

**- JOBURG THEATRE-
(SOC)LIMITED**
Registration No: 2000/013032/07

trading as

Joburg City Theatres

theatre for a world class african city
the **JOBURG THEATRE**
complex

SOWETO
theatre

ROODEPOORT
developing **THEATRE**
youth in theatre

FINAL ANNUAL REPORT
Submitted - 12 December 2014
REVIEWED BY ARC on AUGUST 25th 2014

2013/14 Annual Report

(In terms of Section 121 of the
Municipal Finance Management Act, 2003 and Section 46 of the Municipal Systems Act, 2000)

JOBURG THEATRE (SOC) LIMITED
trading as
JOBURG CITY THEATRES

COMPANY INFORMATION:

Registration number:	2000/013032/07
Registered Address:	163 Civic Boulevard Braamfontein 2017
Postal Address:	P O Box 31900 Braamfontein 2017
Telephone number	: (011) 877-6800
Fax number	: (011) 877-6812
Website	: http://www.joburgtheatreptyltd.co.za
Bankers	: Nebank Limited
Auditors	: Auditor-General

Vision

To provide the integrated management of world class African theatre venues and a high quality entertaining, innovative and inclusive programme which serves the diverse communities of the City of Joburg.

Mission

- *A commitment to social cohesion, diversity and inclusivity*
 - *A commitment to financial viability, and resilience*
 - *A commitment to financial accountability and good governance*
- *A commitment to education, training and skills development for our staff, management and artists*
- *A commitment to provide audience development and education programmes for the benefit of our diverse communities*
 - *A commitment to working in partnership with others to maximise the impact of our vision*

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STRUCTURE OF THE REPORT

National Treasury's MFMA Annual Report Circular 63 requires municipal entities to adopt the following format for an Annual Report:

- Chapter 1: MMC's Foreword and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational development performance
- Chapter 5: Financial performance
- Chapter 6: Auditor General's findings

Scope of report

The Integrated Annual Report offers stakeholders and interested parties a comprehensive overview of the operations, activities and performance of Joburg City Theatres for 1 July 2013 to 30 June 2014 financial year. The Annual report is an integrated financial, social and economic report. Joburg City Theatres aligns itself with local and international sustainability best reporting practices including the:

- Municipal Finance Management Act (MFMA)
- Public Finance Management Act (PFMA)
- Generally Recognised Accounting Principles (GRAP)
- Section 46(1) of the Municipal Systems Act (MSA)
- King III Code on Corporate Governance (KING III)
- Discussion papers issued by the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC)
- International Financial Reporting Standards (IFRS)
- GRI Framework
- Millennium Development Goals
- Joburg 2040 Growth and Development Strategy (GDS)
- 2012/16 Integrated Development Plan (IDP)

As such, the content of the report is aligned with the strategic focus areas and underlying objectives of the City's Five-Year Integrated Development Plan, and is also informed by a number of other plans and documents produced by the various City directorates

The report considers economic, environmental, social and technical performance and is also available online on the entity's website (www.joburgtheatreptyltd.co.za)

Materiality

The main areas covered in this report in terms of both current and future issues are based on what our stakeholders have said that they need to know: our business focus areas, priorities and the actively managed risks we face.

The entity has applied the principle of materiality in pertinent content and disclosure. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the entity's ability to create value in the short, medium and long term. The following internal and external criteria were used to identify material issues:

Internal Criteria	External Criteria
City of Johannesburg Growth and Development strategy (Joburg 2040 criteria and objectives)	Critical opportunities and challenges the Entity is geared to respond to.
National and Provincial outcomes of Government	Changes in the socio-economic developmental agenda and priorities of National and Provincial Government
Enterprise Risk Management Process; including key risks impacting Entity's strategic and operational objectives and the associated mitigating activities	Factors which may impact the Entity's reputation, thereby influencing its ability to promote sustainable growth

Stakeholder expectations and feedback – e.g from residents, business community, Non-Governmental Organisations (NGOs), National and Provincial Government, neighbouring municipalities, designated targeted groups.	The provisions of various frameworks including: Municipal Finance Management Act (MFMA); Public Finance Management Act (PFMA) , Section 46(1) of the Municipal Systems Act (MSA); King III Code on Corporate Governance (King III) , International Financial Reporting Standards (IFRS); Millennium Development Goals; BBEE Code.
The Entity's mission, vision and values.	
The Entity's governance framework and policy environment.	

Assurance: Assessment of Municipal Owned Entity's with the best practice and principle Integrated Reporting and MFMA: Circular 63 Annual reporting requirements for 2013/14 financial year

The Entity's Annual report for the 2013/14 financial year was assessed and rated to ascertain whether minimum disclosure requirements were adhered to in terms of the following:

Integrated Reporting Framework	MFMA: Circular 63 Annual reporting requirements
Ethical Leadership and Corporate Citizenship	MMC's Foreword Statement and Executive Summary Report
Boards and Directors : <ul style="list-style-type: none"> - Board Independence; - Board reporting ; - Boards performance; - Board Committees; - Director's remuneration; 	Governance <ul style="list-style-type: none"> - Governance structures; - Intergovernmental relations ; - Public Accountability Participation; - Supply Chain Management, By laws, oversight committees; - Risk management; - Anti-corruption and fraud; - Disclosure of financial interests; - Board and committee.
Audit Committees <ul style="list-style-type: none"> - Finance Competence; - Audit Committee performance; 	Service delivery
The Governance of Risk	Organizational Development performance
Compliance with Laws, Codes , Rules and Standards	Financial Performance
Internal Audit <ul style="list-style-type: none"> - Internal Audit Function; - Internal Controls 	Appendices; Annual Financial Statements
Governing Stakeholders Relationships	
Integrated Reporting Disclosure <ul style="list-style-type: none"> - Financial Disclosure; - Sustainability Disclosure; 	
Integrated Reporting Philosophy	

The mitigation strategies on the assessment and outcomes of the Entity's 2012/13 annual report in terms of the Integrated Reporting and MFMA Circular 63 has been included as part of this report (refer to Section 4 of Chapter 6 – Auditor General's findings).

The Entity will continue to refine its approach in future annual reports to further align with international reporting standards and to promote consistency and accountability with respect to its role in creating and sustaining value for all citizens of Johannesburg.

CHAPTER ONE

LEADERSHIP & CORPORATE PROFILE



JOBURG THEATRE



SOWETO THEATRE



ROODEPOORT THEATRE

Joburg City Theatres (JCT) has carefully considered the principles and objectives of integrated reporting. JCT's objective is to apply best practice, in so far that it supports its interpretation of the sustainability of its strategy and operations which include giving our stakeholders a view into the workings of the organisation. It does not seek to tick all the boxes but rather provide the shareholder, stakeholders and patrons with enough relevant information to take an informed view on the quality of leadership's strategic thinking, execution of strategy and utilisation of operating platforms, financial resources and risk capacity. The approach is fundamentally designed to present substance over form.

This annual report covers JCT's governance, financial, social responsibility, and broader economic and overall sustainability performance information for the financial period 01 July 2013 to 30 June 2014. The report provides a perspective of past and current performance, while giving sight of future prospects and strategies with a comprehensive summary that includes operations at Joburg Theatre, Roodepoort Theatre and Soweto Theatre.

The report also covers:

- Comparative information
- Performance information
- Sustainability report
- Operational reports

JCT implemented an overall strategy for the city's three theatres that is aligned with the shareholder's Joburg 2040 vision: *"Johannesburg. A world Class African City of the future. A vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society"*.

The arts can be used in all aspects of life, for many personal or public outcomes. The work of JCT educates, celebrates, produces and receives productions of creativity, innovation and diversity. JCT's strategic focus is aligned with the Flagship Programme of the Human and Social Development Cluster of the City of Joburg: *A safe, secure and resilient City that protects, serves, builds and empowers communities.*

Section 1: Corporate Profile / Overview of Joburg City Theatres

Joburg Theatre (SOC) Ltd trading as Joburg City Theatres (JCT), an independent municipal entity wholly owned by the City of Johannesburg Metropolitan Municipality ("COJ"), operates in order to provide world class theatre entertainment to the citizens of Johannesburg. The company continuously strives towards transformation from both within its core employment, procurement and governance practices; and also its productions and audience inclusiveness.

The entity was corporatised by the COJ in July 2000 as The Johannesburg Civic Theatre (Pty) Ltd from the Johannesburg Civic Theatre Association, a Section 21 Company and re-branded in 2009 as Joburg Theatre. In 2011 the COJ embarked on a high level Institutional Review process, which included municipal entity restructuring as part of the implementation of phase 2 of the institutional review project.

With effect from January 1st 2013 Joburg Theatre (SOC) Ltd and Roodepoort City Theatre NPC t/a Joburg Promusica were integrated into a single theatre management company, which also institutionalised the operation of the newly established Soweto Theatre.

The entity derives its mandate from the Service Delivery Agreement with the City of Johannesburg. From this mandate the priority goals are guided by the City's Integrated Development Plan (IDP), City's priorities and the Growth and Development Strategy (GDS) 2040 outcomes. The entity has annual turnover of approximately R40, 6 million excluding subsidy and a staff complement of 125.

Joburg Theatre continues to benefit from the long-term success of its positioning as the premier home of live entertainment, offering - through its larger seating capacity and management's negotiating skills - the exposure for Joburgers to globally recognised world class entertainment. Additionally, Joburg Theatre's participation in early childhood development through its activities in the *Peoples Theatre* for Children and its increasingly active youth development programme at *space.com* serve as incubators for the future talent and skills to be required at all three city theatres and globally.

Roodepoort Theatre operates in order to be a world class arts centre that seeks new ways of being relevant, by presenting diverse programmes that address all communities through music, theatre, poetry, dance and other performance arts. The vision of the Roodepoort Theatre is to be recognised for the meaningful impact the theatre makes towards social development and cohesion through Youth Development - using its infrastructure as a vehicle to enrich the lives of the youth, by selecting art genres proven to effect meaningful development.

Soweto Theatre represents its own community in building a love of professional theatre through story-telling, promoting inclusion and cohesion in deprived areas through access to quality of life enhancement through arts and culture programming. The history of black townships in South Africa is rich with opportunities for such telling of stories and the country's first professional township theatre plays a leading role in releasing the energy and passion of local creative artists - both senior and younger - through the art of theatre. Additionally, the extraordinarily beautiful complex that is the Soweto Theatre is a focal point for the encouragement of future tourism activities – a preferred choice of destination for visitors to Joburg – which would eventually rise from the institution's successful profile *first and foremost as a South African centre of excellence*.

Section 2: Strategic Objectives

JCT forms part of the city's Human and Social Development Cluster, integrating the work of the city departments and entities that take the strategic and practical lead on the city's constitutional mandate to promote the social development and upliftment of its residents. Though the cluster contributes to all four strategic outcomes as set out by the 2040 GDS, it is primarily organised around **outcome 1: improved quality of life and development driven resilience for all**.

This is a commitment to improving social, health and safety conditions city wide, with a targeted focus on poverty and deprivation, a strong push to promote social inclusion and an emphasis on self-sustaining transformation and building capacity amongst residents themselves to eliminate long-standing problems and handle new shocks. JCT's contribution in the cluster is **"targeting deprived spaces and communities through Arts and Culture Programming"**.

The legislated five-year IDP process assists in translating the Growth and Development Strategy's - Joburg 2040 - long-term impacts and outcomes into measureable and achievable targets. In the City's case, these are

framed within the context of the Mayoral Flagship Programmes, located within five-year IDPs that contain cluster-specific priorities and plans.

The company's strategic objectives include:

- Increase earned revenue;
- Operate as internationally recognised centres of excellence - promote JCT as a flagship social asset through entertainment and arts programmes, thereby making a vital contribution to the quality of life of diverse audiences;
- Increase accessibility to different communities, thereby ensuring that more Joburg residents benefit from a unique cultural experience
- Accelerated youth development (YD) leading to greater social cohesion.
- Support the future of Joburg Ballet in training young dancers from historically disadvantaged communities through workshops and subsidised learner programmes.

These strategic objectives are in line with the Human and Social Development cluster plans, being: sustainable safety nets; supporting an informal economy; enabling access; providing opportunities for displaced persons; creating opportunities for lifelong learning; managing inclusive and inspiring social spaces; empowering citizens and supporting healthier lifestyles.

Within outcome 1 of Joburg 2040 is the output of a city characterised by social inclusivity and enhanced social cohesion. The city can achieve this partly through the strategic management of public spaces – such as the three city theatres - to increase positive social contact and combat social problems.

JCT serves towards a greater and more visible social cohesion of the citizens of Joburg who visit city theatres. An eagerness and ability to participate as one theatre management company creates increased accessibility through the location of three theatres. If the citizens of Joburg can recognise and identify with the concept of three theatres serving *all communities* through the varied artistic policies offered within each separately identifiable unit and continuous youth development programmes, it will become a driver towards customer centricity, social inclusion, social cohesion and improved resident experience. Such customer centricity will ultimately bring about a philosophy of transformation within Joburg's theatre audiences.

JCT contributes directly and indirectly to the City's achievement of its objectives and priorities, by making available the theatres' facilities and resources throughout the year for departments and entities to explain and promote such priorities. The achievements captured in this report are aligned to the strategic priorities of the City of Johannesburg which drives the strategic direction of the company ensuring that these priorities are implemented in the form of measurable targets and deliverables.

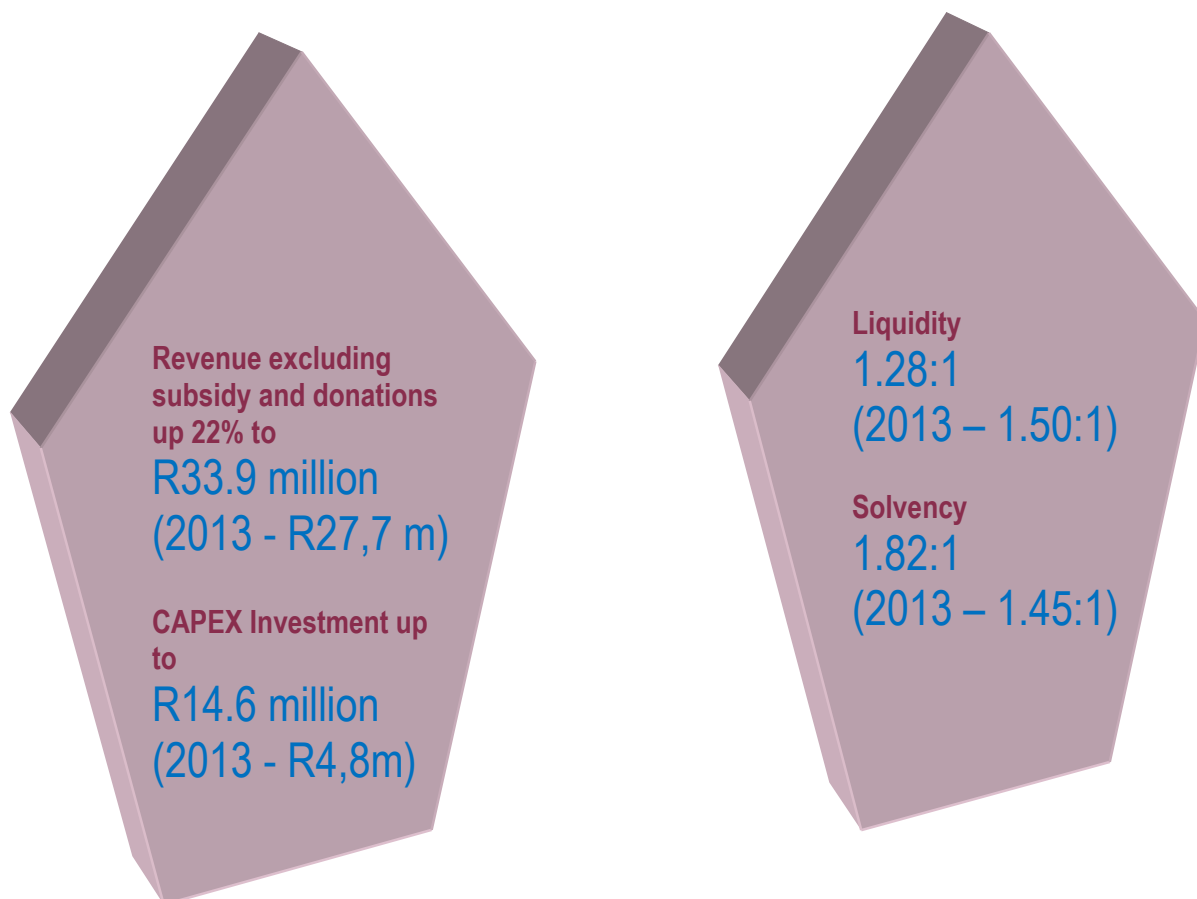
Joburg City Theatres uphold its **vision** statement: *"We are the providers of the integrated management of world class African theatre venues and a high quality, entertaining, innovative and inclusive programme which serves the diverse communities of the City of Joburg."*

The Board and Management remain committed to achieving strong financial and operational results, ensuring good corporate governance and transparent compliance to legislation while delivering on the **mission** of the company:

We are committed to

- *Social cohesion, diversity and inclusivity.*
- *Financial viability and resilience,*
- *Accountability and good governance.*
- *Education, training and skills development for our artists and employees.*
- *Provide audience development and education programmes for the benefit of our diverse communities.*
- *The emancipation of the African voice through theatre activity, education and entertainment.*
- *Working in partnership with others to maximise the impact of our vision.*
-

Section 3: Salient Features

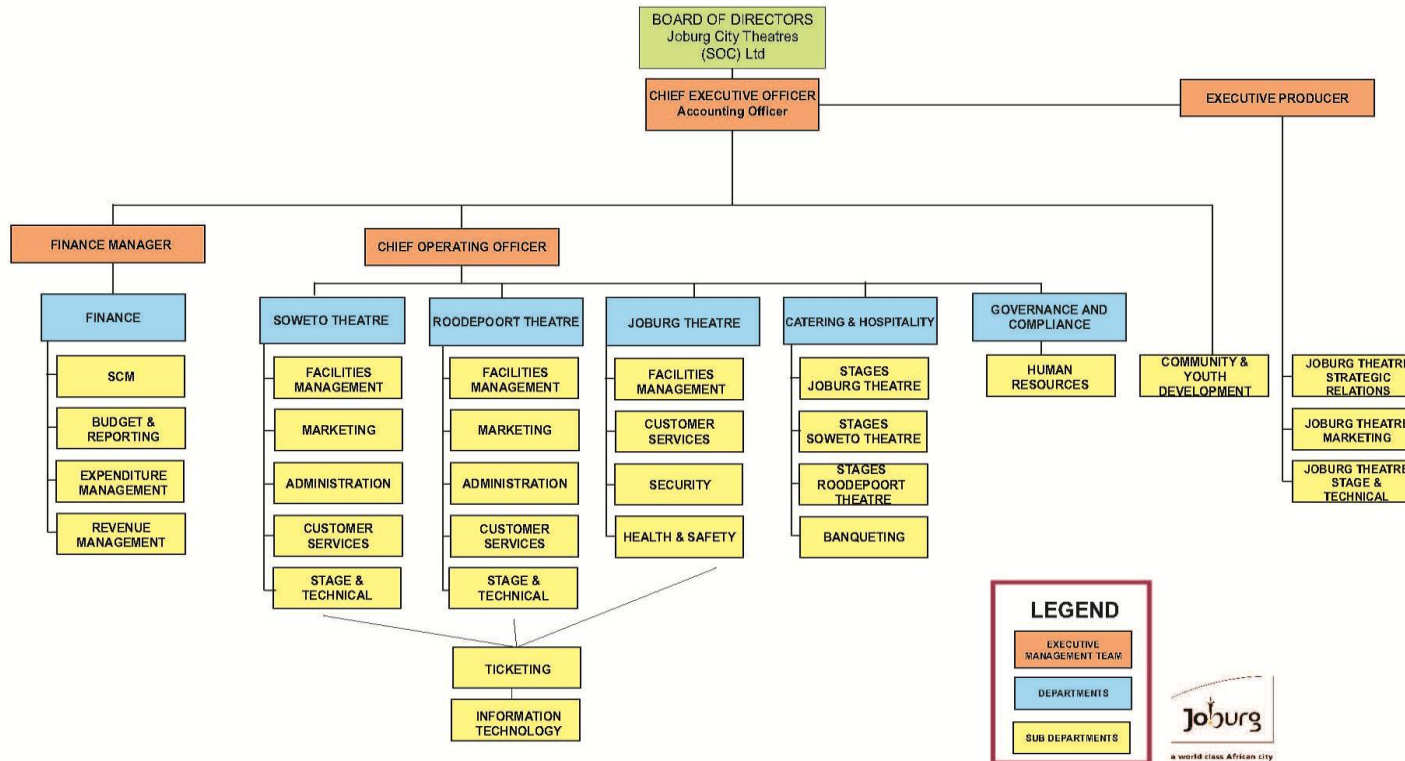


ECONOMIC	Unit	2014	2013	2012	2011
Total assets	R	29,678,569	34,862,136	14,369,513	13,719,971
Total equity	R	13,337,844	10,766,333	4,972,831	4,670,452
Non-current assets		13,860,337	6,125,079	4,222,615	4,627,061
Bank balance	R	5,920,299	15,697,613	7,457,748	7,259,040
Capital expenditure - COJ	R	14,696,880	4,800,000	1,200,000	938,857
Earned revenue	R	33,953,154	27,730,778	20,964,049	21,143,246
Subsidies	R	56,504,000	36,790,998	26,818,000	26,818,000
Surplus before tax	R	987,667	1,498,790	433,794	(4,712,841)
Net cash from operating activities	R	(8,744,939)	8,815,070	503,304	(5,398,205)
Net cash used in investing activities	R	(701,880)	(575,205)	(304,597)	(217,393)

ENVIRONMENTAL AND SOCIAL					
Employees		125	120	85	85
Employment equity	%	86	88	84	82
Gender equity	%	29	38	25	29
Training cost	R	61,787	55,136	50,203	37,028
Broad-Based Black economic empowerment	%	90	84	63	60
Corporate social investment	R	1,493,633	445,830	90,833	258,346
Electricity, gas and water consumption		6,925,608	7,395,295	7,219,640	4,236,933

Section 4: High-level organisational structure

JOBURG CITY THEATRES
(SOC) Ltd
Company Organogram
June 2014



LEGEND

- EXECUTIVE MANAGEMENT TEAM
- DEPARTMENTS
- SUB DEPARTMENTS

Section 5: Foreword by Member of the Mayoral Committee



It is a privilege to have the opportunity as the Member of Mayoral Committee: Community Development to introduce the Annual Report of Joburg City Theatres for the 2013/14 financial year. The financial year under review was a very eventful and productive year, in which a great deal of progress was made in addressing the transformation agenda. The report also provides an opportunity to reflect on the significance of arts and culture within our communities and on the contribution that Joburg City Theatres makes in assisting the arts and culture environment into transformation and knowledge-based economy.


Joburg City Theatres is committed to social cohesion, diversity and inclusivity. The arts can be used in all aspects of life, for many personal or public outcomes. A community or society is cohesive to the extent that the inequalities, exclusions and disparities based on ethnicity, gender, class, nationality, age, disability or any other distinctions which engender divisions distrust and conflict are reduced and/or eliminated in a planned and sustained manner. The community conversations in the arts development are an on-going project for the theatres.

The overall strategy for the city's three theatres is now aligned with the shareholder's Joburg 2040 vision: *"Johannesburg. A world Class African City of the future. A vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society"*.

Joburg City Theatres will continue to devote increased resource and policy support to improve quality, particularly in disciplines and sectors that have the potential to make a contribution to improving our development status, expanding economic growth, and changing the quality of life of individuals and communities. I am proud of the competence and excellence that exist in our sector.

I look forward to an edu-tainment filled 2014/15 with increased accessibility to different communities ensuring that more Joburg residence benefit from the unique cultural experience that theatres provide and accelerated youth development initiatives leading to greater social cohesion.

To the company's Board of Directors, the Chairperson Dr. Mongane Wally Serote and management of the theatres, I thank you for overseeing constant development of existing and new programmes in order to involve all sections of our community in the excitement, skills, passion and opportunities of theatre.



Clr Chris Vondo
Member of The Mayoral Committee
Community Development

Section 6: Chairperson's Foreword



The theatre industry continues to be an uncertain place in which to do business, and yet, remarkably, JCT not only weathers the storm but increases revenue levels from year to year. This year has seen our growth trend continue and, despite a challenging operating environment in South Africa, JCT has shown improvement against planned targets.

The Board has been mindful of the current problems facing theatres in a time of economic recession and is thankful to the shareholder for showing its willingness to support the company by recognising the need for increased subsidy going forward. However, we hope

that, as the economic climate improves, the company will manage to increase its proportion of earned income to subsidy and become less dependent on the shareholder's support.

I am pleased to note during the past year the theatre's successful efforts in continuously striving to achieve its transformational agenda in terms of programming, audience development, employment equity and affirmative procurement

The company upholds its vision statement: "We are the providers of the integrated management of world class African theatre venues and a high quality, entertaining, innovative and inclusive programme which serves the diverse communities of the City of Joburg."

The Board and Management remains committed to achieving strong financial and operational results, ensuring good corporate governance and transparent compliance to legislation while delivering on the mission of the company. I am also grateful for the company's continuous achievement of unqualified audit reports since its inception in 2000.

The achievements captured in this report are aligned to the strategic priorities of the City of Johannesburg which drives the strategic direction of the company ensuring that these priorities are implemented in the form of measurable targets and deliverables. The strategic priorities of the City of Johannesburg are outlined in the Joburg 2040 Strategy and in the Integrated Development Plan. The Board acknowledges that Joburg City Theatres' success is crucial to the advancement of the City of Johannesburg. The strategic priorities of the shareholder will, as always, continue to drive the company's operational plans.

I wish to thank our board and independent audit committee members for their contribution and commitment to Joburg City Theatres' success and sustainability and all our stakeholders for their continued faith in the company.

At the AGM held on February 25th 2014 Mr Zukisani Samsam - independent audit committee member and chairperson of the Audit and Risk committee was retired. It is fitting to recognise his valuable contribution to making the theatre a successful and ethical organisation. On behalf of the Board I wish him well and thank him for leading the theatre's assurance structures since 2007 and for providing the Board with objective input in respect of monitoring the theatre's financial performance over for the past seven years. Mr Mavuso Shabalala stepped into the position of Audit and Risk committee chairperson with effect from March 2014 and the Board appreciates his expertise and continued performance that he will make available. We also welcome Ms Tshidi Molala who was appointed as independent audit committee member at the AGM.

My particular appreciation goes to our CEO, Xoliswa Nduneni-Ngema, who lead this special and talented team with integrity, courage, insight and a great deal of energy. I look forward to more ambitious targets and great achievement in the coming financial year. The Board is satisfied with the operational results achieved by Joburg City Theatres for the period ending 30 June 2014.

My last word goes to the patrons who continue to support us in increasing numbers. I am very aware of the current economic climate, and the resultant demands on every rand earned. It is gratifying to note that we have increasing support from patrons despite these conditions. We are eternally grateful to every individual that has enjoyed Joburg City Theatres' experience in this last year. We commit ourselves to continue to provide a special entertainment experience, with professionalism, friendliness and customer-centricity. You are our critical asset, and we will look after you!

Joburg City Theatres' team looks forward to the new financial year. We will not disappoint!



DR MONGANE SEROTE
Chairperson
Board of Directors (JCT)

Section 7: Chief Executive Officer's Report



I am delighted to submit my first Annual Report as the Chief Executive Officer of the Joburg City Theatres. The purpose of the report is to give strategic overview of the year 2013/14. During the period under review, Joburg City Theatres continued to fulfil its mandate to create, produce and promote high quality diverse entertaining and educational productions to address issues of transformation, artistic excellence and cultural diversity.

Last August, the Board and Management reviewed the JCT strategy. The main focus was to carve a new vision, mission and objectives for the new merged entity. The results of the workshop were big ideas which are long term and quick wins which are short term gains. Out of the quick wins high priority was given to the development of new music programmes at the Mandela Theatre, and the Daytime Community Development programmes in all three theatres interlinked to education, participation, learning and audience development activities focused on training of artists and making our venues accessible to learners attending educational programmes.

Equally important is to continue to ensure the growth of paying audiences to ensure that we meet our financial targets in order to balance our books and contribute to the City's financial sustainability and viability priority. The year under review has not been an easy one, competition from other entertainment venues continues, individual and company entertainment spend is dwindling. Ticket pricing remains a critical issue as patrons continue to look for value for their limited resources and the choice is wide.

A few memorable production highlights in the year under review: at Joburg Theatre -Starlight Express, Daughters of the King, Anthems of Democracy; Full Moon by Vuyani Dance; the Return of Spirit of the Dance. At the Soweto Theatre – Nothing but the Truth, Animal Farm, Skierlik, the Drum Beat Festival, 2nd Soweto Theatre Birthday Celebrations, and Dlala Mapantsula Festival. Lastly the Roodepoort Theatre continues to excel in Youth Development initiatives like the National Eisteddfod, Early Childhood Development workshops, My Band Project but added to the bill are mainstream productions that made the theatre what it is today; Opera Arias, Sooffah Comedy, Going Gooding, etc.

We are very proud to have opened our own restaurants called “Stages” in all three theatres.

