0	13
Executive Management	5	4	1	8
Total	90	24	9	105

TABLE 10: TRAINING COSTS

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No of Employees Trained	Average Training Cost per Employee
Bachelor's in Government Administration and Development	478 876.00	13 500.00	2.8%	1.00	13 500.00
Postgraduate Diploma in Project Management	372 231.43	38 244.00	10.3%	1.00	38 244.00
Bachelor's in Applied Sciences	372 231.43	51 548.00	14.7%	1.00	51 548.00
Masters in Law - Information and Communication Law	273 669.63	41 344.00	15.1%	1.00	41 344.00
BA in Community Development	295 563.25	7 900.00	2.7%	1.00	7 900.00
MBA	544 926.83	36 000.00	6.6%	1.00	36 000.00
BCom in Economics	293 749.47	21 200.00	7.2%	1.00	21 200.00
MBA	196 767.31	58 920.00	30.0%	1.00	58 920.00
Postgraduate Diploma in Labour Law	466 063.02	53 568.00	11.5%	1.00	53 568.00
BA in Forensic Technology	372 231.82	2 100.00	0.6%	1.00	2 100.00
Master's in Communication	225 780.78	13 300.00	5.9%	1.00	13 300.00
Programme in Management Development	2 371 359.26	26 1400.00	11.0%	4.00	65 350.00
Investigation and Management of Cyber and Electronic Crime	48 001 168.00	10 1750.00	0.2%	11.00	10 500.00
Principles of Knowledge Management to Public Sector Administration	7 199 322.00	56 202.00	0.8%	17.00	3 512.62
Investigation and Management of Cyber and Electronic Crime	6 108 560.00	116 790.00	1.9%	11.00	9 732.50
Human Resources Indaba Conference	0.00	0.00	0.0%	3.00	0.00
Career Development and Personal Excellence	780 000.00	220 225.00	28.2%	10.00	2 022.50
Bytes People Solutions	372 232.00	7 930.52	2.1%	1.00	7 930.52
Cobit 5 Foundation	483 627.00	4 446.00	0.9%	1.00	4 446.00
Business Analyst	274 937.00	39 750.00	14.5%	1.00	39 750.00
Principle of Payroll Tax	938 270.00	5 107.20	0.5%	2.00	2 553.60
Certified, Ethical, Hacking for ICT	424 288.00	21 735.00	5.1%	1.00	21 735.00
Certified Information Systems Security Professional	945 175.00	50 405.50	5.3%	1.00	50 405.50
Android Application	544 926.00	22 425.00	4.1%	1.00	22 425.00
CIO Level 3_App Digital Innovation and Leadership	945 175.00	50 568.00	5.3%	1.00	50 568.00
Principles of Knowledge Management to Public Sector Administration	463 442.00	9 765.00	2.1%	1.00	9 765
PFMA Training	1 020 591.00	7 400.00	0.7%	2.00	3 700.00
Asset Management	424 288.00	27 048.00	6.4%	1.00	27 048.00
C# (introduction)	544 926.00	8 995.00	1.7%	1.00	8 995.00
Project Management	424 288.00	7 700.00	1.8%	1.00	7 700.00
Total	55 181 000.00	1 357 266.22	2.5%	80.00	16 965.83



SECTION



FINANCIAL INFORMATION

The accounting authority sets standards for internal control to reduce the risk of error or deficit in a cost-effective manner. These include the proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties. The controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach.



ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

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LIST OF ABBREVIATIONS

AGM	Annual General Meeting
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
COO	Chief Operations Officer
CPD	Corporation for Public Deposit
DoC	Department of Communications
FPB	Film and Publication Board
GRAP	Generally Recognised Accounting Practice
ICT	Information and Communications Technology
IT	Information Technology
MTEF	Medium-Term Expenditure Framework
OCR	Online Content Regulation
OD	Organisational Design
PAYE	Pay as You Earn
PFMA	Public Finance Management Act
PO	Purchase Order
SARS	South African Revenue Service
SDL	Skills Development Levy
SLA	Service Level Agreement
SSE	Shared Services Executive
UIF	Unemployment Insurance Fund
WASPA	Wireless Application Service Providers' Association

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

REPORT OF THE AUDIT AND RISK COMMITTEE

The audit and risk committee is established in terms of Section 51(1) (a) (ii), Section 77 of the Public Finance Management Act (PFMA) read together with Treasury Regulation 27.1 and acts as a governance structure of the entity. As required, the audit and risk committee prepared a report in line with the requirements of Treasury Regulation 27.1.

The committee, which comprises of 4 members, has been mandated with oversight on audit matters, accounting, risk and compliance. During the year under review, the committee has held all its scheduled meetings, including joint meetings with the Finance Committee, and members have continued to act with due diligence and care in the discharge of their duties.

Members and attendance

Refer to page 47 for a list of members and attendance to meetings.

Charter

The committee assists the Council in fulfilling its oversight responsibilities, in particular, with the evaluation of the adequacy and efficiency of internal controls, financial reporting process, risk management and compliance.

To achieve the above, the committee has for the current year, reviewed and adopted a charter that was approved by Council. The committee confirms that it has complied with both the charter and the statutory responsibilities as detailed in the regulations mentioned above.

Effectiveness of internal controls

For the 2018/19 financial year, the committee:

- Reviewed significant issues raised by both the internal and external audit processes.
- Reviewed the effectiveness of the entity's financial controls and received assurance from management, internal and external audit.
- Reviewed the action plans in place to address the shortcomings identified in controls.
- Reviewed policies and procedures for prevention and detection of fraud.
- Recommended internal control and compliance activities.

Where shortcomings were identified, the committee has ensured that action plans by management are in place. The committee continues to monitor such plans on a quarterly basis.

Internal audit

The internal audit performs an independent assurance function by conducting periodical assessments on the activities of the entity and reporting the findings thereof to the committee.

For the 2018/19 financial year, the committee has:

- Approved the annual and three year rolling plan.
- Reviewed and approved the internal audit charter.
- Reviewed quarterly internal audit reports highlighting issues identified from the entity's internal control environment, systems and processes.
- Considered the effectiveness of the internal audit unit by quarterly monitoring progress and quality of work.
- Considered the internal audit resources to ensure the unit effectively discharges all its functions.

The internal audit unit managed to complete its annual plan timeously for the year under review.

Risk management

As an essential element of governance and as stated in the charter, the role of the committee is to provide oversight on the systems and processes of risk management within the entity.

For the 2018/19 financial year, the committee has:

- Reviewed and recommended to the Council, the risk policy.
- Reviewed on a quarterly basis, the strategic risk register and the implementation of the planned mitigating actions.
- Considered on a quarterly basis any emerging risks, including those arising from fraud.

Although the committee notes all the activities undertaken in regard to risk, deficiencies have been identified and strengthening of the process is recommended. The committee will continue to monitor the processes and systems of risk on a quarterly basis.

Compliance with laws and regulations

For the 2018/19 financial year, the committee:

- Considered the system and processes the entity uses to ensure compliance to regulations.
- Monitored compliance with laws and regulations.
- Reviewed both internal and external audits report to identify any compliance issues.

In-Year Management Reporting

During the 2018/19 financial year, the committee consistently reviewed both financial and non-financial information and ensured that monthly and quarterly reporting processes were in accordance with the PFMA.

Finance function

The committee has considered the effectiveness of the finance unit and is satisfied that the unit discharged its functions accordingly for year under review.

Evaluation of annual financial statements and performance information

The committee has evaluated the financial statements together with the performance information and based on the processes and assurance obtained, recommends submission to the Council for approval.

