



JOBURG | SOWETO | ROODEPOORT



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

trading as  
Joburg City Theatres

# **the JOBURG THEATRE**



## **FIRST QUARTER PERFORMANCE REPORT 2018/19**

**FINAL DRAFT  
SUBMITTED ON 12 OCTOBER 2018**

**JOBURG THEATRE  
SOC LIMITED**

**COMPANY INFORMATION:**

**Registration number** : **2000/013032/07**

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Johannesburg  
2018**

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[www.joburgcitytheatres.com](http://www.joburgcitytheatres.com)

**Bankers** : **Nedbank Limited  
Investec**

**Auditors** : **Auditor-General**



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## ABBREVIATIONS

Abbreviation/ Acronym	Explanation/ Description
AA	Affirmative Action
AFS	Annual Financial Statements
AG	Auditor General of South Africa
AGM	Annual General Meeting
ARC	Audit and Risk Committee
BBS	Behaviour Based Safety
BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CATHSSETA	Culture Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COJ	City of Johannesburg
EAP	Employees Assistant Programme
EE	Employment Equity
EPWP	Expanded Public Works Programme
EXCO	Executive Management Committee
FY	Financial Year
GAC	Group Audit Committee
GDS	Growth and Development Strategy
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IAC	Independent Audit Committee
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IT	Information Technology
JCT	Joburg City Theatres
JT	Joburg Theatre
KPA	Key Performance Area
GRAS	Group Risk and Assurance Services
KPI	Key Performance Indicator
MANCO	Management Team Committee
MFMA	Municipal Finance Management Act
MOE	Municipal Owned Entity
MOI	Memorandum of Incorporation
MSCMR	Municipal Supply Chain Management Regulations
NED	Non-Executive Director
PANSA	Performing Arts Network South Africa
RAC	Risk Assurance and Compliance
SAICA	South African Institute of Chartered Accountants
SAMRO	Southern African Music Rights Organisation
SCM	Supply Chain Management
SDA	Service Delivery Agreement
REMSEC	Remuneration, Social and Ethics Committee
RT	Roodepoort Theatre
SETA	Sector Education and Training Authority
SHEQ	Safety Health Environment and Quality
SLA	Service Level Agreement
ST	Soweto Theatre
STAGES	Stages Restaurant
YTD	Year to Date

## CHAPTER ONE: INTRODUCTION AND CORPORATE PROFILE

### Section 1: Corporate Profile / Overview of the entity

#### Corporate Profile / Overview of the entity

The Mandate, Vision and Mission of JCT as presented in this report are aligned to the approved Business Plan for 2018/19.

Since the discovery of gold in 1886, Johannesburg has progressed and developed into a major world class metropolitan city with a population of approximately 4 million people. To better address a legacy of racial segregation and unequal service provision, in 2000 the city took a decision to create separate legal entities to provide municipal services in a more business orientated and focused manner.

Joburg Theatre was corporatised by the COJ in July 2000 as The Johannesburg Civic Theatre (Pty) Ltd, from the then Johannesburg Civic Theatre Association, a Section 21 Company; and was re-branded in 2009 as Joburg Theatre.

Roodepoort City Theatre NPC t/a Joburg Promusica was founded in 1980 to operate as a 328 seater auditorium and an 80 seater box theatre. The name of the theatre was later changed to the Promusica Theatre. In 2012, Promusica was tasked with the launch of the new Soweto Theatre in Jabulani, Soweto.

Soweto Theatre is the cultural heartbeat of Jabulani Soweto; it is more than a theatre – is a multipurpose performing arts centre, used for theatre productions, music productions, dance productions and choir singing. It will also host festivals, conferences, meetings and community gatherings. Dedicated to the arts, it is here that the community is able to find expression.

In 2011 the COJ embarked on a high level Institutional Review in order to enhance efficiencies, cost effectiveness and sustainable service delivery. The COJ resolved that Joburg Theatre (SOC) Ltd and Roodepoort City Theatre NPC t/a Joburg Promusica be integrated into a single theatre management company; and further institutionalise the operation of the newly established Soweto Theatre under the same structure. The integrated theatre management company – now called **Joburg City Theatres (JCT)** – is mandated to render the functions and services that, until 31 April 2012, were rendered by the three theatres. The effective date for the integration was 1 January 2013.

Joburg Theatre (SOC) Ltd, trading as Joburg City Theatres (JCT), is an independent municipal entity wholly owned by the City of Joburg (“COJ”) and operates the Joburg Theatre (Braamfontein), Roodepoort Theatre and Soweto Theatre, with the aim to operate as an internationally recognised centre of excellence in the provision of world class theatre entertainment to the citizens of Johannesburg, and focussed on the delivery of the following key products and services:

- The management and promotion of high quality performing arts and entertainment facilities and their supportive hospitality infrastructure and services - to enable Joburg residents to access and benefit from quality arts and culture facilities and experiences;
- The hosting and showcasing of revenue-generating local and international productions that have a positive impact on the financial sustainability of Joburg City Theatres, whilst also exposing Joburger’s to globally recognised world class entertainment;
- The hosting of quality performing arts and entertainment productions that are attractive to both traditional and regular theatre goers but also to new and diverse audiences;
- The promotion and development of local content and local markets through programmes that advance social cohesion and support the transformation of society;
- The in-house and/or co-production and staging of arts and entertainment productions in collaboration with local arts practitioners, entrepreneurs and enterprises;

- The acceleration of youth development through programmes that stimulate an interest in the arts as a viable career path and provide opportunities for future arts practitioners and entrepreneurs;
- To conceptualise, create, produce, market and disseminate content both through own facilities and by taking shows to communities;
- To generate revenue over and above the subsidy received from the city through the effective delivery of the above services.

The primary mandate of Joburg City Theatres is:

***To provide a high quality live entertainment and artistic platform through the integrated management of the theatre venues and an innovative and inclusive programme, which serves the diverse communities of the City of Joburg and supports social cohesion and an urban culture based on inclusivity and tolerance.***

In support of this primary mandate, the core business / purpose of Joburg City Theatres is:

- ***To provide high quality, well-managed and accessible theatre and live entertainment venues, and proactively work to develop new audiences and markets;***
- ***To identify, commission and produce locally relevant productions and experiences; and support youth development, including the development of future arts practitioners and entrepreneurs; and***
- ***To offer quality support and services that enable the acquisition and hosting of professional productions and experiences that are relevant to diverse audiences.***

#### THE VISION OF JOBURG CITY THEATRES

***A leading African artistic platform providing sustainable, development-oriented and diverse programming.***

In support of the City of Joburg's Vision:

***"A Joburg that works is a South Africa that works"***

#### THE MISSION OF JOBURG CITY THEATRES

In achieving the above vision, Joburg City Theatres sets itself the following mission is:

***To produce and present innovative and relevant indigenous and international entertainment programmes that promote multiculturalism, diversity and social cohesion.***

In so doing, Joburg City Theatres' commits to:

- ***Conceptualise, manage, host and promote high quality performing arts and entertainment experiences and facilities;***
- ***Create opportunities for affordable access and use of theatres by all communities;***
- ***Provide opportunities for the youth, including the development of future arts practitioners and entrepreneurs;***
- ***Grow shareholder value by ensuring sound financial management and governance and growth in revenue; and***
- ***Work in partnership with others to maximise the impact of our programmes.***

## Section 2: Strategic Objectives

As the organisation pursues its Vision and Mission, the Strategic Objectives of Joburg City Theatres are derived from the above strategic intent and are aligned to both the GDS and COJ strategic priorities and outcomes.

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 3: Advance pro-poor development that provides meaningful redress and outcome 5: Build caring, safe and secure communities**

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”**.

In delivering its core functions and services, Joburg City Theatres is aligned to, and supports the vision of the City of Johannesburg as articulated in the GDS:

### ***A Joburg that works is a South Africa that works***

For the period 2017/18 and beyond, five (5) Strategic Objectives have been developed in order to enable Joburg City Theatres to effectively focus and prioritise its options in delivering on its mandate and respond to the above strategic focus areas. The Strategic Objectives are framed as statements that describe the outcome expected as a result of Joburg City Theatres intervention, and are elaborated upon in the table below:

<b>JCT Strategic Objective (Towards achieving the mandate, mission and response to the Strategic Focus Areas)</b>	<b>Objective Description</b>	<b>CoJ Priority Alignment</b>
<b>1. Provision of opportunities for the youth, including future arts practitioners and entrepreneurs.</b>	Support local content development and support for development in the Arts. Facilitate relationships and co-productions that widen the participation of local producing partners engaged with JCT. Facilitate production partnerships with theatres in South Africa and the African Diaspora for the development of productions from African stories. Implement structured opportunities for the development of the talents and skills of young people in the arts. Sound and consistent supply chain management processes that support preferential procurement, and enhance the contribution of JCT to enterprise development.	Promote economic development and investment activity.
<b>2. High quality performing arts and entertainment experiences and facilities.</b>	Excellence in delivery of the JCT core business, in support of the mission and mandate. Strengthening the acquiring and hosting of work. Supporting the development and creation of work. Ensuring facilities and infrastructure that is excellent. Encourage urban regeneration in Braamfontein / Newtown and Jabulani Cultural Precinct nodes, in order to stimulate economic growth in contribution to the 5%. Monitor and enhance customer satisfaction and the achievement of service standards.	Improve service delivery performance and service delivery culture (SD defined as core business). Enhance security in all open public spaces – parks, cemeteries, cities facilities, museums, etc. Encourage urban regeneration in key urban nodes.



<b>JCT Strategic Objective (Towards achieving the mandate, mission and response to the Strategic Focus Areas)</b>	<b>Objective Description</b>	<b>CoJ Priority Alignment</b>
<b>3. Affordable access to and use of theatres by communities.</b>	<p>THEMATIC FOCUS OF PRODUCTIONS: Edu-tainment and productions that address issues.</p> <p>Engagement with arts practitioners, private sector and communities in bringing new audiences into contact with JCT programmes.</p> <p>Develop future audiences by providing discounted tickets to learners.</p> <p>Provide opportunities for development of local content and maximise accessibility.</p> <p>Mechanisms and approaches that assist to make theatre going practical for disadvantaged communities.</p> <p>Optimal use of allotments and related opportunities in the theatre precincts.</p>	<p>Create opportunities for affordable access and use of theatres by all communities.</p> <p>Implement social awareness programmes in these recreational sites.</p> <p>Encourage urban regeneration in key urban nodes.</p>
<b>4. Good governance, financial sustainability and sound management.</b>	<p>Balance the imperative for revenue generation with socio-economic development.</p> <p>Grow shareholder value by ensuring sound financial management, financial control and growth in revenue.</p> <p>Increase asset utilisation and leveraging investment.</p> <p>Cost efficiency across value-chain.</p> <p>Customer care improvement.</p> <p>Integrate the programming of the theatres and integrate the value chain of the theatres.</p> <p>Ensure efficient and effective internal business processes and systems.</p>	<p>Making local government responsive.</p> <p>Fiscal responsibility and resolve billing system problems.</p> <p>Improve service delivery performance and service delivery culture (Governance).</p>
<b>5. Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT.</b>	<p>Build JCT brand awareness and grow market share of JCT as a leading brand.</p> <p>Build JCT visibility through enhanced marketing, communication and stakeholder management.</p> <p>Leveraging of mutually beneficial partnering agreements and joint programmes.</p> <p>Sponsorships and donations.</p>	<p>Making local government responsive.</p> <p>Fiscal responsibility and resolve billing system problems.</p> <p>Improve service delivery performance and service delivery culture (Governance).</p>

### **PRIORITY IMPLEMENTATION PLANS**

The City's 2017/18 SDBIP details eleven priority implementation plans, which are the following:

- Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty
- Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress
- Priority 3: Create a culture of enhanced service delivery with pride
- Priority 4: Create a sense of security through improved public safety
- Priority 5: Create an honest and transparent City that fights corruption
- Priority 6: Create a City that responds to the needs of citizens, customers, stakeholder and businesses
- Priority 7: Enhance our financial sustainability
- Priority 8: Encourage innovation and efficiency through the Smart City programme
- Priority 9: Preserve our resources for future generations

The 2017/18 performance information of Joburg City Theatres then flows from a direct line-of-sight to the above strategic objectives and the City's Priority Implementation Plans / IDP Programmes.

**The outputs that would be linked to the theatre through the arts programming are:**

- 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.
- Increase Earned Revenue
- Maximise accessibility and usage of theatre facilities by the City of Johannesburg citizens.

**Outputs, linked to the PIPs, SDBIP, IDP and GDS:**

- Increase self-generated revenue - *a city at work building the economy.*
- Expenditure management - cost containment – *a city at work building the economy.*
- Promotion and % procurement spend on SMME's and SDM - *a city at work building the economy.*
- Increase literacy, skills and lifelong learning amongst Joburg citizens - *a city at work building better communities.*
- Youth development - develop future audiences, practitioners and entrepreneurial skills - *a city at work building better communities.*
- Maximise accessibility and usage of the theatre facilities by Johannesburg citizens - *a City at work building better communities.*
- Increase accessibility - explore the increased funding opportunities from other spheres of government and the private sector in order to make theatregoing practical for disadvantaged communities - *a city at work building better communities.*

**Outcomes**

- Commissioning of quality productions aligned to the vision and mission of JCT.
- Increased numbers of learners attending theatres annually developing new audiences for the future.
- Empowered learners and teachers.
- Improved perception of the role of JCT in Youth development.
- Engagement with communities bringing new audiences into contact with JCT Venues.
- Structured opportunities for in depth development of the talents and skills of young people opening up future opportunities for future employment.
- Foundations laid through pilots for three year relationships and co-productions widening the participation of local producing partners engaged with JCT.
- Improved operational efficiency, optimization of resources and performance
- Increased positive social contact and accessibility of theatre through management of the three City theatres
- Increased SMME support through procurement
- Support and optimize opportunities to promote creative industry
- Increased number of emerging young producers and artists

### Section 3: Salient Features

JCT achieved total revenue of R52.7m for the period which is a 2% improvement year on year and 12% better than budget of R47.3m. Earned revenue from normal operations for 1st Quarter was 33% better than plan. Earned revenue amounted to R22.2m compared to a plan of R16.8m.

JCT recorded a trading deficit of R18, 168 YTD against a targeted surplus of R170, 835. The trading deficit is 110% worse than planned.

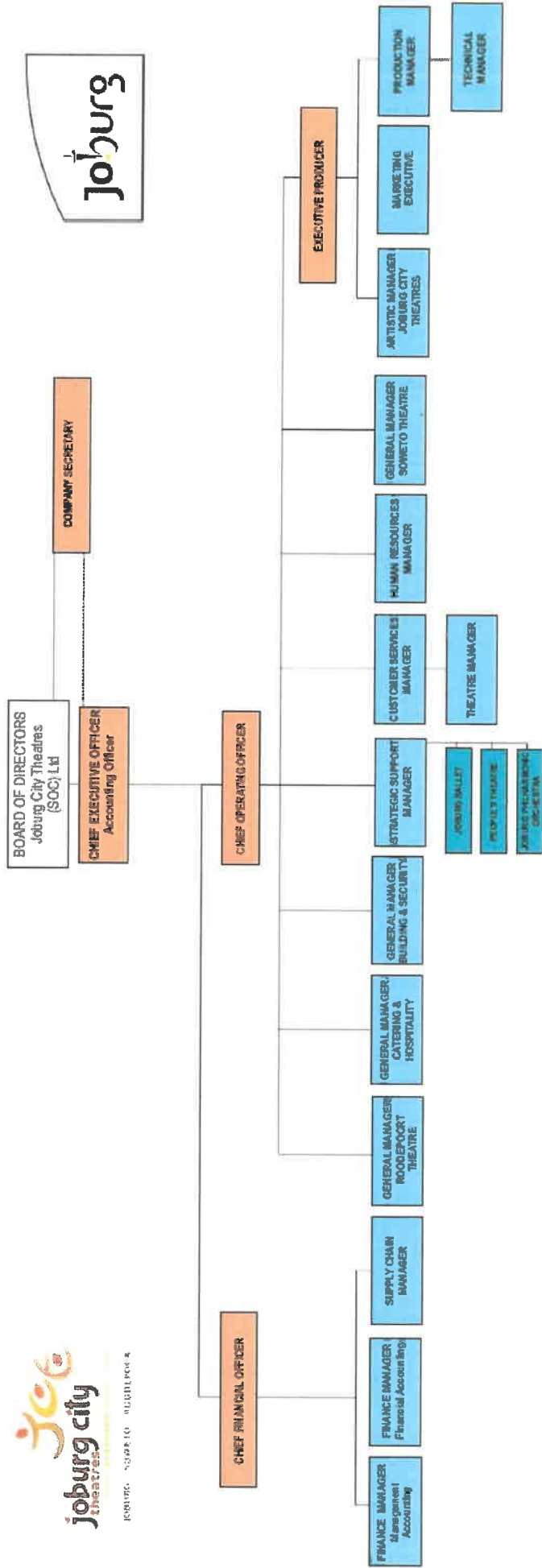
Achievement of 100% of the Scorecard targets.

The capital expenditure for quarter 1 is 10%.

The average spend for JCT on BBBEE is 100% while spend on SMMEs averages at 94%.

Liquidity ratio for the entity is down by 8% year on year from 1.24:1 to 1.14:1, but still above the City's norm of 1:1, while the solvency ratio is up by 0.8% at 1.21:1 from the 1.21:1 same period last year which is below the norm of 2:1, Current assets down by 0.19% year on year while current liabilities up by 9%. Total assets up by 1% year on year while total liabilities down by 8% year on year.

Section 4: High-Level Organisational Structure



**JOBURG CITY THEATRES**  
(SOC) Ltd  
Company Organogram  
September 2018

## Section 5: Chairperson's Foreword



On behalf of Joburg City Theatres, it is my pleasure to present the first quarter report for the financial year 2018/19 as an account of programmes and resources utilized. Joburg City Theatres focuses on driving a caring, responsive, efficient and progressive developmental approach, to enable it to reach full potential as integrated and vibrant spaces. It gives me pleasure to see the increase both in output and deliverables of the Joburg City Theatre's Youth Development programmes.

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.

Given this context, it is important that in 2017/18 the JCT, as an institution that provides an artistic platform, continues to both deepen its efforts as well as innovative and inclusive programme for diverse communities of the City of Joburg and supports social cohesion and an urban culture based on inclusivity and tolerance.

***JCT continues to show great achievements as it recorded sterling 100% on the company's Key Performance Indicators and 10% on capital expenditure budget against the set target of 10%.***

### ***Organisational Review***

The position of the CEO became vacant from 1 July 2018 due to the expiry of the former CEO's contract on 30 June 2018. An Acting CEO, Mr. Solomon Mphakathi who is the entity's substantive Chief Financial Officer, was appointed by the board of directors with effect from 1 July 2018 and until the finalisation of the recruitment process.

The CEO position was advertised during June and interviews took place on the 19<sup>th</sup> of July 2018. The appointment of a substantive CEO is anticipated to be finalised during this month of October, with the successful candidate being anticipated to commence duty on the 1<sup>st</sup> of November 2018.

### ***Financial Review***

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.

JCT achieved total revenue of R52.7m for the period which is a 2% improvement year on year and 12% better than budget of R47.3m. Earned revenue from normal operations for 1st Quarter was 33% better than plan. Earned revenue amounted to R22.2m compared to a plan of R16.8m. The performance on earned revenue for the 1<sup>st</sup> Quarter is 6% lower than the previous year performance.