Joburg City Theatres' achievements in this current financial year bear testimony to our Board's refined vision, strong leadership, the commitment from the executive, management teams and staff in ensuring that JCT realize its strategic objectives and maintains good governance practices.

In conclusion, I would like to thank the shareholder for continued financial support and its oversight role, the patrons for their continued support in attending our shows and our partners for the unwavering support.

We are the “performing arts centres,” “centres of excellence,” and “educational centres”.

A handwritten signature in black ink, appearing to read 'Xoliswa Nduneni-Ngema', written over a horizontal line.

XOLISWA NDUNENI-NGEMA
Chief Executive Officer
Joburg City Theatres

Section 8: Finance Manager's Report



The company achieved a surplus of R2,57m in the 2013/14 financial year. The financial position of the company is good as it can still meet its short term commitments. The current ratio is 1.28: 1 in current year (1.50: 1 in 2013, 1.52: 1 in 2012, 1.41:1 in 2011 and 1.74:1 in 2010). The acceptable current ratio is 1:1. The company has been solvent over the past thirteen years.

The company's assets exceeded its liabilities by R13.34m as at the end of June 2014 (R10.77m in 2013, R3.39m in 2012, R4, 67m in 2011 and R7.76m in 2010).

The company earned R103.79m revenue over the past four years, as compared to R146.93m subsidy received from the City of Joburg over the past four years. This represents a ratio of 41.40% earned income to 58.60% subsidy: A positive ratio for the subsidised theatre industry.

The City of Johannesburg, as part of its Institutional Review, resolved that the Joburg Theatre and Roodepoort City Theatre should be integrated into single Theatre Management Company. The Theatre Management Company now called Joburg City Theatres renders the functions and services that, until December 2013, have been rendered by the two theatres and institutionalised the operation of the newly established Soweto Theatre.

The effective date for the integration was January 1st 2013 and the transfer of functions agreement was signed by the Board of Directors on November 27th 2013. The results of 2013/14 includes the full year operations of the integrated company, Joburg City Theatres.

	Unit	2014	2013	2012	2011
Key financial figures					
Total assets	R	29,678,569	34,862,136	14,369,513	13,719,971
Total equity	R	13,337,844	10,766,333	4,972,831	4,670,452
Total equity and liabilities	R	29,678,569	34,862,136	14,369,513	13,719,971
Bank balance	R	5,920,299	15,697,613	7,457,748	7,259,040
Capital expenditure	R	14,696,880	4,800,000	1,200,000	938,857
Earned revenue	R	33,953,154	27,730,778	20,964,049	21,143,246
Donations received	R	6,701,368	0	0	0
Subsidies	R	56,504,000	36,790,998	26,818,000	26,818,000
Employee costs	R	35,049,451	26,598,750	26,598,750	20,397,639
Surplus before tax	R	987,667	1,498,790	433,794	(4,712,841)
Income tax expense-current	R	1,583,844	(440,490)	(131,416)	1,037,263
Income tax expense –deferred	R	1,583,844	440,490	131,416	(1,037,263)
Surplus/(deficit) for the year	R	2,571,511	1,058,300	302,378	(2,936,325)
Net cash from operating activities	R	(8,744,939)	8,815,070	503,304	(5,398,205)
Net cash used in investing activities	R	(701,880)	(575,205)	(304,597)	(217,393)
Net cash from/(used in) financing activities		(330,496)	0	0	0
Financial ratios					
Liquidity		1.28: 1	1.50:1	1.52:1	1.42:1
Solvency		1.82:1	1.45:1	1.53:1	1.51:1
Total operating expenditure/revenue		99%	97%	99%	109%
Interest coverage		11.6:1	n/a	n/a	n/a

Section 9: Statement of Responsibility

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statement of the Entity. The annual financial statement presented on **74** has been prepared in accordance with Generally Recognised Accounting Practice (GRAP) and include amounts based on judgement and estimates made by the management.

The directors are responsible for the preparation of the other information in the annual report and are responsible for both its accuracy and its consistency with the annual financial statements. The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the entity will not be going concerns in the foreseeable future based on the forecast and available cash resources. Refer to the Directors report on **80** with regard to the appropriateness of the going concern assumption for the preparation of the annual financial statements.

The Auditor-General, who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board, has audited the financial statement. The directors believe that all representations made to the Auditor-General during their audit are valid and appropriate. The Auditor-General's report is presented on **129**. The annual financial statements were approved by the Board of Directors on **77** and signed on its behalf by the Chairperson of the Board.

The board of directors acknowledges its responsibility to ensure the integrity of the annual report. The board believes the report addresses all material issues and presents fairly the integrated performance of the company. The annual report has been prepared in line with best practice set out in the MFMA and King III code.

Section 1: Corporate Governance Statement

To ensure accountability and governance arrangements are in place, Section 121(2) (c) of the MFMA supports the requirements of Section 18(1) (d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1) (a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

Application of King III

The entity applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the entity's compliance with King III Code on Corporate Governance forms part of the Shareholder mandate of the audit committee. The entity has complied with the Code in all respects during the year under review.

The Board of Directors has incorporated the City of Johannesburg's Corporate Governance Protocol in its Board Charter, which *inter alia* regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King III Report for Corporate Governance for South Africa 2009 (King III). The Company steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are however taken to align practices with the Report's recommendations and the Board continually reviews its progress to ensure improvement of Corporate Governance. During the year under review the Company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act, the Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with the terms of section 121 of the Municipal Finance Management Act.

Ethical Leadership

The board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the company's establishment in 2000.

The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the company's stakeholders.

Corporate Citizenship

The board and management recognise that the entity is formed under a political structure. As such, it has a social and moral standing in society with all the attendant responsibilities. The board is therefore responsible for ensuring that the entity protects, enhances and invests in the well-being of the economy, society and natural environment, and pursues its activities within the limits of social, political and environmental responsibilities outlined in international conventions on human rights.

Compliance with laws, rules, codes and standards

The board is responsible for ensuring that the entity complies with applicable laws and considers adhering to non-binding rules, codes and standards.

Through its audit and risk and social and ethics committees the board ensures that structures and systems, with appropriate checks and balances, are established to help it discharge its legal responsibilities and oversee legal compliance. Processes are also in place in consultation with the shareholder's Group Governance to ensure the board is conversant with significant developments in applicable laws, rules, codes and standards.

Section 2: Board of Directors

The Board comprises of ten (10) Non-Executive Directors and one (1) Executive Director.



DR MONGANE WALLY SEROTE (CHAIRPERSON)

Age: 70

Mongane Wally Serote was born in Sophiatown, north of Johannesburg, in 1944. He is renowned as one of the Soweto poets who embodied the literary revival of black voices in the 1970s.

In 1973, after having published his first anthology of poems called *Yakhal'nkomo* the year before, Serote won the Ingrid Jonker Poetry Prize. The following year, he was granted a Fulbright Scholarship and travelled to Columbia University to complete a master's degree in Fine Arts. His poems, particularly those from his first two anthologies, have been lauded as pivotal to the rise of the Black Consciousness movement in South Africa.

Dr Mongane Wally Serote spent his lifetime expressing the injustices and harsh realities of life for black people under apartheid. He was an active member of the Liberation Army, Umkhonto We Sizwe. His work has inspired, and continues to inspire generations of youth throughout South Africa, Africa and the world. He has been awarded several National and International awards, including the Noma Award for Publishing in Africa (1993); the Pablo Neruda award from the Chilean government (2004) and the Order of Ikhamanga in Silver (South Africa). His contribution to the South African literary arena has been invaluable. His thought-provoking poetry not only expressed the effects that oppression had on South Africans, but it also stands as a timeless body of work that marks an important period in South Africa's history.



MS SURY PILLAY

Age: 52

Sury is a senior partner and policy specialist at Attorneys S.K. Pillay. She holds B.A.Hons, LLB from Wits and an LLM from the University of Pennsylvania (U.S). She has vast experience in public interest law and policy development and her services included legal advice to local authorities; non-governmental entities and international donor agencies. She serves on the Boards of PDHRE/Anglo Africa, an initiative focusing on developing human rights cities globally; the Center for Equality and Reconciliation Studies; Lequbu Consulting Pty. Ltd, which has a focus on property investments and the built environment.



MR WELCOME MSOMI

Age: 71

Welcome has won international acclaim as a playwright, choreographer, composer, director and businessman. His many works include *Mntanami Nomhlangano Mntanami*, *Qondeni*, *Charrie Ntimbane*, *Phezulu*, *Black And White Is Beautiful*. Mr. Msomi's significant success, *Umabatha* has toured the world.

Other presentations he has created or produced are: *Sina*; *Journey Back Home*; *From Soweto To Selma*; *Bongi's Journey*, *Buya Africa*, *Tamburlaine The Great*, most of Mr Nelson Mandela's Birthday Celebration; designed and directed the 10th May 1994 INAUGURATION.



MR MAVUSO SHABALALA

Age: 45

Mavuso Shabalala has 18 years operational and strategic level experience as a Human Resource Practitioner, which was obtained mainly in the Financial Services and Public Sector, including Liberty Life and Stanbic Africa, and the International NGO sector, for Oxfam Great Britain and Oxfam International. He has consulted for the City of Tshwane Metropolitan Municipality, Rustenburg Local Municipal Municipality and the City of Joburg and Special Investigating Unit, which has provided him an appreciation of some of the challenges faced by public sector entities. He has served for over 5 years on the Board of Directors of the City of Joburg's Roodepoort City Theatre, where he also served as Chairperson of Board Committee on Human Resources and was a member of the Audit Committee.

**MR BHEKI ZUNGU****Age: 41**

Bheki is a BCom graduate and a Certified Internal Auditor with extensive experience in risk management, compliance, auditing and governance, gained from the private and public sector. He is the founder and managing member of Mabedlana Group, which is involved in management consulting, staffing and publishing. He has previously worked for amongst others: MTN, Vodacom, Transnet, Deloitte, Ernst & Young, Johannesburg Development Agency and Ezemvelo KZN Wildlife. He is currently contracted to Transnet Property as the Program Manager in the office of the CEO. Bheki has been on the audit committee of the Joburg Zoo for 5 years.

**MS LORRAINE MALEBO****Age: 49**

Lorraine Malebo worked for the Namibian Solidarity Committee which was established by the then UDF. She later joined government as the Municipal Manager for a District municipality; Deputy Director for Department of Public Works as a Programme Manager for Community Based Projects managing 3 provinces Limpopo, Mpumalanga and Free State; and Assistant Director Implementing Rapid Land Programme for the Gauteng Dept of Development Planning and Housing. She is currently contracted with the Gauteng Department of Community Safety, implementing a turnaround strategy for the Gauteng Traffic Training College, Pretoria.

**DR ALI MONADJEM****Age: 38**

Dr. Ali Matthew Monadjem is a Founding Partner of Accompany Advisory, a niche firm focused on collaborative management consulting and capability building around leadership effectiveness. He is also non-executive Director of Nomanini, a growing company in the informal sector distribution space. He previously studied medicine at UCT, Cape Town, and practiced as a Medical Doctor. He was awarded the Class Gold Medal for Distinctive Achievement on his MBA at UCT's Graduate School of Business. He then spent over 3 years at McKinsey and Company, where he worked with senior executives as an Engagement Manager across various functions, industries and projects. Although Ali is no longer much of a stage performer, before medical school he toured 16 countries in Europe as a dancer, choreographer and audio-visual coordinator, in an international dance group called Diversity Dance Theatre.

**MR MABUTHO KID SITHOLE****Age: 62**

Mabutho has over 30 years experience in all forms of public speaking and performing arts. He is aptly described as a man for all seasons. He has a long history of stage acting and is a well-known stand-up comedian. Mabutho has played roles in various television films, series, talk shows and educational programmes, as well as various local and international films. He is President of the Creative Workers Union of South Africa.

**MS TODD TWALA****Age: 59**

Todd is a well-known South African actor, singer, dancer, producer and choreographer. Her career in musical theatre, both in her home country and abroad, spans nearly 3 decades. She has run dance workshops in disadvantaged communities and townships since 1996. Todd is currently the director and organiser of a school for professional dancing and singing training.



MR ISHMAEL MKHABELA

Age: 63

Ishmael holds a BA Degree (University of the North/Limpopo) and Management Advancement Programme (Wits Business School). He is a freelance professional community organiser, conflict and disputes resolution practitioner, social entrepreneur and activist, development and scenarios-based strategic conversations facilitator. He serves and has served and chaired numerous company boards and trusts.



MS XOLISWA NDUNENI-NGEMA (CEO)

Age: 52

Qualifications:

B Soc Sc; Diploma in Marketing Management; Diploma in Public Relations

Xoliswa has 26 years experience in the Arts and Culture sector, working in the NGO, parastatal, local government, local government and state owned organisations where she developed a substantive career from public relations through project management to being the CEO of the South African State Theatre. Xoliswa also worked at Johannesburg Development Agency (JDA) on the economic development of Newtown and the arts and culture sector in Johannesburg.

Executive Management

CHIEF FINANCIAL OFFICER (Vacant from 01 July 2014)



EXECUTIVE PRODUCER

BERNARD JAY (68)

Born in Yorkshire, England Bernard began a long and comprehensive career at the age of sixteen in entertainment administration by learning his craft in management positions at such British government-subsidised theatres as York Theatre Royal, Malvern Festival Theatre and London's Hampstead Theatre.

Bernard was appointed Chief Executive Officer of the Johannesburg Civic Theatre on July 1st 2000. His duties as CEO of the theatre operating company included serving as Executive Producer of in-house productions. Since 2000, these have included thirteen annual festive season pantomime productions written and directed by Janice Honeyman and the musicals: Thoroughly Modern Millie, Fings Ain't Wot They Used T'Be, Aspects of Love, Footloose and Andrew Lloyd Webber and Ben Elton's The Boys In The Photograph. In September 2008, Bernard won the prestigious National Arts Management Award from South Africa's Arts & Culture Trust and in 2008 he was also nominated as one of the fifteen national semi-finalists for the MTN SA Foundation Boss of the Year Award. In December 2009, Bernard received the honour of an informal presentation to Her Majesty Queen Elizabeth II at the Royal Variety Performance in Blackpool, England.

Bernard Jay side-stepped into the newly created position of Executive Producer for The Mandela and The Fringe at Joburg Theatre with effect from July 01st 2013.



CHIEF OPERATING OFFICER

MS BRIDGET MASHIKA (40)

Bridget obtained a BCompt Degree through UNISA and is currently studying towards CIS (Board Level) with ICSA. With competencies in finance, compliance and governance, she joined Joburg Theatre as Supply Chain and Asset Manager in August 2007 was promoted to Deputy Finance Officer In December 2007 and in September 2009 she was appointed Corporate Manager / Company Secretary. With the implementation of phase II of the institutional review Bridget was appointed as the integrated company's Chief Operating Officer from 01 July 2013.

The function and operations of Roodepoort City Theatre NPC were transferred into Joburg Theatre SOC LTD and have operated as one entity known as Joburg City Theatres effective 1st January 2013. Further the Board appointed a Chief Executive Officer to head the integrated entity; effective as of June 1st 2013. The transfer agreement between the two entities was finalised and signed by all parties in November 2013.

At the Annual General Meeting held on February 25th 2014, the City of Johannesburg, the sole Shareholder of Joburg City Theatres, announced the Directors of the Company, in line with the policy on Directorships. No changes were made in the composition of the Board of Directors. The Shareholder passed a special resolution that the Joburg Theatre Board of Directors be appointed to deal with all matters relating to the winding up of the Roodepoort City Theatre (NPC) (Registration number: 1981/005017/08) in terms of the transfer agreement signed on 27 November 2013.

The entity has a unitary board, which consist of executives and non-executives directors. The Board is chaired by the non-executive director, Dr Mongane Wally Serote. The board meets regularly, at least quarterly and retain full control over the company. The Board remains accountable to City of Johannesburg Metropolitan Municipality, the sole member and its stakeholders, the citizens of Johannesburg. A Service Delivery Agreement (SDA) concluded in accordance with the provisions of the MSA governs the entity' relationship with the City of Johannesburg. The Board provides Monthly, Quarterly, Bi-Annually and Annual Reports on its performance and service delivery to the parent municipality as prescribed in the SDA, the MFMA and the MSA.

Non-executive Directors contribute an independent view to matters under consideration and add to the depth of experience of the Board. The roles of Chairperson and Chief Executive Officer are separate, with responsibilities divided between them. The Chairperson has no executive functions. Members have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters including compliance with Company Rules and Procedures, statutory regulations and best corporate practices.

The Board or any of its members may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. An annual director and peer review is undertaken, as well as a Board evaluation.

The term of office of the non-executive directors is subject to review at the Annual General Meeting. A performance evaluation of the Board is conducted at the end of the financial year. Any shortcomings are addressed and areas of strength consolidated. The performance of board committees are evaluated against the terms of reference.

Attendance at meetings held during the year was as follows:

Directors	Board	Audit and Risk	Social & Ethics	Artistic Comm
No. of meetings held	6	5	2	2
Mongane Wally Serote (Chairperson)	6	-	-	-
Todd Twala	6	-	-	2
Lorraine Malebo	6	-	-	-
Ishmael Mkhabela	6	2	2	-
Ali Monadjem	3	-	1	-
Bheki Zungu	6	3	1	-
Mabutho Kid Sithole	6	-	-	2
Surykumarie Pillay	4	3	1	-
Welcome Themba Msomi	4	-	-	2
Mavuso Shabalala	5	2	-	-
Xoliswa Nduneni-Ngema (CEO)	6	5	2	2

The Board of Directors has adopted the Board Charter which encapsulates the City of Johannesburg Governance Protocol and includes matters of ethics, procedure and the conduct of committee members. Registers are kept and updated on the disclosure and declaration of interests of directors and senior management. The Board and Senior Management ensure that there is full material compliance to all relevant legislation. The Company Secretary has certified in terms of section 268(d) of the Companies Act that all statutory returns have been submitted to the Registrar of Companies.

Section 3: Board Committees

The following committees have been formed, each of which is chaired by a non-executive director.

- Audit and Risk Committee
- Social and Ethics Committee
- Artistic Committee

3.1 Audit and Risk Committee

The Audit and Risk committee consist of three independent audit committee members and two non-executive directors:

- Mr Zukisani Samsam* (Chairperson – and Independent member of the Audit and Risk Committee)
- Mr Jacobus Froneman (Independent Audit Committee Member)
- Ms Janine Vergotine (Independent Audit Committee Member)
- Ms Tshidi Molala** (Independent Audit Committee Member)
- Ms Surykumarie Pillay (Non-Executive Director)
- Mr Bheki Zungu (Non-Executive Director)
- Mr Mavuso Shabalala*** (Non-Executive Director - Chairperson)

* Retired February 25th 2014

** Appointed February 25th 2014

***Appointed as Chairperson on April 16th 2014

The role of the audit and risk committee is to assist the board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. The audit and risk committee exercises its functions through close liaison and communication with corporate management and the internal and external auditors. The committee met five times during the year under review.

The audit and risk committee operates in accordance with a written charter authorised by the board, and provides assistance to the board with regard to:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosures;
- Internal and external audit policy;
- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans;
- Review/ approval of external audit plans, findings, problems, reports and fees;
- Compliance with the Code of Corporate Practices and Conduct; and
- Compliance with code of ethics.

The committee has been delegated the task of overseeing the quality, integrity and reliability of the company's risk management function. In terms of its mandate, it reviews and assesses the integrity and the quality of risk control systems and ensures that risk policies and strategies are effectively managed.

The audit and risk committee addressed its responsibilities properly in terms of the charter during the year under review. No changes to the charter were adopted during the year under review. Management has reviewed the annual financial statements with the audit and risk committee.

The audit and risk committee considers the annual financial statements of the entity to be a fair presentation of its financial position on June 30th 2014 and of the results of its operations, changes in equity and cash flow for the period ended then in accordance with GRAP and the Companies Act.

3.2 Social and Ethics Committee

The Social and Ethics committee consists of the following non-executive directors:

- Mr Ishmael Mkhabela (Chairperson)
- Dr Ali Monadjem
- Mr Bheki Zungu
- Ms Lorraine Malebo

The committee met twice during the year under review.

Section 43 (5) of the Companies Regulations, 2011 states that the Social and Ethics Committee has the following functions:

- (a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
 - (i) Social and economic development, including the company's standing in terms of the goals and purposes of:
 - (aa) the 10 principles set out in the United Nations Global Compact Principles; and
 - (bb) the OECD recommendations regarding corruption;
 - (cc) the Employment Equity Act; and
 - (dd) the Broad-Based Black Economic Empowerment Act;
 - (ii) Good corporate citizenship, including the company's:
 - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - (cc) record of sponsorship, donations and charitable giving;
 - (iii) the environment, health and public safety, including the impact of the company's activities and of its products or services;

The social and ethics committee advises the board on remuneration policies, remuneration packages and other terms of employment for all directors and senior executives. Its terms of reference also include recommendations to the board on matters relating *inter alia*, to general staff policy remuneration, bonuses, executive remuneration, director's remuneration and fees, service contracts, and retirement funds. The independent professional advisors advise the committee when necessary.

3.3 Artistic Committee

The Artistic committee consists of the following non-executive directors:

- Mr Mabutho 'Kid' Sithole (Chairperson)
- Ms Todd Twala
- Mr Welcome Msomi

The committee met twice during the year under review.

The Artistic Committee role and responsibility is to advise the Board in relation to Arts Programming matters of Joburg City Theatres.

Section 4: Director's Remuneration

4.1 Entity's remuneration policy

The company's policy in determining an employee's remuneration is based on:

- a) fairness and parity within company departments;
- b) consideration of the successful applicant's previous earnings and level of experience;
- c) available market-related data; and
- d) the limitations of the company's approved budget for Human Resources within its annual Business Plan.

Remuneration of non-executive directors and independent audit committee members for all City of Johannesburg municipal entities is determined in terms of the group policy on the shareholder governance of boards of directors.

DIRECTORS' REMUNERATION

JULY 2013 - JUNE 2014

JOBURG THEATRE: NON-EXECUTIVE DIRECTORS (NED) AND INDEPENDENT AUDIT COMMITTEE MEMBERS (IAC)			
NAME	DIRECTOR'S FEES	COMMITTEE FEES	TOTAL
Dates of Meetings			
Mongane Serote (Board Chairperson)	54 560.00	29 760.00	84 320.00
Sury Pillay (NED)	19 840.00	23 810.00	43 650.00
Mavuso Shabalala (NED)	24 800.00	34 720.00	59 520.00
Welcome Msomi (NED)	19 840.00	8 930.00	28 770.00
Todd Twala (NED)	29 760.00	8 930.00	38 690.00
Bheki Zungu (NED)	29 760.00	18 850.00	48 610.00
Ali Monadjem (NED)	14 880.00	3 970.00	18 850.00
Ishmael Mkhabela (NED)	29 760.00	31 744.00	61 504.00
Mabutho Sithole (NED)	29 760.00	-	29 760.00
Lorraine Malebo (NED)	29 760.00	4 960.00	34 720.00
Zukisani Samsam (ARC Chairperson)	9 920.00	59 520.00	69 440.00
Kobus Froneman (IAC)	-	24 800.00	24 800.00
Janine Vergotine (IAC)	-	24 800.00	24 800.00
Tshidi Molala (IAC)	-	4 960.00	4 960.00
Sub-Totals:	292 640.00	279 754.00	572 394.00

SENIOR MANAGEMENT REMUNERATION

The table below discloses the remuneration of executive management review and the year-to-date

SENIOR MANAGEMENT REMUNERATION					
No.	Name	Financial Year 2013/14			TOTAL
		Basic Salary	Allowances & Contributions	Bonus	
1	X. Nduneni-Ngema (Chief Executive Officer)	1 320 000	36 588	107 800	1 464 388
2	B. Jay (Executive Producer)	1 520 000	64 692	242 499	1 827 191
3	B. Mashika (Chief Operations Officer)	727 200	47 957	88 597	863 754
4	M.Ngcobo (Finance Manager)	603 000	8 613	79 800	691 413
	TOTAL	4 170 200	157 850	518 696	4 846 746

Section 5: Company Secretarial Function

Primary function of the company secretary is to act as the link between the board and management and to facilitate good relationships with the shareholders. The company secretary is responsible for the general administration, more specifically to ensure compliance to good corporate governance practices and to provide guidance to the directors on corporate governance principles and applicable legislation.

Non-executive and executive directors have access to the Acting Company Secretary, who acts as an advisor to the Board and its Committees on matters including compliance with Company Rules and Procedures, statutory regulations and sound corporate governance.

The position of the Company Secretary became vacant subsequent to the promotion of the former Company Secretary to Chief Operations Officer of the organisation during the year under review. The Acting Company Secretary is responsible for the following areas of Joburg City Theatres' business:

- Corporate Governance
- Legal
- Contracts Management

Section 6: Risk Management and internal controls

Effective risk management is integral to the company's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks.

Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures in place to manage operating risk involve segregation of duties, transaction authorisation, supervision, monitoring and financial and managerial reporting. Financial risk management is dealt with in the financial statements on pages **120**.

In order to meet its responsibility with respect to providing reliable financial information, the entity maintains financial and operational systems of internal controls. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management authority, that the assets are adequately protected against material loss or unauthorised acquisition, use or disposal and that transactions are properly authorised and recorded. The system includes a documented organisation structure and visions of responsibility, established policies and procedures, including a Code of Ethics to foster a strong ethical climate, which are communicated to the parent municipality. The entity also includes the careful selection, training and development of people.

Internal auditors monitor the operation of the internal control systems and report findings and recommendations to management and the board of directors. Corrective actions are taken to address control deficiencies and other opportunities for improving the system as they are defined. The board, operating through its audit committee, provides supervisions of the financial reporting process and internal control systems. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls.

Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of internal control systems can change with circumstances. A documented and tested business continuity plan exists to ensure the continuity of business-critical activities. The internal control process has been in place up to the date of approval of the annual report and financial statements. Based on the internal audit assessment, the entity believed that, as at 30 June 2014, its system of internal control over financial reporting and over safeguarding of assets against unauthorised acquisitions, use or disposition, met those criteria.

Joburg City Theatres regards risk management as an essential element of good corporate governance. The Audit and Risk Committee, a subcommittee of the Board, is delegated to oversee the risk management process in the company. The committee together with the Risk Champion assists the Board in reviewing the quality, integrity and reliability of the risk management process and reviewing the significant risks facing the company.

The Board is ultimately accountable for the risk management process and system of internal control within Joburg City Theatres. The company adheres to the Group Risk Management Policy of the city of Johannesburg.

The Audit and Risk Committee is mandated to monitor the effectiveness of the risk management process and systems of internal control. The entity's internal and external auditors provide independent assurance over the overall effectiveness and efficiencies of systems of risk management and internal controls in the company.

The risk management function provides the necessary support to the committee and reports regularly on key matters of risk management to the committee.

The committee has been delegated the task of overseeing the quality, integrity and reliability of the company's risk management function. In terms of its mandate, it reviews and assesses the integrity and the quality of risk control systems and ensures that risk policies and strategies are effectively managed. The committee met on May 22nd 2014 for the company's Risk Assessment Workshop. Management reviews the risk register on a monthly basis.

Section 7: Internal Audit Function

Joburg Theatre has outsourced its internal audit function in terms of section 165 (3) of the MFMA to the Group Risk and Assurance Services. The Group Risk and Assurance Services has a specific mandate from the audit and risk committee and independently appraises the adequacy and effectiveness of the company's systems, financial internal controls and accounting records, reporting its findings to the Auditor General as well as the Audit & Risk Committee. The Group Risk and Assurance Services interacts with the Finance Manager and reports to the Audit and Risk Committee on a functional basis and has direct access to the Chairperson of the Board.

The internal audit coverage plan is based on risk assessment performed at each operating unit. The coverage plan is updated annually, based on the risk assessment and results of the audit work performed. This ensures that the audit coverage is focused on and identifies areas of high risk.

The internal audit has communicated a report on Joburg City Theatres Audit of the activities and outcomes of internal audits conducted during the year ended 30 June 2014. In line with the provisions of the Municipal Finance Management Act, Section 165, and good governance practices, Internal Audit should express an opinion on the functioning of the system of internal controls, the adequacy and effectiveness of the financial controls, compliance with applicable laws and regulations and the adequacy and effectiveness of performance management and reliability of performance information. This information enables the Audit Committee to provide independent assurance and advice to the Board.

a) Background

The Internal Audit of Joburg City Theatres provides the Audit and Risk Committee and management with assurance that the internal controls are adequate and effective; in line with Section 165 of the MFMA, the Institute of Internal Auditors (IIA) Standards and the requirements of King III report on Corporate Governance. This is achieved by means of regular risk based audit assignments, as well as the identification of corrective actions and suggested enhancements to the controls and processes in respect of key risk areas identified.

b) Summary

- **Internal Audit Effectiveness**

Internal Audit carried out its activities as per the approved audit coverage plan of Joburg City Theatres. The nature of the audits included for example, Asset Management, Supply Chain Management, Performance Information, Marketing, Human Resources, Information Technology, Compliance to Legislation, Financial Reporting and Revenue Management.