Auditor's Report

The committee has independently met with the external auditors and can confirm that they are independent and have conducted the audit without influence. Implementation plans for audit issues raised in the previous year were reviewed and there is satisfaction as to the resolution of all matters.

The committee has discussed the audit outcomes with both management and AGSA. Based on these discussions, the committee accepts the conclusions and is of the opinion that the audited financial statements be accepted and read together with the report of the Auditor-General.

Appreciation

The committee expresses its appreciation to the accounting authority, the senior management team, internal audit and the Auditor-General for their continued support and dedication during the year under review.



Zanele Nkosi

Chairperson: Audit and Risk Committee

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

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 set out on pages 68 to 99, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement, and the statement of comparison of budget information with actual information for the year then ended, as well as the 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 2019, 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 of South Africa, 1999 (Act No. 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 this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the 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 codes..
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 Film and Publication Board'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 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 AUDIT OF THE ANNUAL PERFORMANCE REPORT

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2019:

Programmes	Pages in the annual performance plan
Programme 1: Industry compliance	102 – 105
Programme 2: Public awareness and customer education	106 – 107
Programme 4: Online and mobile content regulation	114 – 115

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on usefulness and reliability of the reported performance information for these programmes:
- Programme 1: Industry compliance
 - Programme 2: Public awareness and customer education
 - Programme 4: Online and mobile content regulation

Other matter

15. I draw attention to the matters below:

Achievement of planned targets

16. Refer to the annual performance report on pages 101 to 119 for information on the achievement of planned targets for the year and explanations provided for any under/ over achievement of targets.

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information on industry compliance, public awareness and customer education, and online and mobile content regulation programmes. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. If, based on the work I have performed, I conclude that there is a material misstatement in this other information; I am required to report that fact. I have nothing to report in this regard. ,

INTERNAL CONTROL DEFICIENCIES

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

Auditor-General

Pretoria

31 July 2019



AUDITOR-GENERAL
SOUTH AFRICA

ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The members of Council are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the financial statements fairly present the state of affairs of the entity as at the end of the year and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the financial statements and given unrestricted access to all financial records and related data for their audit.

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

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

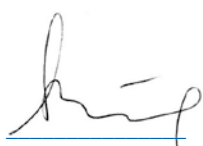
The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority sets standards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

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

The entity is dependent on the DoC for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the DoC has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

The accounting authority is primarily responsible for the financial affairs of the entity and these are audited by the entity's external auditors.

The financial statements set out on pages 68 to 99, which have been prepared on the going concern basis, were approved by the accounting authority on 28 May 2019 and were signed on its behalf by:



Dr M Motebang
Acting Chief Executive Officer



Mrs NFT Mpumlwana
Chairperson of Council

ACCOUNTING AUTHORITY'S REPORT

The members submit their report for the year ended 31 March 2019.

1. Legal form and nature of business

The Film and Publication Board is a public entity which was established in terms of the Film and Publications Act and commenced business in March 1998. It is listed as a schedule 3A in terms of the Public Finance Management Act of 1999. The Executive Authority is the DoC.

2. Review of activities main business and operations

The Film and Publication Board regulates, by means of classification, age restrictions and consumer advice, the creation, production, possession and distribution of films, games and certain publications to:

- Enable adults to make informed viewing, reading and gaming choices, for both themselves and the children in their care, and
- Protect children from exposure to disturbing and harmful materials and from premature exposure to adult experiences, and
- Contribute to the protection of children from sexual abuse and exploitation in pornographic films, computer games, publications and on the internet.

3. Results for the year

The financial operating results for the period were satisfactory. The Film and Publication Board recorded a net surplus of R7 156 304 (2018: surplus R7 466 311).

4. Going concern

We draw attention to the fact that at 31 March 2019, the entity had an accumulated surplus of R29 457 285 (R22 300 980 — 31 March 2018) and that the entity's total assets exceed its liabilities by R29 457 285 (R22 300 980 — 31 March 2018).

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

5. Funding

The Film and Publication Board received a Government Grant of R94 577 000 for the period ended 31 March 2019 and R91 684 000 for the year ended 31 March 2018.

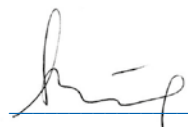
6. Subsequent events

Ms U Ndobeni was appointed Chief Financial Officer (CFO) effective from 01 July 2018 and subsequently resigned on 30 April 2019. Mr Vuledzani Matidza was appointed Acting CFO with effect from 01 May 2019.

7. Accounting policies

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

The financial statements set out on pages 68 to 99, which have been prepared on the going concern basis, were approved by the accounting authority on 28 May 2019 and were signed on its behalf by:



Dr M Motebang
Acting Chief Executive Officer



Mrs NFT Mpumlwana
Council Chairperson

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

Figures in Rand

Note(s)

		2019	2018
Assets			
Current Assets			
Receivables from exchange transactions	4	4 548 394	3 910 520
Cash and cash equivalents	3	21 383 093	15 297 829
		25 931 487	19 208 349
Non-Current Assets			
Property, plant and equipment	5	7 508 997	7 642 661
Intangible assets	6	10 576 706	10 401 165
		18 085 703	18 043 826
Total Assets		44 017 190	37 252 175
Liabilities			
Current Liabilities			
Finance lease obligation	7	-	669 708
Payables from exchange transactions	8	8 888 947	7 945 300
Provisions	9	5 670 956	6 336 184
Total Liabilities		14 559 903	14 951 192
Net Assets		14 559 903	14 951 192
Accumulated surplus		29 457 287	22 300 983
		29 457 285	22 300 980

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2019	2018
Revenue			
Revenue from non-exchange transactions			
Government grants and subsidies	10	94 577 000	91 684 000
Revenue from exchange transactions			
Regulation Fees	10	7 907 284	7 741 329
Other income	11	20 815	9 875
Interest received - investment	12	909 228	863 674
Total revenue from exchange transactions		8 837 327	8 614 878
Total revenue		103 414 327	100 298 878
Expenditure			
Personnel	13	(57 932 203)	(53 241 885)
Depreciation and amortisation expenses		(2 419 054)	(2 452 419)
Finance costs	15	(50 538)	(187 705)
Lease rentals on operating lease	14	(6 823 106)	(5 859 249)
Administrative	14	(29 033 122)	(31 091 309)
Total expenditure		(96 258 023)	(92 832 567)
Surplus for the period		7 156 304	7 466 311

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand

Balance at 31 March 2017

Surplus for the period

Total changes

14 834 669

7 466 311

7 466 311

14 834 669

7 466 311

7 466 311

Restated* Balance at 31 March 2018

Surplus for the period

Total changes

22 300 981

7 156 304

7 156 304

22 300 981

7 156 304

7 156 304

Balance at 31 March 2019

29 457 285

29 457 285

CASH FLOW STATEMENT

Figures in Rand

Note(s)