On behalf of the Board, I would like to thank Member of the Mayoral Committee for Community Development, Councillor Nonhlanhla Sifumba, for her strategic leadership representing the shareholder, the City Manager for guidance and continuous support and the Executive Mayor for his vision in leading this amazing and exciting City.



**Nkopane Maphiri**  
Chairperson of the Board  
Joburg Theatre (SOC) Ltd

## Section 6: Acting Chief Executive Officer's Report



It is with great honour to present Joburg City Theatres (JCT) first quarter performance report for 2018/18 financial year, from July to September 2018. The report is divided into sections that cover all operational functions of the company in line with its strategic objectives. The mid-year concluded with the highest achievement of significant progress made against service delivery targets, which demonstrates the commitment of the Theatre in achieving its goals and objectives.

JCT remains resolute in its attempts and efforts to contribute toward the attainment of the “Diphetogo” priorities which will include amongst others, monthly collaboration with CoJ and its entities, Youth Development, Audience Development, continuous promotion of product of emerging producers, promoting social contact through national/special days celebrations, taking arts to the communities, Thematic focus of productions. And grow shareholder value by ensuring sound financial management, financial control and growth in revenue.

### ***Scorecard Performance***

The overall score for 1<sup>st</sup> Quarter is 100% achievement; we had 18 quarterly KPIs and only achieved all of them and 10% on capital expenditure budget against the set target of 10%.

### ***Artistic Performance***

As part of JCT's continued ‘**Legacy Programme**’ and also to as part of the nationwide centenary celebrations of Nelson Mandela's posthumous 100th birthday: Joburg Theatre brought together four living South African musical legends; **Jonas Gwangwa, Abigail Khubeka, Siphho ‘Hotsticks’ Mabuse, and Dorothy Masuka** together with the nation's foremost youth vocal ensemble, the **Mzansi Youth Choir** for a 3 night only concert to honour and celebrate, in song, the late great global icon, Madiba. The concert, aptly named *Legends Celebrating Madiba*, was an audience success.

Due to popular demand, **The Color Purple** returned to the Mandela stage in August. The production re-opened on Woman's Day and was undoubtedly a hit with all audiences, those that have experienced it before and those who were watching it for the first time ever

### ***Financial Performance***

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The support from the city leadership continues to provide guidance and direction relating to all aspects of the business and matters of governance. The City Manager's office and various departments have provided much needed assistance and leadership. We value the immense support by the MMC Community Development - Councillor Nonhlanhla Sifumba - through his vested interest in the theatre business, and his passion of prioritizing Youth Development in line with the City's human development agenda to provide proper, well-equipped early childhood development education and infrastructure in deprived communities. Last but not least, to share my gratitude to staff, patrons and stakeholders for the support and commitment shown in the first three months of the financial year.

### **Solomon Mphakathi**

Acting Chief Executive Officer  
Joburg Theatre (SOC) Ltd

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**Solomon Mphakathi**  
Acting Chief Executive Officer  
Joburg Theatre (SOC) Ltd

## Section 7: Chief Financial Officer's Report

### Joburg City Theatres First Quarter Results



#### Revenue

It gives me great pleasure and it is my singular honour to give JCT's 1st Quarter financial highlights for the 2018/19 financial year. JCT continued in its upward trajectory in terms of revenue performance albeit the difficult economic conditions affecting the country that saw the country enter into a technical recession and the region in which it operates in particular.

The industry remains engulfed with stiff competition while financially the consumers of our products and services remain squeezed by the lower disposable income, with the economy having entered a technical recession. Inflation has been steadily reducing while the interest rates have reduced to 10%. The rand has been very weak in the 1st quarter and petrol prices have been rising, and Moody's credit rating agency has kept South Africa's rating at 1 notch above the sub investment grading with a stable outlook with less than 1% economic growth projections.

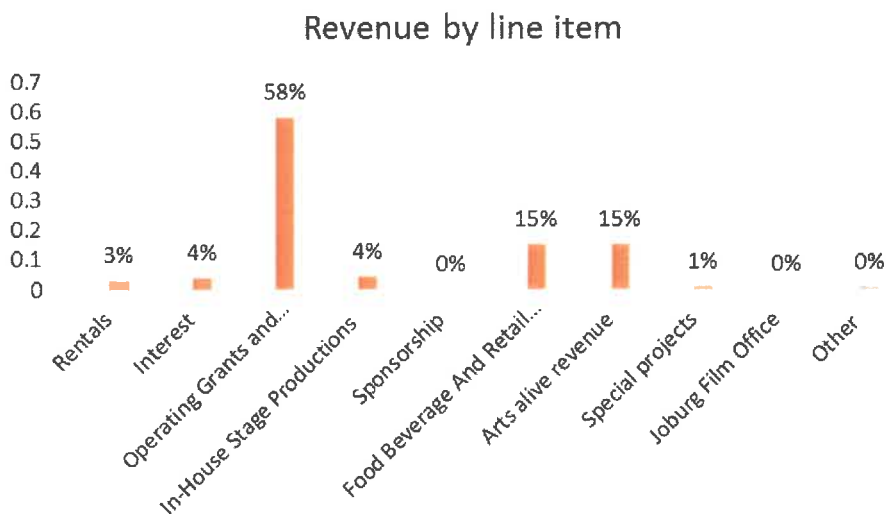
Despite all these aforementioned challenges Joburg City Theatres achieved good financial results. JCT achieved total revenue of R52.7m for the period which is a 2% improvement year on year and 12% better than budget of R47.3m. Earned revenue from normal operations for 1st Quarter was 33% better than plan. Earned revenue amounted to R22.2m compared to a plan of R16.8m. The performance on earned revenue for the 1<sup>st</sup> Quarter is 6% lower than the previous year performance. And this performance is attributable to the rentals of facilities and equipment, interest revenue, and hospitality and catering revenue which did not perform as anticipated.

Table below is a summary of main revenue items:

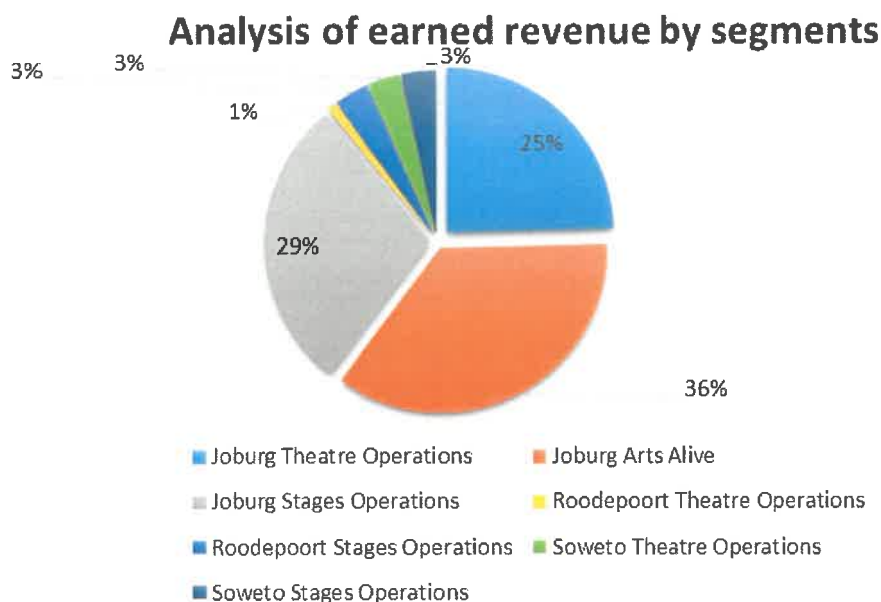
Sub AccountName	1st Quarter Actual (2018/19)	1st Quarter Budget (2018/19)	YTD Actual (2018/19)	YTD Budget (2018/19)	Prior Year To Date (2017/18)	Actual to budget %	YTD actual to budget	Current to prior year actual %	Commentary
<b>INCOME</b>	52 766 025	47 305 120	52 766 025	47 305 120	51 854 298	12%	12%	2%	1st quarter report performance against target is 12% above target, this is mainly due to the entity being re-appointed to run arts alive activities on behalf of COJ Community Development Department. Total revenue is 2% better year on year.
Rental Of Facilities & Equipment	1 494 666	1 927 000	1 494 666	1 927 000	1 759 967	-22%	-22%	-15%	Rentals for the 1st quarter are 22% below target and 15% below same period last financial year. The decline in rentals can be attributable to two factors, the economic decline the country is currently experiencing and Joburg theatre staging The Colour Purple in house stage production. Interest Earned is 4% below target. 3% better than last year.
Interest Earned from External Investments	2 034 899	2 126 531	2 034 899	2 126 531	1 974 025	-4%	-4%	3%	
Operating Grants and Subsidies	30 508 500	30 508 500	30 508 500	30 508 500	27 555 250	0%	0%	11%	
In-House Stage Productions	2 216 627	3 098 208	2 216 627	3 098 208	149 472	-28%	-28%	1383%	The lower than target in house ticket sales could be attributed to a number of reasons. Lower disposable income on consumers due to economic climate impacted spending patterns. However the current financial year achievement is 1383% better than the previous financial year due to the success of The Color Purple
Sponsorship	0	0	0	0	0	0%	100%	#DIV/0!	
Food Beverage And Retail /Stages	7 954 437	8 710 181	7 854 437	8 710 181	9 547 110	-9%	-9%	-17%	This line item is 9% below target for the 1st quarter and 17% lower than the same period last financial year. With the country in a technical recession consumer are cutting back expenditure on intertainment, this has negatively impacted the performance of JCT in the 1st quarter
Arts Alive Revenue	7 909 627	0	7 909 627	0	7 775 555	0%	#DIV/0!	2%	Arts Alive programme ran on behalf of Comdev a department of COJ. The expenditure will budgeted for during the mid term
Joburg Film Office	0	0	0	0	0	0%	0%	#DIV/0!	
Special Projects and Other income (Film Office)	399 187	549 045	399 187	549 045	365 986	-27%	-27%	9%	The 1st quarter performance is 27% below target, but 9% better than the same period last financial year.
Other Revenue	248 082	385 666	248 082	385 666	2 726 333	-36%	-36%	-91%	This line item is 36% below target for the quarter. The decline in rentals can be attributable to two factor, the economic decline the country is currently experiencing and Joburg theatre staging The Colour Purple in house stage production.



The bar chart below better depicts the main revenue contributors for 4th Quarter



**REVENUE ANALYSIS BY SEGMENT**



Analysis of earned revenue by segments				
Segments	Quarter 1 2018/19	Quarter 1 2017/18	% Up or Down	
Joburg Theatre Operations	5 485 957.00	6 214 339.47	-12%	↓
Joburg Arts Alive	7 909 627.00	7 775 554.70	0%	→
Joburg Stages Operations	6 442 753.00	7 348 203.99	-12%	↓
Roodepoort Theatre Operations	203 127.00	339 180.02	-40%	↓
Roodepoort Stages Operations	763 963.00	555 883.86	37%	↑
Soweto Theatre Operations	704 348.00	422 863.44	67%	↑
Soweto Stages Operations	747 750.00	995 057.05	-25%	↓
<b>Total earned revenue</b>	<b>22 257 525.00</b>	<b>23 651 082.53</b>	<b>-6%</b>	<b>↓</b>

Revenue generated by JCT is mainly generated from Braamfontein with 89% of total revenue generated from this source, by the combination of both the Theatre and Hospitality operations, The Braamfontein theatre operations contributed 60% and Braamfontein Hospitality and Catering operations contributed at 29%. The other operations from other regions combined makeup 11% of total earned revenue. The adverse variance of 6% on the earned revenue when compared to the same period last financial year is due to the decline in the country’s economy. South Africans are reducing their expenditure on entertainment.

## Expenditure

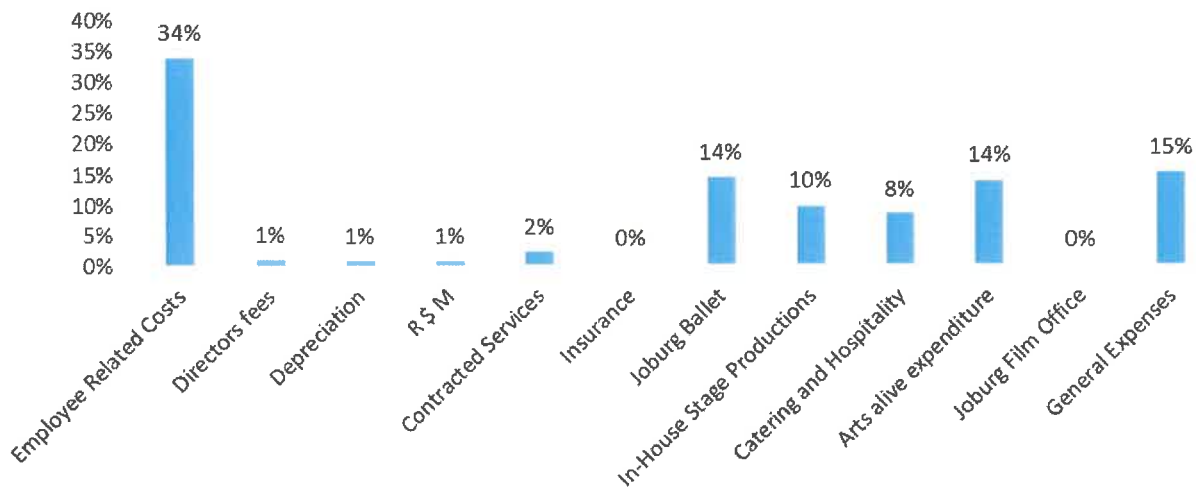
JCT continues to employ its utmost financial discipline when it comes to expenditure management. Total Expenditure for 1<sup>st</sup> quarter of 2018/2019 is 12% above budget target, this main due to the expenditure incurred during running of Arts Alive activities on behalf of CoJ Department of Community Development. Several line items on the expenditure recorded savings with the exception of, directors' fees, contracted services and in house stage productions.

The table below depicts expenditure performance against target for the 1<sup>st</sup> quarter

Sub AccountName	1st Quarter Actual (2018/19)	1st Quarter Budget (2018/19)	YTD Actual	YTD Budget	Prior Year Year To Date (2017/18)	Actual to budget %	YTD actual to budget	Current to prior year actual %	Commentary
Expenditure	52 784 194	46 984 294	52 784 194	46 984 294	44 146 250	-12%	-12%	-20%	There is a 12% over expenditure on the 1st quarter and 20% above expenditure incurred last financial year. The over expenditure is due to expenditure incurred on the Arts Alive programme, the expenditure will be catered for during the mid term budget adjustment process.
Employee Related Costs	17 843 304	17 885 139	17 843 304	17 885 139	17 259 748	0%	0%	-3%	Employee related costs are 0% lower than the target. However this line is 3% below same period last year
Directors and Committee Members	495 000	300 446	495 000	300 446	252 088	-65%	-65%	-96%	The Board fees are 65% above budget and 96% above budget compared to the same period previous year.
Depreciation & Asset Impairment	421 411	600 000	421 411	600 000	332 292	30%	30%	-27%	Reduction in asset base is the reason for the savings on depreciation.
Repairs and Maintenance	358 352	705 433	358 352	705 433	201 019	49%	40%	-78%	Repairs and maintenance in the 1st quarter reflect a under expenditure of 49% however 78% above the same period year on year.
Contracted Services	1 151 937	859 803	1 151 937	859 803	1 089 331	-34%	-34%	-6%	34% overspending for the quarter and 6% above same period in the previous financial year.
Insurance	97 359	97 357	97 359	97 357	68 500	0%	0%	-42%	The spending in this line with the budget for the 1st quarter however 42% above same period in the prior year.
Joburg Ballet and Orchestra	7 544 316	7 544 316	7 544 316	7 544 316	2 124 000	0%	0%	-255%	The spending in this line with the budget for the 1st quarter. Variance is 8% unfavourable for the quarter.
In-House Stage Productions	5 135 118	4 737 016	5 135 118	4 737 016	1 909 768	-8%	-8%	-169%	The spending in this line with the budget for the 1st quarter.
Catering and Hospitality	4 416 552	4 474 444	4 416 552	4 474 444	3 061 018	1%	1%	-44%	Joburg City Theatres ran the Arts Alive programme on behalf of CoJ- Community Development.
Arts Alive Expenditure	7 295 020	0	7 295 020	0	7 486 198	0%	#DIV/0!	3%	
Joburg Film Office	0	0	0	0	0	0%	0%	#DIV/0!	
Special Projects and Other Expenditure	0	0	0	0	30 172	#DIV/0!	#DIV/0!	100%	
General Expenses	8 025 825	9 780 340	8 025 825	9 780 340	10 332 116	18%	18%	22%	The expenditure on general expenses is 18% below budget for the quarter and 22% below the same period last financial year.

The bar chart below depicts the expenditure contribution for 4th quarter

### Expenditure by line item



The entity will continue to forge a good relationship between revenue generation and expenditure patterns by employing prudent financial discipline on expenditure management.

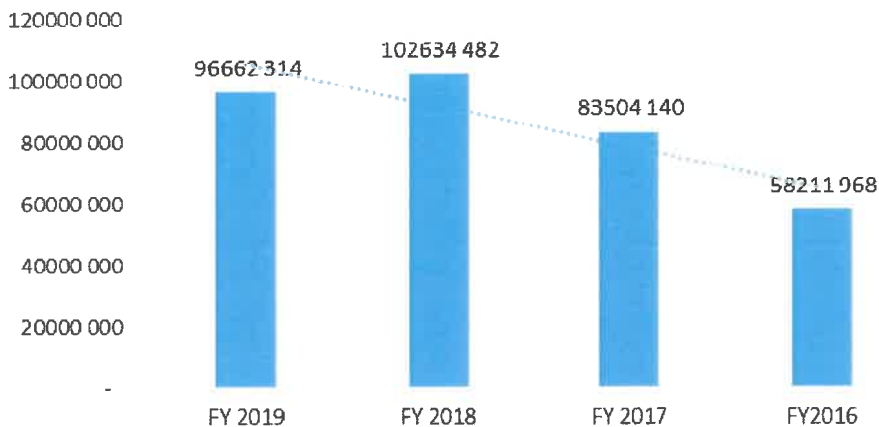
### Trading Surplus/Deficit

JCT recorded a trading deficit of R18, 168 YTD against a targeted surplus of R170, 835. The trading deficit is 110% worse than planned.

### Statement of Financial Position 1<sup>st</sup> quarter 2018/2019

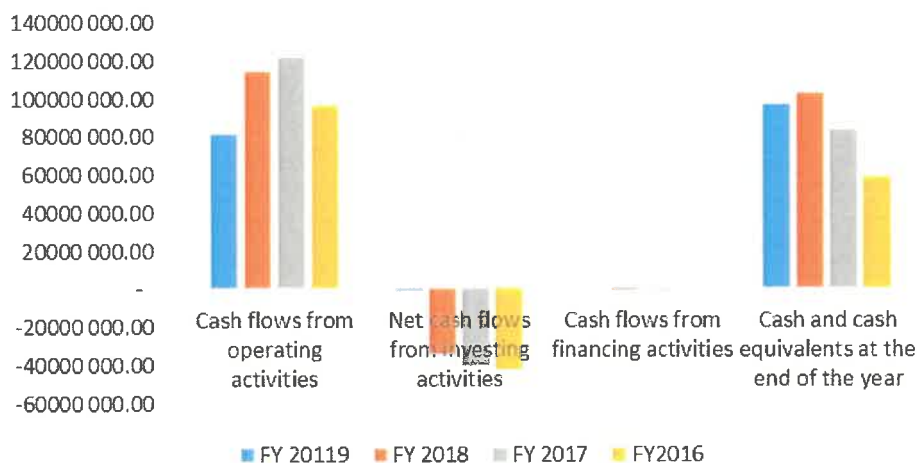
Cash and cash equivalents down by 6% year on year. Liquidity ratio for the entity is down by 8% year on year from 1.24:1 to 1.14:1, but still above the City's norm of 1:1, while the solvency ratio is up by 0.8% at 1.21:1 from the 1.21:1 same period last year which is below the norm of 2:1, Current assets down by 0.19% year on year while current liabilities up by 9%. Total assets up by 1% year on year while total liabilities down by 8% year on year.