- **Internal Control Systems**

In accordance with legislated requirements, Internal Audit assists management in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency and by recommending how these controls can be enhanced or improved where gaps are identified. The controls subject to evaluation encompass:

- The information systems environment
- The reliability and integrity of financial and performance information
- The effectiveness of operations
- The safeguarding of assets
- Compliance with laws, regulations and controls

Internal Audit provided assurance on the high risks identified during risk assessments by prioritising these areas during annual planning. Some of the medium and low risk areas were also audited where possible.

- **Internal Audit Outcomes**

The system of internal control was reasonably adequate and effective, for the year under review.

c) Performance Management And Auditing Of Performance Information

The Municipal Systems Act and the Local Government Performance Management Regulations require Internal Audit to conduct audits of the performance management system, performance measurements and quarterly performance information. A review on performance management and performance information was performed by GRAS for the 2013/2014 financial year and no findings were raised.

d) Liaison With Auditor General

The Auditor-General placed some reliance on the work performed by Internal Audit for the 2012/2013 financial year. Work performed by GRAS during the current year at the Joburg City Theatres still has to be reviewed by the Auditor General.

Section 8: Corporate Ethics and Organisational Integrity

The company has developed a Code of Conduct ("the Code") which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism.

In summary the Code requires that at all times, all company personnel act with utmost integrity and objectivity and in compliance with the letter and spirit of both the law and company policies. Failure by employees to act in terms of the Code results in disciplinary action. The Code is discussed with each new employee as part of his or her induction training and all employees are asked to sign an annual declaration confirming their compliance with the Code. A copy of the Code is available to interested parties upon request. A toll-free anonymous telephone facility exists for reporting of non-adherence to the Code or ethic related matters. Furthermore, any breach of the Code is considered a serious offence and is dealt with accordingly; as a result, this acts as a deterrent. The directors believe that ethical standards are being met and fully supported by the ethics programme.

The Joburg City Theatres has established the Social and Ethics Committee primarily, in compliance to Companies Act, 71 of 2008, to assist the board of the company, in monitoring and reporting on Social and Ethics programmes carried out by the company.

Further, the Company through its Board is required to monitor its activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Consumer relationship and
- Labour and employment

The Committee held two meeting during the period under review.

The committee's role and responsibilities are governed by a Charter which is aligned to statutory stipulations in the Act. These responsibilities include the statutory duties as per the Companies Act, as well as those assigned to it by the Board. The mandate is subject to annual review by the Board.

The main objective of the committee is to assist the Board in monitoring the company's performance as a good and responsible corporate citizen. This is done by monitoring the sustainable development practices of the company as set out below, thereby assisting the Board in achieving one of its values of doing business ethically.

Section 9: Sustainability Report

The theatre scene in South Africa is vibrant, with many active spaces across the country offering everything from indigenous drama, music, dance, cabaret and satire, to West End and Broadway hits, classical music, opera and ballet.

South Africa's arts and culture are as varied as one might expect from such a diverse nation. The blend of local cultures and diverse influences make for a melting pot of creativity that never disappoints.

9.1 Macro-environment

South African theatre is internationally acclaimed as unique and top class. The performing arts marketed South Africa to overseas audiences most effectively during the 1980s, specifically through theatre and musical productions.

South Africa's cultural and creative industry is a good revenue generator, and still has great potential to produce more and contribute to job creation, however the Arts and Cultural sector, on the whole, is facing a fundamental realignment in the way it acquires funding for its activities. In facing these challenges, it would seem that Arts and Cultural organisations are increasingly finding themselves in the same situation as entrepreneurs, in that there is an increasing need to shoot for ambitious goals with limited resources and, in doing so, having to persuade the market to provide the money for the realisation of opportunities.

In January 2011, the Ministry of Arts and Culture launched the New Plays Writing Programme at the University of the Witwatersrand, Johannesburg. The programme is a partnership between the Department of Arts and Culture, the university, the British Council and Sustained Theatre. The objective of the programme is to equip a new generation of South African writers with skills that will enable them to develop dramatic work that resonates with the challenges of the world around them. The programme comprises a series of playwriting workshops, the development of new plays and the production of selected work, both locally and internationally.

The Department also introduced Mzansi Golden Economy (MGE) which is a strategy to reposition the cultural industries in South Africa. The MGE strategy opens up the arts; culture and heritage sector to effectively and comprehensively contribute to economic growth and job creation. The Minister of Arts and Culture has declared 2013 as the year of MGE. Some of the projects that DAC has initiated and is implementing are; Cultural Events, Sourcing Enterprise, Public Art, Touring Ventures, Art Bank, NACISA, Cultural Observatory, and Arts in Schools.

Government commitment envisages the creation of 5 million jobs over the next 10 years by:

- Identifying areas where employment creation is possible on a large scale, as a result of substantial changes in conditions in South Africa and globally.
- Developing a policy package to facilitate employment creation in these areas, above all through:
 - ❖ A comprehensive drive to enhance both social equity and competitiveness;
 - ❖ Systemic changes to mobilise domestic investment around activities that could create sustainable employment;
 - ❖ Strong social dialogue to focus all stakeholders on encouraging growth in employment-creating activities.

The 2011 National Consultative Summit provided a revised strategy and plan, including new large-scale interventions to—

- reinforce the Arts, Culture and Heritage (ACH) Sector as an economic growth sector, and
- introduce programmes that contribute to large-scale employment.

The approach is:

- General continuity and the introduction of new initiatives that, build on and expand existing initiatives as far as possible;
- Skills development for excellence and high performance in the ACH Sector;
- Large-scale interventions aimed at optimising growth and the employment potential of the Sector;
- Expansion and coordination of supply and demand in the Sector;
- Enhancement of existing production and creation of new business opportunities to match demand;
- Monitoring and evaluation to guide investment and coordination of current and future resources for the sector.

The following is a list of the large-scale projects/work streams of Mzansi Golden Economy (MGE), as a strategic response:

- Cultural events, Touring Ventures, Legacy projects, Cultural precincts, Public Art, Art Bank, Sourcing enterprise/information centres, National Academy for Cultural & Creative Industries of SA (NaCISA), Artists in Schools and Cultural Observatory.

9.2 Micro-environment

Johannesburg is very successful in its positioning as the cultural centre of Africa, and has an ever increasing number of theatres and live entertainment products available to its residents and visitors. This presents major opportunities in the creation of artistic products, but also puts pressure on JCT in various respects:

- Impact of an increasing number of productions dependent on private sector funding and sponsorship opportunities, and
- Impact on ticket sales of a wide variety of theatre options available for a relatively limited theatre audience (audience development has only in recent years gathered momentum in Johannesburg).

The economic downturn and consequent recession has also put a significant pressure on disposable income and in order to curb the credit crunch, traditional theatre-going households are now faced with cutting expenses on irregular items – in particular the “leisure rand”. Furthermore, the recession has also affected the private sector and companies are very selective in spending the “CSI Rand”.

JCT’s main revenue streams are:

- The subsidy from the shareholder - City of Johannesburg which amounts to approximately 58% of total revenue
- Ticket sales – Receiving house and in-house production revenue which amounts to approximately 24% of total revenue
- Sponsorship and Ancillary services income which amounts to approximately 18% of total revenue.

Despite continued efforts to raise external sponsorship / funding, the ability to continue operations as a going concern is still dependent upon continued funding from the City of Johannesburg as sole shareholder. It is anticipated that the integration of the three city theatres will have a positive impact on sustainability.

9.3 Corporate Social Responsibility Report

The Company’s Corporate Social Investment Philosophy and function have, over the years been broadly underpinned by the concept of sustainable development. The strategy of the entity is to act as a facilitator rather than as sole sponsor of social investment projects. In this way, the long-term sustainability of projects is encouraged, additional donors attracted and formerly disadvantaged communities are empowered. During the year under review, the entity contributed a total amount of R1,4m towards Corporate and Social Initiatives.

JCT strives to be socially aware: to encourage inclusivity; to be a responsible corporate citizen; and to constantly move towards transformation. The Board of Directors approved a discretionary annual Social Awareness Programmes budget for the company’s Chief Executive Officer to disburse in support of causes and institutions in need and aligned with the company’s arts, culture, entertainment and community support policies.

space.com at Joburg Theatre - Youth Development (YD) made the theatre available at no rental to South African producers. YD at Joburg Theatre has become involved with the Joburg Youth Directorate and - in the process - youth officers of various departments within the City of Joburg. The three theatres have seen almost 40 000 young people come to the see productions during the period under review at discounted and/or sponsored ticket fee. This will assist in creating the new theatre audiences of the future - and drive towards social cohesion.

JCT was also proud to be able to act as host venue for many worthwhile and City of Joburg-based initiatives at no cost.

The Music Tutorial Program at Roodepoort and Soweto Theatres has been in existence since 1994, when it had 13 learners until 2013 where the number has grown to 325. At first it was run through Roodepoort Theatre and in 2012 was moved to Soweto Theatre. In the period since the move there have been a few

relationships formed. Notable being the relationship with Cape MIAGI based behind Morris Isaacson High School a few hundred meters from the Soweto Theatre precinct.

The Music Tutorial program employs thirteen facilitators preparing the learners of instruments for UNISA accreditation in their varied grades and the Associated Board of the Royal Schools of Music exams and the vocalists for the yearly South African Schools Choral Music Eisteddfod.

Some challenges facing the tutorial programme are:

Instruments

There are not enough instruments for use by the volume of students currently enrolled in the program. There are no funds to deal with the wear and tear of instruments, i.e. replacing strings etc.

Stationary

The tutors have highlighted a need for UNISA Curriculum workbooks and textbooks & sheet music that students can use when not in class. They also need whiteboards and accompanying markers.

Class structure

Some tutors have expressed a need for a stricter enrollment policy and for those students who are talented to be separated from those who are merely there for lack of something else to do. In this way they can properly prepare the true musicians for the exams and move quickly through the curriculum to enable a compilation of a varied repertoire.

Parental Support

The tutors expressed the importance of engaging the parents in the program more actively, particularly for primary school learners who are not always aware of following a weekly schedule by themselves. This is how they hope the issue of sporadic attendance can be remedied.

Content

The tutors have expressed the need to include contemporary music to the existing classical training in order to incentivize the students to play more.

There is no doubt that this program is very important to the youth in Soweto as exposure to musical knowledge is a rare commodity in previously impoverished and marginalized communities.

Continuance of the program in the 2014-15 financial year will be based on the department submitting a detailed business plan of the Music Tutorial Program and funding requirements; the number of students will be cut down as of 2014 without the acceptance of new intakes; there will be a creation of a further two ensembles, taking the number of ensembles in the program to three; and these ensembles will form the Soweto Theatre Orchestra/Ensemble that will perform at the theatres, at local malls and gathering places to highlight the presence of the institution and to encourage other forms of sponsorship; a budget needs to be made available for the acquisition and maintenance of instruments; the repertoire of the program will be streamlined and will also include African, Jazz and Pop music genres.

Section 10: Anticorruption and Fraud

The company has put into place an Anti-Fraud and Anti-Corruption Policy. This policy is intended to set down the stance of the company to fraud and corruption, as well as to reinforce existing systems, policies, procedures, rules and regulations of the company aimed at deterring, preventing, detecting, reacting to, and reducing the impact of fraud and corruption, where such dishonest activities subsist. The policy is a confirmation of the company's role in supporting and fostering a culture of zero tolerance to fraud and corruption in all its activities.

During the year under review there were no fraud or corruption cases reported.

Section 11: ICT Governance

In line with King III guidelines, technology governance forms an important part of Joburg City Theatre's (JCT) governance structures, policies and procedures. The JCT Executive Committee has approved the ICT Strategy Framework, which will be considered by the Board at a future meeting.

For the effective implementation of IT governance, and in order to improve the value of governance and sustainability, Joburg City Theatres will align the framework and policy in the following four objectives:

Objective	What we plan to achieve
Improved value and strategic delivery	-Technology plans for every unit review and alignment to business requirements
Readiness for compliance legislation	-Active planning for audits -Audit process aligned with King III reporting structures
Sustainability	-Priorities addressed by strategic projects
Intellectual property (IP) management	-IP management addressed at JCT level -Discussions with IP experts

The business and technology strategies need to be aligned as required by King III and enforced with visible improvement in innovative thinking and response. The ability to make, fund and enforce the right long-term decisions across all theatres remains a key challenge and opportunity.

The following business and technology strategies have been identified:

- The integration of the ticketing system across three theatres
 - The Accounting system will be upgraded for implementation at the beginning of the next financial year in order to accommodate accounting for all three theatres; and
 - Upgrade the PABX system and the access control systems so that it can be integrated with all three theatres.
- a) The integration of the ticketing system across all three theatres - Joburg Theatre, Roodepoort Theatre and Soweto Theatre.

Phase I of the project in 2010 entailed supply, install, commission, operate and maintain the new ticketing solution, which would assist Joburg Theatre in optimising customer management and access control to the theatres through the most economic and effective utilisation of human and other resources.

Phase II and III of the project took place in the third quarter of the 2013-14 financial year and included:

- The upgrade of the ticketing system at Joburg Theatre from SRO3 to SRO4
- the setup and installation of the Ticketing System at Roodepoort Theatre on SRO4,
- the setup and installation of the Ticketing System at Soweto Theatre on SRO4

SRO4 is a fully featured ticketing / marketing / CRM system for all live entertainment venues across every market sector. SRO4 offers fully-integrated Box Office, Internet, Agency and Mobile platforms with live graphical seating plans, view from seat, dynamic pricing, packages, merchandise, agency allocations, print at home, barcode scanning and customised reporting.

- b) The Accounting system will be upgraded for implementation at the beginning of the 2014-15 financial years, in order to accommodate accounting for the three theatres.

Phase 1 of the project in 2014 included the purchase of new server hardware, and new PC hardware to run the minimum systems requirements for Windows 7. Phase 2 of the project in 2014 included the purchase of relevant software licences. Phase 3 at the beginning of the 2014-2015 financial years includes the implementation of the software as well as user training of the new system. The accounting system is rolled out to all three business units.

- c) There is an urgent need to upgrade the PABX system and the access control systems so that they are integrated across all three theatres.

Phase 1 of the access control project included the purchase of a biometric access control system and software, rolled out to all 3 business units. Phase 2 at the beginning of the 2014-2015 financial year includes the implementation of the software as well as user training on the new system.

With regards to the upgrade of the PABX system, Joburg City Theatres is working closely with a company aligned to the State Information and Technology Agency (SITA) in order to assess and evaluate the requirements of all three business units. Management is still in the process of sourcing funds for this requirement.

The company has to date spent R2.8m on the ICT Governance in the 2013-14 financial year.

Specific Challenges:

Protection of Personal Information (POPI) legislation clearly stipulates that subscribers have to opt-in to receive email correspondence before communication with them. All three units of Joburg City Theatres email their patrons on a regular basis. The IT department works closely with the marketing department to ensure that all email addresses that are added to the database comply with the POPI legislation.

Section 12: Supply Chain Management and Black Economic Empowerment

The entity has adopted Supply Chain Management systems in compliance with the provisions of the MFMA and the National Treasury: Municipal Supply Chain Management Regulations, 2005. An SCM unit was established in September 2005 headed by the Compliance and Governance Manager which monitors the implementation of the entity's SCM policies in line with the regulations which seeks to modernise financial governance and improve accountability and transparency in the entity's processes. The entity's SCM policies provide for the exclusion of awards to persons in the service of the state subject to the exemptions and regulations issued by National Treasury from time to time.

The entity has implemented the three-stage bidding processes with separate Bid specification, Bid evaluation and Bid Adjudication committees having been created.

The company SCM policy contains the following fundamental aspects:

- Adherence to the constitutional expectations regarding the procurement system
- Adherence to the Preferential Procurement Policy Framework Act
- Adherence to the Municipal Finance Management Act
- Adherence to delegation of powers as per requirements of the law
- A bid Adjudication committee was incepted in the last quarter of 2005
- All bid committees were subsequently aligned in 2006, namely Bid Specification, Bid

The Board has ensured that the procurement policy embraced the objectives of broad-based Black Economic Empowerment and the Chief Executive Officer, as the Accounting Officer of the Company, was tasked as the custodian for effective implementation. The Capital projects implemented during this period served as valuable foundations for ensuring community participation in the company's BEE programmes. This pace will be enhanced and the Company will continue to be sensitive to the financial constraints facing emerging black businesses.

CHAPTER THREE

SERVICE DELIVERY PERFORMANCE



During the period under review, Joburg City Theatres was able to maintain:

- a youth development strategy through space.com programming and the theatre tuition programmes;
- a community development programme;
- a people with disabilities access and support programme;
- a women's development programme;
- contribution to the city's expanded public works programme;
- a skills development strategy; and
- an early childhood development programme implementation.

Joburg Theatre achieved a high percentage of occupation for all its auditoria during the year, with The Mandela at Joburg Theatre once again providing the high-profile and financial success that enables The Fringe, The Peoples and space.com to be more focused on the company's other essential strategic goals of youth development and social cohesion through varied and inclusive programming.

Roodepoort Theatre and Soweto Theatre have operated principally as receiving houses whilst future strategic and creative plans are being developed by theatre management and the company's Board of Directors. Soweto Theatre had its first in-house production in December 2013. It has been gratifying to note that both theatres have had virtually full occupation of their stages during the period July 1st 2013 to June 30th 2014.

Section 1: Core Business

Joburg City Theatres operates Joburg Theatre (Braamfontein), Roodepoort Theatre and Soweto Theatre in order to:

provide the integrated management of world class African theatre venues and a high quality entertaining, innovative and inclusive programme which serves the diverse communities of the City of Joburg.

Section 2: Day to day operations

theatre for a world class african city
the JOBURG THEATRE
complex

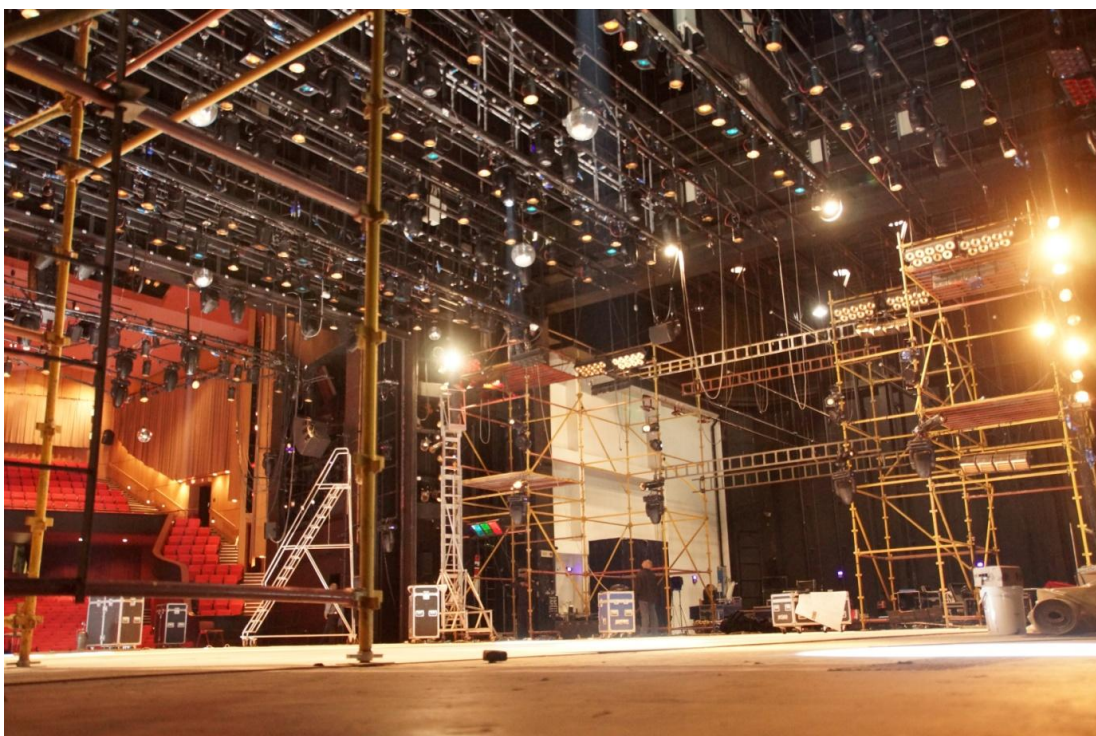
The financial year 2013-14 in The Mandela and The Fringe at Joburg Theatre may well be referred to as a year of diversification. Joburg Theatre has taken strides during the year in its efforts to make theatre accessible and appealing to all sections of the city's population.

End-of-the year results are:

- An attendance of 177,862 patrons in The Mandela, representing 57% of capacity, with 22 productions staged.
- An attendance of 14,573 patrons in The Fringe, representing 43% of capacity, with 36 productions staged.

The first quarter of the financial year at Joburg Theatre was dominated by the huge in-house production of Andrew Lloyd Webber's musical Starlight Express.

The creative team for Starlight Express - lead by innovative director Janice Honeyman - transformed The Mandela auditorium and stage into an arena enabling the thirty-five cast members to surprise and delight audiences by skating in front, behind, below and above them. Stage designer James Macnamara re-envisaged The Mandela - even putting a bank of 160 raked seats at the very back of the rear stage area, facing the conventional audience layout - and took the audience into the action. For the first time in its 51-year history, The Mandela at Joburg Theatre became a theatre-in-the-round.



Starlight Express performed in The Mandela from July 3rd to September 1st 2013. 36,378 patrons attended Joburg Theatre to see the musical during its 65-performance season. The show grossed just over R7M in ticket sales and achieved a direct income for the theatre of over almost R2M in various categories of revenue: theatre rental; management fees; ticketing profits; and production profit.

The all-South African cast received huge praise from the media and audiences, resulting in standing ovations at almost every performance.

Joburg Theatre most gratefully acknowledges the sponsorship provided by City Power for this major production of a musical. A close-out report on sponsorship values achieved was presented in November by Joburg Theatre to the Social & Ethics Committee of City Power Johannesburg, showing and accounting for a value received in marketing and publicity for City Power of R22M in return for the company's R6M contribution to the show. The City Power committee expressed its pleasure with the association and the resultant values achieved.

ABSA bank hired The Mandela at Joburg Theatre in August 2012 in order to stage its renowned One Harmony festival, bringing together young community choirs from across the continent of Africa. Delighted with its choice of venue in 2012, the financial institution returned for a week in September 2013 - culminating in a glorious finale of African music and voices.

In 2004, the then South African Ballet Theatre relocated to Joburg from Pretoria in order to occupy and become the resident tenant of the new state-of-the-art dance studios built at Joburg Theatre. In later years, the ballet company merged with Mzansi Productions' dance company to become South African Mzansi Ballet.

In 2013, the City of Joburg made a generous decision to subsidise the ballet company with an R8M sustainability grant for financial year 2013-14. In return, the ballet company became known simply and relevantly as Joburg Ballet. The first public season by Joburg Ballet took place on the stage of The Mandela from September 13th to 29th 2013 with the popular ballet Cinderella. A definite audience-pleaser, this brand new production helmed by Joburg Ballet's artistic director Iain MacDonald played to 8,812 patrons, representing an excellent 75% of potential capacity.



The second quarter of the financial year welcomed a new show from Australia, Boys In The Band, featuring four young singers and the biggest hits from the greatest bands of all time. This show, without a pedigree in South Africa and replacing a local performing arts company that cancelled 'at the last minute', failed to attract a large audience but was well received by the media.

The Johannesburg Youth Orchestra Company (JYOC) has established itself as a leader in orchestral training. The JYOC's vision is to contribute to human and social development, which lie at the heart of transformation in South Africa. By giving young people opportunities to learn, create and participate in music making, the JYOC builds people's internal capacity to reach their potential. The Johannesburg Youth Orchestra and Johannesburg Youth Ballet returned to The Mandela in October with a James Bond themed evening, From Russia With Love. Joburg Theatre has supported the youth orchestra's activities for several years and takes pride in its part in the growth of talent that is presented on Joburg Theatre stages.

It is always gratifying when South African performers move into the higher commercial levels of their industry but still choose the relative intimacy of returning to The Mandela stage at Joburg Theatre, rather than 'progress' to larger but often less accommodating venues. Such is the case with comedian Riaad Moosa, who last played to sold-out houses in both The Fringe and The Mandela in 2009. Enjoying current prime-time television exposure and movie success, Riaad Moosa took his one-man show Doctor's Orders on the road and repeated his prior success at Joburg Theatre, with ten sold-out performances in The Fringe in September followed by two additional sold-out performances in The Mandela in October.

Joburg Theatre is gifted to be able to present each year the most popular of all family stage entertainments in South Africa: the festive season pantomime, written and directed by Janice Honeyman. The tradition of pantomime – a hybrid of Broadway musical spectacle and the retelling of a world-renown story, accessible to both adults and children – is almost uniquely British in its genre, with only Joburg having succeeded in establishing the tradition outside of the UK. Aladdin at Joburg Theatre from October 30th to December 29th 2013 was the 25th Janice Honeyman pantomime presented in Joburg.

Starring South Africa's legendary radio personality and mega-celebrity Jeremy Mansfield in the role of the show's villain, Abanazar, Aladdin achieved a season of 81 performances and attracted an audience of 61,316. Gross ticket sales revenue of R9,439,938.00 returned a net profit to put back into the company's operations of R1,676,772.00.

Representatives of the local media literally gushed about the show, with expressions such as: "It's more than a carpet ride; it's a mind-blowing bungee-jump into the magical world of make-believe and fun" (Tammy Ballantyne on artslink.co.za); "It's about full-on family fun, and that is, of course, a very good thing indeed" (Janet Smith in the Star Tonight); and "Gauteng cannot survive without its annual panto" (Diane de Beer in the Star Tonight).

The theatre is grateful to BankservAfrica for its 3rd consecutive year of sponsorship for the pantomime and to the television broadcaster MNet for its extensive support of the show through on-air coverage.



The most satisfying aspect of the annual pantomime production is the large number of school learners it attracts, many of whom are experiencing the magic of live theatre for the very first time. Aladdin gave a record-breaking sixteen school matinee performances at heavily discounted ticket prices this year, attended by 14,629 children from schools as far apart as Soweto, Klerksdorp, Hartbeespoort, Benoni, Vereeniging, Sasolberg, Witbank, Groblersdal, Krugersdorp and Pretoria.

The third quarter of the financial year saw The Mandela at Joburg Theatre closed for the first two weeks of January for the annual maintenance period on the stage. Major upgrades and testing of the stage's proficient mechanisms took place to ensure that all the amazing 'bells and whistles' of The Mandela can be used efficiently for the rest of the year.

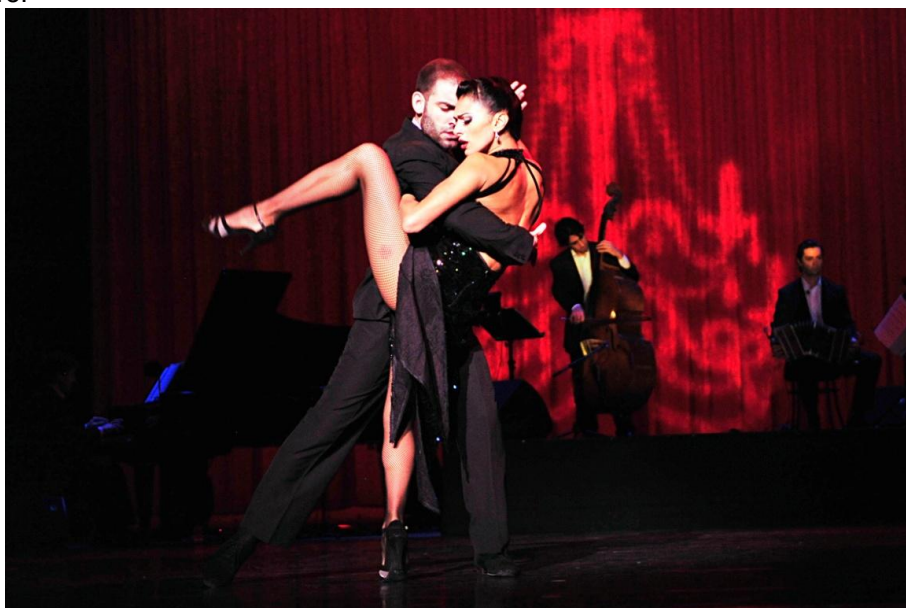
Having become a very popular tradition in The Mandela since 2009, the first show of the new season to be presented is from John Van Grinsven's Showtime Australia production unit. From the early days of Queen It's A Kinda Magic, Beatlemania, The Hannah & Miley Show, The Eagles – Hotel California, The Tina Turner Experience and The Abba Show to the hugely spectacular recent successes of Michael Jackson – History This Is It, The Greatest Love of All – The Whitney Houston Show and Michael Jackson – History II, these musical tributes to the great performers are eagerly anticipated by our audiences.

Elvis – The Show, performed from January 16th to February 2nd, did not disappoint the legion of Elvis Presley fans. Performed by Las Vegas based entertainer Nathan Belt, the local critics enthused, with veteran writer Peter Feldman claiming “The spirit of Elvis Presley materialised on stage in all its glory at Joburg Theatre with wave upon wave of nostalgic music...Nathan Belt succeeded in bringing the whole Elvis era magically to life in a dazzling display of showmanship that echoed every facet of the King himself...a truly remarkable achievement. It’s a genuine, heart-felt tribute to a legend. Belt has an incredible voice, all the right moves and attitude, and throughout his two-hour performance it was like observing the man himself.”