		2019	2018
Cash flows from operating activities			
Receipts		94 577 000	91 684 000
Grants		909 228	863 674
Interest received		20 788	-
Other receipts		7 269 437	6 914 874
Regulation fees		102 776 453	99 462 548
Payments			
Employee costs		(57 266 975)	(56 782 270)
Suppliers		(36 340 196)	(30 274 596)
Other expenses		-	(1 686)
		(93 607 171)	(87 058 552)
Net cash flows from operating activities	17	9 169 282	12 403 996
Cash flows from investing activities			
Purchase of infrastructure, plant and equipment	5	(2 071 835)	(1 164 225)
Proceeds from sale of Infrastructure, plant and equipment	5	133 190	25 530
Purchase of intangible assets	6	(425 126)	(3 506 551)
Net cash flows from investing activities		(2 363 771)	(4 645 246)
Cash flows from financing activities			
Finance lease payments		(548 108)	(827 801)
Finance cost		(50 538)	(187 705)
Finance lease settlement		(121 600)	-
Net cash flows from financing activities		(720 246)	(1 015 506)
Net increase/(decrease) in cash and cash equivalents		6 085 265	6 743 244
Cash and cash equivalents at the beginning of the period		15 297 829	8 554 586
Cash and cash equivalents at the end of the period	3	21 383 094	15 297 830

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash 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	8 179 395	1 729 354	9 908 749	7 907 284	(2 001 465)	(a)
Other income	-	-	-	20 815	20 815	(b)
Interest received - investment	705 010	50 000	755 010	909 228	154 218	(c)
Total revenue from exchange transactions	8 884 405	1 779 354	10 663 759	8 837 327	(1 826 432)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	94 577 000	-	94 577 000	94 577 000	-	
Total revenue	103 461 405	1 779 354	105 240 759	103 414 327	(1 826 432)	
Expenditure						
Personnel	(58 848 514)	74 000	(58 774 514)	(57 932 203)	842 311	(d)
Depreciation and amortisation expenses	-	-	-	(2 419 054)	(2 419 054)	
Finance costs	(57 600)	-	(57 600)	(50 538)	7 062	
Lease rentals on operating lease	(7 036 197)	-	(7 036 197)	(6 823 106)	213 091	
Administrative	(37 519 094)	(1 853 354)	(39 372 448)	(29 033 122)	10 339 736	(d)
Total expenditure	(103 461 405)	(1 779 354)	(105 240 759)	(96 258 023)	8 982 736	
Surplus before taxation	-	-	-	7 156 304	7 156 304	
Surplus for the year from continuing operations	-	-	-	7 156 304	7 156 304	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	7 156 304	7 156 304	

The budget for 2018/2019 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 entities included in the budget were disclosed in Note 22.

- (a) Mid term revenue projections indicated an increase of regulation fees to be collected for the remainder of the year, budget was therefore adjusted upwards however there were some distributor that concluded the agreement in the new year.
- (b) Other revenue not budgeted for due to not being material and its ad hoc nature.
- (c) Additional interest revenue generated due to proper planning of the surplus cash and investment decision that are done on time. The surplus funds is invested in the CPD account and ABSA call account.
- (d) Admin cost is due to the fact that management implemented cost containment measures on line items like travel, workshops and data costs.

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 historical cost convention unless specified otherwise. They are presented in South African Rand value.

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: Useful life estimations, provisions and contingent liabilities.

Trade receivables and receivables

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

The impairment for trade receivables and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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 9 - Provisions.

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

ACCOUNTING POLICIES

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.

1.2 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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.

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. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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.

ACCOUNTING POLICIES

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

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

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

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

The 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 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.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

ACCOUNTING POLICIES

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 assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

ACCOUNTING POLICIES

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 5, 6 and 7).

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 classifies financial assets and financial liabilities into the following categories:

- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

ACCOUNTING POLICIES

Gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in surplus or deficit as part of other income. Dividends received on available -for-sale equity instruments are recognised in surplus or deficit as part of other income when the entity's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in surplus or deficit, while translation differences on non-monetary items are recognised in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

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 fair value.

1.5 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.



ACCOUNTING POLICIES

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

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

1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

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

The defined benefit plan is a pension fund under which the FPB pays fixed monthly contributions to a separate entity that will have legal or constructive obligations to pay further contribution if the fund does not hold sufficient assets to pay all the employee benefits relating to the employee service in the current and prior period. Once the contribution is paid, the FPB has no further obligations.

1.7 Provisions and contingencies

Provisions are recognised when:

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

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

ACCOUNTING POLICIES

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

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

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

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

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

Provisions are not recognised for future operating surplus.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 20.

1.8 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

ACCOUNTING POLICIES

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

1.9 Revenue from non-exchange transactions

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

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

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

Measurement

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

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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.

1.10 Borrowing costs

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

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

1.11 Translation of foreign currencies

Foreign currency transactions

Exchange difference is the difference resulting from translating a given number of units of one currency into another currency at different exchange rates. A foreign currency transaction is a transaction that is denominated or requires settlement in a foreign currency, including transactions arising when an entity:

- (a) buys or sells goods or services whose price is denominated in a foreign currency;
- (b) borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency; or
- (c) otherwise acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency.

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;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

ACCOUNTING POLICIES

- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.12 Comparative figures

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

1.13 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.

1.14 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.

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

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

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ACCOUNTING POLICIES

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

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

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

1.15 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2018-04-01 to 2019-03-31.

The budget for the economic entity includes all the entities approved budgets under its control.

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.

1.16 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.

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

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).



ACCOUNTING POLICIES

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

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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.

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NOTES TO THE FINANCIAL STATEMENTS

2. New standards and interpretations

GRAP 34 - Separate Financial Statements

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements

GRAP 35 - Consolidated Financial Statements

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

GRAP 36 - Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

GRAP 37 - Joint Arrangements

The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

GRAP 38 - Disclosure of Interests in Other Entities

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

GRAP 110 - Living and Non-living Resources

The objective of this Standard is to prescribe the:

- Recognition, measurement, presentation and disclosure requirements for living resources; and
- Disclosure requirements for non-living resources.

NOTES TO THE FINANCIAL STATEMENTS

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2019	2018 (Restated)
Cash on hand	10 965	4 118
Bank balances	10 334 370	15 238 573
Short-term deposits	11 037 758	55 138
	21 383 093	15 297 829

FPB has issued a bank guarantee with ABSA call account number 92-5018-501 for security of Durban regional offices. The value of the bank guarantee is R117 400.

4. Receivables from exchange transactions

	2019	2018 (Restated)
Trade debtors	2 661	23 316
Debtors	4 545 733	3 047 250
Pre payments	-	839 954
	4 548 394	3 910 520
Fair value of trade and other receivables		
Trade and other receivables	4 548 394	3 910 520

5. Property, plant and equipment

	2019			2018		
	Cost	Accumulat- ed depreci- ation	Carrying value	Cost	Accumulat- ed depreci- ation	Carrying value
Furniture and fixtures	3 698 191	(1 426 109)	2 272 082	3 522 336	(1 210 163)	2 312 173
Motor vehicles	1 142 593	(513 232)	629 361	693 291	(404 061)	289 230
Office equipment	3 285 137	(1 466 604)	1 818 533	2 339 153	(1 157 593)	1 181 560
Computer equipment	6 765 439	(4 112 461)	2 652 978	6 351 985	(3 330 744)	3 021 241
Leasehold improvements	1 968 866	(1 832 823)	136 043	1 968 866	(1 696 781)	272 085
Leased - office equipment	-	-	-	363 001	(363 001)	-
Leased - motor vehicles	1 853 583	(1 853 583)	-	2 038 941	(1 472 569)	566 372
Total	18 713 809	(11 204 812)	7 508 997	17 277 573	(9 634 912)	7 642 661

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NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of property, plant and equipment - 31 March 2019

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture and fixtures	2 312 173	175 855	-	(215 946)	-	2 272 082
Motor vehicles	289 230	449 302	-	(109 171)	-	629 361
Office equipment	1 181 560	950 578	-	(313 605)	-	1 818 533
Computer equipment	3 021 241	496 110	-	(864 373)	-	2 652 978
Leasehold improvements	272 085	-	-	(136 042)	-	136 043
Leased - motor vehicles	566 372	-	(36 041)	(530 331)	-	-
	7 642 661	2 071 845	(36 041)	(2 169 468)	-	7 508 997

Reconciliation of property, plant and equipment - 31 March 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2 519 527	-	-	(207 354)	2 312 173
Motor vehicles	398 400	-	-	(109 170)	289 230
Office equipment	809 213	560 591	-	(188 244)	1 181 560
Computer equipment	3 153 915	603 664	(13 969)	(722 369)	3 021 241
Leasehold improvements	544 171	-	-	(272 086)	272 085
Leased - office equipment	110 917	-	-	(110 917)	-
Leased - motor vehicles	1 246 019	-	-	(679 647)	566 372
	8 782 162	1 164 255	(13 969)	(2 289 787)	7 642 661

Other information

There were no assets held as security at reporting date.