### Cash balances for the last 4 years



### Cash flow results for 1<sup>st</sup> quarter 2018/2019 Financial Year

#### Cashflow analysis



	Q1 - FY 2019	Q1 - FY 2018	Q1 - FY 2017	Q1 - FY 2016
Cash flows from operating activities	81 191 601.00	114 178 303.00	121 410 814.00	96 079 171.00
Net cash flows from investing activities	- 258 673.00	- 34 471 711.00	- 39 825 324.00	- 42 616 210.00
Cash flows from financing activities	-	356 013.00	147 448.00	-
<b>Cash and cash equivalents at the end of the year</b>	<b>96 662 314.00</b>	<b>102 634 482.00</b>	<b>83 504 140.00</b>	<b>58 211 968.00</b>

**Statement on Compliance**

There were no unauthorised and irregular expenditure for the period under review (quarter 1), and the only instance reported in the current financial year on fruitless and wasteful expenditure was on the cancellation of show performance that was not communicated to the patron time, this resulted in the patron incurring travelling and accommodation cost that JCT had to re- imburse. This expenditure amounted to R4, 379.34 which will be recovered from the employees concerned. There were also no payments paid to suppliers over 30 days from receipt of an invoice during the period under review.

**Audit Opinion Trends**

The entity has achieved an unqualified audit opinion with no findings for the last 4 years. The Audit of the 2017/18 financial year is still in progress.

**Audit Opinion Trends**

	2017	2016	2015	2014	2013
Type of opinion	Clean	Clean	Clean	Clean	Unqualified

**In conclusion**

I wish to thank the MMCs for their strategic vision, the Board particularly the Audit and Risk Committee for its stewardship over the financial management, internal controls and risk management, the EXCO for the support and guidance over the last 12 months, the whole management team and staff at Joburg City Theatres for their sterling contribution through-out the period under review.



**Solomon Mphakathi**  
Chief Financial Officer  
Joburg Theatre (SOC) Ltd

## CHAPTER TWO: DIRECTOR'S REPORT AND GOVERNANCE

### Section 1: Board of directors

The entity has a unitary board, which consists of two executive directors, i.e. the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) and eight (8) non-executive directors. The Board is chaired by a non-executive director, Mr. Nkopane Maphiri.

Being a Non-Executive Director, the Chairperson is an independent person and does not have any executive functions. In other words, the Chairperson does not partake in the day to day running of the business, which is a function of the Chief Executive Officer.

In order to monitor the operations of the company and to ensure that it is being run in conjunction with the mandate of the company, the position of CEO and Chairperson are distinct and separate.

The board meets quarterly and as the entity's Accounting Authority retains full control over the company. The Board acts as the focal point of corporate governance with responsibilities including accountability to the City of Johannesburg Metropolitan Municipality, the sole shareholder and its stakeholders, the citizens of Johannesburg.

The entity's relationship with the Shareholder is regulated in terms of a Service Delivery Agreement (SDA) concluded in accordance with the provisions of the MSA. The Board provides 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.

The relationship between the Shareholder and the Board is also regulated by a Shareholder Compact which was signed on behalf of the Shareholder and the board by the Executive Mayor and the board Chairperson, respectively. In particular and in terms of the Shareholder Compact, the board is ultimately responsible for the performance of JCT and all its employees, including ensuring compliance with all applicable legislation and policies.

Board members have unlimited access to the Executive Management through the CEO.

In discharging its obligations, the board is advised by the Company Secretary.

The Board may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals.

Board evaluation was traditionally undertaken by the City's Group Governance department representing the Shareholder as the board is appointed by the Shareholder. However, JCT can also facilitate an independent board evaluation process with a view to assess its performance, identify strengths and opportunities for improvement.

During the period under review, the Board of Directors of Joburg Theatre SOC Ltd convened meetings on 05 July, 13 July and 27 August 2018 to consider inter alia, the following:

- JCT's 2017/18 4<sup>th</sup> quarter performance assessment report;
- The extension of the former CEO's contract by the Shareholder;
- The recommendation of the Selection Panel on the CEO appointment;
- A review of the effectiveness of the company's system of internal controls, the entity's Delegation of Authority and Acting Allowance Policies;
- The status on the resolution of both internal and external audit findings; and
- The entity's strategic risk register.

On the 5<sup>th</sup> of July 2018, the board also had a high level discussion on the strategic planning framework of the organisation. The session was facilitated by an external consultant.

Subsequent to the strategic planning framework session, it was resolved that a two (2) day strategic planning session with the board should be convened for the board and management to develop a five year strategy which will guide the entity in attaining and/or identifying the following key deliverables/outcomes:

- Interventions to reposition the marketing of JCT to maximise revenue from programmes and productions by investigating ways of enhancing the activities at Roodepoort and Soweto theatres;
- Fund-raising and sponsorship initiatives including the possibility of sourcing of strategic partnerships;
- Social media strategy;
- Interventions to make use of research on the nature of productions to be staged with a view to stage profitable productions (i.e. research informed programming); and
- Methods of measuring success of JCT productions/programmes through Customer Satisfaction Surveys.

JCT's Board comprises of the following members:

Mr. Nkopane Maphiri– Non-executive Director/ Chairperson  
Ms. Stella Baloyi– Non-executive Director  
Ms. Ashley Hayden – Non-executive Director  
Ms. Amanda Forsythe - Non-executive Director  
Ms. Mpho Lecoge-Non-Executive Director  
Mr. Mpumelelo Mkhabela-Non-Executive Director  
Dr. Theophilus Mukhuba-Non-Executive Director  
Mr. Junior Ramovha-Non-Executive Director  
Ms. Xoliswa Nduneni-Ngema -Chief Executive Officer and Executive Director  
Mr. Solomon Mphakathi -Chief Financial Officer and Executive Director (Acting Chief Executive Officer)

## Section 2: Board Committees

JCT has two (2) board sub-committees, being:

- Audit and Risk Committee (ARC); and
- Remuneration, Social and Ethics Committee (REMSEC).

### Audit and Risk Committee

The role of the audit and risk committee (ARC) is to assist the board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms.

For the period under review, the committee convened two (2) meetings on the 11<sup>th</sup> of July and the 24<sup>th</sup> of August 2018 to discuss, *inter alia*, the following matters:

- The 2017/18 4<sup>th</sup> quarter performance assessment report;
- The resolution of internal and external audit findings;
- The 2018/19 internal audit coverage plan; and
- The 2017/18 draft Annual Financial Statements and performance information.

The ARC 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.

In addition, the ARC is responsible for monitoring compliance with applicable legislations and the requirements of regulatory authorities; overseeing matters relating to financial accounting, accounting policies, reporting, risk management and disclosure as well as reviewing and approving external audit plans, findings, problems, reports and fees; on behalf of the board.

For the period under review, the ARC consisted of the following members:

Mr Mpumelelo Mkhabela – Non-executive Director/ Chairperson  
Ms. Amanda Forsythe- Non-executive Director  
Ms Ashley Hayden – Non-executive Director  
Ms Chrystal Cape – Independent Member

### **Remuneration, Social and Ethics Committee**

Remunerations, Social and Ethics Committee (RemSEC) is mandated with the responsibility to monitor JCT's activities; taking into account relevant legal prescriptions and best practice relating to labour, social and economic development; good corporate citizenship and the entity's performance in terms of the environment, health and public safety, including the impact of the company's activities and of its products or services.

RemSEC consists of the following non-executive directors:

Ms. Mpho Lecoge - Chairperson  
Ms. Stella Baloyi – Non-executive Director  
Mr. Junior Ramovha – Non-executive Director; and  
Prof. Theophilus Mukhuba-Non-Executive Director.

For this first quarter, REMSEC met twice on the 11<sup>th</sup> of July and on the 26<sup>th</sup> of September 2018. At these meetings, REMSEC considered amongst other, the following matters:

- The human resources quarterly reports for the 2017/18 4<sup>th</sup> quarter and the 2018/19 first quarter, respectively;
- The proposed review to the performance management system and reward framework;
- The homeowners allowance benefit for implementation in terms of the South African Local Government Bargaining Council (SALGA) agreement with the City; and
- The 2018/19 REMSEC workplan.

On Social and Ethics, as part of REMSEC's annual work-plan, management will be focusing on monitoring:

- compliance with the Broad-Based Black Economic Empowerment Act
- the Employment equity performance and compliance
- management reports on discipline;
- unethical behaviour, investigations and appeals cases
- Occupational , Health and safety issues and compliance
- external fraud and related cases
- unethical conduct, non- compliance including fraud and corruptions risks and ensuring that the mitigation plans are adequate as well as combating fraud and corruption.

Those key aspects supporting the organisation's ethics management were monitored by REMSEC for the quarter under review, through the committee's interrogation of human resources quarterly reports presented to the committee.

As highlighted from the duties above, REMSEC is constituted as a statutory committee to perform oversight on the above compliance requirements to the extent to which they support legislation and the Principles of the

United Nations Global Compact and the Organisation for Economic Co-operation and Development recommendations regarding corruption.

The table below outlines the remuneration and attendances at Board meetings and its subcommittees for the 1<sup>st</sup> quarter:



**Section 3: Director's & Prescribed Officers Remuneration**

Name of Board Member	Remuneration, Social and Ethics Committee (REMSEC) Meetings 11 July 2018	Audit and Risk Committee (ARC) Meetings 12 July 2018; 24 August 2018	Board Meetings 21 May 2018; 05 July 2018; 13 July 2018; 27 August 2018	Selection Committee/Panel Meetings 11 June 2018; 05 July 2018	Chairperson's Quarterly meeting 20 July 2018	Interviews for the CEO position 19 July 2018	Total
Mr. Nkopane Maphiri			R64 000.00	R14 000.00	R16 000.00	R7 000.00	R101 000.00
Ms. Mpho Lecoge	R7 000.00		R48 000.00	R10 000.00		R5 000.00	R70 000.00
Mr. Mpumelelo Mkhabela		R14 000.00	R36 000.00	R10 000.00		R5 000.00	R65 000.00
Ms. Ashley Hayden		R10 000.00	R48 000.00	R10 000.00		R5 000.00	R73 000.00
Ms. Amanda Forsythe		R10 000.00	R48 000.00				R58 000.00
Prof. Theophilus Mukhuba			R24 000.00				R24 000.00
Ms. Stella Baloyi	R5 000.00		R48 000.00	R10 000.00		R5 000.00	R68 000.00
Mr. Junior Ramovha	R5 000.00		R48 000.00				R53 000.00
Independent Audit Committee (IAC) Member		R5 000.00					R 5 000.00
<b>Total</b>	<b>R17 000.00</b>	<b>R39 000.00</b>	<b>R364 000.00</b>	<b>R54 000.00</b>	<b>R16 000.00</b>	<b>R27 000.00</b>	<b>R517 000.00</b>

Special board meetings that took place during the 2017/18 fourth quarter, to consider the termination of the CEO's fixed term contract at the end of 30 June 2018 and the filling of that vacancy were remunerated for during this first quarter as the approval for payment of those fees was only obtained by JCT management on the 14<sup>th</sup> of September 2018.

NAME	REMUNERATION, SOCIAL AND ETHICS COMMITTEE	AUDIT AND RISK COMMITTEE	BOARD MEETING	CHAIRPERSON'S QUARTERLY 20 August 2018	SELECTION COMMITTEE/PANEL MEETINGS	INTERVIEWS FOR THE CEO POSITION	TOTAL MEETINGS
<b>NUMBER OF MEETINGS</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>9</b>
Nkopane Maphiri	-	-	3	1	1	1	5/5
Ashley Hayden	-	2	3	-	1	1	7/7
Mpho Lecoge	2	-	3	-	1	1	7/7
Stella Baloyi	2	-	3	-	1	1	7/7
Theophilus Mukhuba	0	-	2	-	-	-	2/5
Amanda Forsythe	-	2	3	-	-	-	5/5
Mpumelelo Mkhabela	-	2	2	-	1	1	6/7
Junior Ramovha	2	-	3	-	-	-	5/5
Chrystal Cape (IAC)	-	1	-	-	-	-	1/2

The total number of meetings attended by each board member varies because the total meetings include sub-committee meetings and each member only sits in one sub-committee. The board Chairperson is not a member of any sub-committee; although he has a standing invitation to all sub-committees.

SENIOR MANAGEMENT REMUNERATION: (Jul-Sept 2018)							
DETAILS							
No	Name	Basic Salary	Allowances & Contributions	Other	Bonus / Fees	Total	
1	(Chief Executive Officer)	-	-	-	-	-	-
2	B. Mashika (Chief Operations Officer)	386 186.00	97 738.62	-	-	483 924.62	
3	S. Mphakathi (Chief Financial Officer)	404 751.21	105 609.71	-	-	510 360.92	
4	P. Maduka (Company Secretary)	268 520.77	7 798.34	-	-	276 319.11	
5	(Executive Producer)	-	-	-	-	-	
<b>TOTAL</b>		<b>1 059 457.98</b>	<b>211 146.67</b>	<b>-</b>	<b>-</b>	<b>1 270 604.65</b>	

\* Executive Producer resigned end of April 2018

## **Section 4: Company Secretarial Function**

The Company secretary advises the Board on the appropriate procedures for the management of meetings and the implementation of governance processes.

She is also responsible for providing the Board with guidance on the discharge of their responsibilities in terms of legislation and regulatory requirements applicable to the company.

The Company Secretary's duties include ensuring the integrity of the governance framework, the efficient administration of the company, ensuring compliance with statutory and regulatory requirements and aiding management in implementing the resolutions made by the Board of Directors ("the Board").

As part of the JCT governance framework, the Company Secretary is also responsible for ensuring compliance with Shareholder requests and accordingly, reports and responds to queries of a governance nature raised by the Shareholder.

In addition, the role and responsibility of the company secretary is outlined in section 88(1) and (2) of the Companies Act and it effectively is upholding the legal and regulatory governance compliance of the organisation.

### **Reporting on compliance with the MFMA, MSA and Priority Regulations by the Board of Directors**

JCT embraces the relationship between risk management and compliance and consequently, during the quarter under review, the entity's conformance to the prescriptions of the MFMA and MSA was assessed to be complied with as detailed in the CFO section of this report. Reporting deadlines in accordance with the Acts have been met.

For the quarter under review, Internal Audit reviewed the entity's compliance with the MFMA circulars relating to the payment of suppliers within 30 days and the incurring of unauthorised, irregular, fruitless and wasteful expenditure and corrective action was implemented at Internal Audit's behest.

Compliance assessments by GRAS as the entity's Internal Auditors are for ultimate reporting to CoJ structures.

For the months of July to September 2018, JCT has reported to GRAS its performance in terms of the MFMA Circular 68. The reports are prepared on a monthly basis for assessment by GRAS and ultimate reporting to CoJ structures.

## **Section 5: Risk Management and internal controls**

Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks.

Following the entity's risk assessment workshop which took place on the 12<sup>th</sup> of July and which was facilitated by GRAS, the Risk Officer undertook operational risk assessments with the various heads of departments within the entity.

The purpose of the operational risk assessments was to identify weaknesses in the internal controls as well as processes which could result in direct or indirect losses to the organisation and ways to mitigate the impact should the identified risks materialise. In addition, the assessment is intended to lead to informed business decisions, informed business investments and to minimise business interruptions during operations as the risk management practices are embedded in the day to day management of the organisation.

The 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 are in place to manage operating risk involving segregation of duties, transaction authorisation, supervision, monitoring and financial and managerial reporting.

In order to meet its responsibility with respect to providing reliable financial information, Joburg City Theatres 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 those transactions are properly authorised and recorded.

The system includes a documented organisation structure and areas of responsibility, established policies and procedures, including a Code of Ethics to foster a strong ethical climate, which are communicated to the parent municipality. It 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, the audit committee 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 of directors, operating through its audit and risk 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.

### **Risk Register**

The management of risks is the responsibility of the Chief Executive Officer who carries out this duty with the theatre's management team. The Finance Manager is the company's Risk Champion. The company's Risks Register is reviewed monthly by EXCO and quarterly at each meeting of the Audit and Risk Committee and the Board of directors.

On the 12<sup>th</sup> of July, JCT management and the Audit and Risk Committee conducted a risk assessment workshop which was facilitated by GRAS to review the entity's strategic risk register. The risk register was presented to the board for consideration on the 13<sup>th</sup> of July 2018.