Elvis – The Show was seen by 8,986 patrons and grossed over R1.26M in ticket sales. Such was the last-minute demand for tickets from word-of-mouth and media reviews that the show has been booked to return to The Mandela from February 19th to March 8th 2015.

The Argentinean dance revue Tango Fire had successful seasons in The Mandela in both 2006 and 2007. So the theatre was delighted when Australian based promoter Andrew Kay offered a return by the young dancers with their new show Tango Fire – Flames of Desire, direct from its season in London’s West End. Once again, this most sensual of all dance forms had the audiences captivated, with Saturday Star critic Jenny de Klerk even proclaiming the “non-stop sizzle...sinuous lifts and spins, perfectly timed footwork and, of course, those smouldering moments when the eyes lock with true Latin intensity...Again and again the audience cheered, whistled and applauded as yet another seemingly impossible feat was flawlessly performed...the audience screamed for more.”



Tango Fire – Flames of Desire performed on the stage of The Mandela from February 4th to 23rd to 8,725 patrons and grossed over R1.15M in ticket sales.

Joburg Theatre has supported its neighbour, the National School of the Arts (NSA), with its annual Festival of Fame for many years, donating its venues The Fringe and space.com for the young learners-of-the-arts to have the opportunity to perform in professional theatres and work alongside Joburg Theatre's complement of skilled stage technicians. For the first time last year, the NSA also rented The Mandela on an arms-length basis so that its festival could take-over the theatre complex for the season.

This year the NSA chose a classic Broadway musical, Neil Simon, Dorothy Fields and Cy Coleman's Sweet Charity, to be its principal attraction in The Mandela, with NSA alumni Christopher Jaftha – recently a hugely popular Aladdin in Joburg Theatre's 2013 pantomime – adding some additional sparkle in a guest performance as the suave Vittorio Vidal. Young dance student Kiruna-Lind Devar won herself an assured professional future with her acclaimed performance in the lead role of Charity Hope Valentine. It is most gratifying to see the future artists of Joburg Theatre's stages work so hard in the Festival of Fame to learn the essential skills of performing on such a large and technically complicated stage as The Mandela. Joburg Theatre is pleased to be supporting both youth development and skills transference in this manner.

Joburg Ballet took occupation of The Mandela from March 3rd with the classic ballet Coppélia. This "spirited and charming" (Saturday Star) production brought jealousy, intrigue and a huge dollop of comedy to one of the best loved ballets in the world; a story of an old toymaker who believes he has breathed life into his beautiful mechanical doll. The ballet received praise from the critics and its loyal audiences, but we noticed that our audience numbers are decreasing as theatres across Gauteng present international ballet companies, local ballet festivals, ballet competition gala events and student ballets. Perhaps the potential audiences for ballet in Johannesburg is slightly over-saturated at this time, but the attendances of less than 6,000 over thirteen performances were disappointing. On a brighter note, the two scheduled 11am performances for schools were well attended, proving that Joburg Ballet's extensive outreach and development programmes are successfully building the ballet audiences – and perhaps dancers - of the future.

During the run of Coppélia, on a non-performance evening by the ballet, Caxton Newspapers took over The Mandela and created a magical and glamorous evening for its annual award ceremony, bringing Joburg Theatre a gross revenue of about R450,000 in one day from rentals, hospitality and catering.

The beginning of the fourth quarter in The Mandela saw the premier season in Joburg by Cape Town's Bovim Ballet Company. A large troupe of highly skilled dancers and singers – mostly from the Western Cape - entertained our audiences with the polished and spectacular programme titled Queen at the Ballet. It has been historically difficult to attract audiences to see contemporary dance programmes at Joburg Theatre, so it was gratifying to note how choreographer and producer Sean Bovim brought together a mixture of contemporary dance and a classical ballet structure from the extremely popular music catalogue of Queen in order to create an evening of entertainment accessible to all. The season played to an attendance of 11,260 patrons (66% of capacity) and has warranted plans for a return visit to The Mandela stage in 2015 with Mr Bovim's show Private Presley.



Joburg Theatre has long wanted to compete with the success of the gospel show Joyous Celebration (now resident at Carnival City casino on the East Rand) and to stage a show for gospel-loving audiences in a truly theatrical manner. Producers Andrew Timm and Thabo Pitso of ATTV (the creators of Gospel Classics on SABC2) spent a large budget and many months in putting together Daughters of The King for Joburg Theatre. Its first season – on The Mandela stage from April 17th to 21st (Easter Week) – featured gospel legends Ntokozo Mbambo, Gloria Bosman, Rebecca Malope and Malie Kelly. Also in this spectacular stage production were Freddie Wessels, the Rainbow Nation Gospel Choir and an eight-piece live band under the baton of music maestro Nqubeko Mbata.

Daughters of The King put women centre stage in the Easter story. We saw the story the way they experienced it. And we witnessed their journey from downtrodden and obscure daughters of Israel 2,000 years ago, to becoming daughters of the risen King whose names will live forever.

During the seven performances it was heart-warming to watch audience members standing, singing, cheering and re-affirming their faith along with the cast of performers. The brief season played to a disappointing 2,456 patrons (38% of capacity), but it was the beginning of an ongoing Joburg Theatre tradition. A major sponsor is being identified in order for Daughters of The King to return to The Mandela stage in Easter 2015.



During the period of 1980 to 1990, a group of South African musicians was very active in protesting against the then government of South Africa. Anthems of Democracy featured many of these artists whose songs became songs of hope and encouragement through troubled times. At such an emotionally important time as the 20th Anniversary of Democracy, Joburg Theatre honoured these artists and paid tribute to them and all the other artists who fought for democracy in their country.

During Freedom Week in April 2014, these famed South Africans joined together on the stage of The Mandela at Joburg Theatre: in alphabetical order, Bright Blue (Weeping), Yvonne Chaka Chaka (I Cry For Freedom), Jennifer Ferguson (Hand Around the Heart), Siphoswe 'Hotstix' Mabuse (Burn Out), Victor Masondo (of Stimela fame), Vicky Sampson (Afrikan Dream) and the Soweto Gospel Choir (Voices of Heaven). Travelling from the United Kingdom to join the South Africans on stage at each concert was three-time Grammy Award nominee and the first black British female singer/songwriter to enjoy international success, Joan Armatrading (The Messenger).

The stirringly emotional story of those troubled times when many of these artists stood against the apartheid system and took great risks of being detained by the government for writing songs and poems against the regime was narrated on stage by South African storyteller and author Gcina Mhlope.



Joburg Theatre truly celebrated South Africa's 20th Anniversary of Democracy, with patrons giving each of the five performances long standing ovations and thrilling applause. Anthems of Democracy excited a total of 4,111 patrons (77% of capacity).

South Africa's own award-winning contemporary Vuyani Dance Company gave its first season on The Mandela stage in May 2014 with the premiere of its new dance production Full Moon. Although beautifully staged and received with warmth from those patrons attending, it proved difficult to attract audiences to a previously unknown piece of theatre, resulting in a low attendance of 3,624 (27% of capacity).



However, it is important for Joburg Theatre to support young South African talent, even more so when the specific performing arts company is itself building skills from within the diaspora of Africa. Joburg City Theatres will continue building its relationship with the Vuyani Dance Company in Joburg, Soweto and Roodepoort.

Later in the quarter, The Mandela hosted an eclectic mix of world class stage entertainment that included:

Ashvin Gidwani's *History of India* Viritten, a three-performance debut of a long-term relationship with India's most prolific theatre production company. The inclusion of Bollywood star Vir Das as the comedic storyteller on stage brought a relatively new audience to The Mandela from the local Indian community.

A record-breaking sixth season on The Mandela stage of the hugely popular UK touring production *Spirit of the Dance* was a last-minute replacement for the long-planned premiere of a Nelson Mandela themed opera to be produced by Opera Africa (suddenly cancelled by the producers). Even though Joburg Theatre was left with only four weeks to market and promote *Spirit of the Dance*, the two-week season brought 7,952 patrons to the theatre and was once again received with huge enthusiasm and delight.

Joburg Theatre then celebrated Youth Month with a glorious programme presented by the Johannesburg Youth Orchestra with guest star Idols winner and multi-selling recording artist Elvis Blue.

The combination of South Africa's finest youth musicians with a famous celebrity proved a winner in its *Night With The Stars* and the youth orchestra now plans a second such season on the stage of The Mandela in 2015 with guest stars the rock band Just Jinjer.



The year then completed its busy roster on The Mandela stage with three performances of *Cirque de la Symphonie*, featuring the KwaZulu Natal Philharmonic Orchestra and circus performers from around the globe.

It has been good to see the considerably increased usage and patronage of The Fringe at Joburg Theatre during the financial year.

The first quarter began with a week's season of the South African concept *International Guitar Night*, performing to a positive result of 68% capacity. This was followed by one night engagements of *Tribalation 5 – African Revolution* and *Lion of Africa Music Expressions*.

Whilst the intimate space.com venue at Joburg Theatre was being refurbished with new lighting and sound equipment, Joburg Theatre's Youth Development programme transferred temporarily to The Fringe. Five developmental productions were hosted during the period August 8th to 31st, culminating in the third consecutive year of the Shakespeare Schools Festival SA, this year hosting seven schools from Gauteng performing their own productions of Shakespeare's works.

Joburg Theatre's social awareness programme sponsored the week-long visit of Rape No More to The Fringe in September 2013. Rape No More is a movement created by a few individuals in South Africa and one in the USA, deciding to create an artistic documentary that will highlight factors that may be driving incidences of rape as well as creating an awareness surrounding rape, with the ultimate goal of shifting societal norms around rape and therefore enforcing a need for revision in not just tougher sentences, but also addressing the root causes of rape.

The second quarter saw a diverse range of attractions in The Fringe, including: local performer Ranfinikus The Mentalist; productions transferring from the Grahamstown National Arts Festival such as Simply Broadway; a visit on an international tour by Australia's Projection Dance Company; stand-up comic shows That Bushman Is Crazy and Simmi Areff's Strictly Makrooh; experimental drama 11th Avenue; and music concerts titled Bheki Kosa and Mbuso Khoza Live, Carols and All That Jazz and Dizzy Jazz The Holiday Edition.

Producer / performer Andrew Simpson also had successful seasons in The Fringe with his one-man audience participation shows Ghost Story and To Kill A Koeksister.

The Fringe at Joburg Theatre was very active for the third quarter; its calendar year opening with John Kani's celebrated play and now set-work for learners, Nothing But The Truth.

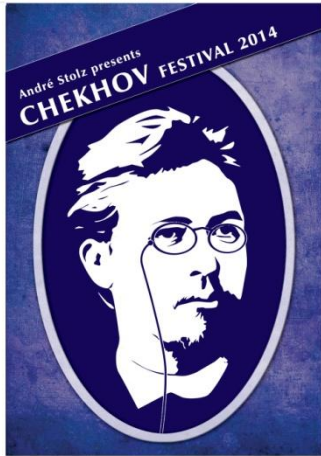
The NSA's Festival of Fame brought a multitude of shows to The Fringe from 9am to 10pm daily and The Fringe remains a popular venue for corporate events. Lion of Africa Music Expressions presented Brenda Mtambo in The Fringe on Human Rights Day, March 21st.

The quarter closed in The Fringe with a return visit by master illusionist Ilan Smith in his new show, Dreams.



The Fringe also hosted a truly eclectic mix of stage productions during the fourth quarter of the financial year. These included solo performances by recording artists Sibongile Mngoma and Thando Lokwenene, popular stand-up comedian Deep Fried Man, the return to The Fringe of the schools drama competition Federation of Excellence in the Dramatic Arts (FEDA) – attracting over 1,000 young learners presenting their school stage productions, a one-man comedy show Lord of The Flings, a season of plays written by Anton Chekhov and performed by some of the most acclaimed of South African theatre stars, a concert performance by Bernice Boikanyo and star actor Tim Plewman in his controversial one-man play about Adolf Hitler, The Last Moustache.

the fringe at
JOBURG THEATRE



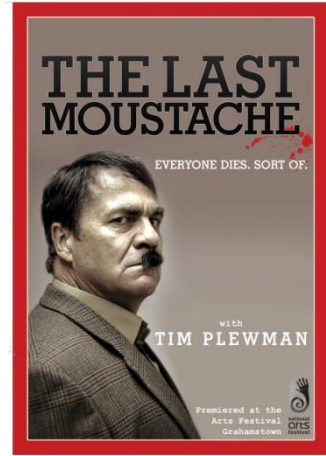
from
JUNE 4

the fringe at
JOBURG THEATRE



from
MAY 7

the fringe at
JOBURG THEATRE



from
JUNE 17

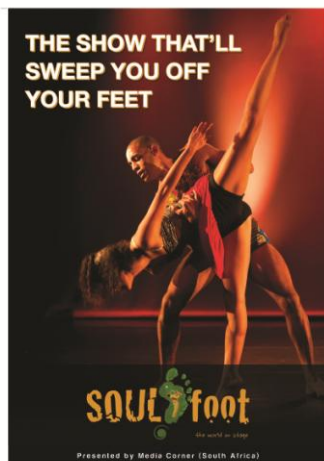
About to arrive in the first quarter of the new financial year:

the mandela at
JOBURG THEATRE



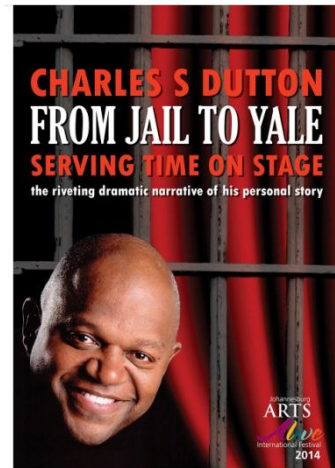
from
JULY 11

the mandela at
JOBURG THEATRE



from
AUG 12

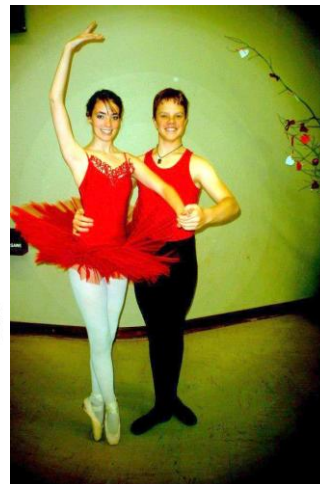
the fringe at
JOBURG THEATRE



from
SEPT 2

Roodepoort Theatre situated in Region C operates out of one 328 seater Main auditorium and one 100 seater Basement auditorium. The purpose of the organisation is to promote and develop youth in the world of Performing Arts. Through the history of the theatre many singers and musicians have made their debut at the theatre and have now moved into the professional world performing locally and international. Roodepoort Theatre strives to continue giving the youth the platform to develop into aspiring young artists, to cultivate a love for theatre and to build a new and diverse audience for the future. The Theatre operates as a receiving house for community driven theatre initiatives, and in the last year has achieved a high percentage of occupation.

During the first six months of the year both auditoriums were successful and were occupied for 85 days during the second quarter and 118 days during the first quarter, attracting 9145 visitors to the theatre in the second quarter and 12007 visitors in the first quarter.



The first weeks of July were occupied by two Afrikaans Productions, MY VROU SE MAN SE LYK SE TAS and GROET DIE GROETMAN, both these productions received good audiences.

Mogale Youth Ballet presented a new ballet by children for children called Winter Wonderland conceived and choreographed by Carla Turner. The production played to a full house.

DI KONOKONO FESTIVAL provided a platform for youth development in the arts. The festival focused on children from less developed, previously disadvantaged communities, whilst giving them an opportunity to experience the magic of arts through exposure to the theatre and to build confidence through public performance. Children that achieved diplomas in the festival were automatically entered into the National Eisteddfod and progressed through the awards rounds competing at a higher level.

Roodepoort Theatre joined ACOSA in the production run of PETER AND THE WOLF, an orchestral performance which educated children from Mbuyisa Makhubo Primary and Thakhisa Primary in the various sounds of instruments. The children were also privileged to receive a motivational speech by Pretty Yende on facing the challenges when working towards achieving a dream.

THE WEDDING SINGER, produced by Noordheuwel Hoerskool opened in the month of August with a bang. The stage was filled with excited young performers, who displayed talents in signing, dancing and drama. The auditorium was filled to capacity for each performance. Following this exciting musical, the stage was occupied by AKTV, youngsters from different schools who produced their own plays. They were expected to direct, perform, and display all technical skills involved with production, and were adjudicated accordingly.

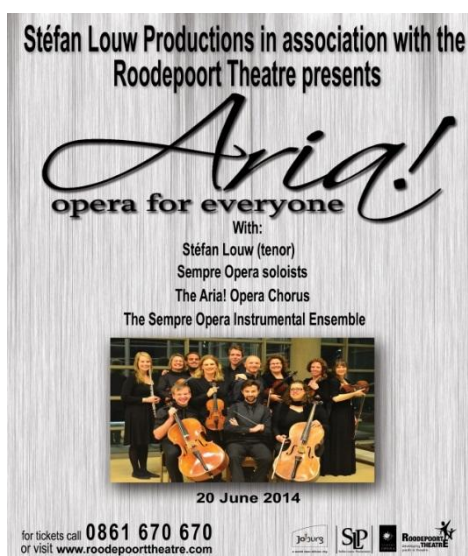
September was a month of dance, dance, dance, from the tiniest of feet to those on the boundaries to becoming professional.

Once again after 32 years of renting the theatre, Roodepoort Dance Festival displayed a delightful range of dance forms from various age groups. Following this delightful display, Mario Gomes introduced his young Hip Hop dancers to the stage for a two night performance. This was also an opportunity for youth to develop their skills and some will proceed to a successful career in the performing arts. To the Pointe Ballet Studio ended the month of dance with Cinderella.

From feet to vocal, there have been various choirs, and solo vocals - to mention a few Kani in Concert, the concert reflected on Kani's musical journey; Kani music illuminates the fusion of classical, jazz and eastern tones. Pro Cantare took to the stage singing traditional African songs. ATKV celebrated its sixth anniversary of regional choir competitions, ATKV – Animato promotes choral singing amongst young choirs.

Aria! Opera for Everyone performed various opera arias:

- Stephan Louw was joined by baritone Aubrey Lodewyk and pianist Eugene Joubert. Fifty-two previously disadvantaged children between the ages twelve and nineteen years from the Hillbrow Theatre Project joined the audience and were enlightened and exposed to opera as an art form.
- Aria! Opera for Everyone staged a concert version of La Traviata where the performance was well attended. Twenty young adults from the Hillbrow Theatre Project were issued free tickets.
- Aria! Opera for Everyone directed by Stefan Louw, with performance by sopranos Deirdre Blignaut – Rautenback and Jo – Nette Le Kay, mezzo – sopranos Aukse Trinkunas and Linette van der Merwe, tenors Chris Mostert and Johan Coertzen and baritone Daniel Vertser, and newly formed chorus which comprises of veterans and young voices . The programme was an assortment of famous arias from operas ;Carmen, Norma, Rigoletto and Turnadot. Sempre opera Instrumental Ensemble accompanied the performance.



Dancers Love Dogs entertained the patrons with some glorious dancing and a display of dance by two dogs. Roodepoort Theatre offered the space free of charge to assist in raising funds for the mass sterilization of dogs in and around Johannesburg, where this treatment is not affordable. Since 2012, Dancers Love Dogs has staged shows in Cape Town, Pretoria and Durban and the events have cumulatively raised over R 290,000.00, which has allowed for over 1500 animals to be safely sterilized. Dancers love Dogs is a registered non- profit organisation securing its important NPO status which enables corporates to donate with incentives.

Talents of many young dancers from various ballet schools filled the theatre - Chiaro Scuro performed by young dancers from Christian School of the Arts showcased exceptional talent; Chiaro Scuro choreographers included the well know Karen Beukes- Macdonald, and former USSR Seniro Soloist Azer Mirzoev. Michelle School of Classical Ballet was the second school to entertain the audience, with a performance of Mary Poppins - the ballet was delightfully performed by some talented young dancers.



After years of not doing solo recitals, Sibongile Mngoma graced the Roodepoort Theatre stage with her presence, performing classical and spiritual arrangements composed by maestro Graham Scott.

Stageworx took on a new project for their school, these youngsters both abled and semi-abled are trained by Gemma Donnelly and produced a movie. The movie was successfully screened at the Theatre. Later in the year, Stageworx staged the production of Tik Tok Boom which showcased various songs throughout the ages. The children who performed on the stage come from different backgrounds, and the group is combined of abled and semi-abled children.



After a seven year break Roodepoort Little Theatre, the communities' amateur drama group, staged a delightful play Christmas Clause and Tinsel Tales in the Basement.

Under the baton of Bernard Wozy, the Rand Symphony comforted the ears of the classical music lovers. A solo performance by Polina Burdukowa silenced the audience with her glorious rendition of the rarely – performed Cello Concerto in D minor by Edouard Lalo.



In contributing to healthy living initiatives, Roodepoort Theatre hosted two days of Women's Nutrition Workshops. The workshops promoted the importance of family wellness, health and nutrition and were target at mothers and pre - school teachers.

Promusica Theatre, house of lyrical arts is now a vision from the past and 'Roodepoort Theatre: *Developing youth in theatre*' is now cast in stone. The re- launch took place on February 7th and was the highlight of the financial year, changing the face of the Theatre, the name and the vision. Guests were treated to the wonderful sounds of the Marimba upon arrival, followed by Aria, Opera for Everyone which entertained guests with a light hearted programme and in support of Roodepoort Theatre's vision, the Johannesburg Youth Orchestra under the baton of Eddie Clayton displayed their talents with success, the Voice of the Nations Choir with their collective artistry added lustre to the occasion.



As the event on February 7th 2014 was by invitation only, Roodepoort Theatre decided to combine the re-launch with an additional event on February 8th, welcoming the community to various activities that took place outside with performances (hip hop, bands, comedy, martial arts) by different community based groups. The children were treated to face painting and jumping castles. Roodepoort Theatre management, staff and the community gratefully acknowledges the CAPEX funding from the City of Johannesburg which was utilised for the refurbishment of the auditorium and restaurant.

Roodepoort Theatre welcomed Stages restaurant which was also launched on February 7th 2014 - a welcoming asset to the theatre with almost a similar look and feel as Joburg Theatre's Stages but with a unique colour scheme that matches the theatre's brand.

Sooffah Comedy Couch has set a standard of comedy in Roodepoort, which is to develop young comedians. There has been an overwhelming response to the monthly performances by patrons, which took place in the 100 seater Basement Theatre. At the end of a long and successful run, the audiences reflected the diversity of the communities we serve. Sooffah Comedy Couch has attracted a mature audience whilst featuring young comedians, most of these comedians have attended workshops and received coaching in entertaining, and with the support from the audience have mesmerized and surprised the patrons with their unknown acts.



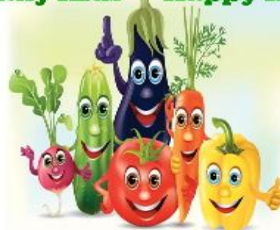
National Eisteddfod Academy (NEA) once again took the stage, performances by the youth have been outstanding during the festival seeing over 1100 youngsters displaying their talents in various art forms. The festival ran for a period of six weeks in the third quarter of the financial year. The NEA has established and developed the traditional eisteddfod into no limitations programmes that targets the youth in various communities, providing the opportunities to participate, grow, gain experience and showcase their talents. This programme comprises of various interlinked projects, including:

- Opportunities to perform at an annual Eisteddfod where youth can participate and develop in the various arts disciplines.
- Support to rural and township schools in particular, where teachers do not always have the necessary skills to support the development of learners in the arts.
- Opportunities to showcase their talent at the NEA young performer showcase events in various regions where top achievers, as identified during the annual Eisteddfod can perform.

Easter saw Roodepoort theatre holding its first Easter egg hunt aimed at children between the ages of 5 to 12 years. The event was well attended by the community and requests were made to hold more outside events for younger children in future. Easter eggs were kindly donated by Beacon, but due to the large amount of children that participated, the Theatre had to purchase more eggs. Mug and Tree Community centre (centre for orphaned children) was invited to the event and Coca Cola donated 120 cans of coldrink and pizzas were sponsored by Romans pizza in order to feed the children from Mug and Tree.



Healthy Kids Happy Kids



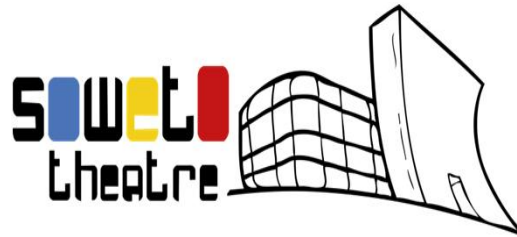
During the 4th quarter of the financial year the theatre held; recycling workshops for children under the age of twelve years – where children were taught about the necessities of recycling and made various art works from products. In addition, the Early Childhood Development (ECD) projects educated children three to six years of age in the form of a stage performance on Healthy eating and Safety.



For the past ten years AIDT has rented the theatre, and once again the audience and examiners were taken back by the talent displayed on stage. AIDT aims to promote the teaching and standard of Modern, Tap and Hip Hop dancing for ages five years and older, learning the correct technique and musicality while enjoying the dancing experience. During these open examinations, dancers with potential are given the opportunity of receiving a bursary to further their studies in dance.

The My Band project took place over six months -, each month various bands entered and were given the opportunity to play in the Basement Theatre. Each band was adjudicated according to performance, sound, and audience development. At the end of the six month 10 bands qualified for the finals. The winning band of the project received a drum kit generously sponsored by Music Mate and recording time sponsored by Shaw Productions. The project introduced exceptional talent to the music industry

As per the production calendar, Roodepoort Theatre has successfully showcased all the planned performances during the financial year.



Soweto Theatre began its in-house production and programming in December of the 2013. Prior to this period Soweto Theatre had solely operated as a receiving house and with the introduction of in-house production it became apparent that an extensive and dynamic strategy for audience development would need to be engaged in order to attract Sowetans and theatre goers who had never attended shows at Soweto Theatre. Along with creating systems of operation for in-house producing which include production management, sourcing productions, arranging rehearsal spaces and the building of sets, a marketing strategy that could reach our target audience needed to be established.

This process of discovering what tactics work with the targeted audience is ever-evolving and the theatre has created partnerships with Jozi FM for a regular Friday morning slot to discuss programming in the theatre - Soweto TV also came on board as a media sponsor for the *Birthday Weekend Celebrations*. Soweto Theatre is, however, grateful to the continued coverage of productions by SABC 2's *Morning Live*, which has covered and interviewed the producers, creators and performers of all the shows produced thus far.

In the year under review Soweto Theatre hosted shows by three Standard Bank Young Artist Winners for Theatre and musical direction by a Standard Bank Young Artist Winner for Music, a Fleur du Cap Winner and numerous Naledi Theatre Award Winners. Co-productions with numerous emerging companies and established theatre and educational institutions will continue as part of the company's strategy.

The Main Theatre hosted two musicals, '*Ndlovukazi* and *One Square Mile*', schools set work in co-production with Nobulali Productions '*Animal Farm* and *Nothing But The Truth*', and the theatre's first intake of Trainees performed Freedom Tales production, in conjunction with Green Goose Collective '*Itjapukgile! Theetja!*' which will go on tour from September 2015. The Main Theatre has also been the stage for *An Easter Weekend with Ndimiso Nyovane*, the *Birthday Weekend Celebrations* and the *Dlala Mapantsula Annual Festival*.

The Blue Theatre has hosted six productions, some revisits of classics: *Asinamali*, *And The Girls In Their Sunday Dresses* and new South African writing: *Skierlik*, *Book of Rebellations* as well as music by *Joel Zuma* and *Khethi*.

The Yellow Theatre has been home to the Assitej Naledi Awards showcase which featured plays specifically produced for children and young audiences along with workshops for teachers and creatives on the processes of producing work for this target audience and a collaboration between the Goethe Institut, Vuyani Dance and Silke Z. a German dance company. A series of workshops were held with Soweto based dancers before the two scheduled performances of *Private Spaces*.

Ndlovukazi, a dance story about the journey of a young South African woman, was the theatre's first in-house production, created by Dinganga Theatre Creations: a dance company established in 2008 by young Sowetan dancers, actors and musicians. During the past 4 years Dinganga Theatre Creations has performed all over Gauteng and Grahamstown through the remix program and at Gauteng Motjeko, Gauteng Dance Manyano & Gomacc Festivals. *Ndlovukazi*, directed and choreographed by Thabang Senganga Ramalla explored women's perspective on love. This dance story was told through thought provoking choreography, soulful music, and spoken word. It was also based on the true stories of cast members.



Dream Sequence from NDLOVUKAZI

The Comedy compliment to begin 2014 was a show called *Interpret This!!!* which featured Joey Rasdien, David Kau, Kagiso Lediga, Roni Modimola and Kid Sithole.

The comedy was followed by a Valentine's music experience with *Joel Zuma*; who has thrilled audiences in and out of the country with a versatile voice. His performance was soulful and groovy with elements of Soul and Gospel with a strong African flavour.

Zakes Mda's production *And The Girls In Their Sunday Dresses*, directed by Princess Mhlongo and designed by Thando Lobese, ran from February into March.