6. Intangible assets

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	12 709 122	(2 132 416)	10 576 706	12 315 602	(1 914 437)	10 401 165

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	10 401 165	425 126	(249 585)	10 576 706

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	7 057 248	3 506 551	(162 634)	10 401 165

7. Finance lease obligation

Figures in Rand

Minimum lease payments due

- within one year

less: future finance charges

Present value of minimum lease payments

	2019	2018
- within one year	-	721 169
	-	721 169
less: future finance charges	-	(51 460)
Present value of minimum lease payments	-	669 709

The FPB has entered into a lease agreement for eleven (11) vehicles for a period of three years (36 months) effective from 05 February 2016, ending 31 January 2019. The transaction has been treated as a finance lease as per the requirements of GRAP 13. The lease has since come to an end in January 2019 and there is no minimum lease payment due in the future period.

8. Payables from exchange transactions

Figures in Rand

Trade payables

Payments received in advanced - contract in process

Debtors with credit balance

Pension

Medical aid

Other accruals

	2019	2018
Trade payables	3 654 820	3 223 388
Payments received in advanced - contract in process	2 107 605	1 976 946
Debtors with credit balance	1 948 265	1 829 208
Pension	579 621	453 162
Medical aid	274 708	250 355
Other accruals	323 928	212 241
Total	8 888 947	7 945 300

9. Provisions

Reconciliation of provisions - 2019

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Performance bonuses	1 501 269	2 389 753	(1 171 422)	-	2 719 600
Leave pay	1 149 576	332 587	(113 541)	-	1 368 622
Litigation and claims	3 685 339	653 618	(405 701)	(2 350 523)	1 582 734
	6 336 184	3 375 958	(1 690 664)	(2 350 523)	5 670 956

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NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of provisions - 2018

	Opening Balance	Additions	Utilised during the year	Total
Performance bonuses	1 422 699	1 445 778	(1 367 208)	1 501 269
Leave pay	1 224 834	387 899	(463 157)	1 149 576
Litigation and claims	625 339	3 111 048	(51 048)	3 685 339
	3 272 872	4 944 725	(1 881 413)	6 336 184

Provision for performance bonus is based on budgeted amount of R2 719 600 as per 2019/20 budget, payment for bonuses is not expected to exceed the budgeted amount.

Provision raised for outstanding leave balances as at 31 March 2019.

Provision raised for litigation and claims relating to an arbitration award granted against the FPB regarding a labour relations matter, the litigation for contractual disputes between FPB and service provider and the appeal by the members of society on the film (Inxeba) case that is currently awaiting the court judgement.

10. Revenue

Figures in Rand

	2019	2018
Regulation fees (Classification and Registration fees)	7 907 284	7 741 329
Government grants and subsidies	94 577 000	91 684 000
	102 484 284	99 425 329

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

Regulation fees (Classification and Registration fees)	7 907 284	7 741 329
Other income	20 815	9 875
Interest received - investment	909 228	863 674
	8 837 327	8 614 878

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

Taxation revenue

Transfer revenue

Government grants and subsidies	94 577 000	91 684 000
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NOTES TO THE FINANCIAL STATEMENTS

11. Other revenue

Figures in Rand

Sale of tender documents

Other income and recoveries

2019	2018
6 900	4 500
13 915	5 375
20 815	9 875

12. Investment revenue

Interest revenue

Interest from investment accounts

909 228	863 674
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13. Employees costs

Salaries and bonuses

Classifiers remuneration

Medical aid - company contributions

UIF

SDL

Leave pay provision charge

Retirement fund contributions

Staff debt

PAYE

Salary temporary employees

32 030 302	29 501 790
5 717 175	5 505 165
2 945 476	2 692 432
322 133	286 274
-	60 823
219 046	(75 258)
5 102 855	4 250 969
150 178	55 681
11 248 886	10 945 080
196 152	18 929
57 932 203	53 241 885

Average staff

Total Number of employees as at 31 March 2019

94

A total number of classifiers was 40 for period ended 31 March 2019 and total amount paid for classifiers remuneration amounted to R5 717 175 - (31 March 2018: R 5 505 165 -) excluding PAYE.

The FPB also has an internship programme numbering 10 positions included in the total employees of 94.

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NOTES TO THE FINANCIAL STATEMENTS

14. Administrative

Figures in Rand

	2019	2018
Advertising	222 723	471 939
Auditors remuneration	1 447 875	1 867 641
Bank charges	82 657	77 760
Cleaning	157 579	286 188
Internal audit fees	79 119	70 467
Consulting and professional fees*	671 624	5 322 826
FPB Council**	2 075 861	1 798 353
Insurance	847 536	622 778
IT expenses***	8 365 534	4 226 673
Fleet	315 724	117 797
Fuel and oil	664 588	663 939
Postage and courier	23 510	28 754
Printing and stationery	342 519	543 457
Public relations campaign	2 857 632	2 233 067
Research and development costs	36 410	9 850
Staff development, recruitment and welfare	2 292 233	2 414 511
Subscriptions and membership fees	252 115	235 547
Telephone and fax	1 172 703	1 033 915
Transport and freight	46 224	84 453
Travel - local	4 207 465	4 664 024
Travel - overseas	892 632	466 554
Water and lights	742 646	621 330
Pension admin fee	169 125	-
Workshops and meetings	569 574	2 201 808
Loss on forex exchange	3 678	350
Disposal of assets	(19 027)	(11 561)
Stakeholders relations	-	36 113
Lease expenses	439 676	715 726
Review Board (Tribunal Appeal)	-	163 635
Storage - Classification Material	73 187	123 415
	29 033 122	31 091 309

Consulting services expenditure includes professional fees for prior and current year related to the projects undertaken as outlined in the Annual Performance Plans.

Administrative and operational expenses are related to activities to pursue and achieve strategic outcomes.

*Consulting and professional fees reduction was mainly due to a reversal of a litigation provision in the current year for Inxeba case.

**Council members get paid for meeting attendance and travel claims

***IT expenses include the OCR maintenance and license fees.

NOTES TO THE FINANCIAL STATEMENTS

15. Other expenses

Figures in Rand

Finance leases

2019	2018
50 538	187 705

16. Auditors' remuneration

Fees

1 447 875	1 867 641
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17. Cash generated from operations

Surplus

7 156 304

7 466 311

Adjustments for:

Depreciation and amortisation expense

2 419 054

2 452 419

Loss on sale of assets

36 042

-

Gain on sale of assets

-

(11 561)

Finance costs - Finance leases

50 538

187 705

Movements in provisions

(665 228)

3 063 312

Proceeds from sale of assets

(133 190)

-

Changes in working capital:

Receivables from exchange transactions

(637 874)

(826 455)

Payables from exchange transactions

943 636

72 265

9 169 282

12 403 996

18. Employee benefit obligations

Retirement Benefit Payment

The FPB contributes for all qualifying employees the retirement benefits to the Film and Publication pension fund in which assets are held and controlled by Liberty Life. As at 31 March 2019, current services costs of R5 102 855 - (31 March 2018 R4 250 969 -) were recognised as expenses which is limited to the contributions that were paid. Actual contributions paid during the current financial year have been disclosed as Note 13.