The tables on the following pages spell out the areas of both the strategic and operational risks identified by the company for the 2018/19 financial year, including risk control measures:

No	ME Objectives	Risk Description	Root Causes/ Background to the risk	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owners/Is	Action Deadline
1	The provision of opportunities for the youth, including future arts practitioners and entrepreneurs	Inadequate funding to support youth development programmes	1. The theatre is unable to pay the market rate for facilitators. This results in less youth trained.	Moderate	Possible	Moderate	1. Negotiating lower rate with facilitators. 2. The use of volunteers in the industry. 3. JCT is in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM) and Market Theatre	Fair	Low	CEO	1. Continue to source external funding (i.e. SAMRO). 2. Partner with other institutions that are already offering similar training in the industry i.e. JPO.	Executive Producer / COO	Quarterly
2		Fewer programmes available for workplace experience and potential placements	1. Lack of internship placement for new entrants in the industry (Theatre). 2. Lack of skills transfer from seasoned practitioners.	Moderate	Possible	Moderate	1. Applied Performing Arts and Arts Management partnership with WITS. 2. Weekly drama workshops 3. Placement of interns in key positions on inhouse stage productions	Good	Low	CEO	Controls deemed adequate	N/A	N/A
3	High quality performing arts and entertainment experience and facilities	Difficulty in securing attractive productions consistently	1. Some productions might not appeal to certain audiences, hence tickets will not sell. 2. Competition from casino based theatres who are able to pay for production.	Moderate	Possible	Moderate	1. Good relationships with producers i.e. co-productions agreements. 2. Relationships with Joburg Ballet Company and there is an SLA in place.	Fair	Low	CEO	1. Establish more relationships with wide variety of producers, locally and internationally. 2. Source more funding to enable inhouse production. 3. Programme of events in collaboration with JPO 4. Seek external funding from DAC	Executive Producer / COO	Quarterly
4		Aged, obsolete and outdated stage machinery and equipment, resulting in cancelled productions/ inability to attract new productions	1. Old stage machinery becomes no longer usable. Stage machinery has reached its end of life and needs urgent replacement. 2. Insufficient capex to replace machinery and equipment. 3. The current machinery can affect staging of productions and attracting new ones.	Catastrophic	Almost Certain	Very High	1. Fair maintenance of stage machinery. 2. The Council has allocated R16m & R30m in budget year 2018/19 and 2019/20 respectively. 3. The service provider has been appointed to do the upgrade. R4m has been spent in 2017/18 on this project. 5. Theatre calendars are aligned with the project plan 6. Project manager appointed to oversee the project	Fair	High	CEO	Monitor the implementation of the project plan.	CFO	Completion: 30 June 2020

№	ME Objectives	Risk Description	Root Causes/ Background to the risk	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owners	Action Deadline
5	Affordable access to and use of theatres by communities	Inconsistent attendance at theatre shows.	<ol style="list-style-type: none"> <li>High cost of productions and the need to recover costs.</li> <li>Effect of the country's downgraded economic status.</li> <li>Lack of exposure of potential audiences to the theatre experience</li> <li>Image perceptions of poor security within the theatre environs.</li> <li>Trying to cater for diverse audience needs</li> </ol>	Major	4 Almost Certain	5 High	<ol style="list-style-type: none"> <li>Different pricing structures based on product and venue.</li> <li>Offering a limited number of discounted and/or free tickets to the youth and senior citizens communities.</li> <li>Mobile theatre truck used to access targeted communities.</li> <li>Diverse and inclusive theatre programmes</li> </ol>	Fair 0.50	Moderate	CEO	<ol style="list-style-type: none"> <li>To target companies with CSI programmes to bring a child to the theatre</li> <li>Develop funding strategy to target sponsorship</li> <li>Conduct comprehensive survey to establish audience needs</li> </ol>	EP, CFO	2018/12/31 drafting and Approval of the policy Surveys to be conducted by 31 12 2018
6	Good governance, financial sustainability and sound management	Non-compliance with applicable legislation	<ol style="list-style-type: none"> <li>Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company.</li> <li>Stravling of RCT has been hanging for some time.</li> <li>There is a new requirement to comply with MSCOA</li> </ol>	Major	4 Possible	3 High	<ol style="list-style-type: none"> <li>Regulatory compliance register/ assessment tool monitored by the Company Secretary.</li> <li>Compliance policy and framework developed and implemented.</li> <li>All pre-registration processes concluded by management.</li> <li>Quarterly reporting to oversight committees on compliance.</li> <li>Entity is transacting at mSocA level.</li> </ol>	Fair 0.50	Moderate	CEO	<ol style="list-style-type: none"> <li>Continuous monitoring reporting on compliance.</li> <li>Present to the BOD the impact and progress on MSCOA compliance.</li> </ol>	Company Secretary CFO	Quarterly
7		Theft, fraud and corruption	<ol style="list-style-type: none"> <li>Conflict of interest</li> <li>Inadequate segregation of duties / Inadequate or no supervision</li> <li>Weak internal control environment - cash handling / administrative procedures</li> <li>Lack of accountability</li> <li>Poor work ethics</li> <li>Greed, collusion, bribery</li> <li>Inadequate IT access controls</li> <li>Inadequate physical security controls</li> </ol>	Major	4 Likely	4 High	<ol style="list-style-type: none"> <li>Anti fraud and anti corruption policy in place.</li> <li>Fraud prevention plan</li> <li>Code of conduct</li> <li>Segregation of duties</li> <li>Declaration of interests</li> <li>Gift register in place</li> <li>Remuneration, Social and Ethics Committee</li> <li>Conduct fraud risk assessment</li> <li>Conduct anti-fraud and corruption</li> </ol>	Good 0.20	Low	CEO	<ol style="list-style-type: none"> <li>Continue to conduct anti-fraud and corruption awareness campaigns.</li> </ol>	Company Secretary, Artistic Manager	BI-annually
8	The mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT	Lack of brand architecture (continuous and consistent message management)	<ol style="list-style-type: none"> <li>Reputation of the Theatre precinct</li> <li>Poor/ bad marketing strategy</li> <li>Inadequate marketing budget</li> <li>Lack of specialised personnel</li> </ol>	Major	4 Likely	4 High	<ol style="list-style-type: none"> <li>Media partnerships</li> <li>Media community management</li> <li>Continuous brand and productions awareness campaigns.</li> <li>Marketing strategy in place</li> <li>Barter exchange deals</li> </ol>	Fair 0.50	Moderate	CEO	<ol style="list-style-type: none"> <li>Review of the marketing and communication strategy.</li> </ol>	Marketing Executive	Dec-18
9		Key positions vacant	EP and CEO positions vacant due to expiration of contract and resignation	Moderate	3 Likely	4 High	<ol style="list-style-type: none"> <li>Acting CEO and EP in place</li> <li>Recruitment policy in place</li> </ol>	Good 0.20	Low	Board	<ol style="list-style-type: none"> <li>CEO recruitment process is underway</li> <li>EP recruitment to begin once the CEO recruitment has been finalised</li> </ol>	Board and CEO	Dec-18

No.	Department Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent risk	Current controls	Control Effective	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale
JOBURG THEATRE															
1	Reporting	Technology	Insufficient Storage	Outdated server that does not have enough storage to archive (Art work, videography and photography, marketing reports)	Inability to archive important documentation and data.	Catastrophic	5	Very High	Marketing folder to store data.	Poor	Very High	Marketing Executive	Increment of marketing folder storage. Attainment of external lead drives for all marketing departments. Archive room.	Marketing Executive	30 December 2018
2	Public Relations and Publicity	External Environment	Negative publicity	Lack of investigation to the repercussions of staging of particular shows	Reputational Damage	Major	5	Very High	Informal crisis management team ( Customer Services, Marketing and Management) in place.	Poor	High	Marketing Executive	to get a Communication Manager who will lead Crisis Management Policy and Communication Strategy	Marketing Executive	30 June 2018
3	All objectives	Integrity	Fraud and corruption	There could be a possibility of nepotism, collusion, overtime payment, false travel claims, etc,	Reputational damage Financial loss	Major	3	High	Recruitment and Selection Policy and Code of Conduct and Ethics Policy in place. Fraud prevention plan. Fraud hotline visible on notice boards. Staff workshops.	Good	Low	Human Resources Manager	Continue doing workshops. Monitoring of compliance	Human Resources Manager	On-going
4	All objectives	Human Capital	Skills Shortage	Some staff members need training and development on some aspects of the department	Online management , Audience development , Social Media , Publicity Skills and positions which are not on the structure such as Communication Specialist.	Catastrophic	5	Very High	External service providers. Utilisation of internal skills.	Fair	High	Marketing Executive	Review marketing departmental structure.	Marketing Executive	30 June 2018

No.	Department Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent risk	Current controls	Control effective	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale
<b>SOWETO THEATRE</b>															
5	High quality performing arts and entertainment experiences and facilities.	External Environment	Poor attraction of patrons to the theatre	Due to perceptions with regards to the location of the theatre	1. Reduce profit Margins/ reduce ticket sales	#REF!	4	4	Good relationships with police in precincts surrounding each of the theatres.	Poor	High	Marketing Manager and Audience Development	Increased security during the shows	Marketing Manager and Audience Development	As and when required
6	Provision of opportunities for the youth, including future arts practitioners and	Financial	Inability to expand on youth programmes to cater for the different fields within the industry	Due to limited operational budget	Sub standard programmes	Catastrophic	5	5	No control measures identified	None	Very High	Community and Audience Development	Source accredited programmes with Assitej	Community and Audience Development	30 June 2019
7	High quality performing arts and entertainment experiences and facilities	Assets	Business interruption	Utility failure	1. Down time which could result in reputational damage 2. Cancellation of shows resulting in financial loss for the company	Major	4	4	1. Uninterrupted power supply 2. IT continuity plan in place	Fair	Moderate	GM	Regular testing of the IT continuity plan	Building Technician	Regularly
8	Provision of opportunities for the youth, including future arts practitioners and entrepreneurs.	Process	Lack of systems to measure youth programmes	Lack accreditation of youth programmes	Failure attract youth into the programmes 2. Failure to attract sponsorship	Major	4	3	No control measures identified	None	High	GM	Engagement with Assitej with accredited programmes	Community and Audience Development Manger	01 December 2018



No.	Department Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effective	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale
<b>Roodepoort theatre</b>															
9	To ensure a safe environment in accordance with the Occupational Health and Safety Act Standards	Regulatory	Civil Liabilities	From accidents inside the theatre	Financial loss Bad reputation Loss of lives	Major	Possible	High	Disclaimer boards are visible in the public areas House rules included in rental contract Evacuation plans in place	Fair	Moderate	GM	Develop SOP's	All Managers	30 December 2018
10	To increase rental revenue	Security	Safety and security	We keep cash in the premises and are prone to robberies.	Loss of assets (cash) loss of lives	Catastrophic	Likely	High	CCTV cameras installed Physical security in place Armed cash collection three times a week. Cash-vault machines in use. Panic buttons linked to armed response Cocking points around the building installed Mastlions installed	Fair	Moderate	GM	To fence the theatre	GM	30 June 2019
11	Financial sustainability	Health & Safety	Fire at the restaurant	The restaurant kitchen may catch fire through gas and open flames	Loss of lives Financial loss Building could be inaccessible Litigations Reputational damage	Major	Possible	High	Fire blankets. CO2 and chemical powder fire extinguishers. Training for chefs and restaurant staff on fire fighting done. Business continuity plan for JCT in place.	Fair	Moderate	GM	Evacuation team to go for training	Restaurant Manager	30 June 2019
12	Creation of partnerships with stakeholders and NGOs	People	Uncoordinated youth development activities No youth development policy in place	The three theatres work in silos on all community development activities. No designated person to deal with youth development	Poor service delivery	Major	Likely	High	Youth development plan and strategy in place	Fair	Moderate	GM	The policy is underway to be presented to the Board	Youth Development Manager	30 October 2018

## **Reporting on compliance with the MFMA and MSA by the Board of directors**

Through the entity's delegations of authority policy, the board has entrusted the CEO with the responsibility to ensure sound financial planning and management, essential to improve service delivery and sustain the business into the future, as per the MFMA.

On a monthly basis, the entity reports to the City (through GRAS) on compliance with the provisions of Circular 68 and Circular 65 of the MFMA. A summary of these reports and illustrated in the entity's quarterly performance assessment report is presented to the board at its quarterly meetings for oversight.

The performance reporting on the Service Delivery and Budget Implementation Plan (SDBIP) is done to the Mayoral Committee and Council on a quarterly basis.

During the period under review, regular reporting requirements to Council in accordance with the MSA, were fulfilled.

## **Section 6: Sustainability Report**

### **Sustainability Vision**

*In line with Joburg 2040 Vision, JCT will contribute in making Johannesburg is a city that provides sustainability for all its citizens.* Sustainable development is essential in the manner in which JCT implements and manages its projects. JCT is committed to the principles of sustainable development and their integration into various aspects of our business processes, giving us an opportunity to create value for all stakeholders, including social, economic and environmental facets.

The entity's operations are broadly underpinned by the concept of long term sustainability. As a result, issues of health, safety and security have been elevated by the organisation to ensure that the City's theatres i.e. Joburg, Roodepoort and Soweto Theatres remain the entertainment destination of choice. On a quarterly basis, issues of health, safety and security are thoroughly interrogated by REMSEC and the ARC; and enhancements to environmental sustainability recommended.

By the same token, skills development is a priority for JCT and to drive this training initiative, JCT concludes a Workplace Skills Plan on an annual basis.

During the quarter under review, REMSEC also considered the possibility of introducing a more coordinated approach that could facilitate the effective management of ethics performance in the organisation. The intention of this initiative is also to, going forward, identify through an ethics risk assessment, specific ethics risks and opportunities in relation to the company's operating context and effective ways of advancing ethics management. By so doing, the organisation will be elevating its business as socially and environmentally responsible and the sustainability of JCT will be enhanced.

### **Socio-economic development**

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 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.

Youth and Community Development programmes made the theatre available at no rental-fee to South African producers. Youth Development, active with various productions have seen more young people visiting the theatre - this will assist in creating the new theatre audiences of the future - and drive towards social cohesion.

## Stakeholders Report

The board is dedicated in ensuring that JCT remains a responsible corporate citizen through providing strategic direction in a manner that balances the interests of all stakeholders.

In line with the City's vision of being "a Joburg that works is a South Africa that works", JCT supports *inter alia*, improved accessibility, education and facilitates partnerships as well as co-production opportunities; interventions which alleviate unemployment and furthers transformation.

### Government Departments, Local Government and COJ

JCT management and staff are committed to delivering its services with care, empathy and concern for the well-being of our customers and all stakeholders. Awareness of national and provincial programmes and linkages to COJ is key.

### Artists, practitioners and Organised Performing Arts bodies

The company continues to provide artists with opportunities to create work, perform, increase accessibility, facilitate partnerships and co-production opportunities, incubating youth projects and addressing youth unemployment.

The theatre is an active member of PANSA, the Performing Arts Network of South Africa and continues to receive very positive media reports from its operational activities.

### Funding Partners / Business

Identification of strategic partners to support delivery of mandate is key. During the period under review JCT partnered with the provincial Department of Arts and Culture on delivering the Africa month celebrations.

### Professional service providers, contractors and suppliers

A lot of effort has been put on strengthening enterprise development and support, improving contract negotiation, management and reporting, compliance to fair supply chain management processes and timeous payment for work done.

### Media

The new marketing strategy for the company will provide guidance on enhancing communication of programmes and opportunities, proactively packaging and communicating project initiative and telling a good story of the programmes and creating brand awareness.

### Patrons / General Public

JCT continued to provide programming that appeals to our diverse Joburg communities, holistic evening out experience in our Stages restaurants and taking theatre to communities using the new mobile theatre stage.

### Board

JCT executed its mandate providing sound performance reporting, sound corporate governance and enhancing integration and collaboration across all business units and COJ.

### Employees

JCT recognizes that employees are its most significant investments. The Human Resources Strategy is in place primarily to acknowledge and reinforce this assertion. The strategy aims to support the corporate business plan by giving staff the skills and knowledge they need in order to function to the best of their ability, and by providing appropriate rewards for successful performance.

In order for all employees of the organisation to work in harmony within a pleasant and protected environment, policies and procedure that provide clear guidelines on rights and obligations and manage expectations between the employer and the employees have been formulated.

## **Section 7: Anticorruption and Fraud**

The entity's anti-fraud and anti-corruption policy is in place and implemented. The policy is founded on the principles of promoting good governance and ethics, creating a culture which is intolerant to fraud and corruption, deterrence of fraud and corruption, preventing fraud and corruption, detection of fraud and corruption, investigating detected fraud and corruption as well as allegations of fraud and corruption, and instituting appropriate action as a consequence to offenders, e.g. disciplinary action, criminal action and civil proceedings, where relevant.

The objectives of this Policy are as follows:

- a) To prevent fraud, enhance the entity's governance and internal controls, maintain integrity in the entity's operations, establish procedures and protections that allow JCT employees and members of the public to act on suspected fraud and/or corruption with potentially adverse ramifications to the entity and to achieve the legitimate business objectives of the entity for the benefit of the Shareholder and JCT's stakeholders.
- b) To develop and foster a climate within JCT where all employees strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of a full spectrum of both pro-active and re-active measures at their disposal.
- c) To set down the stance of JCT to fraud as well as to re-enforce existing systems, policies, rules and regulations of JCT aimed at deterring, preventing, detecting, reacting to, and reducing the likelihood of fraud, corruption, theft and maladministration.
- d) To confirm JCT's commitment to a culture of zero tolerance to fraud and corruption in all its activities.

During the period under review no incidents of corruption and fraud were identified or reported.

## **Section 8: ICT Governance**

In line with King IV, information technology (IT) governance forms an important part of Joburg City Theatre's (JCT) governance structures, policies and procedures. It is crucial that the current and future use of ICT is carefully directed and controlled in order for ICT to be aligned to the business goals of the entity.

ICT governance is not just an IT problem; it is at its broadest sense part of the overall governance of an entity with specific focus on improving the management and control of ICT for the benefit of stakeholders. ICT governance spans the culture, organisation, policy and practises that provide for the management of ICT and the control thereof. Creating an environment where ICT governance is an integral part of corporate governance is critical in ensuring alignment with business objectives, value delivery, accountability, risk management and overall performance management.

JCT's Information and Technology Steering Committee is responsible for recommending effective performance management mechanisms on Technology and Information governance to EXCO.

The Committee reviews the internal arrangements relating to information, technology, governance, risk and compliance to enhance the effectiveness and security of the ICT environment.

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

**Improved value and strategic delivery:**

**Upgrading of Stage Machinery at Joburg Theatre (long term project 2018 – 2020)**

The upgrade will be the largest ever Capex project undertaken by the theatre, since it became an entity of the City of Johannesburg. The tender document was advertised, has gone through the necessary SCM processes and the tender has been awarded.

This massive project is ongoing.

**Readiness for compliance legislation:**

The King Committee published the King IV Report on Corporate Governance for South Africa 2016 (King IV) on 1 November 2016. King IV is effective in respect of financial years commencing on or after 1 April 2017.

King IV recognises that information and technology overlap but are also distinct sources of value creation, each of which has its own risks and opportunities. To reinforce this distinction, this section in the King IV Code now refers to information and technology instead of information technology.

Principle 12 of the King IV report on Corporate for Governance South Africa 2016, states that “the governing body (Board) should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives”. Among the biggest stipulations of King IV is that the board should be responsible for IT governance and IT should be aligned with the performance and sustainability objectives of the company. It also notes that the board should delegate to management the responsibility for the implementation of an IT governance framework, and should monitor and evaluate significant IT investments and expenditure.

IT should form an integral part of the company's risk management. The board should ensure that information assets are managed effectively, and a risk committee and audit committee should assist the board in carrying out its IT responsibilities.

**Sustainability:**

This quarter the IT Steering Committee has particularly focused on the risk of Business Continuity, and by extension, business interruptions

The IT Manager, in conjunction with Praxis Consulting (the company currently contracted as IT Consultants to Joburg City Theatres) have presented the report on the current conditions, and the possible scenarios going forward to the IT Steering Committee. Following this report, the IT department met with Metro Trading Company (MTC), to see what solutions may be possible through the sister entity. Working through MTC will also negate the time delays of going to the market with a request for proposals.

Capex has been brought forward from the 2018-2019 financial year, to allow for the upgrades to servers at Roodepoort, Soweto and Joburg Theatres. The tender document was advertised, has gone through the necessary SCM processes and the tender has been awarded. The IT Department is very excited to see these much needed upgrades taking form.

**Business and technology strategies**

Joburg City Theatres is busy with some IT projects that require changes to the backend operations of how the IT infrastructure functions.

There are a few concerns that are being addressed by making these changes.

- 1) Aging server equipment
- 2) Centralized server and user management
- 3) Preparation for SAP integration with the City of Joburg

4) Prepping the IT environment with the latest virtualization technology and making legacy servers redundant.

The server hardware is in its refresh cycle. Budget has been made available to purchase new Server Hardware and Server Software. We are in the process of replacing server hardware for all three Theatres. This requires some changes that will have a direct impact on Roodepoort and Soweto Theatre users. The availability of budget could not have come at a better time, as we can now address both aging servers and the SAP integration at the same time.

In the efforts to improve the management of the user accounts in preparation for the SAP integration, Roodepoort and Soweto Theatre users will be migrated over to the Joburg Theatre's server. All users will then fall under one (JCT.LOCAL) domain. This is expected to provide better access to internal resources available at Joburg Theatre such as access to the accounting system etc.