One Square Mile written by Monde Mayephu and directed by Meshack Mavuso is a Musical theatre production conceived and conceptualised as a celebration of the centenary existence of the Alexandra township. With a production cast of thirty-five (35) the production is a fusion of live music, dance and drama. With a celebratory mood the production seeks to profile the milestones and the struggles of ordinary people of Alexandra. Alexandra as one of the oldest townships in the country has played a pivotal role in shaping the history of South Africa. Ranging from historic political events, political figures, entrepreneurs, world class performing artists have been part of a rich history Alexandra is known for. True to human nature the production does not fail to further demonstrate challenges and realities of life in Alexandra both prior to and during the democratic dispensation.

Khethi and Her AfroTwist entertained patrons in March. Looking at responses on our social media sites and word of mouth that was circulating about this event it really seemed that the house would achieve maximum capacity. Once again, it became clear to management that new strategies are needed in attracting audiences.

With *Skierlik* following the week after writer and performer Phillip Dikotla was nominated for two Fleur Du Cap awards and won one, there was confidence in the production already having a pull factor for the type of audience that puts a lot of stake on work being award winning, along with those wanting to see the production because of its subject matter. The culture of booking a seat before shows is still not strong at Soweto Theatre.



Khethi Ntshangase

Animal Farm and *Nothing But The Truth* was a partnership between Joburg City Theatres and Nobulali Productions. The purpose of this partnership was to drive the development of young audiences through the stage presentation of educational set-works in line with the Department of Education's curriculum. The target age groups were Grades 9-12 learners from Gauteng Secondary Schools. Joburg City Theatres entered this partnership represented by Youth Development at Joburg Theatre (space.com), Soweto Theatre and Roodeport Theatre. Soweto Theatre and Joburg Theatre hosted both *Nothing But The Truth* and *Animal Farm* in 2014 and Roodeport hosted *Animal Farm*.



Nothing But The Truth comprised a cast of three actors, a Stage Manager, and a Facilitator. They were directed by a Theatre Director with a strong Theatre in Education background. Toward this end, the director created an opportunity for actors to play an extra role; that of engaging learners and teachers with issues from the play, post the performance. In this manner, the play got to be interactive as the learners could interact with the character and/or actors. These two productions were our most successful ventures this year and brought a large range of learners to the theatre while supporting the curriculum set by the Department of Education and developing a future audience for the theatre. *Animal Farm*, directed by Neil Coppen, comprised of an all female cast interpreting this adaptation of a network text.



Animal Farm: The Set

To this experience of enacted networks JCT joined forces with Assitej SA to promote the *Take A Child To The Theatre Today Campaign*. Soweto Theatre hosted 8 schools, 22 teachers and 637 learners in attendance.



Learners on the Forecourt at Soweto Theatre

Soweto Theatre turned 2 years old in May 2014. JoziFM and Soweto TV then came on-board and sponsored an animated insert on the station advertising the weekend. The line-up was set to delight everybody, a weekend of festivities catering for the whole family. The weekend began with a musical performance by HHP and Bucie in the Main Theatre on Friday 23rd and various DJ's, including Heavy K burning the decks in the Stages Coffee Shop. Saturday 24th started at 10h00 with the Soweto Arts and Craft Fair, free performances by traditional music performers headlined, the Blue Arena hosted Kiri Pink Nob Live Art Sessions and Thursday's Trackside Story double bill. The weekend was wrapped up with one more double bill of poetry and hip hop, free open stage Jazz and African Contemporary performances headlined by Tsepo Tsola, Soweto Arts and Craft Fair and a ticketed Gala event on Sunday evening featuring Gauteng Opera, Concord Nkabinde, McCoy Mrubata, Khethi Ntshangase and Lindiwe Maxolo. With dance explosions by Soweto based Maison De La Danse.



Vuyani Dance Theatre (VDT) collaborated on Dance Dialogues Africa project, a German/Africa project with VDT. Conceived in 2011, the project's impact has been seen in the creation and touring of the production *Wake Up and Between Us*, which toured the Netherlands, Germany and Sweden. Private spheres emerge from which the audience cannot escape. The traditional stage is replaced by a space in which everyone shares in a common experience. The project was supported by Dance Dialogues Africa, German Federal Cultural Foundation and the Goethe-Institut, in association with the Soweto Theatre.

In December 2013 the theatre held auditions for the trainees programme and fifty-seven potentials auditioned from which eight were chosen to engage in an intensive incubator training program around Theatre Making from being on stage to the technical requirements for running a production. The first half of the year was facilitated by Green Goose Collective (Pty) Ltd. FREEDOM TALES, a program initiated by Green Goose Collective (Pty) Ltd, in partnership with the SOWETO THEATRE to find stories in and around Johannesburg and more importantly the stories from Soweto itself and share them with the greater South Africa. The pilot project, which ran since January, reached its culmination in June with a production created by the seven trainees of the Soweto Theatre. Shifting and evolving with the journey of storytelling from the orator to a modern texture, ITJAPUKGILE! THEETJA! Is a story that looks at the idea of freedom and what it may mean to South Africans and people living in South Africa today.



Photo Series created by the Trainees to market ITJAPUKGILE!THEETJA!

The Trainees, after the first showcase will embark on planning a regional as well as national tour of the play while facilitating afterschool and Saturday classes for twenty primary school and twenty high school learners selected from four schools within a 5 kilometre radius of Soweto Theatre. This is one of our efforts to engage the immediate residents of Soweto in the activities of the Soweto Theatre.

To commemorate Youth Day it was important for the theatre to engage the youth in creative activities at the theatre.



Young Mapantsula and Bo-Mshoza during auditions: May 2014

On June 14th *Dlala Mapantsula Festival 2014* was officially launched in the Main Theatre and closed off with the final leg on June 15th - 16th 2014 where contestants came together and saw the winners announced and crowned at a prestigious event with industry people, families and the members of the public. *Dlala Mapantsula Festival 2014* celebrated Youth Month. In its second year, the *Dlala Mapantsula Annual Festival* in collaboration with the Splendor Trading and Projects invited aspiring and established dancers to take part in the dance competition.

Over thirty crews took part in the festival. First prize winners walked away with R30 000, second prize with R15 000, R10 000 for third prize winners and Solo winner won R 5 000. The weekend was vibrant with youthful energy and the competition went very well.

On the same weekend we had the *Assitej SA Theatre For Young Audiences Showcase*. This Showcase, which formed part of a new partnership between ASSITEJ South Africa (the international association of theatre for children and young people) and the Naledi Awards, featured some of the best professional work touring to schools, kindergartens, community and festival spaces, for children and young people.

The Showcase served several functions: to provide a space where professional work for young audiences can be viewed by the Naledi Award judges for consideration for the Theatre for Young Audiences award; to create access for audiences to groundbreaking theatre for children and young audiences in a vibrant space; and, to create a space for conversation, inspiration and debate around theatre for young audiences amongst artists, teachers, young people and potential funders.

Soweto Theatre also invited Rena Le Lona Soweto Creative Centre in order for them to enhance the skills they already have for working with children and to provide a networking platform for the organization.

The year 2013-14 was closed with *Book Of Rebellations* by Monageng 'Vice' Motshabi and Kgafela Oa Magogodi. *Book Of Rebellations*, an allegorical fantasy, opens into the world of Kanana in 2024. Kanana, the land of promised freedoms is under the tight grip of Tlhogo Moimele, the benevolent ruler with an acute version of Acoustic Neuroma. Kanana is a land of sheep that muffle their screams and smile to the shadow of the knife and goats that cover their festering wounds while bleating out the national song. Amidst the merriment, Gogoa emerges from a forgotten past, bearing the torch of one love to raise a rebel nation. With the children on his side the cracks on the face of Tlhogo Moimele begin to emerge. Kanana's future hangs in the balance. *Book Of Rebellations* is directed by Monageng 'Vice' Motshabi, with Musical Direction by Kgafela Oa Magogodi and features the talents of Xolile Gama, Nkoto Malebye, Lebohlang Motaung, Omphile Molusi, Phosho Lebese and Bafana Ndlhovu. Mandla Mbothwe, Creative Manager of Artscape came to see the production and wants to co-produce it for an Artscape run in December and for National Arts Festival next year (2015).

MUSIC TUTORIAL PROGRAMME

Pre grade 1 and grade 1 theory books were purchased and distributed amongst teachers. Registrations for exams are in progress. A registration form accompanied by the learners birth certificate will be submitted together with a payment of R 163 per learners as well as R 140 for pre grade 1 exams. These will take place in October 2014 at the Diepkloof Hall and Soweto Theatre respectively. Sponsorship is being negotiated to cover the examination fees, instrument repairs, purchases, as well as one concert to be held at the Soweto Theatre later in the new financial year.

FUTURE PROJECTS





The Journey To Joburg Ballet

Ballet has a long history in the City of Johannesburg but Joburg Ballet traces its direct beginnings to the establishment of The South African Ballet Theatre in 2001. In that year, six dancers came together following the closure of the State Theatre Pretoria and its performing companies, including The State Theatre Ballet, previously PACT Ballet, the year before.

With determination and backed by a supportive board but with no public funding, the six dancers gathered a company together and began to present performances for the public. Based initially at the State Theatre Pretoria, the company started on the long and arduous road to becoming an active, professional part of the country's cultural fabric.

SABT's founding members were Dirk Badenhorst, Kimbrian Bergh, Karen Beukes, Fiona Budd, Iain MacDonald and Angela Malan and the first Board comprised all founding members in addition to Don MacRobert (Chair), Michael Dove and Mrs. Anzlie Hancock.

A major milestone was the relocation of SABT from Pretoria to new, purpose-built studios and offices at the Joburg Theatre, known then as the Johannesburg Civic Theatre. With a home of its own in Johannesburg, the company moved forward with greater confidence and the advantage of being closer to South Africa's cultural and economic heartbeat. But there was always an ongoing struggle to keep afloat and there were times over the years when the situation seemed bleak.

In 2006, founding CEO Dirk Badenhorst left the company to explore new ventures. These included the establishment of the South African International Ballet Competition, Africa's only event of this kind, the beginning of a close partnership with Cuban ballet, the first International Ballet Gala and the founding of Mzansi Productions, a small, versatile dance company. For the next three years The South African Ballet Theatre and Mzansi Productions operated independently of each other as two professional ballet and dance companies based in Johannesburg.

The next important milestone in the journey towards the establishment of Joburg Ballet was the merger of SABT and Mzansi Productions to create South African Mzansi Ballet in 2012. This brought Dirk Badenhorst and Iain MacDonald, two of the original six founders of SABT a dozen years before, back together as CEO and Artistic Director of the new company which, like SABT had been, was based at the Joburg Theatre.

In June 2013, the City of Johannesburg announced a generous sustainable funding grant for the company in terms of which the name was changed in September to *Joburg Ballet* in order to show the support of the City.

The company's dancers are skilled in classical ballet and contemporary dance and perform a repertoire of ballet classics and contemporary works by visiting and South African choreographers. The schedule embraces performances across South Africa as well as internationally and Joburg Ballet enjoys close international ties with ballet companies and schools around the world. In addition to the professional company, Joburg Ballet operates extensive development and outreach programmes as well as the South African Cuban Ballet School, a Ballet Academy and an Apprenticeship Programme.

The sustainable funding grant from the City of Johannesburg marks a major development in South African arts funding as well as increasing Joburg Ballet's ability to better fulfil its vision of making dance an art form embracing the widest possible cross section of South African society, and to enhance standards, training, development, job creation, opportunities, continuity, sustainability, tourism, international goodwill and transformation.

Proudly resident at Joburg Theatre, Joburg Ballet's CEO is Dirk Badenhorst and the Artistic Director is Iain MacDonald. The Honorary Life Patron is Mrs. Anzlie Hancock and Mrs. Mary Slack, Mrs. Carolyn Steyn and Mr. Tito Mboweni are the company's Patrons. Board members are James Campbell (Acting Chair), Dirk Badenhorst, David Blyth, Lorna Lukhele, Iain MacDonald, Ishmael Mkhabela, Cedric Ntumba, Cathy Powers, Grant Rogerson, Mabutho Kid Sithole and Richard Thomson.

Two board members from Joburg City Theatres were appointed to the ballet company's board to oversee governance processes and the spending of the City's funding in accordance with the agreement reached between the parties.

COPPÉLIA: Joburg Theatre; 7 to 23 March; 11 performances

Classical ballet's great comedy, *Coppélia*, returned to the Joburg Theatre after a lengthy absence to raise the curtain on Joburg Ballet's 2014 seasons. *Coppélia* opened at the Joburg Theatre on Friday 7 March followed by ten further performances through to Sunday 23 March. In keeping with Joburg Ballet's aim to expand ballet's footprint to a wider audience, the Johannesburg season of *Coppélia* was followed by four performances presented by PACOFS at the Sand du Plessis, Bloemfontein.



Performances images from *Coppélia*:

JOBURG BALLET DEVELOPMENT SCHOOL PROGRAMME

Joburg Ballet's Development School Programme provides a safe and structured environment for children to grow socially and introduce them to the joys and benefits of ballet while offering potential careers in the performing arts. The Development Programme gives children in historically disadvantaged areas an opportunity to explore the arts to see if they have an interest in a career in dance. The primary focus is to teach children ballet, etiquette and leadership skills through exposure to role models. Children achieve a sense of pride and self-worth through performance opportunities. There are approximately 500 children aged between 5 and 16 in the Programme in Melville, Alexandra, Braamfontein, Olifantsfontein and Soweto. Aside from being a place of safety and afternoon activity, we expose students to the professional environment by inviting them to Joburg Ballet performances and some participate in performances.

Students performed at the Press Conference announcing the City's sponsorship of Joburg Ballet, took part in the company's Winter School, walked the KAYA FM Nelson Mandela Walk, performed in Johannesburg Youth Ballet seasons, performed in the year-end Showcase, participated in the National Eisteddfod Academy garnering gold and silver medals diplomas, Mahlatse Sachane attended the Cecchetti Summer School in Hilton and performed in the Caxton Awards in addition to appearing in Joburg Ballet's mainstream professional performances.





Images from Joburg Ballet Development School Programme:



JOBURG BALLET CUBAN SCHOOL

The project was launched in partnership with Cuban ballet, continuing the dance ties with Cuba that Joburg Ballet C.E.O. Dirk Badenhorst initiated in 2008 and which has played an increasing central role in ballet in SA over the last six years. It is envisaged that this training initiative will develop into a fully-fledged vocational school feeding dancers into the profession and become a South African centre of excellence for preparing dancers for professional stage. This training facility for dancers is headed by Joburg Ballet dancers Angela Revie and Luis de Castro and benefits from ongoing visits by ballet teachers from the National Ballet School of Cuba. The School is also offering training to South African ballet teachers who are not affiliated with the ballet company. This was introduced in the second half of 2013 during a visit by Dr. Ramona de Saa, Director of the National Ballet School of Cuba.

JOBURG BALLET VISITS TO SCHOOLS

By visiting schools in Johannesburg and surroundings, Joburg Ballet is taking ballet to as many communities as possible, exposing the art form to those who may not have had the opportunity to previously experience ballet. In doing this, Joburg Ballet is enhancing the learning experience in the communities, providing aspirational role models for aspiring artists and creating and expanding work opportunities.

Schools visited

Mopholosi Secondary School	Sedibeng West District	891 learners attended
Tshepo-Themba Secondary School	Sedibeng West District	220 learners attended
ThutoTiro Comprehensive School	Sedibeng West District	1012 learners attended
Kholwani Primary School	JHB Central District	535 learners attended
Molaetsa Primary School	JHB Central District	530 learners attended
Khulani Primary school	JHB Central District	320 learners attended
Impumelelo Primary School	JHB Central District	232 learners attended
Mohato Primary School	JHB Central District	125 learners attended
Usindiso Primary School	JHB Central District	456 learners attended
Zimbambele Primary School	JHB Central District	139 learners attended
Luyolo Primary School	JHB Central District	295 learners attended
Zola Primary School	JHB Central District	545 learners attended
Isu'lihle Primary School	JHB Central District	150 learners attended

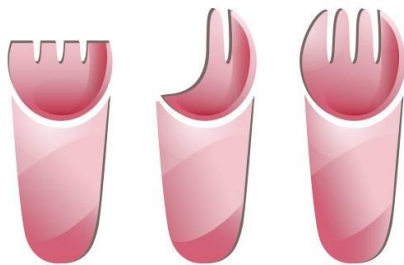
Additional Primary schools visited

Reshomile P/S	Rabasotho P/S	Muzomuhle P/S Musenga	Vhadzimu P/S
Hesperus P/S	EP Bauman P/S	Diepsloot Combined P/S	Diepsloot P/S
Khula-Nolwazi P/S	Moses Kotane P/S	Bottom Mine P/S	Mayibuye P/S
Bonamelo P/S	Obed Mosiane P/S	Harry Gwala P/S	Onkgopotse Tiro P/S
Tshepisong P/S	Durban Deep P/S		
Bophelo-Impilo Private School			

Images from Joburg Ballet school visits:

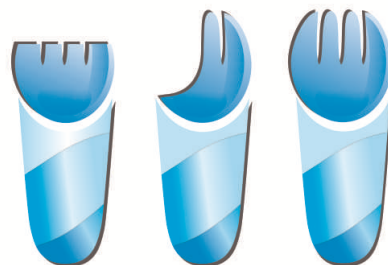


Hospitality and Catering department at Joburg City Theatres



STAGES
the theatre restaurant

STAGES at Joburg Theatre



STAGES
the theatre restaurant

STAGES at Roodepoort Theatre



STAGES at Soweto Theatre

The contract with Headline Leisure Management (News Café) at Joburg Theatre came to an end on June 30th 2013. JCT took back the operation of the hospitality and catering in-house on 1 July 2013.

Joburg City Theatres' very own brand 'STAGES' officially opened on 1 July 2013 and is proving to be very successful. STAGES restaurant opened up a new dining experience in Braamfontein for both day & evening trade. The restaurant has proved to be a hot spot for local residents, and business people alike. Trade has grown tremendously, attracting both locals of Braamfontein and people from the North & South of Joburg. STAGES menu has added a feel of sophistication that is available to people from all walks of life due to its very competitive pricing.

STAGES Joburg Theatre has to date generated revenue of R12, 973,746. In comparison to the previous restaurant, which generated on average R8 000 000.00 per annum. Joburg Theatre has grown into a venue of choice for conferencing and this is clearly marked by the incredible revenue generated in conferencing as well as functions. Total revenue generated by hospitality at Joburg theatre is R3,201,230. A total of 62.62% of turnover is from banqueting. This proves that opportunities for hospitality in Gauteng are huge and by increasing our scope of business in Soweto & Roodeport to handle banqueting events will greatly increase our turnover and ultimately our profits

Joburg City Theatres' Hospitality and Catering department has created 9 permanent jobs and 96 part-time jobs. Discussions are in place to create a hospitality college in order to close the gap of unqualified personal in the industry. STAGES Joburg Theatre is currently in its last phase of the current menu and a new refreshed menu will be available and implemented before the start of Spring.

With the popularity of STAGES Joburg Theatre, it was deemed necessary that the brand is taken through to Roodeport Theatre & Soweto Theatre.

STAGES Roodeport Theatre opened its doors in early 2014. This theatre had undergone huge revamps with the old admin office converted into the dining area of the restaurant, and a full revamp of the existing kitchen. The front of house bar also underwent a full revamp with the entire bar being demolished and a new upmarket bar designed. To date STAGES Roodeport Theatre has generated revenue of R709,766. This venue has proven to be challenging and movements have been made to market this venue not only as a theatre restaurant, but also a local dining venue as well as a sporting venue at the theatre main bar. The locals have started using this venue for rugby & soccer viewing which is looking to be quite positive.

STAGES Soweto Theatre opened its doors officially in May 2014, which consists of a much localized menu which includes Kotas, vetkoeks and pap n vleis. Outside events is the direction that STAGES Soweto Theatre is targeting - DRUMBEAT being the largest event run to date seeing +-5000 guests and generating a revenue of R251,000. STAGES Soweto Theatre is promising to have great potential and management is optimistic that this unit will see extreme growth over the next few months. Numerous events have already been held at Soweto Theatre with the Mini awards, Savannah comedy choice awards, Aromat (Unilever), and Grindrod conferences. This venue is proving to be quite popular and, hopefully, soon to be a venue of choice in the Soweto Area.

FUTURE PLANS

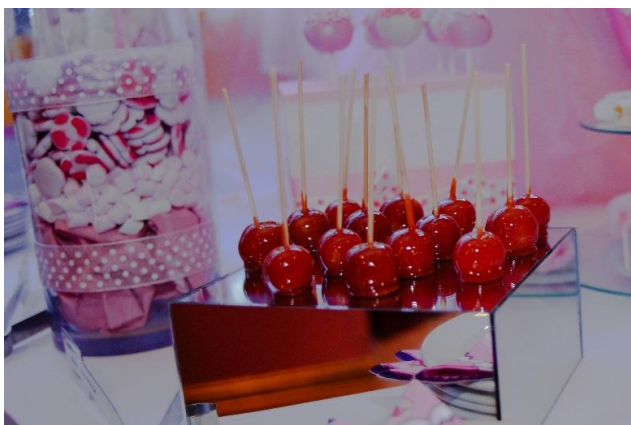
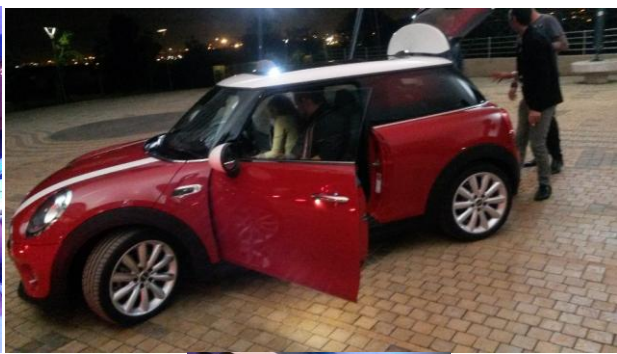
A canteen operation is on its way and will service all employees at Joburg Theatre at very reasonable rates in the new financial year. The canteen will operate on a break even basis, passing down all discounts received directly to the employees of the theatre in the form of affordable prices.

Meetings have already started regarding the taking over of banqueting facilities at Roodepoort Theatre which in time will greatly increase the scope of work at the Theatre as well as increase revenue generated by this unit.

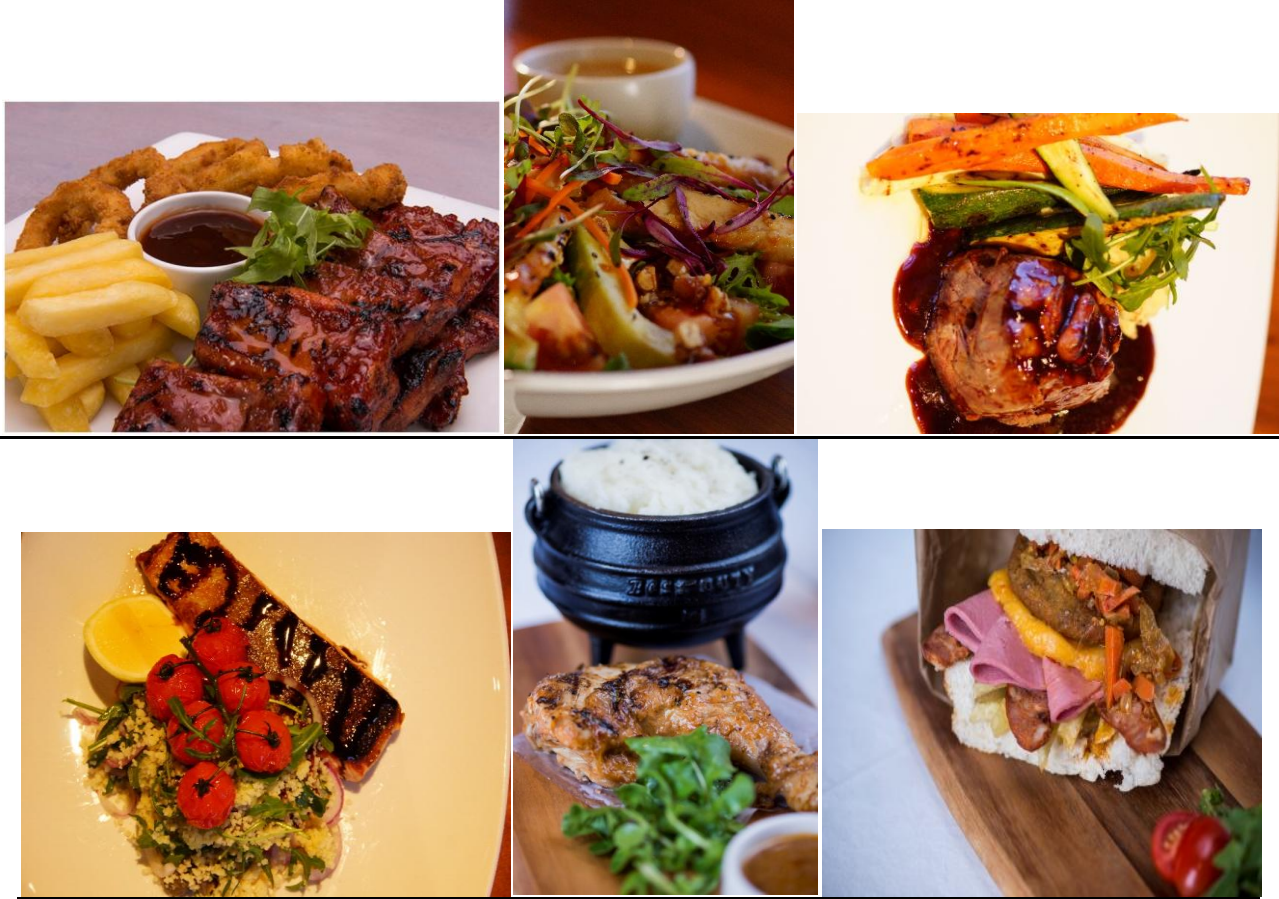
Discussions have already started for a hospitality training centre at Joburg Theatre. This will allow the Joburg City Theatre's group to provide skills to unemployed South African individuals, and create skills within Gauteng. This will also allow Joburg City Theatres STAGES to obtain and employ a pool of skilled staff trained in-house.

Looking at the direction in which Braamfontein is heading, an upmarket champagne lounge is another operation that needs to be looked at for the Joburg Theatre. This venue can offer exclusive VIP dining in a current venue called the West-End. The lounge area would attract high rollers of Joburg, offering a wide selection of premium drinks, and upmarket meals. This should be opened to members only and can offer exclusive dining to both VIP theatre patrons and staff of the City of Johannesburg.

PICTURES OF SOME EVENTS HELD AT JOBURG CITY THEATRES VENUES



MENU ITEMS AT STAGES JOBURG CITY THEATRE



Section 3: Highlights and Achievements

Joburg City Theatres was proud to present the following productions and celebrations:

- Andrew Lloyd Webber's musical Starlight Express
- The popular Cinderella, a Ballet production was showcased in The Mandela Theatre by Joburg Ballet
- The annual Pantomime gave a satisfactory performances to its loyal patrons, also to those who have watched it for the first time enjoyed the Aladdin performance
- Re-launch of Roodepoort Theatre and launch of Stages Roodepoort
- 'Asinamali' a tale of five black prisoners brought together in a South African prison, enacted like a theatrical poem, rising and falling in cadence with the sounds of singing, dancing, shouting and speaking
- "One Square Mile" a musical theatre production relives the township's vibrancy on stage, tells the untold stories in a form of art; from how this well-known township came into existence; living in the music footsteps from the suburbs, drafting the hardships and triumphs by its people, for the masses
- Easter celebration, Daughters Of The King performed at Joburg Theatre featuring gospel legends Ntokozo Mbambo, Gloria Bosman, Rebecca Malope and Malie Kelly
- 20 years of Democracy celebration with the performance of Anthems of Democracy with Bright Blue, Yvonne Chaka Chaka, Jennifer Ferguson, Sipho 'Hotstix' Mabuse, Victor Masondo (of Stimela fame), Vicky Sampson and the Soweto Gospel Choir. Also on stage was guest star **Joan Armatrading**
- Drum Beat concert was held in Soweto Theatre, which saw a total of 5,000 guests on site
- Birthday Celebration of Soweto Theatre, turning two years in May 2014 and the launch of the restaurant, Stages Soweto
- Dlala Mapantsula Festival 2014 celebrated Youth Month and 20 years of democracy by performing at Soweto Theatre Isi-Pantsula, a spontaneous expression of the lives of young men and women in the townships
- Roodepoort Theatre continued to provide programmes that focussed on 'Developing youth in theatre'

Section 4: Financial Performance

During the year under review earned income increased by 22.44% to R33.95m, as compared to the prior year (R27.73m). The increase was principally due to the income earned from the in-house production of the pantomime - Aladdin. Sponsorship was secured by management for in-house productions: R1.4m from BankservAfrica for the pantomime production and R6m from City Power for the Starlight Express musical production.

Expenditure totalled R96.16m, an increase of 52.51% as compared to the prior year (R63.5m) – this was due to a transfer of the grant funding of R8, 000,000 to South African Mzansi Ballet, and additional expenditure from Soweto and Roodepoort theatres that were for a full year compared to six months for the previous financial year.

4.1 Results of Operations

The company posted a surplus of R1m (prior to taxation) for the year under review, inclusive of COJ subsidy.