19. Operating lease

19.1 Operating Lease - Head Office

The FPB 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 FPB acquired additional office space for its Head Office situated in Centurion. The lease agreement was entered into for a period of 3 years effective from 1 February 2014. Operating leases liabilities for these two leases fall due as follows:

Annual escalations

10%

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NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

Future Minimum Lease Payments

	2019	2018
Up to 1 year	-	3 693 286
5 or more years	-	-

19.2 Operating Lease - Durban Office

The FPB acquired additional office space for its 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. Operating leases liabilities for this lease fall due as follows:

Annual escalations	9%	
Future Minimum Lease Payments		
Up to 1 year	622 093	177 913
2 - 5 years	910 506	-
5 or more years	-	-
	1 532 599	177 913

19.3 Operating Lease - Cape Town Office

The FPB acquired additional office space for its Regional Office situated in Cape Town. The lease agreement was entered into for a period of 5 years effective from 1 March 2016. Operating leases liabilities for this lease fall due as follows:

Annual escalations	5.5%	
Future Minimum Lease Payments		
Up to 1 year	528 028	496 148
2 - 5 years	508 317	1 027 333
5 or more years	-	-
	1 036 345	1 523 481

20. Contingencies

1. This amount relates to a labour disputes between FPB and three employee who instituted proceedings at the CCMA for constructive dismissal and unfair dismissal.
2. This amount relates to legal costs that FPB will incur for labour-related disputes for representation in court and CCMA.

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand

Contingent liability for labour disputes (1)
Contingent liability for legal cost (2)
Contingent liability for contract dispute

2019	2018
555 529	1 875 000
660 000	700 000
–	300 000
1 215 529	2 875 000

21. Events after the reporting date

There are no events that came to the attention of management after the reporting date that require the reported figures to be adjusted.

22. Related parties' transactions

Funding - Operating grants

Department of Communications	94 577 000	91 684 000
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Councillors/Board members

Mpumlwana NFT (Chairperson)	227 390	276 464
Mangena S (Deputy Chairperson)	472 473	432 408
Ditlhake M	135 731	186 116
Nevondwe LT	252 216	138 228
Skeepers N	154 693	245 299
Dubazana N	181 464	170 223
Mudunungu A	69 708	18 940
Mhlakaza NM	42 932	28 960
Makhasi Y*	–	–
	1 536 607	1 496 638

Independent - Audit and Risk Committee members

Dhlahla M	20 330	45 202
Nkosi Z	111 369	114 732
	131 699	159 934

ICT Steering Committee members

Baloyi N	28 212	21 728
Ndaba S	38 975	50 369
Menye VC	27 281	22 417
	94 468	94 514

* Makhasi Y is employed by the state and does not earn a Council fee from FPB

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NOTES TO THE FINANCIAL STATEMENTS

Remuneration of management Executive management

2019 - Executive Management

Name	Salary	Retirement fund contributions	Medical aid contributions	Total
DR Motebang M - Chief Executive Officer (Acting)*	961 419	-	-	961 419
Mashele A - Chief Operations Officer**	1 087 598	110 993	75 781	1 274 372
Less LD - Shared Service Executive***	976 007	98 894	-	1 074 901
Ramugondo N - Chief Information Officer ****	890 294	94 899	38 670	1 023 863
Ndobeni U - Chief Financial Officer *****	967 353	104 019	41 706	1 113 078
	4 882 671	408 805	156 157	5 447 633

2018 - Executive Management

Name	Salary	Performance bonus	Retirement fund contributions	Medical aid contributions	Settlement payout	Total
Wakashe TP - Chief Executive Officer	1 159 510	-	59 270	29 816	1 273 679	2 522 275
Risiba S - Chief Operations Officer	427 280	-	19 757	16 488	453 969	917 494
Kadi P - Shared Service Executive	378 112	49 440	9 780	5 908	-	443 240
Phahla DL - Chief Information Officer	833 159	46 968	75 638	34 872	-	990 637
Gouws R - Chief Financial Officer	201 572	51 482	10 286	-	-	263 340
Dzebu M - Acting Chief Executive Officer	104 452	-	-	-	-	104 452
	3 104 085	147 890	174 731	87 084	1 727 648	5 241 438

*Dr Motebang M was appointed as acting CEO effective from 13 August 2018

**Mashele A was appointed as COO effective from 1 June 2018

***Less LD was appointed as SSE effective from 1 July 2018

****Ramugondo N was appointed as CIO effective from 10 July 2018

*****Ndobeni U was appointed as CFO effective from 01 July 2018 and she subsequently resigned in April 2019.

NOTES TO THE FINANCIAL STATEMENTS

23. Risk management

Liquidity risk

The FPB is only exposed to liquidity risk with regard to the payment of its payables and commitments. 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 31 March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	8 888 947	-	-	-
Commitments	920 077	4 342 003	-	-

At 31 March 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	7 945 300	-	-	-
Commitments	7 723 998	361 922	-	-

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

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments 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

24. Fruitless and wasteful expenditure

Figures in Rand

	2019	2018
Opening Balance	2 998 005	48 746
Flight missed by employees	-	6 303
Interest and penalties (1)	93 780	-
Car rental for extra days not authorised	-	1 482
Settlement of former employees	-	2 880 068
Service rendered and paid for but not authorised	-	61 406
Acting Allowances for non-vacant posts (2)	469 988	-
Less: Amounts recovered (3)	(3 140)	-
Total	3 558 633	2 998 005

ANNUAL FINANCIAL STATEMENT

AS AT 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS

- (1) Payment of interest and penalty to SARS for late submission of EMP201. Investigation is underway.
- (2) Payment of acting Allowances for non-vacant posts. The amount of R153 475 relate to 2018/19 financial period and R316 512.18 relate to 2017/18 financial year but it was discovered in the current year. Investigation is underway.
- (3) Amount recovered relate to missed flight expenditure incurred in the previous year.

25. Irregular expenditure

Figures in Rand

	2019	2018
Opening balance	1 270 919	50 054
Add: Irregular Expenditure - current year	341 853	1 220 865
Less: Amounts reversed	(700 252)	-
Irregular expenditure awaiting condonement/payment	912 520	1 270 919

FPB incurred irregular expenditure in respect of website maintenance. FPB requested proposals in 2016. Although the terms of reference do not make reference to the duration of the contract, all proposals were for a 12 month period. However, the SLA is for a 24 month period. The termination dates according to the PO and SLA are July 2017 and April 2019 respectively - R114 912.

Travel and accommodation - An employee travelled without getting relevant approval - R14 822.64.

Training was attended by a staff member without approval - R29 985.

Catering costs incurred without obtaining required approval - R33 500.

FPB appointed a service provider to provide ICT related services . The rendering of services was not terminated at the end of the contracted term of service as a result FPB continued to receive services - R18 864.06.

FPB appointed a service provider for purposes of placing an executive. The appointed contract with a service provider was tacitly extended without obtaining relevant approval from National Treasury - R108 769,47.