By changing the approach from running three individual IT environments, to running one centralized system, and thereby making Roodepoort and Soweto Theatre branch offices, will also contribute towards efforts to improve on business continuity. This is within the confines of the IT infrastructure and does not reflect on any other JCT business continuity or processes that are in place.

The migration of users will be with minimal disruptions to services and operations. New servers will be slid in place. The migration of users will happen (one by one) while other users continue working as usual, until all users are fully integrated into one domain. By doing this it will allow for time to resolve unexpected issues that may arise while migrating. The one-by-one approach instead of the rip-and-replace approach is better to avoid extended downtime and interruption of business.

The routing of emails will be the biggest challenge while the migration happens.

The IT landscape, when the overall process is completed, will reflect Joburg Theatre as head office and Roodepoort and Soweto Theatres as branch offices. Joburg City Theatres will be in a better position in anticipation of the go live date for the SAP implementation when all users are managed on one domain instead of being fragmented over three domains.

Delivery has been taken of Server hardware, and Server Software. Minor changes have been made as to how mail flows from email scanners to Roodepoort Theatre. Roodepoort email will still be delivered to Roodepoort users as per normal. This will not have any impact yet on sending mail to Soweto Theatre's email addresses from Joburg Theatre.

Server configuration on the Joburg Theatre server, for Roodepoort Theatre users, has taken place first, because of the small amount of users on the server.

The migration of users will be implemented over time. Completion is expected before June 2019.

Anticipated changes:

- 1) The availability of a server folder for Roodepoort and Soweto Theatre users. Users will need to save work documents to a file server that will be map as an (H) drive on the user's profile as it is currently being done at Joburg Theatre. Roaming profiles will be discontinued for Roodepoort and Soweto Theatre users.
- 2) When migration for a user has happened the user will be accessing his/her emails directly off the Joburg Theatre's Exchange server. If such a user had access to emails via a cell phone or external devices, the devices will need to be reconfigured to pull mail from the Joburg Theatre's email server directly.

- 3) On completion of the migration the (Roodepoort) SBS 2008 server and SBS 2011 servers at Soweto Theatre which have reached their end of life cycle will be switched off permanently.

This is a long term project and will take some time before completion.

## **Section 9: Compliance with Laws and Regulations**

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.

The board of directors embraces the principles of corporate governance and considers these as the underlying philosophy in creating organisation excellence at all levels within JCT. The board of directors and the Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the Code of Corporate Practices and Conduct in the King Report. The board remains steadfast in maintaining high standards of corporate governance and implementing corporate governance principles, policies and practices.

Through this process, the City of Johannesburg Metropolitan Municipality as a sole shareholder 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 Code on Corporate Governance forms part of the mandate of the COJ group audit committee. The board is satisfied that the company has complied with all legislation relevant to or affecting the company, as well as all regulations and codes of practice.

Compliance reporting is assessed on a monthly and quarterly basis by the City's Group Risk and Assurance Services' (GRAS) compliance division.

On a quarterly basis, the entity reports to the ARC, Board and the City (through GRAS) on compliance with the priority regulatory register, which is a tool identifying the MFMA, the Companies Act and the Occupational Health and Safety Act and Regulations (85 of 1993) and (181 of 1993) as the primary compliance pieces of legislation for purposes of reporting.

In addition, a corporate governance checklist in terms of King III and compliance against the checklist was for the first time developed and reported on in the entity's draft annual report.

### **Statement of Compliance**

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

The board is committed to good corporate governance, which promotes the interests of all JCT stakeholders, upholds the principles of accountability, effectiveness, transparency, efficiency and public confidence in the entity's operations.

Accordingly, the board has established corporate governance instruments which provide a framework for the effective governance of the company and which comply with the laws and regulations applicable to JCT.

JCT strives for the highest standards of corporate governance as adopted in King III Report. The Board of directors has incorporated the City of Johannesburg's Corporate Governance Protocol (the Protocol) in its

Board Charter, which *inter alia* regulates its relationship with the City of Johannesburg as its sole shareholder and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King Report for Corporate Governance for South Africa. The Company steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. JCT's 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 progress to ensure that the company improves its Corporate Governance.

Compliance is an integral part of good governance, providing assurance on the effectiveness of the control environment through the Audit and Risk Committee.

#### **Subsidiaries or associations with other companies including trusts**

There are no subsidiaries or trusts in which Joburg City Theatres is a participant.

#### **Timeous notification with respect to resolutions to its members**

Minutes of the meetings of the Board of directors and its subcommittees - including resolutions - are to be circulated to members of the Board within 21 days following a meeting.

#### **Financial Irregularities**

No financial irregularities were reported in the period under review.

#### **Report on Resolutions passed with the Registrar of Companies beyond expected time frame**

There have been no resolutions passed with the Registrar of Companies beyond the expected time frame in the period under review.

#### **Report of the documentation procedures and processes**

Minutes and appropriate minute books are kept for all meetings of the Board of directors and subcommittees.

#### **Internal Audit Function**

JCT outsourced its internal audit function in terms of section 165 (3) of the MFMA to the Group Risk and Assurance Services (GRAS) from the shareholder.

GRAS 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. GRAS interacts with the Chief Financial Officer and reports to the Audit and Risk Committee on a functional basis and has direct access to the Chairperson of the Board.

The Joburg City Theatres' 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.



## **Corporate Ethics and Organisational Integrity**

### **Code of Ethics**

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.

The company has 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 required to ensure it reflects the highest standards of behaviour and professionalism.

Upon commencement of employment, all new employees receive a contract of employment and a Policies and Procedures Manual and sign acknowledgment of receipt of both documents. The contract of employment contains clauses referring to the Code of Conduct, as well as other Policies and Procedures applicable to all employees. A copy of the signed contract, together with a document stating that the employee has received the Policies and Procedures Manual, is kept on the individual's personnel files.

The Policies and Procedures Manual is updated on a regular basis by the Governance department in consultation with other departments. The updated policies are communicated with management as well as all employees; thereafter all employees receive copies of the updated policies and sign an acknowledgement of receipt.

It is the responsibility of the theatre's heads of departments (HODs) to monitor compliance with the Company's Code of Conduct in conjunction with the Human Resources Manager. Employees committing a breach of the Company's Code of Conduct are dealt with in a fair and consistent manner by management, in accordance with the Disciplinary Code and Procedures. Joburg City Theatres service providers, suppliers and trade partners are also subject to the Code. It is the opinion of the Board of directors that the company complies with the highest ethical standards in all matters of business.

In terms of the Code of Conduct and Ethics implementation plan mechanisms are being developed to verify observance of code and make it known within JCT. After adoption, the code was sent to all employees in electronic and hard copy formats and Mr Makhaola Ndebele was appointed as ethics officer for the company and is responsible for ensuring compliance and creating innovative ethics training formats, and setting up ethics help line amongst other responsibilities. Ethics remain a standing agenda item in the Remuneration, Social and Ethics committee meetings to monitor adherence to the Code.

### **Register of Directors interest in contracts**

Directors of the company are continuously advised to declare any interests they hold in any contracts that the company might enter into. To this end the directors are supplied with a form on which to declare their interests and declared interests are then entered into the company register. There has not been any material interest declared as at the date of this report.

### **Report on the prohibition of disposal of assets contained in Section 115 of the Companies Act**

No assets as contained in Section 115 were disposed.

## **Risk Management Framework and Policy and the Compliance Advisory and Assurance Framework**

The JCT has established and maintains a system of risk management in accordance with the provisions of the Municipal Finance Management Act, the King III report on Corporate Governance and Risk Management Standards as applicable.

Oversight over the governance and management of risk in Joburg City Theatres is carried out by the Audit and Risk Committee which is a sub-committee of the Board of directors. The Audit and Risk Committee meets on a quarterly basis (or as regularly as may be agreed between the Board and the Committee) and operates in accordance with approved terms of reference.

- JCT's **Risk Management Framework and Policy** which is aligned to the CoJ Group Framework was approved by the Audit and Risk Committee and the Board of directors.
- Similarly, the JCT's **Compliance Framework** that is aligned to the CoJ Group Compliance Advisory and Assurance Framework, and was approved by the Audit and Risk Committee and the Board of directors.
- The Risk Management Framework and the Compliance Monitoring Framework are reviewed annually.

## **Integrated and Combined Assurance Reporting**

The integrated assurance report is aimed at providing a holistic view of the assurance outcomes from different perspectives, as applicable, namely: regulatory compliance monitoring, internal audits, and External Audits. The combined and integrated assurance outcomes of the above assurance functions are consolidated to provide a single view on:

- Joburg City Theatres top Strategic risk areas
- Joburg City Theatres top Operational risk areas

## **Annual Risk Management Plan**

The Annual Risk Management and combined assurance Plan for the current financial year 2018/19 was reviewed and approved by the Audit and Risk Committee and submitted to COJ, at the meeting held on July 2018. The Committee oversees progress on the implementation of the annual plan at each quarterly meeting and has confirmed the entity's plan is aligned to the City's Group Risk

The Committee oversees progress on the implementation of the annual plan at each quarterly meeting and has confirmed the entity's plan is aligned to the City's Group Risk.

As at end of the 1<sup>st</sup> quarter, the progress against the plan was as follows:

<b>Activity</b>	<b>% completed</b>
Operational Risk Register Monitoring	100% and or fully implemented
Strategic Risk Register Monitoring	100% and or fully implemented

## **Compliance Monitoring and Reporting**

Compliance reporting is assessed on a monthly and quarterly basis by the City's Group Risk and Assurance Services' (GRAS) compliance division.

On a quarterly basis, the entity reports to the ARC, Board and the City (through GRAS) on compliance with the priority regulatory register, which is a tool identifying the MFMA, the Companies Act and the Occupational

Health and Safety Act and Regulations (85 of 1993) and (181 of 1993) as the primary compliance pieces of legislation for purposes of reporting

Compliance with the MFMA circulars 68 and 69 forms part of the priority regulatory register, In July 2018, JCT reported on compliance for quarter 3 and 4 for 2017/18 financial year through GRAS and in the fourth quarter performance assessment report.

### **Joburg City Theatres Top Strategic risks**

The top strategic risk areas for the financial year 2018/19 have been re-evaluated and monitored continuously during the 1<sup>st</sup> quarter. This entailed the re-evaluation of the strategic risk landscapes and the identification of new emerging risks.

The measurement, prioritisation and ranking of the risk exposures has been in accordance with the formally adopted group risk assessment methodology. The prioritisation of the top risks is to ensure that adequate assurance resources can be directed to those risks that need more attention of management, and therefore combined assurance mapping is adequate and effective.

The consolidation of assurance outcomes is based on the work done as at the end of Quarter 1 of 2018/19 and are summarised herein. The report therefore covers the following:

- strategic risks and residual risk profile for Quarter 1 of 2018/19;
- Strategic and operational risk monitoring;
- Strategic risk mapping to the Priorities.

### **Joburg City Theatres Top Strategic Risks Monitoring**

The top strategic risks are monitored continuously and communicated to management on a monthly basis. The Top Strategic risks are mapped to the Specific priorities focus areas for JCT and have been assigned risk ownership and action ownership at Departmental level.

The risk and action ownership was agreed to with the Executive Management Team during the risk assessment workshop. Management is apprised on an on-going basis of the progress being made to implement risk mitigation actions and therefore management of associated risk exposures. For the purposes of monitoring risks and risk movements, Key Risk Indicators have been identified for each strategic risk area:

### **Quarterly Risk Management Status Update – Management (Level 1 Assurance)**

The purpose of this report is to provide the Audit and Risk Committee (“ARC”) with an update on the status of Risk Management and Compliance matters at Joburg City Theatres for the 1st quarter of 2018/19 financial year.

This report is in line with the following frameworks which were approved by the GRGC, Mayoral Committee and Council:

- Group Risk Management Framework;
- Municipal owned Entity (“ME”) Risk Reporting Framework; and
- Group Compliance Advisory and Assurance Framework.

Joburg City Theatres has established and maintains a system of risk management in accordance with the provisions of the Municipal Finance Management Act, the King IV report on Corporate Governance and Risk Management Standards as applicable.

Oversight over the governance and management of risk in Joburg City Theatres is carried out by the Audit and Risk Committee which is a sub-committee of the Board of Directors. The Audit and Risk Committee meets on a quarterly basis (or as regularly as may be agreed between the Board and the Committee) and operates in accordance with an approved term of reference.

**Risk Management Framework and Policy and the Compliance Advisory and Assurance Framework**

- The entity is using **Group Risk Management Framework and Policy**.
- Similarly, the ME’s **Compliance Framework** is aligned to the CoJ Group Compliance Advisory and Assurance Framework.
- The Risk Management Framework and the Compliance Monitoring Framework are reviewed annually.

**Annual Risk Management Plan**

The Annual Risk Management and combined assurance Plan for the current financial year 2018/19 was reviewed and approved by the Audit and Risk Committee and submitted to COJ, at the meeting held on July 2018. The Committee oversees progress on the implementation of the annual plan at each quarterly meeting and has confirmed the entity’s plan is aligned to the City’s Group Risk.

As at end of 1st quarter, the progress against the plan was as follows:

Activity	% completed
Operational Risk Register Monitoring	100% and or fully implemented
Strategic Risk Register Monitoring	100% and or fully implemented

**Quarterly Risk Management Status Update**

The Audit and Risk Committee confirms that the Committee has reviewed the Strategic risk profile of the ME, ensuring that these are aligned to the City-wide top strategic risks as applicable.

During the quarter under review, Joburg City Theatres experienced the following significant highlights from a risk management perspective:

**i) Obsolete and/or outdated stage machinery and equipment:**

The residual risk rating remains high due to inadequate capex budget. Old stage machinery becomes no longer usable. Stage machinery has reached its end of life and needs urgent replacement.

**Progress on implementation per action plan**—The Council has allocated R16m & R30m in budget year 2018/19 and 2019/20 respectively and R4m has already been spent in 2017/18 on this project.

**ii) Inadequate funding to support youth development programmes:**

The theatre is unable to pay the market rate for facilitators. This result in less youth trained.

**Progress on implementation per action plan**—The entity has negotiated lower rates with facilitators and the use of volunteers in the industry is another way the entity has used in the interim. JCT is also in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM) and Market Theatre.

**iii) Fewer programmes available for workplace experience and potential placements**

Lack of internship placement for new entrants in the industry (Theatre) and lack of skills transfer from seasoned practitioners.

**Progress on implementation per action plan** -JCT is in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM), there are also weekly drama workshops and interns are placed in key positions on in-house stage productions.

**iv) Inability to secure attractive productions:**

Some productions might not appeal to certain audiences; hence tickets will not sell. Competition from casino based theatres that are able to pay for production.

**Progress on implementation per action plan** -Good relationships with producers i.e. co-productions agreements, relationships with Joburg Ballet Company and there is an SLA in place.

**v) Key positions vacant**

EP and CEO positions vacant due to expiration of contract and resignation.

**Progress on implementation per action plan** -CEO recruitment process is underway and the EP recruitment to begin once the CEO recruitment has been finalised

**vi) Inconsistent attendance at theatre shows:**

High cost of productions and the need to recover costs, effect of the country's downgraded economic status, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.

**Progress on implementation per action plan** - Different pricing structures based on product and venue, offering a limited number of discounted and/or free tickets to the youth and senior citizens communities, mobile theatre truck used to access targeted communities as well as diverse and inclusive theatre programme.

**vii) Non-compliance with applicable legislation**

Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.

**Progress on implementation per action plan** - Regulatory compliance register/ assessment tool monitored by the Company Secretary. Compliance policy and framework developed and implemented. All pre-deregistration processes concluded by management. Quarterly reporting to oversight committees on compliance. The company is already transacting on the MSCOA chart.

**viii) Theft, fraud and corruption resulting in financial and non-financial loss**

Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision, Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls.





**Progress on implementation per action plan** - The Anti-Fraud and Anti-Corruption policy in place, Fraud prevention plan, Code of conduct, Segregation of duties, Declaration of interests, Gift register in place and Remuneration, Social and Ethics Committee, conduct fraud risk assessment and anti-fraud and corruption awareness campaigns.




**ix) Lack of brand architecture (continuous and consistent message management)**



Reputation of the Theatre precinct, poor/ bad marketing strategy, inadequate marketing budget as well as lack of specialised personnel.

**Progress on implementation per action plan** - Media partnerships, media community management, continuous brand and productions awareness campaigns, marketing strategy in place and barter exchange deals.

**Status on implementation of the risk response / treatment plans for significant risks reported**

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
'Aged, obsolete and outdated stage machinery and equipment, resulting in cancelled productions/ inability to attract new productions	Old stage machinery becomes no longer useable.  Insufficient financing to upgrade machinery and equipment.  Inability to attract state of the art shows.	High				No	
Inadequate funding to support youth development programmes	The theatre is unable to pay the market rate for facilitators. This result in less youth trained.	Low				Yes	
Fewer programmes available for workplace experience and potential placements	Lack of internship placement for new entrants in the industry (Theatre) and lack of skills transfer from seasoned practitioners	Low				Yes	
Inability to secure attractive productions	Some productions might not appeal to certain audiences; hence tickets will not sell.  Competition from casino based theatres that are able to pay for	Low				Yes	

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
	production						
Key positions vacant	EP and CEO positions vacant due to expiration of contract and resignation.	Low				Yes	
Inconsistent attendance at theatre shows	High cost of productions and the need to recover costs, effect of the country's downgraded economic status, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.	Moderate				Yes	
Non-compliance with applicable legislation	Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.	Moderate				Yes	

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
Theft, fraud and corruption resulting in financial and non-financial loss	Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision, Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls	Low				Yes	
Lack of brand architecture (continuous and consistent message management )	Reputation of the Theatre precinct, poor/bad marketing strategy, inadequate marketing budget as well as lack of specialised personnel.	Moderate				Yes	

### Information on emerging / new risks

During the Quarter under review the following emerging risks were identified.

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Inability to expand on youth programmes to cater for the different fields within the industry	Due to limited operational budget	Sub-standard programmes	Source accredited programmes with Assitej	High			



Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Uncoordinated youth development activities. No youth development policy in place.	The three theatres work in silos on all community development activities. No designated person to deal with youth development	Poor service delivery	The policy is underway to be presented to the Board	Moderate			

### Major projects and contracts risk profiles

JCT does not have major projects that have a significant risk exposure to the entity and the COJ.

### ICT risk governance & ICT risk management

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Business interruptions	Utility Failure-Power surges, cable theft and construction or new development outside the building	Down time which could result in reputational damage. Cancellation of shows resulting in financial loss for the company.	Regular testing of the IT continuity plan	Moderate			

### Fraud risk management / fraud prevention

The entity has an approved fraud prevention policy and fraud hotline. During risk assessments the following fraud risk exposure has been identified:

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Fraud and Corruption	There could be a possibility of nepotism, collusion, overtime payment, false travel claims, etc.	Reputational damage and financial loss	Continue doing workshops. Monitoring of compliance	Low			

### Risk transfer – exposures

There were 2 insurance claims in the quarter under review:

- Soweto Theatre quantum has cracks on the windscreen caused by stone chips.
- Roodepoort Theatre kia has cracks on the windscreen caused by stone chips.

## **COMPLIANCE MONITORING AND REPORTING**

### **Legal and regulatory compliance**

#### **Priority Legislation**

The Entity has established the following mechanisms to monitor compliance with applicable laws and regulations:

- Compliance tool

#### **Circular 68**

#### **Fruitless and Wasteful Expenditure**

The Entity identified the following instances of fruitless and wasteful expenditure:

- Patron not notified of show cancellation and incurred travelling & accommodation cost that needed to be reimbursed.