Earned Income consists of:

- Ticket sales from in-house productions R15.35m;
- Theatre rentals R4.34m,
- Sponsorship of R1.4m from BankservAfrica and R6M from City power,
- Ticketing services of R1.14m,
- Retail income from hospitality, bars, restaurant, refreshments, merchandise R3.20m,
- Interest earned R1.69m and Other income of R0.68m
- Earned Income calculation excludes the City of Joburg subsidy of R56.50m.

4.2 Cash Flow

Subsidy was received from the City of Johannesburg to the value of R56.50m during this financial year.

Interest income from investments of R1.69m was earned during this financial year.

Sponsorship of R6m from City Power Johannesburg for the 2013 in-house production of the musical STARLIGHT EXPRESS and R1.4m from BankservAfrica, which was utilised for the production costs of the Pantomime - ALADDIN.

The company ended the year in a favourable cash position with cash on hand being R5.92m.

4.3 Balance Sheet

Fixed assets book value at year end was R13.85m.

Total company assets as at 30th of June 2014 were R29.63m, as compared to R34.86m in the previous year.

The decrease in total assets is as a result of:

- (a) Obsolete Property plant and equipment written off; and
- (b) Cash and cash equivalent due to capex payments which is funded by City of Johannesburg. A cash inflow is expected within the first quarter of the new financial year as a re-imburement of R5.9m

Section 5: Capital Projects

During the year under review the company's shareholder, the City of Joburg, allocated R13.995m for the Capital projects listed in the table below:

Project Name	Budget Amount (Rands)	Actual Amount (Rands)	% spent
Building renovations and upgrades - Joburg Theatre	3,890,000	3,890,000	100%
Building renovations and upgrades - Roodepoort Theatre	2,200,000	2,200,000	100%
Building renovations and upgrades - Soweto Theatre	2,380,000	2,380,000	100%
Information Technology – All units	2,175,000	2,175,000	100%
Stage machinery repairs and upgrades - Joburg Theatre	1,850,000	1,850,000	100%
Stage equipment upgrades - Roodepoort & Soweto	1,300,000	1,300,000	100%
Roodepoort Theatre Vehicles	200,000	200,000	100%
TOTAL	13,995,000	13,995,000	100%

All the company's capital projects were completed within the scope and within the budget allocated.

Internally funded Capital Projects

During the year under review the company's internally funded capital projects amounted to R701K



Section 6: Performance against IDP and City Scorecard

Set out below, is an analysis of the entities performance against its KPIs for the financial year 2013/14 as set out in the City's IDP scorecard.

The process of strategic planning involves internal consultations and workshops within the institution. The board of directors and senior management and other key staff members engaged in an intensive strategic planning process in August 2013 and again in October, focusing on Joburg City Theatres' vision and building on strengths, addressing weaknesses, taking opportunities offered and guarding against the threats identified.

As will be seen, significant progress against the set targets has been made. This indicates important success by the entity, and our stakeholder in improving conditions in and the economic performance of, in particular, the inner city, and the initial focus of the entity's work. The data shows that in almost all instances the entity has met or bettered its targets. This can be attributed to solid corporate governance, sound management and management systems, clearly focused objectives, and efficient and effective staff. It also demonstrates the effectiveness of the entity business model in delivering on the mandate of the CoJ to promote area-based economic development and area-based regeneration.

Youth Development at Joburg Theatre was proud to partner with Themba Interactive presenting "INSIDE" a provocative theatre production that depicts a life of a woman who has endured 'Ukuthwalwa' forced marriage and a search for love in the chaos of abuse. The dialogue was presented in commemoration of the 16 days of Activism against women and child abuse!

Joburg City Theatres' very own restaurant and eateries brand 'STAGES' Johannesburg officially opened on 1 July 2013, followed by 'STAGES' Roodepoort in February and finally 'STAGES' Soweto in May 2014. STAGES is proving to be very successful opening up a new dining experience in Braamfontein, Roodepoort and Soweto residents for both day & evening trade and hot spots for local residence, and business man alike. Trade has grown tremendously and the STAGES menu adds a feel of sophistication that is available to people from all walks of life due to its very competitive pricing.

From the 15 targets set for the 2013-14 financial year Joburg City Theatres achieved 14 (over 90%), exceeding in 10 (over 65%) which is an improvement from the previous financial year achievement of over 60%.

The report analyses the performance of the entity in terms of the SDBIP scorecard, measuring performance in terms of both the entity's impact and its financial and resource management.

Performance Information For The Year Ended 30 June 2014 with Key Performance Areas and Indicators

City's Priorities	Projects	Key Project Performance Indicators	Baseline	2013/14 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)				COMMENTS
					Quarter1	Quarter2	Quarter3	Quarter4	
1. FINANCIAL SUSTAINABILITY & RESILIENCE	Theatre rentals	% increase in earned income	R4.5m	8% R4.8m	30% R1,4m R1.8m	60% R2.8m R3.5m	80% R3.84m R4.4m	100% R4.8m R6m	Target was exceeded.
	Hospitality, Bars and Restaurant	% increase in profit	R1.7m	40% R2.38m	40% R0.95m R1.m	70% R1,67m R1.8m	80% R1.9m R2.8m	100% R2.38m R3.2m	Target was exceeded.
	In-house productions	% increase in revenue generated from in-house productions	R17.2m	20% R20.64m	35% R7.22m R12.1m	80% R16.51m R22.5m	85% R17.54m R22.67m	100% R20.64m R23m	Target was exceeded.
2. AGRICULTURE AND FOOD SECURITY	Establishing partnerships with relevant stakeholders on promotion of healthy eating and healthy lifestyle through workshops	Policy on partnerships with relevant stakeholders	New	Policy approval	-	Identification of possible stakeholders Research on programmes / workshops 2 nutrition workshops	Draft Policy Policy drafted	Approval of Policy by the Board Policy not yet approved	Policy has not been approved Not achieved
3. SMME & ENTREPRENEURIAL SUPPORT	Entrepreneurial support programmes	No of programmes supported	20	30	10 12	15 15	25 26	30 32	Target was exceeded.
	Creating partnerships with stakeholders	No of partnerships created	NEW	12	3 6	6 12	9 14	12 20	Target was exceeded.
	Support small businesses through procurement	Percentage of procurement spend on SMMEs	NEW	30%	20% (6%) 32.35 (9.71%)	60% (18%) 60.1% (18.04%)	80% (24%) 99.2% (30.22%)	100% (30%) 100% (34.01%)	Target was achieved.

City's Priorities	Projects	Key Project Performance Indicators	Baseline	2013/14 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)				COMMENTS
					Quarter1	Quarter2	Quarter3	Quarter4	
4. ACTIVE AND ENGAGED CITIZENRY	Schools' Festivals	Festivals held	NEW	5	2 5	2 4	4 9	5 10	Target was exceeded.
	Workshops for performing artists, organizations and schools	Performing artists, organizations and schools workshops	NEW	10	3 10	5 15	7 24	10 29	Target was exceeded.
	Future audience development	School learners attending shows at JCT on discounted tickets	11 500	15 000	4 000 4 500	10 000 18 382	12 000 23 540	15 000 24 325	Target was exceeded.
	Increase accessibility to JCT for disadvantaged communities	Free tickets issued	NEW	3 000	500 1132	2 000 2170	2 500 4290	3 000 6075	Target was exceeded.
5. SMART CITY	Rollout Ticketing System and Customer Relation Management (CRM) to all venues	Ticketing system installed	New	Implementation	25% completion 25%	100% implementation 100% implementation	Implemented ticketing system 100% implementation	Implemented ticketing system 100% implementation	Target was achieved.
	Point of sales throughout the venues	Stock control through point of sales systems	New	Implementation	50% completion of installation (Phase 1) 50%	100% implementation (Phase 2) 100% implementation	Implemented point of sale system 100% implementation	Implemented point of sale system 100% implementation	Target was achieved.
	Accounting systems integration	Integration of accounting system	New	Implementation	-	Research and Procurement process. Research completed	Installation & Training Completed 100%	Commissioning Commissioned	Target was achieved.
6. INVESTMENT ATTRACTION, RETENTION AND EXPANSION	Joburg Ballet	Ambassadorial role to support the City of Joburg	New	4	2 2	- -	3 3	4 4	Target was achieved.

Section 7: Assessment of Arrears on municipal taxes and service charges

7.1 Assessment of Municipal Taxes and Service Charges owed to the entity

JCT does not charge Municipal Taxes and Service Charges.

Detail	0-30 days	31-60 days	61-90 days	91-180 days	181 & over	Total
N/A	N/A	N/A	N/A	N/A	N/A	N/A

7.2 Amounts owed by entity for service charges

Name of Entity	Amount Owed	Status	Comments
City Power	676,702.51	Current	Amount provided for in the entity's books
Pikitup	8,004.46	Current	Amount provided for in the entity's books
Joburg Water	75,223.86	Current	Amount provided for in the entity's books
COJ rates	4,429.25	Current	Amount provided for in the entity's books
Corporate and shared services	2,052	Current	Amount provided for in the entity's books

7.3 Assessment of Directors' and senior managers' municipal accounts

Name of Director/Senior Managers	Designation	Name of Municipality	Municipal Acc Number	Account Status as at 30 06 14	Comments
Dr Mongane Wally Serote	NED	City of Joburg	400864220	4,101.30	
Ms Xoliswa Nduneni-Ngema	CEO	City of Joburg	207540933	944.28	30 days
Mr Mavuso Shabalala	NED	N/A	N/A	N/A	#
Mr Welcome Msomi	NED	Eskom	8633105187	656.50	Current
Ms Sury Pillay	NED	Ekurhuleni	3301064632	730.69	Current
Mr Bheki Zungu	NED	City of Joburg	303424760	394.02	Current
Ms Lorraine Malebo	NED	N/A	N/A	N/A	#
Dr Ali Monadjem	NED	City of Joburg	550387577	3,448.00	Current
Mr Mabutho Kid Sithole	NED	City of Joburg	500719629	4,367.27	120 days
Ms Todd Twala	NED	City of Joburg	505487335	11,293.00	+120 days
Mr Ishmael Mkhabela	NED	City of Joburg	552128271	4,519.00	Current
Ms Tshidi Molala	IAC	City of Joburg	901187636	665.00	Current
Mr Jacobus Froneman	IAC	City of Joburg	550890042	Awaiting info	
Ms Janine Vergotine	IAC	City of Joburg	202248712	765.09	in credit
Ms Bridget Mashika	COO	City of Joburg	440859900	109.00	in credit
Mr Mlungisi Ngcobo	FM	N/A	N/A	N/A	#

Account with Sectional Title Management

Section 8: Statement on amounts owed by Government Departments and Public Entities

Name of Department	Amounts owed	Account Status	Comments
City Parks	64,387	Current	Water charges
Development Planning	855	Current	Hospitality and catering
City Power	27,060	Current	Hospitality and catering
Social Development	67,533	Current	Hospitality and catering
Office of the Speaker	42,095	30 days	Hospitality and catering
COJ Region F	29,400	Current	Hospitality and catering
Group Governance	6,210	Current	Hospitality and catering
Sport & Recreation	1,972	Current	Hospitality and catering
Department of Economic Development	8,410	Current	Hospitality and catering
COJ Treasury	18,159	30 days	Hospitality and catering
COJ	5,918,976	Current	CAPEX

Section 9: Recommendation and Plans for next financial year

Joburg City Theatres developed the Business Plan linked to achieving objectives outlined in 5-year IDP, which was informed by the Joburg 2040 Strategy and adopted by Council.

Building on the flagship and master programmes, Joburg City Theatres adopted: Financial Sustainability and Resilience; SMME and Entrepreneurial Support; Engaged Active Citizenry; and Investment, Attraction, Retention and Expansion - as the 2014/15 priority focus.

Expected outcomes are:

- Increase Earned Revenue
- Increase Accessibility - explore the increased funding opportunities from other spheres of government and the public sector in order to make theatregoing practical for disadvantaged communities
- Youth development and partnerships - Develop future audience, practitioners and entrepreneurial skills.
- Increase literacy, skills and lifelong learning amongst all citizens.
- Maximise accessibility and usage of theatre facilities by the City of Johannesburg citizens.

Plans for 2014/15
Develop Music programming for 2014/15 at Mandela Theatre.
Plan for role in key celebrations and public holidays at all venues for 2014/15 – Mandela Day (July), Women’s Day (August), Arts Alive (September) Heritage Day (September), New Year’s Eve (December), Bring A Child To The Theatre Today (March), Easter Weekend (April), Freedom Day (April) Africa Day (May), Youth Day (June) Women’s Day (August) etc. with free outdoor activity for children and communities.
Develop Traditional Dance programming and competition at Soweto Theatre.
Building on current education initiatives across group sharing and developing specialisms.
Re-establish set works performances for schools at Roodepoort Theatre and Soweto Theatre.
Commission audience and participation surveys and at all venues to develop base level data to monitor organisation.
Propose establishment of Theatre Managers’ Association for subsidised theatres in Gauteng to include Joburg City Theatres, SA State Theatre, Market Theatre, Windybrow, Wits Theatre and University of Johannesburg Theatre.
Use current Joburg ticketing data to market programme at Soweto and Roodepoort.
Begin discussions with other City departments and entities such as Community Development, Social Development, Health Department City Power, Transport and Tourism etc. for collaborative action to develop joint objectives.
Develop Soweto Theatre programmes commission in-house productions for new African work for presentation in smaller theatres at Joburg and Soweto theatres. Seek partners for production.
Establish joint programming team across all three venues meeting monthly to plan programme, education and audience development work.
Make applications to Corporate Responsibility Funds for assistance at developing pilot audience development, community and education activities

CHAPTER FOUR

HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT



UNITY. RESPECT. EXCELLENCE. INTEGRITY. GROWTH

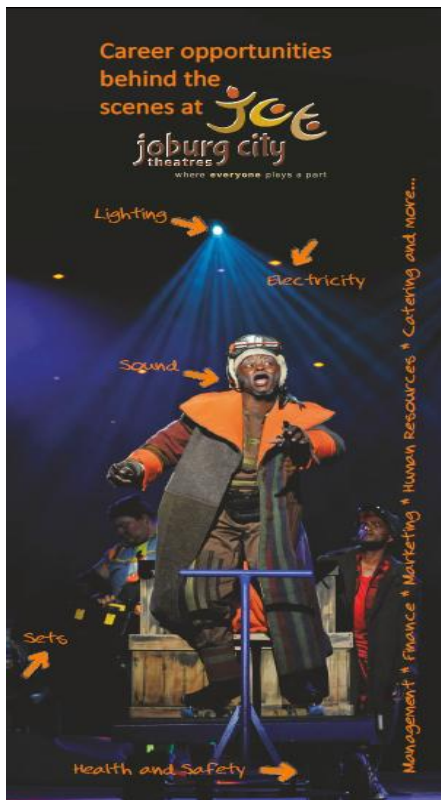
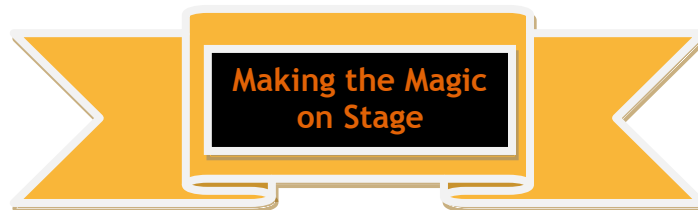
OUR VALUES

- *Integrity and Respect* – we will strive to do the right thing, every time, all the time.
- *Accountability* – empower employees by promoting personal responsibility and accountability.
- *Open and Honest Communication* – effective and clear communication is the foundation.
- *Quality Customer Service* – we are committed to provide professional and quality customer service.
- *Fairness* – we will treat people in a fair, equitable, ethical and consistent manner and make informed decisions without favouritism or prejudice.
- *Support Partnerships* – we will work collaboratively across functions to achieve our common goals.
- *Confidentiality* – we will always respect the confidentiality entrusted to us.
- *Enjoy our work* – enjoying our work allows us to be creative and strive for excellence.

Section 1: Human Resource Management

The entity's overall objective as set out in its employment policy is to ensure that the company's employment practices and remuneration policies motivate and retain talented employees and create an attractive environment for all employees. The employment policy is periodically reviewed to ensure that it remains relevant and practical for the changing needs of current and potential employees.

Our vision is to be the employer of choice in our field. Our vision is to stay at the top end of compliance by including such requirements into our working practices.



There's a lot more to a theatre than the actors on the stage... there needs to be a script, a set, sound and lighting, hair and make-up and costumes - and someone has to put it all together and manage the process - and, a show would never sell a ticket without marketing, publicity and sales - and they, in turn, could not function without the finance, IT and administration departments.

For those involved in shows, working hours can be long and can include evenings and weekends but the theatre also offers very rewarding careers and opportunities in a variety of fields.

Actors, playwrights, directors, producers, musicians, costume designers, and hair and make-up artists are not employed on a permanent basis in theatres; they are cast or employed for a specific show only. These are careers in which people are self-employed and they can seek work in television, the film industry, corporate companies and, of course, the theatre. However, supporting their work is a vast array of people behind the scenes in the permanent employ of theatres.

Whether your path is to start as an electrician, a payroll clerk or an aspirant writer, a career within the entertainment industry can lead to senior positions in technical, administration or management disciplines for those who apply themselves,

develop a passion for their chosen career and gain the necessary skills and experience.

Organisational Structure

The company organogram, points out the different levels of the reporting structure. The theatre's management team is inclusive and representative of the demographics of the country. The members of the support management team comprise of staff members from a diverse background. 88% of the staff compliment is made up of historically disadvantaged individuals and 32% is female.

As at June 30th 2014, the company had a total of 125 permanent employees and fourteen additional placements were made effective 01 July 2014: vacancies to fulfil the requirement caused by the integration and the opening of STAGES restaurant. Every employee of the theatre is trained to offer services to: the clients, namely the entity renting a part of the complex for any relevant core or support

business purpose; and the customer, i.e the patron choosing to participate in a core or support business of the theatre.

The company is divided into 7 (seven) essential departments:

- The Governance Department works with the company's Chief Executive Officer in various governance, compliance, finance roles and Youth Development to effectively operate the three theatres. The finance office manages all day-to-day, weekly, monthly and annual financial aspects of the company, including supply chain management and compliance.
- Roodepoort Theatre operates the day-to-day activities at the theatre, including the general maintenance of the stage machinery and its assets setting and maintaining world class operating standards in both customer and client services.
- Soweto Theatre operates the day-to-day activities at the theatre, including the general maintenance of the stage machinery and its assets setting and maintaining world class operating standards in both customer and client services.
- The Building & Security Department at Joburg Theatre is responsible for the ongoing maintenance, cleaning, safety and security of the 50 year old building, operating 24 hours per day.
- The Customer Services Department services the interests and needs of the tenants utilising various areas of the theatre: medium term - such as stage tenants; and long term - such as The South African Ballet Theatre, and The Peoples Theatre Company. This Department also services the interests and needs of the patrons using the buildings, offering frontline service and ticket sales.
- The Stage Department provides the services of skilled stage, sound, lighting and wardrobe technicians to assist the clients of the theatre and to maintain strict schedules of the day-to-day usage of the many stages within the theatres.
- The Client Services Department is responsible for marketing and publicity, strategic relationships and the planning and programming at Joburg Theatre.

Succession planning within the company is continuously implemented for all senior management. Support Management receive on the job training as well as skills development training on an ongoing basis. Every effort is made to identify and target employees suitable for promotion. Regular performance appraisal and development interviews are conducted, followed by a thorough training needs analysis.

Total personnel expenditure against total operational expenditure is 42% due to the operations of the theatres being labour intensive and largely service oriented.

Section 2: Employment Equity

The Company has employment policies that it believes are appropriate to the business and the market in which it trades. Equal employment opportunities are offered to all employees. We firmly endorse the four key areas of employment equity identified by the Employment Equity Act:

- elimination of discrimination in decision-making;
- promotion of employee diversity;
- reduction of barriers to advancement of the disadvantaged; and
- introduction of measures and procedures for transformation.

The company's employment equity programme was extremely progressive and we exceeded the targets set. Our conviction to ensure material participation of previously disadvantaged companies and

individuals is demonstrated by the degree of procurement spent on the designated companies and individuals.

The company complies with Section 20 of the Employment Equity Act No 55 of 1998, to prepare and implement an employment equity plan, which will help to reach employment equity in the workplace. The company encourages promotion within the core employment base, with particular attention given to the opportunities of promoting those staff members from historically disadvantaged communities.

Joburg City Theatres will continue to strive to provide opportunities to people with disabilities in its employ within its three theatres. Plans have been put in place to employ more women in management.

WORKFORCE PROFILE

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	1	2	0	0	0	0	0	4
Senior management	3	1	1	3	1	0	0	3	0	0	12
Professionally qualified and experienced specialists and mid-management	12	1	1	5	0	0	0	1	0	0	20
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	19	0	2	5	9	1	1	1	1	0	39
Semi-skilled and discretionary decision making	27	0	0	1	21	1	0	0	0	0	50
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	62	2	4	15	33	2	1	5	1	0	125
Temporary employees	69	0	0	0	58	0	0	0	23	6	156
GRAND TOTAL	131	2	4	15	91	2	1	5	24	6	281

Section 3: Skills Development and Training

The entity is committed to the maintenance of standards by supporting and training staff through its world-class skills development programme. This programme aims to develop both technical and people skills required for the company to conduct its business on an effective basis. Our skills development programmes are in line with the requirements of the Skills Development Act and our workplace plan (WSP) is aligned to our business plan and focus is placed on occupational specific programmes, management development and legally required training.

In the 2014/15 financial year, our training will focus on the development of specific competencies relating to our future strategy for the company i.e. project management, risk management, quality assurance, supply chain management and financial management. In contributing towards the reduction of the skills shortage in South Africa, Joburg City Theatres engaged into the Apprenticeship and Internship Programmes in the areas of:

- Administration
- Finance
- Hospitality and Catering
- Customer Services, Building and Security and Human Resources

Programmes will be implemented in July 2014.

Section 4: Performance Management

Performance Management was implemented for all management levels on the organisational structure. The balanced scorecard is the tool being used for measurement. The performance indicators are linked to the Company objectives and the IDP scorecard. Additional objectives are included to reinforce the culture of governance and risk management among managers.

The Company started the rollout process to ensure that all employees in supervisory positions are included in the performance management strategy. Training of underperforming officials is being introduced as part of our coaching and mentorship process to improve the performance levels. Performance Management is being adopted as a positive management strategy rather than a punitive process, and in this way employees feel comfortable to be part of the process.

The entity will continue to set new standards of service delivery and our customer relationship programme will serve as a pillar for our on-going success. We remain firm in our commitment to sound stakeholder relationships and are committed to managing both short-term and long-term plans to standards that will ultimately benefit our communities. The challenges that we face are the increasing portfolio and a budget that is not scientifically proportionate to it. We will, however, continue to strive for operational effectiveness and, with our customers and stakeholders, we will collectively focus on improving the environmental well-being of our society.

Section 5: Employee Wellness

Corporate Wellness provides tools and research to help make employees healthier and in this way, help reduce costs related to healthcare, productivity and absenteeism. The workplace environment provides the ideal opportunity to influence health behaviour. In providing a targeted wellness programme the theatre invests in the health and well being of its employees in order to:

- Improve the health and wellbeing of employees
- Improve quality of life,
- Reduce the use of healthcare,
- Control disability, and
- Enhance productivity.

The Occupational Health and Safety Manager is a member of the COJ's workplace wellness coordinators forum which deals amongst others with the HIV Counselling and Training outreach campaign to assist employees in screening and the COJ Group SHE Steering committee which ensures the company's compliance to the Occupational Health and Safety Act, (85 of 1993).

Occupational Health and Safety in the workplace is regulated by the Occupational Health and Safety Act, (85 of 1993).

Section (16)1 places the responsibility and liability on the Chief Executive Officer (CEO) to ensure that the duties imposed on the employer are properly discharged. The implication hereof is that the CEO has to ensure that an occupational health and safety management system is implemented which will give effect to the provisions of this Act.

The City Manager is the section 16(1) responsible person for the CoJ and the MD's/CEO's are the section 16(1) responsible persons for the Municipal Entities.

The Act makes provision for the CEO's / MD's to appoint person's under their control to assist them in the duties in relation to the provisions of the Act.

Joburg City Theatres has appointed Lieb Venter as the Liaison with the CoJ Group SHE Directorate as the company's current Occupational Health and Safety Manager. The General Managers of both Soweto Theatre and Roodepoort Theatre were also appointed as the Health and Safety Coordinators at their respective theatres.

The Health and Safety committee is functional and meetings are convened regularly as required. Inspections are undertaken and all Health and Safety equipment is up-to-date.

Mr Mnisi attended a registered rigging course which will enhance our on stage safety. The requirement of a qualified rigger is not currently required by law but is currently under discussion at an SABS committee working towards standard for Theatre Safety.

Permanent and part-time staff members have been trained in the areas of First Aid, Safety, Fire, and evacuation.

HIV/AIDS on the Workplace

The management of HIV/Aids is an important challenge facing every organisation in our country. The entity has determined that HIV/Aids will have an impact on the following risk areas: operations, target market risk, supplier risk, legal risk and health risk. Whilst all these risk are under further investigation, the company has adopted the following core principles as a basis for its HIV/ Aids policy:

- Continuously assess the risks posed by HIV/Aids on the business;
- Limit the number of new infections among employees;
- Ensure employees living with HIV/ Aids are aware of their rights and that their rights are respected and protected;
- Provide care and support to employees living with HIV/Aids.

Section 6: Employee Benefits

Joburg Theatre strives to pay salaries that are not disparate with the standard and has in place strategies and practices to deal with remuneration management and salary parity resolution.

The Company is a participating employer in one or more of the various retirements benefit schemes through which the City of Johannesburg Metropolitan Municipality and its associated Municipal Entities (MEs) provide post-employment benefits to their permanent employees. The following funds provide pension benefits for the Group employees.

Defined Contribution Funds:

- E-Joburg Retirement Fund
- Municipal Gratuity Fund

Defined Benefit Funds

- NMG Pension Fund (Joburg Theatre) = 17 employees
- MGF Pension Fund (Roodepoort Theatre and Soweto Theatre) = 10 employees
- E-Joburg Pension Fund (Roodepoort and Joburg Theatre = 3 employee's

However the majority of employees in the Company (i.e. 91 employees) do not belong to any of the retirement benefits.

CHAPTER FIVE

FINANCIAL PERFORMANCE

Attach signed Audited Financial Statements by Auditor- General

KEY ACHIEVEMENTS

Clean audit opinion of the annual financial statements

theatre for a world class african city
the JOBURG THEATRE
complex

Joburg Theatre (SOC) Ltd
operates as a Municipal Entity of



a world class African city

Joburg Theatre (SOC) Limited
Financial statements
for the year ended 30 June 2014

Auditor General South Africa
Registered Auditors

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Entertainment and Hospitality
DIRECTORS	Mongane Wally Serote (Chairperson) Todd Twala Lorraine Malebo Ishmael Mkhabela Ali Monadjem Bheki Zungu Mabutho Kid Sithole Surykumarie Pillay Welcome Themba Msomi Mavuso Shabalala Xoliswa Nduneni-Ngema (CEO)
REGISTERED OFFICE	163 Civic Boulevard Braamfontein Johannesburg 2017
BUSINESS ADDRESS	163 Civic Boulevard Braamfontein Johannesburg 2017
POSTAL ADDRESS	PO BOX 31900 Braamfontein Johanneburg 2017
CONTROLLING ENTITY	The City of Johannesburg Metropolitan Municipality incorporated in South Africa
AUDITORS	Auditor General South Africa Registered Auditors
SECRETARY	Vincent Motau
COMPANY REGISTRATION NUMBER	2000/013032/07

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Index

The reports and statements set out below comprise the financial statements presented to the shareholder:

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Report of the Auditor General	79 - 78
Directors' Report	79 - 82
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Statement of Financial Position	84
Statement of Financial Performance	85
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ABBREVIATIONS

COIDA	Compensation for Occupational Injuries and Diseases Act
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
JCT	Joburg City Theatres
IR	Institutional Review Process
RCT	Roodepoort City Theatre

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Directors' Responsibilities and Approval

The directors are required by the Municipal Finance Management Act (Act 56 of 2003) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

The directors 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 directors to meet these responsibilities, the directors set 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 directors 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the entity's budget for the financial year 01 July 2014 year to 30 June 2015 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 79 to 128, which have been prepared on the going concern basis were approved by the Audit and Risk Committee.

Mongane Wally Serote (Chairperson)

Xoliswa Nduneni-Ngema (CEO)

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2014.

Audit and Risk Committee members and attendance

The audit and risk committee consists of the members listed hereunder and should meet at least 4 times per annum as per its approved terms of reference. During the current financial year 5 meetings were held.

Name of member	Number of meetings attended
Zukisani Samsam (Chairperson) - Retired 25/02/2014	4
Jacobus Froneman (Independent member)	4
Janine Vergotine (Independent member)	4
Surykumarie Pillay (Non Executive Director)	3
Mavuso Shabalala (Chairperson - Appointed 25/02/2014)	2
Bheki Zungu - (Alternate Non Executive Director)	3
Mamadiga Molala - Appointed 25/02/2014	1

The variance between the number of meetings held and the attendance of the Audit and Risk Committee members was due to the changes that were made at the Annual General Meeting on 25 February 2014

Audit and Risk Committee responsibility

The audit and risk committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA. The audit and risk committee also reports that it has adopted appropriate formal terms of reference as its audit and risk committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

In the conduct of its duties, the Audit and Risk Committee has, inter alia, reviewed the following:

- the effectiveness of the internal control systems;
- the risk areas of the entity's operations covered in the scope of internal and external audits;
- the adequacy, reliability and accuracy of financial information provided by management and other users of such information;
- accounting and auditing concerns identified as a result of internal and external audits;
- the entity's compliance with legal and regulatory provisions;
- the effectiveness of the internal audit function;
- the activities of the internal audit function, including its annual work programme, co-ordination with external auditors, the reports of significant investigations and the responses of management to specific recommendation;
- the independence and objectivity of the external auditors.