FPB appointed the service provider who quoted the highest amount and the deviation was not approved - R21 000.

All the cases mentioned above has been referred to Theft and Loss Committee for further investigation and the disciplinary action will be taken where deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS

26. Commitments authorised capital expenditure

Figures in Rand

Already contracted for but not provided for

- Property, plant and equipment

Total capital commitments

Already contracted for but not provided for

Authorised operational expenditure

Already contracted for but not provided for

- Opex

Total operational commitments

Already contracted for but not provided for

2019	2018 (Restated)
1 119 521	3 525 290
1 119 521	3 525 290
8 621 833	5 077 943
8 621 833	5 077 943

Commitments disclosed relates to contracts awarded but not completed before 31 March 2019. The operating lease commitments have been disclosed in Note 19. Cash and cash equivalents balance disclosed in Note 3 as well as the MTEF budget will be utilised to finance these commitments during the 2018/19 financial year.

The note in the 2017/18 financial period has been restated as a result of the correction on some of the contracts.

27. Changes in accounting estimate

GRAP 17 – Infrastructure, 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 2018 for various category of assets within the range that was initially approved in 2015/16 financial year. The estimates were revised as follows:

Leasehold improvement – 12 – 24 months

Office equipment – 4 – 15 years

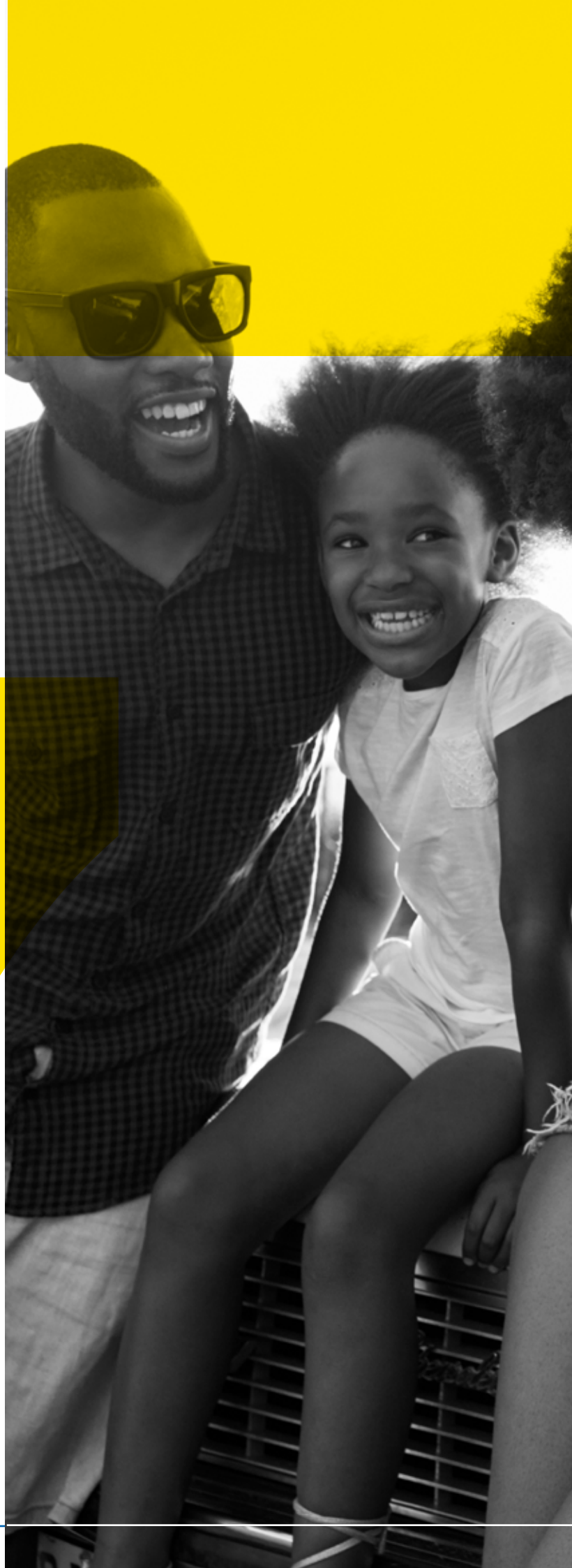
Computer equipment – 4 – 8 years

Furniture – 12 – 20 years

The revisions were accounted for prospectively as a change in accounting estimate and as a result, the depreciation changes of the FPB for the current financial year is estimated to have been decreased by R331 277.26 (R522 446.10 – R191 168.85).



SECTION



PERFORMANCE INFORMATION REPORT

"In spite of operational challenges, the FPB has achieved 79% of its annual performance targets. The FPB remains focused on its mandate, the dictates of the Constitution as well as the NDP, underpinned by the principles of Ubuntu and Batho Pele."

Mrs NF Thoko Mpumlwana
Council Chairperson



PROGRAMME 1: INDUSTRY COMPLIANCE

Strategic Outcome 1: Effective and visible monitoring of industry throughout the entire value chain (content creators, producers and distributors of FPGs) for the protection of consumers and primarily children and adults through information.

Performance Indicator	Actual Achievement 2017/18	Planned Target 2018/19	
Strategic Objective 1: Implement a Content regulation framework that ensures 100% classification and labelling of classifiable			
Percentage of content classified	100% (1886) of legible submissions were classified	100% of eligible submissions (games, films, publications) classified	
Number of trend analysis reports	All 4 trend analysis reports on the rate of classification submissions, registrations and renewals compiled	4 trend analysis reports on the rate of classification submissions, registrations and/or renewals compiled	
Labelling strategy	<p>All 4 phases of the development of the labelling strategy achieved:</p> <p>Phase 1: Consultations conducted with Distributors on the Labelling Strategy and inputs obtained</p> <p>Phase 2: Labelling Strategy developed and approved</p> <p>Phase 3: Enhancements submitted to Council on the Labelling Strategy that was approved in Quarter 3</p> <p>Phase 4: OCR system live with labelling component Included</p>	Implementation of the labelling strategy	
Revised Classification Guidelines	<p>2 phases achieved:</p> <p>Phase 1: Discussion paper developed and approved</p> <p>Phase 2: Public consultations held in all 9 provinces</p>	Classification Guidelines reviewed and approved	
Number of surveys conducted	No target planned for 2017/18	Convergence Surveys targeting at least 9000 respondents conducted	
Number of focus groups held	15 Focus groups convened in the year	4 focus groups to assess implementation of Classification Guidelines conducted	

	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comments on deviations
material submitted			
	98.5% (1540) of all eligible titles submitted to the FPB were classified	Not Achieved	Late submission of titles resulted in carrying over material to the next financial year
	All 4 trend analysis reports on the rate of classification submissions, registrations and/or renewals compiled	Achieved	None
	Labelling strategy implemented	Achieved	None
	The Classification Guidelines have been reviewed and approved	Achieved	None
	Convergence surveys not conducted	Not Achieved	Procurement of service provider process was stalled due to high pricing in submitted proposal which was above the budget allocation
	5 Focus groups held in Gauteng, Limpopo, Northern Cape and Eastern Cape	Achieved	Savings from the target budget were used to carry out 2 additional focus groups to supplement the Convergence Survey's quantitative data

