



# INCENTIVES SA

Helping Your Business Grow

## Media and Motion Pictures (IDC)

### Description:

The IDC's goal is to develop a sustainable motion picture value chain in South Africa through funding the production of feature films, television shows, animation and documentaries. The IDC also intend to enhance the sustainability of the value chain and unblock bottlenecks in the value chain, through:

- Supporting broadcasting and the development of digital cinemas in townships and rural areas
- The development of new or alternative distribution systems for motion pictures
- Utilising new technology.

The IDC Media and Motion Pictures business unit is the driving force behind the growth of the local film industry and will continue making a difference by helping local filmmakers turn their creative visions into reality.

The IDC offer funding for the production of motion pictures, including feature films, animation and television series. The IDC also help boost audience development, support local television broadcasting and fund post-production facilities.

### Outcomes:

- To promote sustainable production of motion pictures;
- Developing audience, encouraging the local consumption of local films and building township cinemas;
- Developing a competitive animation sector; and
- Developing black industrialists within the broadcast sector.

### Doing business with the unit:

The IDC offer financial support to new or existing companies within the media and motion pictures sector up to R1-billion.



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Funding can be structured in the most appropriate manner utilising a wide range of instruments to meet the needs of the business including:

- Debt/equity
- Quasi-equity
- Bridging finance
- Venture capital

## **Funding criteria:**

Any application must meet the IDC's minimum requirements.

These include:

- Security: the form and nature of which will relate to your specific circumstances;
- Compliance with the international environmental standards;
- Shareholders/owners are expected to make some financial contribution:
- The contribution historically disadvantaged people under special circumstances may be lowered, in which case the IDC will be prepared to extend finance in excess of the owner's contribution;
- The project/business must exhibit economic merit in terms of profitability and sustainability; and
- The IDC does not refinance fixed assets, since our aim is to expand the industrial base.

## **Additional services:**

IDC's business support programme offers non-financial support to entrepreneurs. The support is available during pre and post approval stages, including assistance to distressed clients.



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## Applying for funding:

Application for funding should be in writing, including an executive summary and a comprehensive business plan.

In addition, applicants should submit the following:

- Script coverage from an independent reputable source (include credentials of the source);
- Details of the film director, producers, scriptwriters/screenwriters, DOP and principal cast. Please include for all of the above:
  - Previous projects,
  - CVs,
  - Filmography.
  - Please indicate the success/performance of the films they were involved in and the genre of films;
- Detailed production budget and top sheet:
  - Specify the Qualifying South African Production Expenditure (QSAPE) amount;
- Finance structure including details of other co-financiers (At least 51% of the total production budget. IDC funds up to a maximum of 49% of the production budget and these IDC funds must be spent in South Africa) and written confirmation of proposed terms and conditions;
- Proposed recoupment schedule;
- Sales agent (terms and conditions of distribution and marketing strategy for the film, track record of the sales agent, a list of films that were distributed and the success/performance of these films);



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- Detailed sales estimates per territory including:
  - The associated territorial rights;
  - Presale letters or agreements;
  - Comparatives used to determine the sales estimates (audience, box office numbers in terms of similar genre films);
- Collective agent and terms of agreement (if available);
- Project information (location of principal photography, equipment to be used, number of cast and crew and how many days' involvement, post-production facilities). Include the following information:
  - Jobs created – in the same format/details provided for the Department of Trade and Industry application;
  - Skills development and skills transfer plan;
  - How much will be spent at pre-production, production and post-production;
- Production company – experience and previous production;
- Chain of title documentation including script, music and so on;
- Identity of the Completion guarantor and terms and conditions of guarantee;
- Co-production agreements (where applicable);
- Provisional letter from the Department of Trade and Industry in terms of the amount of the rebate; and
- Disclosure of related party transactions involved in the production process – the value and details.



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## Applying for funding:

The IDC consider each application carefully.

In addition to the specific requirements of the media and motion pictures strategic business unit, applications must meet the IDC's minimum requirements.

## Minimum requirements:

- Compliance with international environmental standards.
- Shareholders/owners are expected to make a financial contribution:
  - The contribution of historically disadvantaged people under special circumstances may be lowered, in which case the IDC will be prepared to extend finance in excess of the owner's contribution.
- The project/business must exhibit economic merit in terms of profitability and sustainability.
- The IDC does not re-finance fixed assets since our aim is to expand the industrial base.

For more information please contact Incentive SA on the following numbers.

**Cape Town:** 021 671 4400

**Johannesburg:** 011 026 2680

**Durban:** 031 836 08 41

[www.incentivesa.co.za](http://www.incentivesa.co.za)