#### **Unauthorised Expenditure**

The Entity identified the following instances of unauthorised expenditure:

- None

#### **Irregular Expenditure**

The Entity identified the following instances of irregular expenditure:

- None

#### **Payments exceeding 30 days of receipt of invoice**

The Entity identified the following instances where payments to suppliers were made in excess of 30 days:

No incidents of payments exceeding 30 days have been identified.

#### **Risk transfer – exposures**

There were no insurance claims in the period under review.

### **Legal and regulatory compliance**

Compliance reporting is assessed on a monthly and quarterly basis by the City's Group Risk and Assurance Services' (GRAS) compliance division.

On a quarterly basis, the entity reports to the ARC, Board and the City (through GRAS) on compliance with the priority regulatory register, which is a tool identifying the MFMA, the Companies Act and the Occupational

Health and Safety Act and Regulations (85 of 1993) and (181 of 1993) as the primary compliance pieces of legislation for purposes of reporting.

The entity relies on a Priority Regulatory Register which is a measurement tool adopted by the City of Joburg group for measuring compliance with various pieces of legislation and regulations. The Priority Regulatory Register for the entity measures compliance with the Companies Act, the MFMA and the Occupational Health and Safety Act (OHSA). Compliance per the register is measured on a quarterly basis and where compliance is claimed, the claim is supported by the relevant evidence for assurance purposes by GRAS.

The results of the compliance register are reported to the ARC and the board on a quarterly basis. By the same token, on a monthly basis, the entity rates its compliance with Circulars 668 and 65 of the MFMA. Submission of these reports is done to GRAS for assessment. These reports are also presented to the ARC and the board.

Performance reporting against the entity's Service Delivery and Budget Implementation Plan (SDBIP) is done to the Mayoral Committee and Council on a quarterly basis.

For the period under review, regular reporting requirements to Council as prescribed by the MSA were fulfilled.

### **Priority Legislation**

The Entity has established the following mechanisms to monitor compliance with applicable laws and regulations:

- Compliance Framework
- Compliance SOP (Standard Operating Procedure)
- Compliance Profile Assessment Tool

The following key matters (non-compliance) should be noted regarding legal and regulatory compliance matters within the Entity:

No evidence was produced that these occurred as required by legislation.

- **Occupational Health and Safety Act and Regulations (85 of 1993)**
  - Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees.
- **Municipal Finance Management Act and Regulations Act of 56 of 2003**
  - The accounting officer of the municipality must submit that information to national treasury, the Auditor General, and the relevant Provincial Treasury in writing.
- **Companies Act**
  - The Companies Act, 2008 requires all companies to keep accurate and complete accounting records, which must be kept and be accessible at the company's registered office.
  - All companies (including external companies) and close corporations are required by law to lodge their annual returns with CIPC within a certain period of time every year. An annual return is a statutory return in terms of the Companies and Close Corporations Acts and therefore MUST be complied with. Failure to do so will result in the Commission assuming that the company and/or close corporation is not doing business or is not intending on doing business in the near future. Non-compliance with annual returns may lead to deregistration, which has the effect that the juristic personality is withdrawn and the company or close corporation ceases to exist.

The Compliance Universe was updated with the following legislative changes:

- None

#### **Circular 68**

##### **(i) Fruitless and Wasteful Expenditure**

No incidents of fruitless and wasteful expenditure were identified.

##### **(ii) Unauthorised Expenditure**

The Entity identified the following instances of unauthorised expenditure:

No incidents of unauthorised expenditure were identified.

##### **(iii) Irregular Expenditure**

The Entity identified the following instances of irregular expenditure:

No incidents of irregular expenditure were identified.

##### **(iv) Payments exceeding 30 days of receipt of invoice**

The Entity identified the following instances where payments to suppliers were made in excess of 30 days:

No incidents of payments exceeding 30 days were identified.

#### **Combined Assurance Model and Integrated Assurance Reporting**

The entity has completed both Combined Assurance Framework and Policy for JCT and these were presented at Audit and Risk Committee and Board for approval.

JCT has also submits quarterly Combined Assurance Report to be presented at the Audit and Risk Committee, the Board and Group Audit Committee.

#### **Combined and Integrated Assurance and Oversight**

An integrated and combined assurance approach has been adopted for the purposes of maximising assurance provisioning and therefore aggregation of assurance outcomes while mitigating the risk of assurance fatigue.

#### **Integrated and Combined Assurance Reporting**

The integrated assurance report is aimed at providing a holistic view of the assurance outcomes from different perspectives, as applicable, namely: regulatory compliance monitoring, internal audits, and External Audits. The combined and integrated assurance outcomes of the above assurance functions are consolidated to provide a single view on:

- Joburg City Theatres top Strategic risk areas
- Joburg City Theatres top Operational risk areas

## **Joburg City Theatres Top Strategic risks**

The top strategic risk areas for the financial year 2017/18 have been re-evaluated and monitored continuously during the year. This entailed the re-evaluation of the strategic risk landscapes and the identification of new emerging risks.

The measurement, prioritisation and ranking of the risk exposures has been in accordance with the formally adopted group risk assessment methodology. The prioritisation of the top risks is to ensure that adequate assurance resources can be directed to those risks that need more attention of management, and therefore combined assurance mapping is adequate and effective.

The consolidation of assurance outcomes is based on the work done as at end of the fourth quarter 2017/18 and are summarised herein. The report therefore covers the following:

- strategic risks and residual risk profile;
- Strategic and operational risk monitoring;
- Strategic risk mapping to the Priorities.

## **Strategic Risks Monitoring & Dashboard Reporting**

### **Joburg City Theatres Top Strategic Risks Monitoring**

The top strategic risks are monitored continuously and communicated to management on a monthly basis. The Top Strategic risks are mapped to the Specific priorities focus areas for JCT and have been assigned risk ownership and action ownership at Departmental level.

The risk and action ownership was agreed to with the Executive Management Team during the risk assessment workshop. Management is apprised on an-ongoing basis of the progress being made to implement risk mitigation actions and therefore management of associated risk exposures. For the purposes of monitoring risks and risk movements, Key Risk Indicators have been identified for each strategic risk area:

### **Quarterly Risk Management Status Update – Management (Level 1 Assurance)**

#### **i) Obsolete and/or outdated stage machinery and equipment:**

The residual risk rating remains high due to inadequate capex budget. Old stage machinery becomes no longer usable. Stage machinery has reached its end of life and needs urgent replacement.

**Progress on implementation per action plan**–The Council has allocated R16m & R30m in budget year 2018/19 and 2019/20 respectively and R4m has already been spent in 2017/18 on this project.

#### **Impact from the implementation**

The impact will only be realised once the project has started.

#### **ii) Inadequate funding to support youth development programmes:**

The theatre is unable to pay the market rate for facilitators. This result in less youth trained.

**Progress on implementation per action plan**– The entity has negotiated lower rates with facilitators and the use of volunteers in the industry is another way the entity has used in the interim. JCT is also in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM) and Market Theatre.

#### **Impact from the implementation**

Youth unemployment rate will decrease.

**iii) Fewer programmes available for workplace experience and potential placements**

Lack of internship placement for new entrants in the industry (Theatre) and lack of skills transfer from seasoned practitioners.

**Progress on implementation per action plan** -JCT is in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM), there are also weekly drama workshops and interns are placed in key positions on in-house stage productions.

**iv) Inability to secure attractive productions:**

Some productions might not appeal to certain audiences; hence tickets will not sell. Competition from casino based theatres that are able to pay for production.

**Progress on implementation per action plan** - Good relationships with producers i.e. co-productions agreements, relationships with Joburg Ballet Company and there is an SLA in place.

**Impact from the implementation**

The entity earned good rentals from the Joburg Ballet shows

**v) Key positions vacant**

EP and CEO positions vacant due to expiration of contract and resignation.

**Progress on implementation per action plan** -CEO recruitment process is underway and the EP recruitment to begin once the CEO recruitment has been finalised.

**Impact from the implementation**

The impact will only be realised once the recruitment is done.

**vi) Inconsistent attendance at theatre shows:**

High cost of productions and the need to recover costs, effect of the country's downgraded economic status, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.

**Progress on implementation per action plan** - Different pricing structures based on product and venue, offering a limited number of discounted and/or free tickets to the youth and senior citizens communities, mobile theatre truck used to access targeted communities as well as diverse and inclusive theatre programme.

**Impact from the implementation**

There will be an improvement on ticket sales compared to last year.

**vii) Non-compliance with applicable legislation-** Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.

**Progress on implementation per action plan** - Regulatory compliance register/ assessment tool monitored by the Company Secretary. Compliance policy and framework developed and implemented. All pre-deregistration processes concluded by management. Quarterly reporting to oversight committees on compliance. The company is already transacting on the MSCOA chart.

**Impact from the implementation**

Compliance monitoring tool developed by GRAS is adhered to and submitted to the relevant departments and committees. There hasn't been any non-compliance identified and therefore residual risk rating remains at moderate.

**viii) Theft, fraud and corruption resulting in financial and non-financial loss** - Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision, Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls.

**Progress on implementation per action plan** - The Anti-Fraud and Anti-Corruption policy in place, Fraud prevention plan, Code of conduct, Segregation of duties, Declaration of interests, Gift register in place and Remuneration, Social and Ethics Committee, conduct fraud risk assessment and anti-fraud and corruption awareness campaigns.

#### **Impact from the implementation**

The campaigns bring awareness on employees.

**ix) Lack of brand architecture (continuous and consistent message management)**

Reputation of the Theatre precinct, poor/ bad marketing strategy, inadequate marketing budget as well as lack of specialized personnel.

**Progress on implementation per action plan** - Media partnerships, media community management, continuous brand and productions awareness campaigns, marketing strategy in place and barter exchange deals.

#### **Impact from the implementation**

The continuous brand awareness campaigns contribute positively on tickets sales and attendance at the shows.

### **Quarterly Risk Management Status Update – Group Risk and Assurance Services (Level 2 Assurance)**

- **Group Risk Services**

Group Risk Services continuously conducts risk assessment of Joburg City Theatres to 5 strategic risks, this entails assessing the mitigating actions and progress on implementation of action plans. The table below depicts the Joburg City Theatres risk highlights for the quarter under review based on the assessment conducted by Group Risk Services.

Ref	Risk Description	Mitigating actions	Progress on implementation per action plan
1	<b>Obsolete and outdated stage machinery and equipment</b>	<ol style="list-style-type: none"> <li>1. Fair maintenance of stage machinery.</li> <li>2. The Council has allocated R16m &amp; R30m in budget year 2018/19 and 2019/20 respectively.</li> <li>3. The service provider has been appointed to do the upgrade. R4m has been spent in 2017/18 on this project.</li> <li>5. Theatre calendars are aligned with the project plan</li> <li>6. Project manager appointed to oversee the project</li> </ol>	R4m has already been spent in 2017/18 on this project
2	<b>Lack of brand architecture (continuous and consistent message management)</b>	<ol style="list-style-type: none"> <li>1. Media partnerships</li> <li>2. Media community management</li> <li>3. Continuous brand and productions awareness campaigns.</li> <li>4. Marketing strategy in place</li> <li>5. Barter exchange deals</li> </ol>	Review of the marketing and communication strategy.
3	<b>Inconsistent attendance at theatre shows</b>	<ol style="list-style-type: none"> <li>1. Different pricing structures based on product and venue.</li> <li>2. Offering a limited number of discounted and/or free tickets to the youth and senior citizens communities.</li> <li>3. Mobile theatre truck used to access targeted communities.</li> <li>4. Diverse and inclusive theatre programmes</li> </ol>	<ol style="list-style-type: none"> <li>1. To target companies with CSI programmes to bring a child to the theatre</li> <li>2. Develop funding strategy to target sponsorship</li> <li>3. Conduct comprehensive survey to establish audience needs</li> </ol>
4	<b>Inadequate funding to support youth development programmes</b>	<ol style="list-style-type: none"> <li>1. Negotiating lower rate with facilitators.</li> <li>2. The use of volunteers in the industry.</li> <li>3. JCT is in partnership with WITS for the enrolment of Applied Performing Arts and Arts Management (APAAM) and Market Theatre</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue to source external funding (i.e. SAMRO).</li> <li>2. Partner with other institutions that are already offering similar training in the industry i.e. JPO.</li> </ol>
5	<b>Inability to secure attractive productions</b>	<ol style="list-style-type: none"> <li>1. Good relationships with producers i.e. co-productions agreements.</li> <li>2. Relationships with Joburg Ballet Company and there is an SLA in place .</li> </ol>	<ol style="list-style-type: none"> <li>1. Establish more relationships with wide variety of producers, locally and internationally.</li> <li>2. Source more funding to enable in-house production.</li> <li>3. Programme of events in collaboration with JPO</li> <li>4. Seek external funding from DAC</li> </ol>

- **Quarterly Risk Management Status Update – Internal Audit (Level 2)**

In terms of the internal audit coverage plan, no audits were scheduled to be performed in the first quarter of the 2018/19 financial year, hence Assurance outcomes from internal audit cannot be provided for the quarter. The assurance outcomes by internal audit are based on the work in fourth quarter of the 2017/18 financial year.









TABLE 1: SUMMARY ASSURANCE OUTCOMES – QUARTER 1 OF 2018/19


**LOW**     
 **MODERATE**     
 **HIGH**

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19	Level 2 – External Assurance			Level 1 and 2 Combined Assurance		
			Q1 Residual Risk	Internal Audit	Risk Advisory Services	Level 2 – integrated assurance	Auditor General	Combined Assurance	
	Obsolete and/or outdated stage machinery and equipment	Old stage machinery becomes no longer useable. Insufficient financing to upgrade machinery and equipment. Inability to attract state of the art shows.	High	High	High	High	No rating	High	


Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19		Level 2 – External Assurance		Level 1 and 2 Combined Assurance		
			Q1 Residual Risk	Risk Movement	Internal Audit	Risk Advisory Services	Level 2 – integrated assurance	Auditor General	Combined Assurance
	Inadequate funding to support youth development programmes	The theatre is unable to pay the market rate for facilitators. This result in less youth trained.						No rating	
	Fewer programmes available for workplace experience and potential placements	Lack of internship placement for new entrants in the industry (Theatre) and lack of skills transfer from seasoned practitioners						No rating	






Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19	Level 2 – External Assurance	Level 1 and 2 Combined Assurance			
		Risk Description	<p>Q1 Residual Risk</p> 	<p>Internal Audit</p> 	<p>Risk Advisory Services</p> 	<p>Level 2 – integrated assurance</p> 	<p>Level 1 and 2 Combined Assurance</p> <p>Auditor General</p> <p>No rating</p>	<p>Combined Assurance</p> 
	<p>Inability to secure attractive productions</p>	<p>Some productions might not appeal to certain audiences; hence tickets will not sell. Competition from casino based theatres that are able to pay for production</p>	<p>Risk Movement</p> 					

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19	Level 2 – External Assurance	Level 1 and 2 Combined Assurance
	Key positions vacant	EP and CEO positions vacant due to expiration of contract and resignation.	Q1 Residual Risk 	Internal Audit 	Risk Advisory Services 
			Risk Movement 	Level 2 – integrated assurance 	Auditor General No rating
					Combined Assurance 

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19	Level 2 – External Assurance	Level 1 and 2 Combined Assurance			
	Inconsistent attendance at theatre shows	High cost of productions and the need to recover costs, effect of the country's downgraded economic status, lack of exposure of potential audiences to the theatre experience, image perceptions of poor security within the theatre environs, and trying to cater for diverse audience needs.	<p>Q1 Residual Risk</p> <p>Moderate</p> 	<p>Internal Audit</p> <p>Moderate</p>	<p>Risk Advisory Services</p> <p>Moderate</p>	<p>Level 2 – integrated assurance</p> <p>Moderate</p>	<p>Auditor General</p> <p>No rating</p>	<p>Combined Assurance</p> <p>Moderate</p>

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19	Level 2 – External Assurance	Level 1 and 2 Combined Assurance
	Non-compliance with applicable legislation	Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.	<p>Q1 Residual Risk</p> <p>Moderate</p>	<p>Risk Advisory Services</p> <p>Moderate</p>	<p>Internal Audit</p> <p>Moderate</p> <p>Level 2 – integrated assurance</p> <p>Moderate</p> <p>Auditor General</p> <p>No rating</p> <p>Combined Assurance</p> <p>Moderate</p>

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19	Level 2 – External Assurance	Level 1 and 2 Combined Assurance
	Lack of brand architecture (continuous and consistent message management	Reputation of the Theatre precinct, poor/bad marketing strategy, inadequate marketing budget as well as lack of specialised personnel.	<p>Q1 Residual Risk</p> <p>Risk Movement</p> <p>Moderate</p> 	<p>Internal Audit</p> <p>Risk Advisory Services</p> <p>Moderate</p> <p>Moderate</p>	<p>Level 2 – integrated assurance</p> <p>Auditor General</p> <p>Combined Assurance</p> <p>Moderate</p> <p>No rating</p>

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 – Summary Assurance Outcomes– Q1 2018/19	Level 2 – External Assurance	Level 1 and 2 Combined Assurance		
			Q1 Residual Risk	Internal Audit	Level 2 – integrated assurance	Auditor General	Combined Assurance
	Theft, fraud and corruption resulting in financial and non-financial loss	Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision. Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls.				No rating	
			Risk Movement				
							



**Summary Discussion of Operational Risks**  
**Operational Risks - Monitoring and assurance**

Operational risk assessment reviews for all the departments for the current financial year have been completed. These are key operational risks that have been highlighted herein to evidence the implementation of a combined assurance; and the integrated assurance approach within JCT

**Table 2: Key Operational Risks**

<b>Risk Area</b>	<b>Q1 Residual Risk</b>
Insufficient storage	Very High
Negative publicity	High
Skills shortage	High
Fraud and Corruption	Low
Poor attraction of patrons to the theatre	High
Inability to expand on youth programmes to cater for the different fields within the industry	Very High
Lack of systems to measure youth programmes	High
Business interruptions	Moderate
Civil Liabilities	Moderate
Crime Exposure	Moderate
Fire at the restaurant	Moderate
Uncoordinated youth development activities	Very High

- **Group Internal Audit**

Group Internal audit commenced with the audit during the second quarter of the current financial year, the internal audit coverage plan is linked to the top 5 strategic risks of Joburg City theatres, even though the audit is still in progress at the end of the quarter, certain components were complete, and therefore assurance could be provided on completed components, by the end of the period under review assurance from internal audit could only be provided on completed components.

## CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

### Section 1: Highlights and Achievements



The first Quarter of 2018/2019 year at JCT was filled with positive activity at the theatres. Roodepoort Theatre proved stable with its established community based programming; Soweto Theatre is fast becoming the preferred venue for performance events in and around Soweto; and Joburg Theatre is maintaining its reputation of being Joburg's premier entertainment venue. JCT, in the 1<sup>st</sup> quarter, increased programming partnerships, solidified its standardised programming, expanded its presence nationally, and continued to draw new audiences through its flagship **Legacy Programme**.

#### Partnerships

In its continued drive to build strategic partnerships JCT has managed to secure a new partnership deal with The University of Johannesburg (UJ). This will see the two institutions exchange artistic work, assist each other with development space availability as and when required, and assist touring productions with the opportunity to transfer work between the institutions. The first project of exchange came from UJ was Afrikaans legendary playwright Reza De Wet's play *African Gothic*. *African Gothic* ran a short 10 night season on the Fringe stage at Joburg Theatre.