Audit and Risk Committee Report

The audit and risk committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues. The audit and risk committee is of the opinion, based on the information and explanation given by management and the internal audit function and discussion with the independent external auditors on the results of their audits, that the internal accounting controls are adequate to ensure that the financial records may be relied upon for preparing the annual financial statements and accountability for assets and liabilities is maintained.

Having considered the matters set out in the Companies Act the Audit and Risk committee is satisfied with the independence and objectivity of the external auditors. Nothing significant, other than reported in the directors' report, has come to the attention of the audit and risk committee to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The audit and risk committee is satisfied that the annual financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The committee considered the expertise, resources and experience of the finance function and concluded that these were appropriate.

Chairperson of the Audit Committee

Date: _____

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Directors' Report

The directors submit their report for the year ended 30 June 2014.

1. INCORPORATION

The entity was incorporated on 15 June 2000 and obtained its certificate to commence business on the same day.

2. REVIEW OF ACTIVITIES

Main business and operations

The entity is engaged in entertainment and hospitality and operates principally in South Africa.

During the 2012/13 financial year the City of Johannesburg as part of its institutional review process, resolved that Joburg Theatre (SOC) Ltd and Roodepoort City Theatre NPC t/a Joburg Promusica be integrated into a single theatre management company. The theatre management company - now called Joburg City Theatres (JCT) - renders the functions and services that, until 31 December 2012, were rendered by the two theatres. It also institutionalised the operation of the newly established Soweto Theatre.

The effective date for the integration was 1 January 2013 and the transfer of functions agreement was signed by the Board of Directors on the 27th of November 2013.

JCT early adopted the principles of GRAP 105 in 2012/13 financial year which states that:

"If the initial accounting of a transfer of functions is incomplete at the end of the reporting period, the assets acquired and liabilities assumed for which the accounting is incomplete should be recognised at their provisional amounts, the acquirer is allowed a two-year measurement period from the transfer date in order to obtain the information necessary to identify and measure".

During the current financial year provisional amounts were retrospectively adjusted after the company obtained new information about facts and circumstances that existed at transfer date. This resulted in restatement of prior year(2012/13) balances and affected the measurement of amounts recognised as at transfer date (January 2013).

Net surplus of the entity was R 2,571,511 (2013: surplus R 1,058,300), after taxation of R (1,583,844) (2013: R 440,490).

3. GOING CONCERN

We draw attention to the fact that as at 30 June 2014, the entity had accumulated surplus of R 13,337,834 and that the entity's total assets exceeded its liabilities by R 13,337,844.

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

The existence of the company is dependant on the continued support of its sole shareholder, The City of Johannesburg Metropolitan Municipality by way of management fees paid each year in terms of a service delivery agreement entered into between the company and The City of Johannesburg Metropolitan Municipality. Should management fees/subsidies be withdrawn it is highly unlikely that the company will be able to continue as a going concern.

The contractual period of Joburg Theatre's lease agreement is 20 years and the remaining period of this agreement is 6.5 years. The use and maintenance agreement for Soweto Theatre is being concluded - the effective date is 01 January 2013. The operation of Roodepoort Theatre is covered by the transfer agreement signed on the 27th of November 2013.

4. SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial year, unless otherwise dealt within annual financial statements, which significantly affects the financial position of the company or the results of its operations that would require adjustments to or disclosure in the annual financial statements. The report to transfer movable assets at Soweto Theatre from the department of Community Development's asset register to Joburg City Theatres was approved by Mayoral Committee at the meeting held on the 27th June 2014. The fair valuation was concluded during July 2014 and resulted in an increase in the value of the assets by R6,701,368.

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Directors' Report

5. ACCOUNTING POLICIES

The annual financial statements are prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with the Municipal Finance Management Act (Act 56 of 2003).

6. SHARE CAPITAL

No changes were effected in the authorised or issued share capital of the entity during the year under review.

7. BORROWING LIMITATIONS

Joburg Theatre (SOC) Limited (Joburg City Theatres) does not have the authority to borrow funds on its own behalf. All external funding is managed under the auspices of the City of Johannesburg Metropolitan Municipality Asset and Liability Committee.

8. DIVIDENDS

No dividends were declared or paid to shareholder during the year.

9. DIRECTORS

The directors of the entity during the year and to the date of this report are as follows:

Name	Nationality	Changes
Mongane Wally Serote (Chairperson)	South African	
Todd Twala	South African	
Lorraine Malebo	South African	
Ishmael Mkhabela	South African	
Ali Monadjem	South African	
Bheki Zungu	South African	
Mabutho Kid Sithole	South African	
Surykumarie Pillay	South African	
Welcome Themba Msomi	South African	
Mavuso Shabalala	South African	
Xoliswa Nduneni-Ngema (CEO)	South African	Appointed 01 July 2013

10. SECRETARY

The acting secretary of the entity is Vincent Motau

Business address

Joburg Theatre Complex
163 Civic Boulevard
Braamfontein
Johannesburg
2017

Postal address

P O Box 31900
Braamfontein
Johannesburg
2017

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Directors' Report

11. CORPORATE GOVERNANCE

General

All references to the Companies Act in these annual financial statements refer to the Companies Act 71 of 2008, as amended by the Companies amendment Act 3 of 2011, unless otherwise indicated. The board is committed to business integrity, transparency and professionalism in all its activities as guided by the King III code of Ethics. As part of this commitment, the board supports the highest standards of corporate governance and the ongoing development of best practice.

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising of:
 - non-executive directors, all of whom are independent directors as defined in the Code; and
 - an executive director.

Non-executive directors have access to all members of management of the entity

Chairperson and chief executive

The Chairperson is a non-executive and independent director (as defined by the King III Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The remuneration of the Chief Executive Officer, who is the only executive director of the entity, is determined by the Board of directors in line with the approved upper limits set by the City of Johannesburg.

Executive meetings

The board has met on 6 separate occasions during the financial year. The board schedules to meet at least 4 times per annum.

Name	Board Meeting	Audit and Risk committee meeting	Social and Ethics committee meeting
Total number of meetings held	6	5	2
Mongane Wally Serote (Chairperson)	6	-	-
Todd Twala	6	-	-
Lorraine Malebo	6	-	-
Ishmael Mkhabela	6	2	2
Ali Monadjem	3	-	1
Bheki Zungu	6	3	1
Mabutho Kid Sithole	6	-	-
Surykumarie Pillay	4	3	1
Welcome Themba Msomi	4	-	-
Mavuso Shabalala	5	2	-
Xoliswa Nduneni-Ngema (CEO)	6	5	2

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Directors' Report

Audit and risk committee

As at 30 June 2014 the members of the audit and risk committee are Mr Mavuso Shabalala (Chairperson); Mr Jacobus Froneman, independent member; Ms Janine Vergotine, independent member; Ms Mamadiga Molala independent member (appointed 25 February 2014), Ms Surykumarie Pillay, non-executive director and Mr Bheki Zungu non-executive director. Mr Zukisani Samsam was retired at the AGM on the 25th February 2014

In terms of Section 166 of the Municipal Finance Management Act and Section 94 of the Companies Act 71 of 2008 the Audit Committee members were appointed at the Annual General Meeting held on 25 February 2014 by the City of Johannesburg Metropolitan Municipality, the City of Johannesburg, as a parent municipality, must appoint members of the Audit and Risk Committee. Notwithstanding that non-executive directors appointed by the parent municipality constituted the municipal entities' Audit and Risk Committees, National Treasury policy requires that parent municipalities should appoint further members of the entity's audit and risk committees who are not directors of the municipal entity onto the audit and risk committee.

Internal audit

The entity has outsourced its internal audit function to Group Risk and Assurance Services (GRAS) who were the entity's previous internal auditors. This is in compliance with the Municipal Finance Management Act, 2003.

12. CONTROLLING ENTITY

The entity's controlling Body is The City of Johannesburg Metropolitan Municipality.

13. BANKERS

Nedbank Limited

Investec Limited

14. AUDITORS

Auditor General South Africa will continue in office for the next financial period.

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended and the Municipal Finance Management Act, Act 56 of 2003, I certify that to the best of my knowledge and belief, the company has lodged and /or filed, for the financial year ended 30 June 2014, all such returns and notices as are required and that all such returns and notices are true, correct and up to date.

Vincent Motau
Company Secretary (Acting)

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Statement of Financial Position as at 30 June 2014

Figures in Rand	Note(s)	2014	2013 Restated*
ASSETS			
Current Assets			
Inventories	2	2,595,021	6,803,302
Receivables from exchange transactions	3	6,719,872	4,326,594
VAT receivable	4	583,040	1,909,548
Cash and cash equivalents	5	5,920,299	15,697,613
		15,818,232	28,737,057
Non-Current Assets			
Property, plant and equipment	6	12,188,639	4,445,664
Intangible assets	7	78,998	86,715
Heritage assets	9	1,592,700	1,592,700
		13,860,337	6,125,079
Total Assets		29,678,569	34,862,136
LIABILITIES			
Current Liabilities			
Finance lease obligation	10	385,975	-
Payables from exchange transactions	11	11,025,657	18,353,332
Provisions	12	921,798	805,903
		12,333,430	19,159,235
Non-Current Liabilities			
Loan From Shareholder	13	1,784,049	1,784,049
Finance lease obligation	10	654,571	-
Deferred tax	14	1,568,675	3,152,519
		4,007,295	4,936,568
Total Liabilities		16,340,725	24,095,803
NET ASSETS		13,337,844	10,766,333
NET ASSETS			
Share capital	37	10	10
Accumulated surplus		13,337,834	10,766,323
TOTAL NET ASSETS		13,337,844	10,766,333

* See note 36

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Statement of Financial Performance

Figures in Rand	Note(s)	2014	2013 Restated*
Revenue			
Ticketing Services	15	1,147,622	950,336
Catering Services	15	3,201,230	1,825,637
Rental facilities and equipment	15	4,364,530	4,565,996
Sponsorship	15	7,501,625	1,400,000
In-house Ticket Sales	15	15,354,472	17,248,059
Other income	16	685,799	389,102
Interest received - investment	17	1,697,876	1,351,648
Donations	15	6,701,368	-
Subsidy	18	56,504,000	36,790,998
Total revenue		97,158,522	64,521,776
Expenditure			
Salaries and Wages	19	(35,049,451)	(26,598,750)
Depreciation and amortisation	20	(841,942)	(601,541)
Finance costs	21	(93,830)	-
Bad debts	22	(4,890)	-
Grants and subsidies paid	23	(8,000,000)	-
General Expenses	24	(52,188,210)	(35,849,498)
Total expenditure		(96,178,323)	(63,049,789)
Operating surplus		980,199	1,471,987
Gain on disposal of assets and liabilities		7,468	26,803
Surplus before taxation		987,667	1,498,790
Taxation	25	(1,583,844)	440,490
Surplus for the year		2,571,511	1,058,300

* See note 36

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2014

Statement of Changes in Net Assets

Figures in Rand	Share capital	Accumulated surplus	Total net assets
Balance at 01 July 2012	10	3,390,236	3,390,246
Changes in net assets			
Surplus for the year	-	1,058,300	1,058,300
Transfer of functions	-	6,317,787	6,317,787
Total changes	-	7,376,087	7,376,087
Restated* Balance at 01 July 2013	10	10,766,323	10,766,333
Changes in net assets			
Surplus for the year	-	2,571,511	2,571,511
Total changes	-	2,571,511	2,571,511
Balance at 30 June 2014	10	13,337,834	13,337,844

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* See note 36

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Cash Flow Statement

Figures in Rand	Note(s)	2014	2013 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		32,055,716	36,395,490
Grants		56,504,000	26,724,000
Interest income		1,697,876	1,351,648
		<u>90,257,592</u>	<u>64,471,138</u>
Payments			
Employee costs		(32,457,423)	(24,455,860)
Suppliers		(66,545,108)	(31,200,208)
		<u>(99,002,531)</u>	<u>(55,656,068)</u>
Net cash flows from operating activities	26	<u>(8,744,939)</u>	<u>8,815,070</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(678,217)	(599,654)
Proceeds from sale of property, plant and equipment	6	-	28,599
Purchase of other intangible assets	7	(23,663)	(4,150)
		<u>(701,880)</u>	<u>(575,205)</u>
Net cash flows from investing activities		<u>(701,880)</u>	<u>(575,205)</u>
Cash flows from financing activities			
Finance lease payments		(330,496)	-
		<u>(330,496)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		<u>(9,777,315)</u>	<u>8,239,865</u>
Cash and cash equivalents at the beginning of the year		15,697,613	7,457,748
Cash and cash equivalents at the end of the year	5	<u>5,920,298</u>	<u>15,697,613</u>

* See note 36

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Financial Statements for the year ended 30 June 2014

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2014											
Financial Performance											
Investment revenue	2,502,000	(502,000)	2,000,000	-	-	2,000,000	1,697,876	-	(302,124)	85 %	68 %
Other own revenue	99,298,000	(3,879,167)	95,418,833	-	-	95,418,833	95,468,114	-	49,281	100 %	96 %
Total revenue (excluding capital transfers and contributions)	101,800,000	(4,381,167)	97,418,833	-	-	97,418,833	97,165,990	-	(252,843)	100 %	95 %
Employee costs	(34,007,056)	(990,828)	(34,997,884)	-	-	(34,997,884)	(35,049,451)	-	(51,567)	100 %	103 %
Debt impairment	-	-	-	-	-	-	(4,890)	-	(4,890)	DIV/0 %	DIV/0 %
Depreciation and asset impairment	(1,691,000)	895,336	(795,664)	-	-	(795,664)	(841,942)	-	(46,278)	106 %	50 %
Finance charges	-	-	-	-	-	-	(93,830)	-	(93,830)	DIV/0 %	DIV/0 %
Transfers and grants	(8,000,000)	-	(8,000,000)	-	-	(8,000,000)	(8,000,000)	-	-	100 %	100 %
Other expenditure	(58,101,944)	4,476,659	(53,625,285)	-	-	(53,625,285)	(52,188,210)	-	1,437,075	97 %	90 %
Total expenditure	(101,800,000)	4,381,167	(97,418,833)	-	-	(97,418,833)	(96,178,323)	-	1,240,510	99 %	94 %
Surplus/(Deficit)	-	-	-	-	-	-	987,667	-	987,667	DIV/0 %	DIV/0 %
Taxation	-	-	-	-	-	-	(1,583,844)	-	(1,583,844)	DIV/0 %	DIV/0 %
Surplus/(Deficit) for the year	-	-	-	-	-	-	2,571,511	-	2,571,511	DIV/0 %	DIV/0 %

Revenue

The rental is below the budget principally because the Mandela stage was occupied by the two in-house productions, STARLIGHT EXPRESS and ALADDIN for four months.

Another major factor to the reduced rentals is the inability to negotiate competitively for internationally recognised productions due to lack of production budgets and devalued rand.

Producers are hesitant to risk with their rentals and deposits due to economic recession.

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Appropriation Statement

Figures in Rand

Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
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Interest from external investments is under the budget by R302,124 (15%). The banks offered the company lower fixed interest rates than were originally budgeted for.

Other revenue is over the budget mainly due to an approved transfer by council of movable assets (R6.7m) from Comdev to Joburg City Theatres.

Total revenue was under the budget by R 252,843 (0.2%)

Expenditure

Depreciation is over the budget by R46,278 (6%) due to finance lease asset (Pilot - Point of Sale Hardware) which was acquired when the company took back the operation of restaurant (Stages).

Employee costs is over the budget by R51,567 (0.1%) due to increased engagements as a result of special board and audit committee meetings. Certain issues that relate to institutional review had to be dealt with.

Finance costs is over the budget by R93,830 (100%) due to finance lease asset (Pilot - Point of Sale Hardware) which was acquired when the company took back the operation of restaurant (Stages).

Other expenditure is under the budget due to the following :

Utilities- the recent upgrades on stage equipment and energy saving lights has reduced the consumption of electricity.

Ticketing services – a new contract with the ticketing company (Smart fan) afforded Joburg Theatre an opportunity to negotiate ticketing cost.

Contribution to tenant production – Joburg Theatre had two major in house stage productions (Starlight Express and Aladdin) which resulted in saving to the contribution to tenant production i.e. accommodation, travel expenses etc.

Total expenditure was under the budget by R1,240,510 (1%)

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

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

These accounting policies are consistent with the previous period.

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.

Management is not aware of any significant risks that will cause material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 fair value 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), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at its cost, its cost is measured at the carrying amount of the asset 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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.2 Property, plant and equipment (continued)

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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.

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

Item	Average useful life
Furniture and fixtures	12 years
Motor vehicles	13 years
IT equipment	5-13 years
Stage equipment	14 years

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

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

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

The depreciation charge for each period is recognised in 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.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.3 Intangible assets

An asset is identified as an intangible asset when it :

- 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.

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.

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.3 Intangible assets (continued)

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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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.

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

Intangible assets are derecognised:

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

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

Item	Average useful life
Computer software	8

1.4 Heritage assets

Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.4 Heritage assets (continued)

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Average useful life of Heritage assets is Indefinite

Recognition

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Derecognition

The entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.5 Financial instruments

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 financial assets at cost.

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

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

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Financial Statements for the year ended 30 June 2014

Accounting Policies

1.5 Financial instruments (continued)

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

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

Loans from shareholders

These include loans from controlling entities, are recognised initially at fair value plus direct transaction costs.

Loan from shareholder are classified as non-current liabilities measured at cost.

Receivables from exchange transactions

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.

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 of 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.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The company accounts for VAT on accrual basis.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

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Accounting Policies

1.6 Tax (continued)

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and are included in the surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

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

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.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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1.8 Inventories (continued)

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

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

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

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

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

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

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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1.9 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

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1.10 Impairment of non-cash-generating assets (continued)

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

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

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

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

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

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

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

Useful life is either:

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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

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

Reversal of an impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

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1.10 Impairment of non-cash-generating assets (continued)

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

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

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.11 Share capital

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

Net assets instruments issued by the company are classified according to the substance of the contractual arrangements entered into.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

1.12 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

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

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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1.13 Provisions and contingencies (continued)

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.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

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

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

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

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

The only provision for 2013-14 financial year for the company is the discretionary bonuses.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

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1.13 Provisions and contingencies (continued)

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

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because either:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
- The amount of the obligation cannot be measured with sufficient reliability.

1.14 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 municipality 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 municipal entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipal 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;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipal 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 municipal 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.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

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Accounting Policies

1.14 Revenue from exchange transactions (continued)

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

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

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.15 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.

Subsidy

Subsidy is 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.

Other grants and donations

Other grants and donations 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.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.16 Investment income

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

1.17 Comparative figures

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

1.18 Unauthorised expenditure

Unauthorised expenditure means:

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1.18 Unauthorised expenditure (continued)

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised 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.

The company did not have any unauthorised expenditure in the current year.

1.19 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.

The company did not have any fruitless and wasteful expenditure in the current year.

1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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.

1.21 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 functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2013/07/01 to 2014/06/30.

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.

1.22 Related parties

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

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

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1.22 Related parties (continued)

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.

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Notes to the Financial Statements

	2014	2013 Restated*
2. INVENTORIES		
Work in progress	1,897,070	6,559,078
Consumable stores	201,524	244,224
Trading Stock - Food and Beverage	496,427	-
	2,595,021	6,803,302

Joburg City Theatres operate as both receiving and production house. The expenditure on show productions prior to maturity is treated as Work in Progress (WIP). Included in work in progress is the expenditure to date on the following productions: 2014/15 Pantomime Peter Pan, Spamalot(Monty Python), From Jail to Yale, Eclipse, Freedom Tales, Are you Dik.

Consumable stores contains amongst others cleaning materials, grocery items, lighting, tapes, paints and stationery. These items are consumed by the company in the daily business operations. The amount consumed is recognised as an expense when the consumables are requisitioned from the stores.

Inventories held for consumption at no charge are measured at the lower of cost and current replacement cost and is fairly valued.

Trading stock - Food and Beverage contains amongst others bar-, restaurant- and hospitality stock. Trading stock is measured at lower of cost or net realisable value.

The amount of write-offs for inventory in the prior and current years was zero (0).

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	535,588	1,712,664
Related Party Debtors	6,184,284	2,613,930
	6,719,872	4,326,594

Trade and other receivables

Trade Debtors- represents rent receivable for use of facilities (hospitality and theatre rentals).

Related party debtors - represents to the amounts owed to Joburg City Theatres by the City of Johannesburg and Municipal Owned Entities. Joburg City Theatres does not charge interest on related party debtors.

Debtors are fairly valued.

4. VAT RECEIVABLE

VAT	583,040	1,909,548
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VAT receivable represents a refund due from South African Revenue Service based on VAT returns submitted by the company as at 30 June 2014. The company accounts for VAT on an accrual basis.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	102,555	91,355
Nedbank current account balance	1,213,708	4,809,473
Nedbank and Investec Call Accounts	4,604,036	10,796,785
	5,920,299	15,697,613

Cash and cash equivalents comprise of cash on hand, current account and deposits on call accounts that are readily convertible into known amounts of cash. The effective interest rates of the cash equivalents investment as at 30 June 2014 were between 4.5% and 6%.

The reduction in cash is due to capex payments which is funded by the City of Johannesburg. A cash inflow of R5.9 million is expected within the first quarter of the new financial year as a re-imburement by the City of Johannesburg.

* See note 36

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2014
2013
Restated*

5. CASH AND CASH EQUIVALENTS (continued)

The entity had the following bank accounts

Account description	Bank statement balances			Cash book balances		
	30 June 2014	30 June 2013	30 June 2012	30 June 2014	30 June 2013	30 June 2012
Nedbank - current account - Joburg Theatre	53,930	4,654,327	215,578	53,930	4,654,327	215,578
Nedbank - current account - Roodepoort and Soweto Theatre	175,596	155,146	-	175,596	155,146	-
Nedbank - current account - Ticketing account	296,048	-	-	296,048	-	-
Nedbank - current account - Stages	688,135	-	-	688,135	-	-
Nedbank - call account - Joburg Theatre	34,727	257,124	2,925,291	34,727	257,124	2,925,291
Nedbank - call account - Roodepoort and Soweto Theatre	4,156	9,502,819	-	4,156	9,502,819	-
Nedbank - call account - Ticketing account	3,477,875	-	-	3,477,875	-	-
Nedbank - call account - Stages	550	-	-	550	-	-
Investec - call account - Joburg Theatre	1,086,728	1,036,842	4,171,542	1,086,728	1,036,842	4,171,542
Investec - fixed - Joburg Theatre	-	-	85,491	-	-	85,491
Total	5,817,745	15,606,258	7,397,902	5,817,745	15,606,258	7,397,902

6. PROPERTY, PLANT AND EQUIPMENT

	2014			2013		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	4,169,649	(2,147,839)	2,021,810	3,692,109	(2,074,315)	1,617,794
Motor vehicles	464,442	(268,324)	196,118	451,040	(243,555)	207,485
IT equipment	1,233,359	(599,831)	633,528	1,339,223	(689,458)	649,765
Finance lease asset	1,277,212	(81,483)	1,195,729	-	-	-
Stage equipment	13,027,975	(4,886,521)	8,141,454	6,638,262	(4,667,642)	1,970,620
Total	20,172,637	(7,983,998)	12,188,639	12,120,634	(7,674,970)	4,445,664

* See note 36

Joburg Theatre (SOC) Limited

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Figures in Rand

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Donations	Write-offs	Finance lease asset	Depreciation	Total
Furniture and fixtures	1,617,794	360,726	-	436,992	(68,203)	-	(325,499)	2,021,810
Motor vehicles	207,485	13,402	-	-	-	-	(24,769)	196,118
IT equipment	649,765	113,072	(531)	-	(19,989)	-	(108,789)	633,528
Finance lease asset	-	-	-	-	-	1,277,212	(81,483)	1,195,729
Stage equipment	1,970,620	191,017	-	6,264,376	(9,194)	-	(275,365)	8,141,454
	4,445,664	678,217	(531)	6,701,368	(97,386)	1,277,212	(815,905)	12,188,639

An amount of R7,999 was received as compensation from the insurers for computer equipment (laptop) that was lost. The carrying value of the laptop was R531.

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	796,668	140,022	-	900,562	(219,458)	1,617,794
Motor vehicles	149,915	-	(1,796)	96,885	(37,519)	207,485
IT equipment	180,450	200,055	-	365,962	(96,702)	649,765
Stage equipment	1,468,698	259,577	-	474,098	(231,753)	1,970,620
	2,595,731	599,654	(1,796)	1,837,507	(585,432)	4,445,664

Other information

Property Plant and Equipment Written Off

	Cost	Accumulated Depreciation	Carrying Value
Computer Equipment	208,250	(188,261)	19,989
Furniture and Fixtures	320,178	(251,975)	68,203
Stage Equipment	65,680	(56,485)	9,195
	594,108	(496,721)	97,387

Included in the figures above are assets acquired from Roodepoort City Theatre at their carrying amounts (provisional fair value - GRAP 105 principles will apply) as part of the integration process. The fair valuation of these assets will be done in 2014/15 financial year.

Movable assets to the value of R6,701,368 were received as a donation in accordance with GRAP 23 on 27 June 2014 from the department Community Development. The assets were fair valued by a professional independent valuer in accordance with GRAP 17.

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7. INTANGIBLE ASSETS

	2014			2013		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	177,820	(98,822)	78,998	204,204	(117,489)	86,715

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Write-offs	Amortisation	Total
Computer software	86,715	23,663	(5,344)	(26,036)	78,998

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	34,184	4,150	64,490	(16,109)	86,715

Other information

Intangible Assets Written Off

Cost	Accumulated Amortisation	Carrying Value
50,048	(44,704)	5,344

8. CHANGE IN ESTIMATE

Property, plant and equipment

The useful life of Motor Vehicle and Computer Equipment were estimated to be 10 years. In the current financial year management have revised the useful life by further 3 years. The effect of this revision has decreased the depreciation charges for the current year and future periods by R 82,556.

9. HERITAGE ASSETS

	2014			2013		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Artwork and Historical Assets	1,592,700	-	1,592,700	1,592,700	-	1,592,700

* See note 36

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9. HERITAGE ASSETS (continued)

Reconciliation of heritage assets - 2014

	Opening balance	Total
Artwork and Historical Assets	1,592,700	1,592,700

Reconciliation of heritage assets 2013

	Opening balance	Total
Artwork and Historical Assets	1,592,700	1,592,700

Additional Information

Heritage assets includes artwork valued R851 0000 and Historical assets valued at R741 700. Deemed cost was determined using fair value.

10. FINANCE LEASE OBLIGATION

Minimum lease payments due

- within one year	510,877	-
- in second to fifth year inclusive	691,259	-
	1,202,136	-
less: future finance charges	(161,590)	-
Present value of minimum lease payments	1,040,546	-

Present value of minimum lease payments due

- within one year	385,975	-
- in second to fifth year inclusive	654,571	-
	1,040,546	-
Non-current liabilities	654,571	-
Current liabilities	385,975	-
	1,040,546	-

Joburg Theatre entered into a 3 year lease agreement with Pilot for point of sales hardware. The entity had one finance lease during the current financial year. The company used Grap 13 to recognise finance lease asset and liability.

11. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	1,800,842	1,894,750
Sponsorship-work in progress	-	4,019,951
Income received in advance	3,642,313	3,775,887
Accrued Leave	1,284,451	956,045
Sundry creditors	75,449	3,464,107
Accrued 13th Cheque	332,289	317,303
Year end accruals	3,890,313	3,925,289
	11,025,657	18,353,332

Trade payables consists of trade creditors due as at 30 June 2014.

Income received in advance represent deposits for rental of facilities and ticket sales for future shows.

Accruals includes invoices relating to capex to the value of R3m as at 30 June 2014.

* See note 36

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12. PROVISIONS

Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Total
Bonus Provision and Other	805,903	2,390,614	(2,274,719)	921,798

Reconciliation of provisions - 2013

	Opening Balance	Additions	Utilised during the year	Total
Bonus and Employee Retention	278,417	2,014,762	(1,487,276)	805,903

The provision is management's best estimate of the future bonus payouts in respect of the past year based on past experience. As at 30 June 2014, management is uncertain about the amount.

13. OTHER FINANCIAL LIABILITIES

At amortised cost

Loans	1,784,049	1,784,049
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Loan from Shareholder transferred from Roodepoort City Theatre on 01 January 2013.