Performance Indicator	Actual Achievement 2017/18	Planned Target 2018/19	
Number of reports compiled	3 Reports generated on the progress of Bill	4 reports on the progress made in the enactment of FPB Amendment Bill compiled	
Strategic Objective 2: Implement relevant initiatives geared towards ensuring at least 75% industry compliance			
Number of unregistered distributors identified	3789 inspections conducted to unregistered distributors	2000 unregistered distributors on physical platforms identified	
Number of Online inspections conducted	Total of 3886 Online inspections conducted to check compliance	3000 online inspections conducted to check compliance	
Number of raids conducted	93 raids conducted	48 raids with Law enforcement conducted to enforce compliance with the Act	
Percentage of cases responded to	No target set for 2017/18	100% of Child Sexual Abuse Material Cases referred to FPB responded to within 10 working days	
Number of inspections conducted to existing distributors	8118 targeted inspections to existing distributors on physical platforms conducted	7000 Inspections of existing distributors (Targeted) to physical platforms	
Percentage of queries resolved within set turnaround times	99.25% queries resolved within turnaround times	At least 95% of queries resolved within the set turnaround times	
Number of completed survey forms	290 surveys administered, and an assessment report compiled	Quarterly surveys to assess quality of service rendered targeting 250 respondents conducted	
Percentage of classification decisions issued within 8 working days	89% of Classification decisions issued within 8 days	90% of classification decisions issued within 8 working days	
Percentage of registrations and renewal licences issued within 8 working days	84% of Registration / Renewals licences issued within 8 days	95% of registrations and renewals licences issued within 8 working Days	

	Actual Achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comments on deviations
	All 4 reports on the progress made in the enactment of FB Amendment Bill compiled in the year	Achieved	None
	2447 unregistered distributors on physical platforms identified	Achieved	Improved planning and execution
	3406 Online inspections conducted to check compliance	Achieved	Improve planning and execution
	130 raids with Law enforcement conducted to enforce compliance with the Act	Achieved	Improved relations with Law Enforcement Agencies
	100% of Child Sexual Abuse Material Cases (23 cases) referred to FPB have been responded to within 10 working days	Achieved	None
	7926 Inspections of existing distributors (Targeted) to physical platforms	Achieved	Improved planning and execution
	96% of Queries resolved within turnaround times	Achieved	Automated escalation of unresolved queries
	Surveys administered on the quality of services rendered with 296 respondents	Achieved	Online survey link attached to all email correspondences with stakeholders
	83% of Classification decisions issued within 8 days	Not Achieved	<p>New Classifiers recruited in the year and on the job training and support led to delay in finalisation of classification decisions.</p> <p>Unavailability of chief classifiers in 4th quarter.</p>
	99.8% of Registration / Renewals licences issued within 8 days	Achieved	Automation of the registration process has assisted with improvement of turn around times.

PROGRAMME 2: PUBLIC AND INDUSTRY AWARENESS AND CONSUMER EDUCATION

Strategic Outcome 2: Informed consumers, general members of the public and industry about the mandate, programmes and operations of the FPB.

Performance Indicator	Actual Achievement 2017 /18	Planned Target 2018 /19	
Strategic Objective 1: To meet the social cohesion imperative by informing consumers, society and industry			
Communications Strategy	Media relations plan implemented:	Reviewed and approved 3-year Communications Strategy	
No of interviews conducted	287 broadcast interviews conducted	8 broadcast interviews conducted	
No of print online articles published	1597 print/ online articles published	20 print/online articles published	
Number of multi-unit outreach activities conducted	Roll out cyber safety and child protection initiatives have been conducted in 8 provinces reaching out to the total of 19 711 learners, 1148 parents and 728 Educators.	4 multi-unit outreach activities conducted reaching 400 parents, 1600 children and 800 educators	
Percentage increase in social media engagements	Facebook increased by 20% Twitter increased by 354% 4 digital media M&E reports compiled	Engagement on FPB's digital and social media platforms improved by 20%	

	Actual Achievement 2018 /19	Deviation from planned target to actual achievement for 2018 /19	Comment on deviations
	Communication strategy approved and implemented	Achieved	None
	25 broadcast interviews	Achieved	The target was exceeded due to a focus on improving our media relations as well as the production of opinion pieces. Secondly, there was organic interest created through the alleged MOMO ‘rape’ game.
	58 print/online articles		
	4 Multi-Unit activities held reaching: 5876 children 970 educators 1296 parents	Achieved	Improved targeting of beneficiary groups to strengthen a key mandated function of the FPB.
	Twitter •Tweet impressions decreased by 80.14%	Not Achieved	Baseline for the 2017/18 financial year was high due to the high twitter engagements on Inxeba debacle and public outcry. Organisation unable to obtain similar traction in the 2018/19 financial year.
	Facebook •Post engagements increased by 57.13%		

PROGRAMME 3: ADMINISTRATION AND GOVERNANCE

Strategic Outcome 3: Effective, efficient and sustainable management of FPB operations.

Programme Indicators	Actual Achievement 2017/18	Planned Target 2018/19	
Strategic Objective 1: Maintain organisational capacity through implementation of the turnaround strategy			
Revised and approved structure	<p>Phase 1: Review of unit staffing requirements</p> <p>Phase 2: Submitted proposed structure to EXCO</p> <p>Recruitment in response to turnover trends</p>	Reviewed and approved structure	
Remuneration Strategy	4 remuneration analysis reports developed	Reviewed and approved FPB Remuneration Strategy	
Change Management Programme	<p>Action plans to address issues raised in staff survey</p> <p>Values workshop convened</p>	Reviewed and approved FPB change management programme	

	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
	<p>Review of structure not completed.</p> <p>Recruitment in alignment with recruitment plan</p> <p>Recruitment of Replacement Classifiers for the 2017-2020 period concluded</p> <p>OD Survey conducted</p> <p>Acting arrangements for individuals in Acting positions</p> <p>OD support for Project</p>	Not achieved	Board took a decision to conduct OD exercise to review the structure
	Remuneration Strategy approved by Council	Achieved	None
	Change Management Plan approved by EXCO	Achieved	None
	Change Management and Cultural Diversity presented at staff workshop - 28 March 2019		

Programme Indicators	Actual Achievement 2017/18	Planned Target 2018/19	
Number of training and development activities undertaken	<p>Trainings facilitated</p> <p>Educational Assistance paid for individuals in terms of approved assistance</p> <p>Annual Skills Plan developed</p>	4 training and development activities undertaken and evaluated	
Number of coaching sessions for successor candidates conducted	3 coaching sessions for successor candidates	9 coaching sessions for successor candidates conducted	
Strategic Objective 2: To promote strategic black economic empowerment as per the government initiative			
% change in the number of transactions awarded	Over 67% of all transactions over R100 000 are awarded to companies with a BBBEE contribution level of 3 or lower	<p>60% of all transactions over R100 000 are awarded to companies with a BBBEE contribution level of 3 or lower targeting previously disadvantaged or marginalised groups</p> <p>75% of all transactions to companies with a BBBEE contribution level of 3 or lower</p>	
Strategic Objective 3: Creation of a secure and enabling working environment			
Phases of implementation	<p>Phases 2-4 not achieved</p> <p>Phase 1: Developed space needs analysis and submitted to DPW to initiate long term office procurement for FPB Head Office</p>	Implemented the approved office expansion strategy	
Strategic Objective 4: Adherence to PFMA and/or other related legislation requirements			
Number of reports submitted	All 4 financial reports submitted to DoC	Submission of all 4 Financial reports to DoC as per the legislated deadline	