#### Monthly Programming

The monthly programming at Soweto Theatre has now entered its third year. **Poetic Thursdays**, **It's Personal**, and **Ghetto Laughs** are fast becoming entertainment staples for local audiences around Soweto.

#### The Setwork Schools Festival

Also in this quarter, JCT premiered its first **Schools Setwork Festival**. The festival launched at the Soweto Theatre, in September, with the isiZulu Setwork *Ubhuku Lwamanqe*. There was also a participatory element to the festival where six local schools worked with theatre facilitators to dramatize, and perform, curriculum prescribed short stories. Also, as part of the festival, in partnership with the Gauteng Department of Education, was the presentation of play *Mama I Want the Black That You Are*, which raises awareness of issues around albinism. September is Albinism month.

#### In-house Programmes

JCT took 2017 Soweto Theatre produced musical, *Gone Native*, to the National Arts Main Festival, in Makhanda. This provided opportunity for JCT to establish a presence at the festival. The festival is South Africa's premier Arts festival and it attracts national and international audiences and producers.

The 1<sup>st</sup> Quarter also saw the return of the highly successful musical *The Color Purple* on the Mandela Stage at the Joburg Theatre. After a successful season in the 2017/18 3<sup>rd</sup> Quarter the musical returned for a second inspiring run.

As part of JCT's continued '**Legacy Programme**' and also to as part of the nationwide centenary celebrations of Nelson Mandela's posthumous 100th birthday: Joburg Theatre brought together four living South African musical legends; **Jonas Gwangwa**, **Abigail Khubeka**, **Sipho 'Hotsticks' Mabuse**, and **Dorothy Masuka** together

with the nation's foremost youth vocal ensemble, the **Mzansi Youth Choir** for a 3 night only concert to honour and celebrate, in song, the late great global icon, Madiba. The concert, aptly named *Legends Celebrating Madiba*, was an audience success.

Also as part of the JCT's 'Legacy Programme' Joburg Theatre presented *Bantu*, an artistic reflection on Steve Biko's writings, and life's legacy. *Bantu* gave young South African artist and performers to engage in an intergenerational dialogue through the work and to seek ways to build and contribute to a more humane South Africa.

## JOBURG THEATRE

The first quarter of the year saw a mixed programme for both The Mandela and The Fringe bringing Joburg Theatre Complex to life. From a brand new ballet by Joburg Ballet to a celebration of the Mandela centenary by the South African Music Legends to a collaboration with the University of Johannesburg, DVD launches as well as celebrating our tradition with a young community group, made July hip and happening.

The Woman's month kicked off with the return of the ever popular, ever loved, *The Color Purple* which was returned the Mandela stage by popular demand. Alongside the *Color Purple* was the student works in the Fringe with Oakfields College, Jayanti Dance Academy, Yeshiva College and the ever so delightful Joburg Youth Ballet. The month was closed off with a celebration of a fallen Kwaito icon – Senyaka in *A Night of Kwaito* with Moruti wa Tsotsi.

We sprung into spring with a dare devil international circus production in collaboration with Gypsy Events in their absolutely daring *Cirque Infernal*. The annual Shakespeare Schools festival which always seeing the young talent showcasing their works on the Fringe stage took place alongside the *Cirque*. A vibrant musical celebration in *My Favourite Things* with the young producer Brett De Groot introduced many young and old music lovers to the theatre for heritage month. This year marked 41 years since the death of the black consciousness movement icon, Bantu Biko and he was celebrated in an artistic reflection – *Bantu*, conceived and directed by Joburg City Theatres' Artistic Director Makhaola Ndebele. Showbiz Entertainment Africa (SEAfrica) conference took place in the Mandela and exhibited in the first foyer. This is the only event in Africa dedicated to the development and growth of the Entertainment industry. With exhibitions, workshops and networking sessions making it the ultimate business meeting place for talent, managers, entrepreneurs, business and other role players in the entertainment industry. Heritage month ended on a "high note" with the annual Mzansi Youth Gala in the youngsters melodic voices and dance moves.

**Fire and Ice** – From the diamond brilliance of classical ballet to the sweep and surge of European contemporary dance, Joburg Ballet took centre stage in *Fire and Ice* on the Mandela stage for ten performances only which ended on Sunday, 08<sup>th</sup> July. *Fire and Ice* showcased the company's dynamic range in two contrasting ballets, the classical *Raymonda Act 3* and a world premiere by Redha, one of Europe's most acclaimed choreographers. A jewel of ballet classicism, *Raymonda Act 3*, which has never been performed in Johannesburg, had its city premiere in a staging by Brazilian ballet producer Guivalde de Almeida. Drawn from a full-length work and with music by Russian composer Glazunov, *Raymonda Act 3* is a distillation into a single act of some of the finest classical choreography ever created. Sharing the *Fire and Ice* programme was a world premiere commissioned by Joburg Ballet from leading French choreographer Redha. Joburg Ballet CEO Esther Nasser, who has previously worked with the celebrated choreographer, summed him up succinctly, saying, "Always known simply as Redha – powerful, wildly imaginative, and poignantly beautiful. That is Redha."

Joburg Ballet ended its two week long run on a high note with this beautiful new classis!



**"High Stylez" Album Launch and Live DVD Recording – Pepsin & Fruitystar** – The Mzansi Dancehall duo which is currently promoting their singles from the album called High Stylez, launched and treated their audiences by performing with the MSR Live Band. Pepsin and Fruitystar are the modern Mzansi Dancehall duo to look out for. Their passion for music is evident in the quality of music that they deliver. They have worked together on many projects in the past and have both released many great hits as solo artists of Maximum Stylez Records & Publishing.



**Praise Master Jesus** – a Youth Gospel Arts Celebration that takes place quarterly is an Arts Celebration which includes Praise & Worship, Drama, and Arts celebration of various youth groups that come together to PRAISE MASTER JESUS! Their purpose is to teach the youth the true Benefits of Serving God in Spirit & Truth as well as to encourage the youth in serving GOD and create a platform of Evangelism through PRAISE & WORSHIP. Praise Master Jesus shot their LIVE production DVD in the Fringe that will evangelize to other youth. Proceeds from the celebration will be used to purchase uniform & school stationery for underprivileged school children.



**Udoni – The Zulu Warrior’s Wife** – a musical stage play written and directed by Dalisu Buthelezi, inspired by the rich history of the Zulu nation and South Africa as a whole. The play narrates events that date back from King Bhambatha’s Rebellion against the Poll Tax in 1906 all the way to the 2016 #FeesMustFall movement, a history that shaped our country to what it is today. An exciting way to conclude one’s week, uNdoni highlighted the diversity of our country and catered for everyone. The delivery of traditional hymns (amahubo), the interpretation of kings praise names (izibongo) and the wide range of South African music genres gave live music enthusiasts great fulfilment.



**Discover your purpose and Praise and Worship** took place in the Fringe on Saturday and Sunday respectively. Both events were private bookings for each church group with invited church members only.



**UJ Arts & Culture (a division of FADA)** – proudly presented the Johannesburg run of Reza de Wet’s iconic African Gothic (translation of Diepe Grond). Set against the backdrop of a farm in desolate ruin, the play tells the story of the complicated, passionate, and troubled relationship between two siblings. While they live in the past with no discernible future, struggling with their own demons, they face eviction in the present by an officious lawyer. Directed by Alby Michaels, with a stellar cast that includes Liezl de Kok, Zak Hendrikz, Mpho Osei-Tutu and Olive Strachan, African Gothic is satisfying to both the discerning theatre lover and novice alike. The play had an age restriction of 16+ (MLNVS) and ended its Johannesburg season on Wednesday the 25<sup>th</sup> July.



**Legends Celebrating Mandela** – As part of the nationwide centenary celebrations of Nelson Mandela’s posthumous 100th birthday: Joburg Theatre brought together four living South African musical legends; Jonas Gwangwa, Abigail Khubeka, Sipho ‘Hotsticks’ Mabuse, and Dorothy Masuka together with the nation’s foremost youth vocal ensemble, the Mzansi Youth Choir for a 3 performances only concert to honour and celebrate, in song, the late great global icon, Madiba. Audiences were mesmerized and taken down memory lane with music, intertwined with story and imagery, as the living legends shared their musical memories, experiences, and inspirations they drew from South Africa’s founding father. Those who were lucky enough to get themselves a ticket cannot stop talking about what an honour it has been to see the legends live on stage as they were handing over the baton to young musicians, Thembi Khumalo, Siya Makuzeni and the ever so loved youth of MYC.





**The Power of Praise and Worship** – The August gathering to the grand assembly of Worship and Praise was a controlled environment to afford gospel music lovers an afternoon of superb talent and acumen to nourish the soul. Br. Donat Kanyinda was at the centre of directing the programme, summoning talented singers to the fore to firm the belief in our Lord.



**Jayanti Academy of Dance presented: Mantra: Visuals of a dancer's dream!** – A showcase visualizing the struggle, joys and passion of Dance. It is said that "dancing with your feet is one thing, but dancing with the heart is another." Dance was celebrated and expressed in vibrant movement! The dancers took pride in their work as this is their passion and those that came to join in, experienced a breath-taking production which featured a variety of styles of dances such as; Bollywood, Latin, hip-hop, Freestyle, Kathak, Bharatanatyam, dance yoga, ballet, contemporary and local styles of Dance. This spell bounding production got everyone up and dancing joining in on the excitement.



**The Color Purple** came back on the Mandela Stage due to popular demand from the 7th of August 2018 and ran until the 2nd of September 2018. The production sold out in their previous season earlier this year and left Joburg-ers yearning for more hence the return.

The production re-opened on Woman’s Day and was undoubtedly a hit with all audiences, those that have experienced it before and those who were watching it for the first time ever. We also had an Executive delegation from Shanghai which was delightedly hosted by MMC Nonhlanhla Sifumba who discussed possible cultural collaborations between our 2 cities. The delegation just absolutely couldn’t stop raving about this amazing production.

Some of the media comments:

“Incredibly natural and authentic...multi-layered entertainment value...An inspired production” –Bruce Dennill, pARTicipate

“There couldn’t have been a better time for the show to make its premiere in the country...The Color Purple is an absolute pleasure to experience” – Masego Panyane, The Star Tonight

“I was completely blown away by how the audience reacted. Not just because the performances are breathtaking (which they are), but also because the subject matter hits so close to home. There wasn’t a dry eye in the house at the end and you just got that sense that everyone in the audience was living in the story in that moment. Theatre was working its magic...As a musical, the show is spectacular. As a message, it’s absolutely crucial.” – Barry Morisse, Daily Maverick

“Quite simply, awesome...an emotional powerhouse...the audience erupted” – Jennifer de Klerk, Artslink.co.za

“A triumphant production...The Color Purple has had Joburg audiences on their fee. Only the music of America’s Deep South filled with jazz, ragtime and blues, could do justice to a storyline such as this and the score by Stephen Bray, Brenda Russell and Allee Willis summons the sorrows of Celie’s life with rich blues numbers and soaring gospel. A rollercoaster ride of emotions that ends on an uplifting high, this is one of Joburg’s most memorable theatre productions in years” – inyourpocket.com

“It is not often one gets to witness on stage something so remarkable and poignant that it leaves you feeling numb and speechless, yet at the same time empowered and overjoyed...this hugely ambitious offering has an almost spiritual voice. I laughed, I cried but most importantly I felt a wonderful togetherness with my fellow theatre goers who collectively experienced and witnessed something quite remarkable on stage” – David Simmons, Stage and Screen



“The Color Purple is Bold, Black and Beautiful...As a musical, it is the perfect storm for right now...hence the magical reaction and participation of the audience. There was no doubt about their appreciation of what they were encountering on stage...its musical heaven” – Diane de Beer, debeernecessities.com



**The Oakfields College Faculty of Dance and Musical Theatre presented the musical theatre classic: A CHORUS LINE** – The annual production presented by The Oakfields College Faculty of Dance and Musical Theatre has become highlight for theatregoers and lovers of musical theatre. This year, A CHORUS LINE is to captivating, delighting and moving audiences on the Fringe Stage from the 9 – 19 August. A CHORUS LINE is a magnificent concept musical capturing the spirit and tension of a Broadway chorus audition by presenting a

true picture of what it's like to be in the theatre world: glamorous, yes, but at times also tough and heart-breaking!

One Saturday night in January 1974, nineteen of Broadway's best dancers gathered to share their stories. They sat in a circle; a tape recorder was turned on as they described the events that shaped their lives and their decisions to become dancers. Choreographer Michael Bennet transformed these personal accounts into a series of songs and monologues which explore stories of disappointment, dreams and the plight of the professional dancer. And so began the creation of A CHORUS LINE which became one of the longest running shows in Broadway history, winning nine Tony Awards and a Pulitzer Prize for Drama!

The show featuring memorable musical numbers including 'What I Did for Love', 'One', 'The Music and the Mirror', and 'I Hope I Get It', to name but a few. With music by Marvin Hamlisch, lyrics by Edward Kleban and a book by James Kirkwood Jr. and Nicholas Dante, A CHORUS LINE is a brilliantly complex fusion of song, dance, and compellingly authentic drama, which has remained a musical theatre classic over the years. Director and choreographer Timothy Le Roux has embraced the universal themes and timelessness of A CHORUS LINE in his creative approach to this musical theatre classic.



**Selfish Giant** – took place in the Fringe Theatre over four days and captured the hearts of young and old ballet dance enthusiasts. Oscar Wilde's charming morality tale of the Selfish Giant who finds redemption through the kindness and love of a little boy was brought to life by the young dancers of the Johannesburg Youth Ballet.

The production, under the artistic direction of Mark Hawkins with choreography by Mary-Ann Mottram, Mark Hawkins and Jan Venter who also makes a guest appearance as the Giant with an amazing Set design by Wilhelm Disbergen.

The bittersweet tale of transformation was narrated by the inimitable David Butler. The story offered wonderful opportunities for a narrative ballet in a setting where birds, peach trees, flowers, and the elements are key in the storytelling.



**A Night of Kwaito with Moruti Wa Tsotsi** – Loved by many, revered by his industry peers, a man who could juggle being a musician and an actor as though it's his second nature, is came full circle in a celebration of his life.

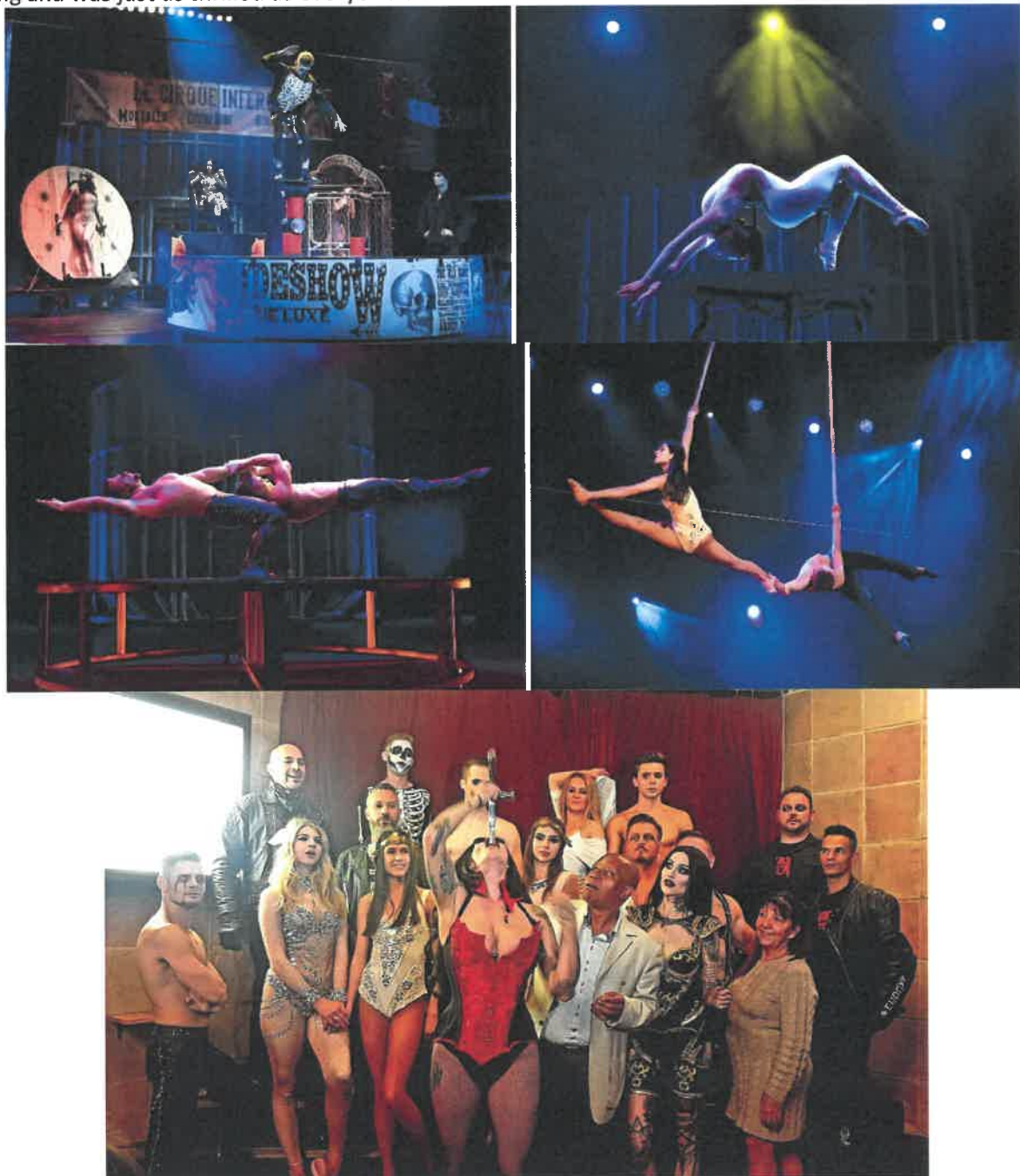
This fitting tribute to the fallen star, who was laid to rest in 2015 was an exclusive, one night performance. A night of music and dance, presented by the accomplished Lerato Mvelase and the ever energetic kwaito legends such as Mandla Spikiri, Mzekezeke, Jairos, Kamazu as well acclaimed DJs. They took us on a voyage of the life and times of Thula 'Senyaka' Kekana, a multi-faceted entertainer whose career spanned over four decades. The night captured the true spirit, self-assured, dominant and knowledge of entertainment that patented Senyaka's life and journey as a professional entertainer.



**Cirque Infernal** – Direct from Europe, and inspired by Federico Fellini, Wim Wenders and Tim Burton; Cirque Infernal opened on the Mandela Stage in its offering of non-stop captivating entertainment with astonishing and death defying acts, including the nail-biting Cage of Death as three daredevil motorbike riders race around inside a giant cage!

The audience found the show an absolute astonishing performance from beginning to end it was a thrill a minute that left the audience with little chance for relief. This was evident by the endless applause throughout the show as the show progressed from the seemingly impossible to the obviously impossible. Although evidently nothing is impossible. The performers teased the audience endlessly as they pushed the envelope dangerously closer to certain death.

Amongst other prominent guests, Executive Mayor of Johannesburg, Mr. Herman Mashaba attended the opening and was just as thrilled as everyone else in the auditorium.