Non-current liabilities

At amortised cost	1,784,049	1,784,049
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14. DEFERRED TAX

Deferred tax liability

Tax	(1,568,675)	(3,152,519)
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The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Reconciliation of deferred tax asset \ (liability)

At beginning of year	(3,152,519)	(2,712,029)
Movements in temporary differences	1,583,844	(440,490)
	(1,568,675)	(3,152,519)

* See note 36

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	2014	2013 Restated*
15. REVENUE		
Ticketing services	1,147,622	950,336
Catering services	3,201,230	1,825,637
Rental facilities and equipment	4,364,530	4,565,996
Sponsorship	7,501,625	1,400,000
In-house ticket sales	15,354,472	17,248,059
Other income	685,799	389,102
Interest received - investment	1,697,876	1,351,648
Donations	6,701,368	-
Subsidy	56,504,000	36,790,998
	97,158,522	64,521,776

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

Ticketing services	1,147,622	950,336
Catering services	3,201,230	1,825,637
Rental facilities and equipment	4,364,530	4,565,996
Sponsorship	7,501,625	1,400,000
In-house ticket sales	15,354,472	17,248,059
Other income	685,799	389,102
Interest received - investment	1,697,876	1,351,648
	33,953,154	27,730,778

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

Donations	6,701,368	-
Subsidy from City of Joburg	56,504,000	36,790,998
	63,205,368	36,790,998

Sponsorship and Donations

Sponsorships are recognised as revenue in the statement of financial performance after the shows have matured. A sponsorship of R1,400,000 received from Bankserve Africa relates to the annual Pantomime (Aladdin) which matured in December 2013 and sponsorship of R6,000,000 received from City Power relates to the Starlight Express. All terms and conditions of obligations were met.

Movable assets to the value of R6,701,368 were received as a donation in accordance with GRAP 23 on 27 June 2014 from the department Community Development. The assets were fair valued by a professional independent valuer in accordance with GRAP 17.

16. OTHER INCOME

Other income	685,799	389,102
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Included in other income is receipts from:

Insurance claims
Backstage canteen
SETA re-imburement
Miscellaneous income
Management fee

* See note 36

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	2014	2013 Restated*
17. INTEREST RECEIVED - INVESTMENT		
Interest revenue		
Bank	1,697,876	1,351,648

The amount included in Interest revenue arise from the following company investments:

Investec Ltd - Fixed Deposit and Call Account
Nedbank Ltd - Fixed Deposit and Call Account

Interest income is calculated using the effective interest rate between 4,5 to 6%.

18. SUBSIDY

Operating Grants and Subsidies	56,504,000	26,724,000
RCT - City of Johannesburg	-	5,067,000
SWT - City of Johannesburg	-	4,999,998
	56,504,000	36,790,998

The subsidy received from the City of Johannesburg Metropolitan Municipality is in terms of the service delivery agreement to provide services in accordance with the agreed obligations for operating Joburg Theatre; Roodepoort Theatre and Soweto Theatre.

* See note 36

Joburg Theatre (SOC) Limited

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Financial Statements for the year ended 30 June 2014

Notes to the Financial Statements

	2014	2013 Restated*
19. EMPLOYEE RELATED COSTS		
Salaries and Wages	34,192,430	25,694,804
Employee costs included in other expenses	857,021	903,946
	35,049,451	26,598,750
Finance Manager		
Annual Remuneration	603,000	540,000
Performance Bonuses	79,800	60,000
Contributions to UIF, Medical and Pension Funds	8,613	1,713
	691,413	601,713
Corporate Manager		
Annual Remuneration	-	621,312
Performance Bonuses	-	75,000
Contributions to UIF, Medical and Pension Funds	-	33,911
	-	730,223
Chief Executive Officer (Xoliswa Nduneni-Ngema)		
Annual Remuneration	1,320,000	110,000
Performance Bonuses	107,800	-
Contributions to UIF, Medical and Pension Funds	36,588	-
	1,464,388	110,000
Xoliswa Nduneni-Ngema was appointed as Chief Executive Officer (CEO) from 01 July 2013. She joined the company on 01 June 2013 as CEO designate.		
Production Manager		
Annual Remuneration	-	687,633
Performance Bonuses	-	38,000
Contributions to UIF, Medical and Pension Funds	-	1,712
	-	727,345
Chief Operating Officer		
Annual Remuneration	727,200	-
Performance Bonuses	88,597	-
Contributions to UIF, Medical and Pension Funds	47,957	-
	863,754	-
General Manager: Building and Security		
Annual Remuneration	-	635,533
Performance bonus	-	46,801
Contributions to UIF, Medical and Pension Funds	-	156,506
	-	838,840

* See note 36

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	2014	2013 Restated*
19. EMPLOYEE RELATED COSTS (continued)		
Customer Services Manager		
Annual Remuneration	-	440,492
Performance bonus	-	32,674
Contributions to UIF, Medical and Pension Funds	-	1,712
	<u>-</u>	<u>474,878</u>
Strategic Relations Manager		
Annual Remuneration	-	470,093
Performance Bonuses	-	30,000
Contributions to UIF, Medical and Pension Funds	-	19,250
	<u>-</u>	<u>519,343</u>
Technical Manager		
Annual Remuneration	-	511,876
13th Cheque	-	37,996
Contributions to UIF, Medical and Pension Funds	-	61,917
	<u>-</u>	<u>611,789</u>
Theatre Manager		
Annual Remuneration	-	287,730
Performance Bonuses	-	20,000
Contributions to UIF, Medical and Pension Funds	-	19,250
	<u>-</u>	<u>326,980</u>
Executive Producer		
Annual Remuneration	1,520,000	-
Performance Bonuses	242,499	-
Contributions to UIF, Medical and Pension Funds	64,692	-
	<u>1,827,191</u>	<u>-</u>
Chief Executive Officer (Bernard Jay)		
Annual Remuneration	-	1,732,134
Performance Bonuses	-	314,934
Contributions to UIF, Medical and Pension Funds	-	44,486
	<u>-</u>	<u>2,091,554</u>

Bernard Jay's stepped down in the role of Chief Executive Officer on 30 June 2013 and took up the newly created position of Executive Producer for Joburg Theatre from 01 July 2013.

The reporting structure has changed due to the integration of theatres which resulted in senior managers previously reporting directly to the Chief Executive Officer (CEO) now reporting to the Chief Operations Officer (COO) and Executive Producer (EP).

20. DEPRECIATION AND AMORTISATION

Property, plant and equipment	841,942	601,541
	<u>841,942</u>	<u>601,541</u>

Depreciation R815,906 and Amortisation R26,036

* See note 36

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Notes to the Financial Statements

2014	2013 Restated*
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21. FINANCE COSTS

Finance leases	93,830	-
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Total interest expense, calculated using the effective interest rate (13%), on finance lease liability amounted to R 93,830 (2013: R -0).

22. BAD DEBTS

Bad debts	4,890	-
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It is the company policy to write off bad debts based on the factors which include but not limited to the following:

- * Circumstances of the individual debtor;
- * The history of the debt;
- * The duration of the debt;
- * The economic variables of the debt;
- * The total value of the individual debt; and
- * The recoverability of the debt.

Having taken cognisance of the abovementioned factors, the CEO in consultation with the Finance Manager then authorises the write off of bad debts.

23. GRANTS AND SUBSIDIES PAID

Other subsidies

Joburg/Mzansi Ballet	8,000,000	-
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GRANT PAID TO JOBURG BALLETT

R8-million grant from the City of Joburg to cover salaries, production costs and other events in accordance with a service level agreement.

* See note 36

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	2014	2013 Restated*
24. GENERAL EXPENSES		
Auditors remuneration	851,551	1,011,167
Bank charges	350,721	111,960
Cleaning	1,981,911	1,285,169
Consulting and professional fees	730,715	409,196
Consumables	1,123,495	1,345,797
Community Development	1,494,356	208,374
Entertainment	75,908	116,422
Building signage; framing and printing	245,455	262,205
Gifts	8,549	12,718
Insurance	300,972	284,681
Special projects	29,117	200
IT expenses	393,947	257,489
Marketing and show contributions	5,309,382	4,728,981
Ticketing	1,716,797	706,009
Motor vehicle expenses	514,126	123,768
Licences	163,491	110,946
Productions	21,720,998	14,760,448
Printing and Stationery	655,138	300,324
Stage expenses	367,721	180,598
Security	1,674,511	882,243
Subscriptions and membership fees	193,629	74,476
Business travel	67,008	174,398
Electricity	5,774,093	6,285,259
Gas	459,890	400,035
Sewerage and waste disposal	908,789	904,562
Assessment Rates	67,285	38,155
Uniforms	24,162	24,781
Employee Wellness & Training	109,959	42,067
Write offs	102,730	-
Other hospitality and catering expenses	2,603,705	-
Repairs and Maintenance	1,417,089	692,220
Building & Safety and Other	35,679	27,664
Cost of Sales	715,331	87,186
	52,188,210	35,849,498

Cost of Sales and Other Hospitality and Catering Expenses :

The contract with Headline Leisure Management for the operation of the restaurant and catering expired on June 30th 2013. Joburg Theatre took back the operation of the Hospitality and Catering in-house on 01 July 2013. Stages restaurants were launched at Joburg Theatre, Roodepoort Theatre and Soweto Theatre during the financial year. The Hospitality and Catering business is self-sufficient and does not rely on funding from core theatre operations.

Productions:

During the year under review Joburg Theatre had two major in-house stage productions (Aladdin and Starlight Express) which resulted in an escalation of the production costs and other productions at Soweto Theatre and Roodepoort Theatre (Soweto Theatre Birthday Celebration; Aria Opera; Too Much Punch for Judy and Ndlovukazi)

Other General Expenses :

The current financial year (2013/14) is the first year in which the integrated entities (Joburg, Roodepoort and Soweto) were in operation for a full financial year(12 months) hence an escalation in other general expenses.

* See note 36

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25. TAXATION

Major components of the tax (income) expense

Deferred

Other deferred tax (1,583,844) 440,490

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate 28.00 % 28.00 %

26. CASH (USED IN) GENERATED FROM OPERATIONS

Surplus	2,571,511	1,058,300
Adjustments for:		
Depreciation and amortisation	841,942	601,541
Profit / (Loss) on sale of assets and liabilities	(7,468)	(26,803)
Finance costs - Finance leases	93,830	-
Debt impairment	4,890	-
Movements in provisions	115,895	527,486
Other non-cash items	(6,590,640)	6,127,227
Changes in working capital:		
Inventories	4,208,281	(5,782,652)
Receivables from exchange transactions	(2,393,279)	(4,534,400)
Bad debts	(4,890)	-
Tax	(1,583,844)	440,490
Payables from exchange transactions	(7,327,675)	11,947,038
VAT	1,326,508	(1,543,157)
	(8,744,939)	8,815,070

Other non-cash item

Other non-cash items include:

Donations R 6,701,368

Assets written off R102 731

Other income R7,999

27. AUDITORS' REMUNERATION

Fees 851,551 1,011,167

* See note 36

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28. RELATED PARTIES (continued)

Related party transactions

Sales to related parties

Subsidy from City of Johannesburg Metropolitan Municipality	56,504,000	32,726,011
City of Johannesburg Development Planning	2,505	-
City of Johannesburg Office of the Speaker	328,830	-
City of Johannesburg Region F	49,613	-
City of Johannesburg Group Governance	125,512	-
City of Johannesburg Sports & Recreation	1,972	-
City of Johannesburg Department of Economic Development	100,917	-
City of Johannesburg Social Development	98,820	-
City of Johannesburg Community Development	6,701,368	-
City Power	2,071,520	-
City Power Johannesburg SOC Ltd	-	9,187
Johannesburg City Parks NPC	102,774	115,298
Johannesburg Roads Agency SOC Ltd	100,646	14,722
	66,188,477	32,865,218

Purchases from related parties

City of Johannesburg Metropolitan Municipality	6,715,704	6,895,480
Yamikani Projects Pty Ltd	304,767	-
Group Corporate Shared Services	26,695	-
Sign-A-Rama Randburg	-	44,906
	7,047,166	6,940,386

* See note 36

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29. DIRECTORS' EMOLUMENTS

Non-executive

2014

	Directors' fees	Committees' fees	Total
Todd Twala	29,760	8,930	38,690
Ali Monadjem	14,880	3,970	18,850
Bheki Zungu	29,760	18,850	48,610
Mabutho Kid Sithole	29,760	-	29,760
Surykumarie Pillay	19,840	23,810	43,650
Welcome Themba Msomi	19,840	8,930	28,770
Mavuso Shabalala	24,800	34,720	59,520
Ishmael Mkhabela	29,760	31,744	61,504
Lorraine Malebo	29,760	4,960	34,720
Mongane Wally Serote (Chairperson)	54,560	29,760	84,320
	282,720	165,674	448,394

2013

	Directors' fees	Committees' fees	Total
Mongane Wally Serote (Chairperson)	94,240	-	94,240
Todd Twala	22,320	-	22,320
Lorraine Malebo	34,720	-	34,720
Ishmael Mkhabela	47,120	11,904	59,024
Ali Monadjem	24,800	-	24,800
Bheki Zungu	24,800	9,920	34,720
Mabutho Kid Sithole	24,800	-	24,800
Surykumarie Pillay	39,680	22,820	62,500
Welcome Themba Msomi	49,600	-	49,600
Baheya Stainbank-Mokhobo	9,920	7,940	17,860
Mavuso Shabalala	4,960	-	4,960
	376,960	52,584	429,544

30. RISK MANAGEMENT

Capital risk management

The entity's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the entity consists of cash and cash equivalents disclosed in note 5, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

* See note 36

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30. RISK MANAGEMENT (continued)

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Trade receivables comprise of a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Foreign exchange risk

The entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

31. GOING CONCERN

We draw attention to the fact that at 30 June 2014, the entity had an accumulated surplus of R 13,337,834 and that the entity's total assets exceed its liabilities by R 13,337,844.

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

32. COST OF SALES

Sale of goods

Cost of goods sold	715,331	87,186
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33. OPERATING LEASE

Rental of Office Equipment

Minimum lease payments due	
- within one year	93,268
- in second to fifth year inclusive	186,536
	<hr/>
	279,804

The company had an operating lease agreement with Safika Asset Finance for a digital copier for a period of 36 months. The agreement started from 01 April 2011 and ended 31 March 2014. The total amount that has been paid in the current year is R20,055.38. The new contract has been signed with Resultant Finance for a digital copier machine for a period of 36 months.

Terms: @ 0% escalation.

* See note 36

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34. IRREGULAR EXPENDITURE		
Reconciliation of irregular expenditure		
Opening balance at Roodepoort City Theatre	6,526,144	4,581,459
Approved by the Board of Directors	(1,944,685)	1,944,685
Approved by Council or condoned	(4,581,459)	-
	<u>-</u>	<u>6,526,144</u>

Details of irregular expenditure - Prior Year

Irregular Expenditure transferred from RCT in the first six months of operation	4,581,459
Corporate Manager/Technical Manager/Payroll Officer/Reception Officer	-
1 Disciplinary steps taken/criminal proceedings. Employee dismissed. Civil cases opened for 2 ex employees. Acting CEO resigned on 28/02/2013	
Payments made without Board Approval	1,944,685
Payments were made to Cut to Black and Danse LAfrique	
	<u>6,526,144</u>

On 27 November 2013 the RCT Board reconstructed the resolutions confirming that payments of R1,944,685 made by RCT during 2012/13 to Cut to Black Media and Danse LAfrique were approved at the Board meeting held on 23 November 2012. Reconstructed resolutions were submitted to Auditor - General SA for noting.

A condonation report for payments of R4,581,459 made by RCT for the opening of the Soweto Theatre in 2011/12 was approved by the COJ Mayoral Committee on 26 June 2014.

The Board resolved that a civil action should be instituted to recover the amount of R477,032 of allowances/acting allowances and study loan in the form of educational assistance. Civil action has been instituted under case number J5885/13 and J5885/13 at the Labour Court of SA . An affidavit for the default judgement has been prepared for the trial. This amount amount has been reclassified as contingent asset in accordance with GRAP 105

The Board of Directors minutes for the meeting that approved the payment of R1,944,685 could not be located at the end of June 2013. The minutes were reconstructed to regularise the expenditure of R1,944,685 in line with GRAP 105 principles.

* See note 36

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Restated*

35. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the directors and includes a note to the financial statements.

The goods and services listed were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented, approved by the CEO and reported to the board of directors for noting.

Service Provider	Service/Good s	Reason for deviation(s)	Amount
Acquisition Of Trainers/Facilitators For Youth Development Workshops And Training Programmes 2013/2014	The Acquisition Of Skilled Professional Production Company	Exceptional Case	300,000
In-House Productions at Joburg - Monthy Python Spamalot; 2014 Pantomime, Peter Pan; Anthems of Democracy	Acquisition of creative properties for in-house production and Acquisition Services From Marketing Partners/Special Barter Arrangements For Individual Productions Presented At Joburg City Theatres For 2013/2014 Financial Year	Special works of art - specifications are difficult to compile and Special barter arrangements	4,255,000
In-House productions At Soweto Theatre - Freedom Tales; Eclipse; Are you Dik; Book of Rebellations; Dlala Mapantsula; And the Girls in their Sunday Dresses; Skierlik; Freedom tales; Birthday Celebrations and Ndlovukazi	Acquisition of creative properties for in-house productions and co-productions and utilisation of specific media suppliers to provide services to the soweto theatre and the acquisition of programming and event management services for the soweto theatre celebration	Special works of art ; media advertising and event management-specifications are difficult to compile	2,098,080

* See note 36

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35. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)			
In-House Productions at Roodepoort Theatre - My Band project; Too Much Punch for Judy; Youth and Community Projects; Aria Opera; Soofah Comedy; Charl du Plessis	Acquisition of creative properties for in-house productions and co-productions	Special works of art - specifications are difficult to compile	1,449,328
Artslink	Arts Website Distributing Theatre Information	Sole Supplier	7,800
Carel Controls	Control For Air Handling Units For Building Management System	Sole Supplier Of Original Parts Needed For Maintenance	26,895
Cool Runners	Ola Ice-Creams	Sole Supplier	11,746
CQS Consulting	Renewal Of Caseware Licence	Sole Supplier	48,645
Datategra	Antivirus (Sophos)	Sole Supplier	59,713
Drain Surgeon	Unblocking Of Drain /Burst Manhole	Emergency	31,444
DWR Distributors	Le Maitre Haze/Smoke Machine; LSC Haze machine fluid; repair of robe fixtures; DF 50 Haze Fluid.	Sole Supplier	103,796
Electrosonic SA CC	Electrosonic (Jem Martin Splitter; versalight LED RGB high power PAR64 3W)	Sole Supplier	820,377
Finware	Data Integration	Exceptional Case	37,356
Indian Spice Website	Marketing For History Of India Production	Website Targeted At Indian Communities	3,050
Intellpark	Card Reader	Sole Supplier	2,301
Jubzin Security	Staff Transportation	Additional Staff	2,500
Kena Media	Billboard Services In Locations That Service Community Of Soweto	Sole Supplier	7,763
Mgg Production	Show Merchandise (Show Settlement; History Of India)	Exceptional Case	12,013
Mocon Systems	Stage Wagon	Sole Supplier	19,289
Moody & Robertson	Legal services	Exceptional case	7,247

* See note 36

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		2014	2013 Restated*
35. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)			
Noona Creations	Upgrade of Auditorium and Restaurant - Roodepoort Theatre	Additional Work Performed On Bid 00030/13	82,570
Prosound (Pty) Ltd	Sound equipment	Sole Spplier	38,273
Quattro Security	Security	Additional Security For Youth Arts Festival	16,006
Red Base Services Cc	Upgrade To The Air-Conditioning For The Dressing Rooms	Sole Supplier	314,457
Rock It Cargo	Clear Of Shipment From UK	Sole Supplier	27,375
Sa Institute Of Government Auditors	Annual Subscription	Sole Supplier	8,892
Sage Pastel	Renewal Of Pastel Partner And Pastel Payroll Licence	Sole Supplier	32,300
SAMRO	Performing Rights Fees Musical Shows Licence	Sole Supplier	98,577
Schindler Lifts	Lifts Maintenance	Sole Supplier	314,457
Sennheiser Electronics	MK E2 EW Gold microphones	Sole Spplier	65,167
Slo- Jo	Slo- Jo Syrups	Sole Supplier	16,627
Slush Puppy	Slush Puppy Syrups	Sole Supplier	9,047
Sono Luminus	Atomizer Units For Tiny Fogger Vaporiser Units		3,215
Starcoded Solutions	IT consultant	Extension on month to month contract	7,980
Sysman Public Safety Systems	Radio Link Soweto Theatre To Emergency Services	Sole Supplier	12,735
Thompson Attorneys	Appointment As Initiator Of A Disciplinary Hearing	Exceptional case	93,318
Toyota Westrand	Service On Motor Vehicle	Original Dealer /Supplier	12,970
Video Africa	show merchandise	Exceptional case_Paid the supplier on behalf of a international show	15,480
G4S	Cash collection services	Ratification of minor breaches	53,724

* See note 36

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		2014	2013 Restated*
35. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)			
Svend's Violin	Rental of Double Bass	To hire one double bass for "Tango Fire" on behalf of the producers at their request. The amount to be deduct from their final settlement	8,375
Westpoint Executive Suites	Accomodation for Tango Fire Dance Company	Exceptional Case	214,500
PNA Flora	Compliance with various acts by acquiring and displaying appropriate documentation in the form of Basic Conditions of Employment, Summary of Employment Equity Act and the Occupational Health and Safety Act.	Exceptional Case	2,703
Continental outdoor	Billboard	Sole Supplier	2,264,435
MZ security services	repairing of central processing unit of the building management system	Sole Supplier	59,202
New way power	Inspections, regulated refilling and maintenance of stand by generator at Soweto Theatre	Sole Supplier	6,669
The fine art travel	Transportation for Tango Fire	Exceptional case	32,970
South African State Theatre	Props hire for Tango Fire	Exceptional case	2,527
Zwane media	Billboard advertising for productions at Soweto Theatre	Sole Supplier	4,200
Alive advertising	Billboard advertising in the M1 south	Sole Supplier	22,914
			13,146,008

* See note 36

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36. CHANGES TO COMPARATIVE FIGURES

During the 2012/13 financial year the City of Johannesburg as part of its institutional review process, resolved that Joburg Theatre (SOC) Ltd and Roodepoort City Theatre NPC t/a Joburg Promusica be integrated into a single theatre management company. The theatre management company - now called Joburg City Theatres (JCT) - renders the functions and services that, until 31 December 2012, were rendered by the two theatres. It also institutionalised the operation of the newly established Soweto Theatre.

The effective date for the integration was 1 January 2013 and the transfer of functions agreement was signed by the Board of Directors on the 27th of November 2013.

JCT early adopted the principles of GRAP 105 in 2012/13 financial year which states that:

"If the initial accounting of a transfer of functions is incomplete at the end of the reporting period, the assets acquired and liabilities assumed for which the accounting is incomplete should be recognised at their provisional amounts, the acquirer is allowed a two-year measurement period from the transfer date in order to obtain the information necessary to identify and measure".

During the current financial year provisional amounts were retrospectively adjusted after the company obtained new information about facts and circumstances that existed at transfer date. This resulted in restatement of prior year(2012/13) balances and affected the measurement of amounts recognised as at transfer date (January 2013). Receivables from exchange transactions have been restated by R1,509,975 and Cash and cash equivalent has been restated by R72,612

37. SHARE CAPITAL

Authorised

10 Ordinary shares of R1 each	10	10

Reconciliation of number of shares issued:

Reported as at 01 July 2013	10	10

Issued

Ordinary	10	10

10 Ordinary shares of R1 each, as reflected in the company's share certificate.

38. FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments

2014

Financial assets

	At fair value	Total
Trade and other receivables from exchange transactions	6,719,872	6,719,872
Other receivables from non-exchange transactions	583,040	583,040
Cash and cash equivalents	5,920,299	5,920,299
	13,223,211	13,223,211

Financial liabilities

	At fair value	At cost	Total
Loans from shareholders	-	1,784,049	1,784,049
Trade and other payables from exchange transactions	11,025,657	-	11,025,657
Finance Lease Liability	1,040,546	-	1,040,546
	12,066,203	1,784,049	13,850,252

Residual interest

	At cost	Total
Share capital / contributed capital	10	10

* See note 36

Joburg Theatre (SOC) Limited

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Notes to the Financial Statements

Figures in Rand

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39. CONTINGENT ASSETS

Subsequent to the disciplinary hearing in respect of the acting allowances referred to in note 34 civil proceedings have commenced against the employees concerned to recover an amount of R477,032. It is probable that the proceedings will result in the recovery of the full amount but this is virtually uncertain.

* See note 36

CHAPTER SIX

AUDITOR-GENERAL AUDIT FINDINGS



The company achieved a clean audit opinion previously achieving 13 consecutive unqualified audit opinion.

KEY ACHIEVEMENTS

- Highlights of the current audit opinion
- Progress made on resolving historical audit findings
- etc.

Section 1: Auditor-General's Report for the Current Year

Report of the auditor-general to Gauteng Provincial Legislature and the council on the City of Johannesburg Metropolitan Municipality on Joburg Theatre SOC Ltd

Report on the financial statements

Introduction

1. I have audited the financial statements of Joburg Theatre SOC Ltd set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008)(Companies Act), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of Joburg Theatre SOC Ltd as at 30 June 2014, and its financial performance and cash flows for the year then ended, in accordance with Generally Recognised Accounting Practice and the requirements of the MFMA.

Emphasis of Matter

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

Reinstatement of corresponding figures

8. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of the transfer of functions in accordance with the transitional provisions of Generally Recognised Accounting Practice i05 during 30 June 2014 in the financial statements of the Joburg Theatre SOC Ltd at, and for the year ended, 30 June 2013.

Additional Matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

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

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the fv1Ffv1A the municipality entity is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Other reports required by the Companies Act

12. As part of our audit of the financial statements for the year ended 30 June 2013, I have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports I have not identified material inconsistencies between the reports and the audited financial statements. I have not audited the reports and accordingly do not express an opinion on them.

Report on other legal and regulatory requirements

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2014:

- Development Priority 1 - Financial Sustainability & Resilience pp. 64 - 64
- Development Priority 4 - Active and Engaged Citizenry pp. 65 - 65
- Development Priority 5 – Smart City pp. 65 - 65
- Development Priority 6 – Investment , Attraction , Retention
Expansion pp. 65 - 65

15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development priorities. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings relating to the usefulness and reliability of the reported performance information for the selected development priorities.

Achievement of planned targets

19. Refer to the annual performance report on pages 01 to 73; for information on the achievement of planned targets for the year.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing of the reported performance information for Development Priority 4: Active and Engaged Citizenry and Development Priority 6: Investment, Attraction, Retention and Expansion. As management subsequently corrected the misstatements, I did not raise material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

21. I performed procedures to obtain evidence that the municipal entity had complied with applicable legislation regarding financial matters, financial management and other related matters.
22. I did not identify any instances of material non-compliance with specific matters in key applicable legislations as set out in the general notice issued in terms of the PAA.

Internal control

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

Financial and Performance Management

24. Management did not prepare regular, accurate and complete performance reports that are supported and evidenced by reliable and accurate information.

AUDITOR - GENERAL

Johannesburg

30 November 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Refer to the Annual Financial Statements set out in Chapter 5 and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter.

Include a comparison of the previous audit opinions and share a narrative that analyses the reasons for the outcome of the opinion. This should be at a high level to assist the reader in understanding the reasons for the audit outcomes.

	2010/11	2011/12	2012/13	2013/14
Audit Opinion	Unqualified	Unqualified	Unqualified	

Section 2: Historical Audit Findings and Remedial Action

JOBURG CITY THEATRE AUDIT: JUNE 2013

Finding Number	Finding	Current Status	Proposed Completion Date	Responsible Person	Progress
1	Related parties account balances not agreeing to the COJ confirmations	RESOLVED	Oct-13		Resolved
2	Account Balances are not matching to supporting schedules, trial balance and AFS	RESOLVED	Oct-13		Resolved
3	Errors on cash-flow disclosure notes	RESOLVED	Oct-13		Resolved
4	No Approved Service Delivery Agreement	95% Resolved .	Aug-14	BoD/ FM	SDA in the CM's Office for approval
5	Inconsistencies between targets set in the business plan an annual performance report	Resolved .	Oct-13		Resolved
6	No KPIs in the business plan- Soweto Theatres	Resolved .	Oct-13		Resolved
7	Key performance indicators reported without baseline and targets	Resolved	Oct-13		Resolved
8	Reported information not accurate	Resolved .	Oct-13		Resolved
9	Key Performance Indicators not well defined	Resolved .	Oct-13		Resolved

ANALYSIS OF 2013/14 AUDIT FINDINGS

	NEW IN 2013/14	REPEAT FINDING	ACTIONS TO RESOLVE
Matters affecting Audit opinion			
Important Matters			
Administrative Matters			

Section 3: Commitment by the Board of Directors

The Board that has satisfied itself that the remedial actions taken on matters raised by the Auditor-General are adequate.



DR MONGANE SEROTE
Chairperson
Board of Directors (JCT)

As submitted to the Auditor-General on November 26th 2014

Section 4: Mitigation strategies on the assessment of the Integrated Reporting and MFMA Circular 63 (Nkonki report)

Integrated Reporting means a holistic and integrated presentation of a company's performance in terms of both its finance and sustainability. This can take the form of a single or dual report and the emphasis is substance over form and the recommended disclosure requirements are mandatory

The company has ensured maximum disclosure on the annual report of the year under review as a minimum of 55% is expected to be disclosed according to the principles of Integrated Reporting.