	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
	<p>5 Group training activities conducted and evaluated.</p> <p>Group Training - Investigation and management of Cyber and Electronic Crime - 8 attended.</p> <p>Group Training - Principles of Knowledge Management to Public Sector Administration.</p> <p>Group Training - Investigation and management of Cyber and Electronic Crime - Group 2.</p> <p>Group Training - HR Indaba attended by HR Team.</p> <p>Individual Training conducted.</p> <p>Group Training: Career Development launched for 10 Interns - 29 March 2019.</p> <p>Annual Training Report submitted to HR/Remco - 2017/18 period.</p>	Achieved	Due to savings in the business Unit – we were able to conduct an additional group training activity. The group training target albeit achieved allowed the FPB to focus on improving skills in the digital environment.
	9 Coaching sessions conducted	Achieved	None
	<p>72% of all transactions over R100 000 have been awarded to companies with a BBBEE contribution level of 3 or lower</p> <p>76% of all transactions have been awarded to companies with a BBBEE contribution level of 3 or lower</p>	Achieved	FPB purchased high volumes of software and hardware which cost more than R100 000. Furthermore, a business agreement was entered into with SITA which gave the organisation access to a database of suppliers with BBBEE contribution levels of 3 or lower from whom these purchases were made.
	Approved office expansion strategy not entirely implemented	Not Achieved	Department of Communication halted signing of new long-term lease agreements pending finalisation of the rationalisation process in the Communications portfolio.
	All 4 financial reports submitted to DOC	Achieved	None

Programme Indicators	Actual Achievement 2017/18	Planned Target 2018/19	
Strategic Objective 5: To ensure effective and efficient administration of the FPB and ensure compliance with applicable			
Approved three-year rolling Internal Audit Plan	Internal Audit plan developed and approved by ARC	Produce a 3-year rolling strategic internal audit plan and submit to the Audit and Risk Committee for approval	
Quarterly Internal Audit report	All four Internal Audit Quarterly Reports compiled and presented to the ARC	Quarterly audit implementation reports presented to Audit and Risk Committee produced	
Strategic Objective 6: To ensure effective and efficient administration of the FPB and ensure compliance with applicable			
Number of quarterly reports submitted	All four Performance Information reports compiled and submitted to the Executive Authority	4 Performance Information Reports compiled and submitted to the Executive Authority	
Strategic Plan	Revised 5-year strategic Plan developed and submitted	Strategic Plan reviewed and approved	
Annual Performance Plan	Developed 2018/19 Annual Performance Plan	Annual Performance Plan developed and submitted for approval	
	Both submitted to the Executive Authority		
% of Corporate Governance framework implemented	100% compliance with the Annual Corporate Governance Framework	100% implementation and compliance with the Corporate Governance Framework	

	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
legislative and other requirements			
	<p>Approved 3-year rolling strategic internal audit Plan produced and submitted to Audit & Risk Committee</p> <p>All four quarterly internal audit report compiled for the Audit & Risk Committee.</p>	Achieved	None
legislative and other requirements			
	All 4 Performance Information Reports compiled and submitted to the Executive Authority	Achieved	None
	<p>Strategic Plan reviewed and approved in previous financial year</p> <p>Annual Performance Plan for 2019/20 FY developed and submitted to Executive Authority for approval</p>	Achieved	None
	Governance Framework not entirely adhered to	Not achieved	Declaration of interests not submitted by all Council members for the financial year under review.

PROGRAMME 4: ONLINE CONTENT REGULATION

Strategic Outcome 4: Effective and innovative regulation of the content distributed on online, mobile and related platforms for the protection of children, youth and adults through information.

Performance Indicator	Actual Achievement 2017/18	Planned Target 2018/19	
Strategic Objective 1: Development and implementation of a content regulation framework that ensures 100% classification			
OCR System	<p>All 4 phases of OCR system implemented:</p> <p>Phase 1: OCR system introduced to industry through provincial distributor workshops</p> <p>Phase 2: OCR system demonstrated to FPB staff at staff workshop</p> <p>Phase 3: Post implementation review and sign-off on OCR system done in Q3</p>	OCR System maintained	
Strategic Objective 2: To adopt and apply advanced ICT technologies for the automation of the core functions of the organisation			
% of system availability	Achieved 98% Availability for the on critical Systems	Systems availability at 98% and functionality at 80%	



	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
<i>and labelling of classifiable content distributed on online, mobile and related platforms, by 2021</i>			
	OCR System Maintained	Achieved	None
	96.6% systems availability	Not achieved	The systems downtime experienced in quarter 4 resulted in systems operating from the disaster recovery site and impacted system functionality
	90.8% systems functionality		

PROGRAMME 5: PARTNERSHIPS AND COLLABORATION

Strategic Outcome 5: Expansion of the FPB footprint and a qualitative impact made through effective partnerships and stakeholder relationships in pursuance of our mandate.

Program Indicators	Actual Achievement 2017/18	Planned Target 2018/19	
Strategic Objective 1: To form and maintain national and international partnerships with identified key stakeholders, other re			
Approved Stakeholder relations strategy	Approved stakeholder relations implemented: Stakeholder engagement sessions at 10 different platforms	Reviewed and Approved 2-year stakeholder relations strategy implemented by 31 March 2019	
Number of multi-unit distributor engagement conducted	4 distributor engagement held	4 distributor engagements conducted	
Number of film/gaming/tech festival	Attended and participated at five (5) film and gaming festivals	Three (3) film/gaming/tech festivals attended & participated at	
Number of stakeholders engaged	5 engagements held in the continent: 1.FPB attended the SADC Ministers for ICT and Communications meeting in KwaZulu-Natal 2.FPB attended the Telecommunications Organisation's ICT forum in Mozambique 3.FPB attended and presented at the Kenya Film Convention 4.FPB attended the Africa Internet Academy hosted by Google SA in Mauritius	Seven (7) international stakeholders engaged	

	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
Regulators, industry players and law enforcement agencies for improved regulation (effectiveness, resourcing and enforcement)			
	Stakeholder relations strategy reviewed, approved and implemented	Achieved	None
	Conducted 5 multi-unit distributor workshops	Achieved	Stakeholder (Marula Film Festival in Phalaborwa) invited FPB to convene a distributor workshop that was not part of the initial plan
	4 film/gaming/tech festivals attended & participated at	Achieved	Invited to additional film festival that was unplanned
	9 international engagements: INHOPE AGM in Greece SADC ICT Ministerial meeting in Namibia Commonwealth ICT forum in Trinidad and Tobago Protection of personal data forum in Ethiopia SADC ICT forum in Durban Southern African Broadcasters Association forum in Cape Town INHOPE AGM and training in Germany International Classification Conference in the United States Harmonization of content regulation in Africa	Achieved	Additional engagements were not in the international engagement plan but FPB attended because of invitations. These include the following: Protection of personal data forum in Ethiopia Southern African Broadcasters Association forum in Cape Town

Program Indicators	Actual Achievement 2017/18	Planned Target 2018/19	
Approved INHOPE implementation plan	<p>INHOPE Implementation Plan developed and approved</p> <p>Attended INHOPE AGM and ICCAM training</p> <p>MoU with WASPA signed</p> <p>Child Protection and Online Monitoring team relocated to a bigger office space</p>	100% compliance with INHOPE requirements	



	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/19	Comment on deviations
	<p>100% compliance with INHOPE requirements. Compliance requirements included the following:</p> <p>101 reports reported on the FPB Hotline (RMS system)</p> <p>Biometric installed on the door</p> <p>Preparations for the INHOPE AGM underway</p> <p>Debriefing room setup with gaming equipment</p> <p>Debriefing room gaming chairs have been procured</p> <p>Debriefings conducted</p> <p>INHOPE General Assembly Meeting attended in Berlin, Germany</p>	Achieved	None



NOTES





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