**Shakespeare School Festival** mobilised and hosted the collective and individual dreams of our country's youth through Performing Arts and Education. 20 schools participated in this year's festival which offered high school students the opportunity to engage their education curriculum for the first time on a professional stage regardless of background, ability or location. This thrilling, non-competitive environment builds capacity, character and allowed students to explore aptitudes in a range of work fields such as history/geography consultants; wardrobe and props advisors; student company managers; creative directors in music and art; marketing, sound and lighting, directing and various other career-shaping experiences.



**My Favourite Things** had a stunning three day performance in the Fringe this past weekend, focusing on the events surrounding the writing of the world's most beloved musical, *The Sound of Music*, this biographical show detailed the fascinating and deeply moving story of Rodgers and Hammerstein - the songwriting duo who quite literally changed Broadway forever with their ground-breaking musicals.

Featuring their breath-taking music from the "big 5", namely, *Oklahoma*, *Carousel*, *The King and I*, *South Pacific*, and *The Sound of Music*, as well as a wide array of classics from the Great American Songbook- this show was performed as a musical which repurposes these timeless songs, intricately woven into a retelling of the devastating and true story behind these incredible creatives.



**Bantu**, an artistic reflection on Steve Biko's writings, his life's legacy, and his untimely death. The show opened and was staged at the Fringe Theatre, Joburg Theatre on the 21<sup>st</sup> September and will be running 5<sup>th</sup> October

2018. Bantu highlights possible lessons for a new generation of South Africans and world citizens; who seek to build and contribute to a more humane global society.

“The work is composed of strong music and performances, with a driven cast of young South Africans who engage, and reflect, upon the levels of consciousness in present day South Africa,” affirms Joburg City Theatres’ Artistic Director, Makhaola Ndebele.

The patrons celebrated Bantu Biko’s memory in song and reminiscing of his writings. Bantu is conceived and directed by Joburg City Theatres’ Artistic Director Makhaola Ndebele, Bantu is a brand new play that reflects on the writing, legacy and untimely death of the South African Black Consciousness leader Steve Biko. The new production starred a vibrant young and talented cast of local actors and performers including two-time Naledi Award nominee Katlego 'Kaygee' Letsholonyana (nominated for roles in Egoil and Itsoseng), actor, singer, dancer, performance artist, sangoma and LGBT activist Albert Silindokuhle Ibokwe Khoza (pictured centre) and pianist, rapper and composer Alpea. The production is in its three weeks run has seen a wave of both young and old enjoying the deep and lightness of the artistic piece.

Ndebele describes the new work as "composed of strong music and performances, with a driven cast of young South Africans who engage, and reflect, upon the levels of consciousness in present day South Africa". Timed to coincide with Heritage Month in South Africa, Bantu seeks to highlight possible lessons for a new generation of South Africans about how to build and contribute to a more humane global society and forms a part of Joburg Theatre's ongoing dedication to staging new productions that reflect on the legacy of South Africa's most prominent and influential leaders.



**Showbiz Entertainment Africa** – C-Major Productions in partnership with Joburg Theatre as part of Arts Alive, AIRCO, and Waka Agency, excitedly presented the return of the 4th SEAfrica (Showbiz Entertainment Africa) Conference in the Mandela Theatre on the 26th and 27th of September 2018.

Showbiz Entertainment Africa (SEAfrica) conference is the only event in Africa dedicated to the development and growth of the Entertainment industry. With exhibitions, workshops and networking sessions it is the ultimate business meeting place for talent, managers, entrepreneurs, business and other role players in the entertainment industry to stay ahead of the dynamic and ever changing industry. SEAfrica’s aim was to connect the various entertainment industries through this networking space, via the various conference sessions, exhibitions, and workshops that this two day conference offered, and to encourage future business collaborations to ensure a growing, thriving and financially viable industry.

This year, the conference included a high calibre of professionals in the various entertainment sectors, including; Industry leaders and high achievers including Donovan Goliath, Makhaola Ndebele, Takunda Bimha and the talented and effervescent Nina Hastie explore the fastest growing African entertainment genres. Digital and new technology as always, was at the heart of SEAfrica’s content, and this year the impact of Blockchain technology on the industry was unpacked by IT and Legal Specialist, Rohan Isaacs. The participants did not only experience two days of priceless advice from industry leaders, experts, business coaches and entertainers, but the Conference also exposed attendees to a diverse array of exhibitors who will be showcased cutting edge equipment, venue spaces, artistic expressions, funding opportunities and many more. Amongst other topics discussed were: The New Film and Television Incentive Amendments, Funding for Local Entertainment Project, How Blockchain is Changing the Industry, Connecting Industry & Corporate Business, Deconstructing the African Music Business, The Future Of Entertainment, The Role Of Cultural Investment In Stimulating Economic Growth In South African Cities, Nurturing Pan African Talent, Marketing and PR – Today!, SA’s Independent Disruptive Music Business Models, How organisers & promoters create an audience, The Growth and Future of African Comedy.



**The Mzansi Youth Choir Annual Gala Concert 2018** delivered an exciting assortment of local and international music that will incorporate elements of traditional music, pop and jazz as uniquely performed by The Mzansi Youth Choir, youngsters.

This 90-minute concert included all the favourite renditions they are known to perform with such flair including their popular Hugh Masekela Medley. The youngsters also gave a fitting tribute to the youth of 1976 as they celebrated the Mandela Centenary in a live broadcast of the show with Canadian TV. Those that were not able to attend the actual performance were able to live stream the entire event by visiting <https://tinyurl.com/mzanzi2018> so you won’t have to miss a thing.



## THE PEOPLES THEATRE

It's the classic story of hope and optimism – a young orphan keeps her chin up in the face of adversity, winning hearts as she skips and sings her way through a hard knock life, never giving up hope that she will find her parents. Annie Jr featured everyone's favourite little redhead in her very first adventure. Little Orphan Annie has come a long way since she first made her pop culture debut as a comic strip in 1924. Since then she has been reincarnated into a radio show, films and even a Broadway hit. And this time she made her way to Joburg's Peoples Theatre, known for its creative way of making much-loved classics accessible to families across the City of Gold.

With equal measures of pluck and positivity, little orphan Annie charmed everyone's hearts despite a next-to-nothing start in 1930s New York City. Annie is determined to find the parents who abandoned her years ago on the doorstep of an orphanage run by the cruel Miss Hannigan. She eventually foils Miss Hannigan's evil machinations, finding a new home and family in billionaire Oliver Warbucks, his personal secretary, Grace Farrell, and a lovable mutt named Sandy. Annie Jr has been well received by schools and public alike, and a fantastic set was designed by Grant Knottenbelt.

We were lucky enough to add audio-visual into our show making it that much more exciting and visually pleasing. The show has so far been attended by 81 schools paying a maximum of R75.00 per learner, as well as subsidized prices to disadvantaged schools at R30.

We have also had the opportunity to provide shows to many charities with complimentary tickets to allow the less fortunate to have access to the wonderful world of theatre. These charities have been incredibly thankful and it is one of our missions to bring theatre to those who would not normally have access to it. Our public response has been amazing.

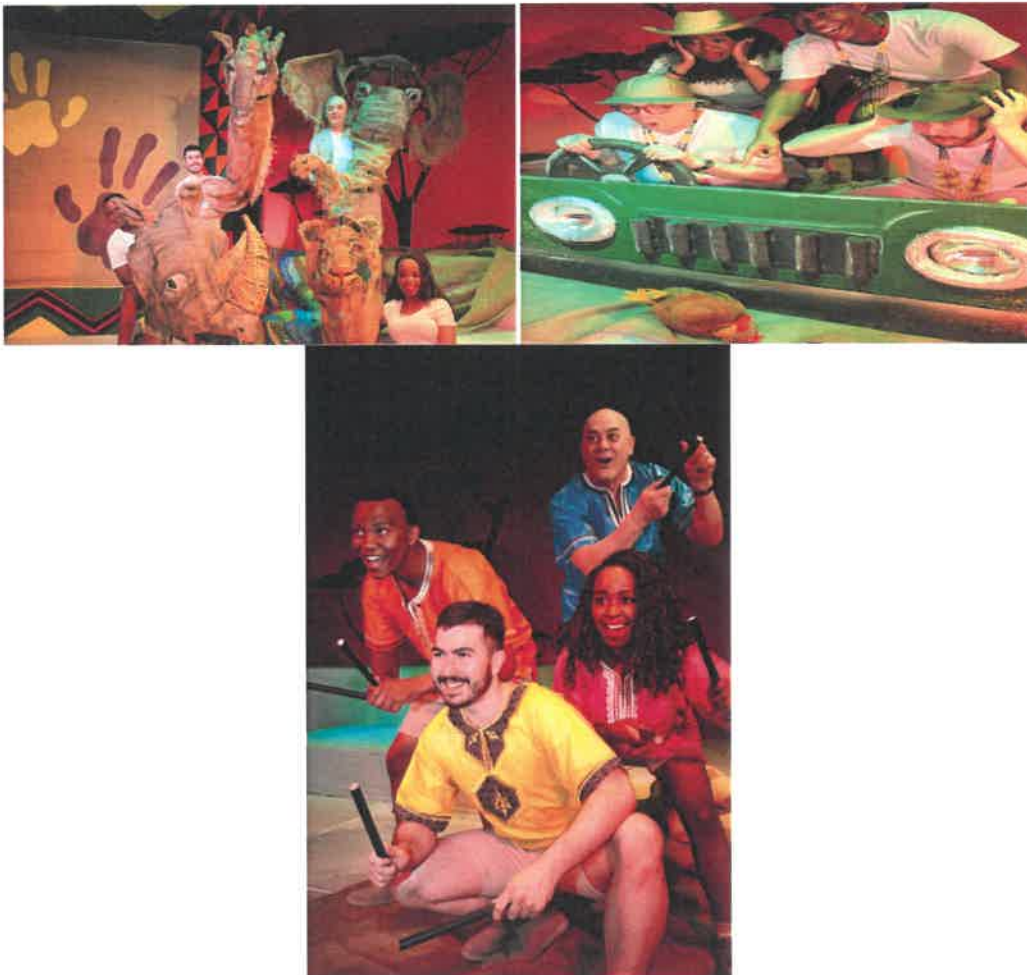




Peoples Theatre proudly presented our home-grown production, *Our Stories Our Africa!* Africa is a super melting pot of many different people from all races, colours and creeds and South Africa no less so. This has resulted in a rich heritage of wonderful stories with their roots firmly in African soil. In this production, Peoples Theatre endeavoured to bring on an ensemble of great African stories that are particularly appealing to children and filled with exciting interactive audience participation. To set the scene is an African landscape that transforms itself as the wonders of the land becomes the backdrop to the myths and legends acted out by a group of super talented professional actors.

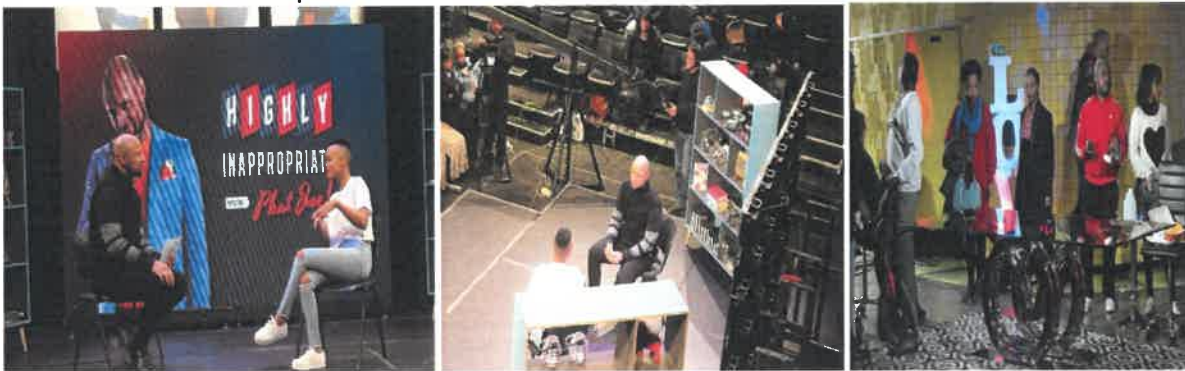
Patrons came and met beings who claimed to be able to change themselves into wild animals, animals inhabited by great wisdom, Chiefs, mystics, brave warriors and more as they journeyed through the sun drenched landscape under blue African skies. *Our Stories Our Africa* has been well received by schools, and a fantastic set was designed by Grant Knottenbelt. We were again lucky enough to add audio-visual into our show making it that much more exciting and visually pleasing. The show has so far been attended by 34 schools (as of 3rd September 2018), paying a maximum of R75.00 per learner, as well as subsidized prices to disadvantaged schools at R30. Our public response was not as good and we would have liked it to be but it is often the case with the unknown production/ non-classic piece.

We have also had the opportunity to provide shows to many charities with complimentary tickets to allow the less fortunate to have access to the wonderful world of theatre. These charities have been incredibly thankful and it is one of our missions to bring theatre to those who would not normally have access to it.

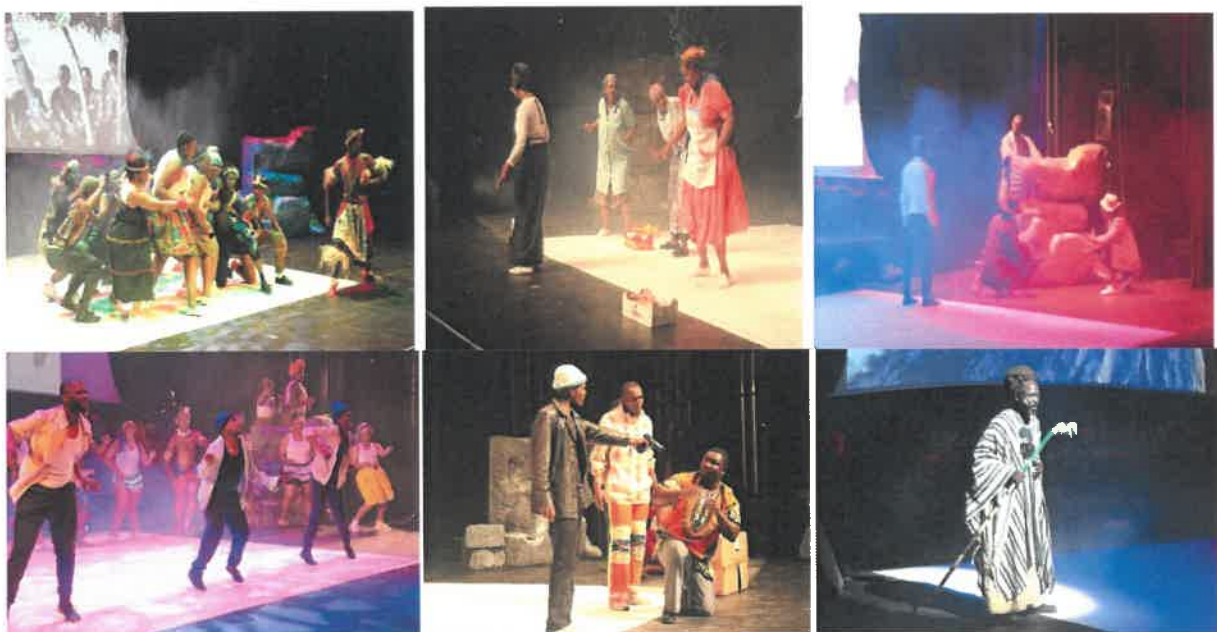


# SOWETO Theatre

**Moja Love** is a TV show that was recorded at the Soweto blue Theatre on the 04<sup>th</sup> July 2018 to be broadcasted on one of the DSTV channels. Fat Joe is the host of this show where he invites different well know Celebrities to talk about different topics.



**The voice from Kilimanjaro** is a show with potpourri of music, dance and a bit of poetry and out of this world acting, Purpose of this show The Voice of Kilimanjaro takes a poignant look at how South Africans communities relate with the citizens of the world in particular Africans from the continent, it is a musical that promotes tolerance, social cohesion and peace. This show started its first performance on the 05<sup>th</sup> July 2018 and ended on the 8<sup>th</sup> July 2018 at the Soweto Red Theatre. This show is also a musical play that creatively raises questions and suggests solutions around the complex nature of xenophobia. It focuses on a family that is grappling with the intricacies of post-Apartheid South Africa, Xenophobia and unemployment.



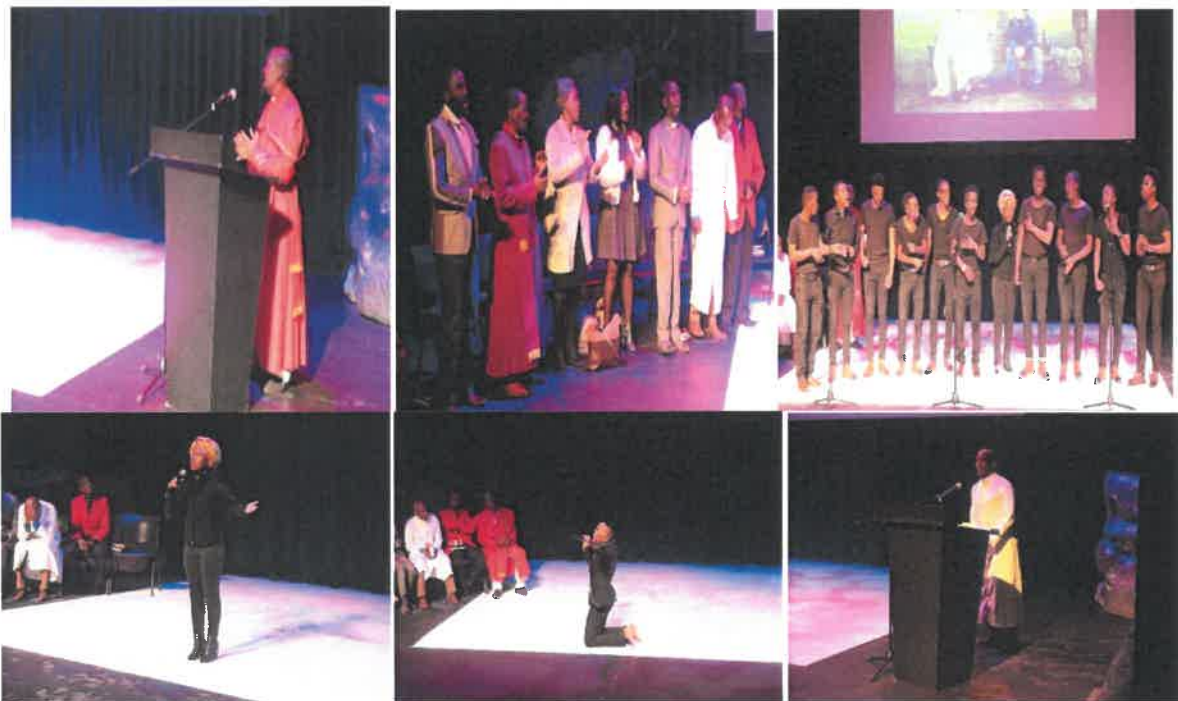
**Rethink Waste** was a preliminary event that set out objectives of creating awareness around recycling, sustainability, waste management opportunities and the green economy. It was a platform where together with entrepreneurs, green companies, youth, community members unpacked burning topics such as

sustainability, recycling, the green economy and climate change. All these discussions took place at the Soweto yellow Theatre on the 7<sup>th</sup> July 2018.

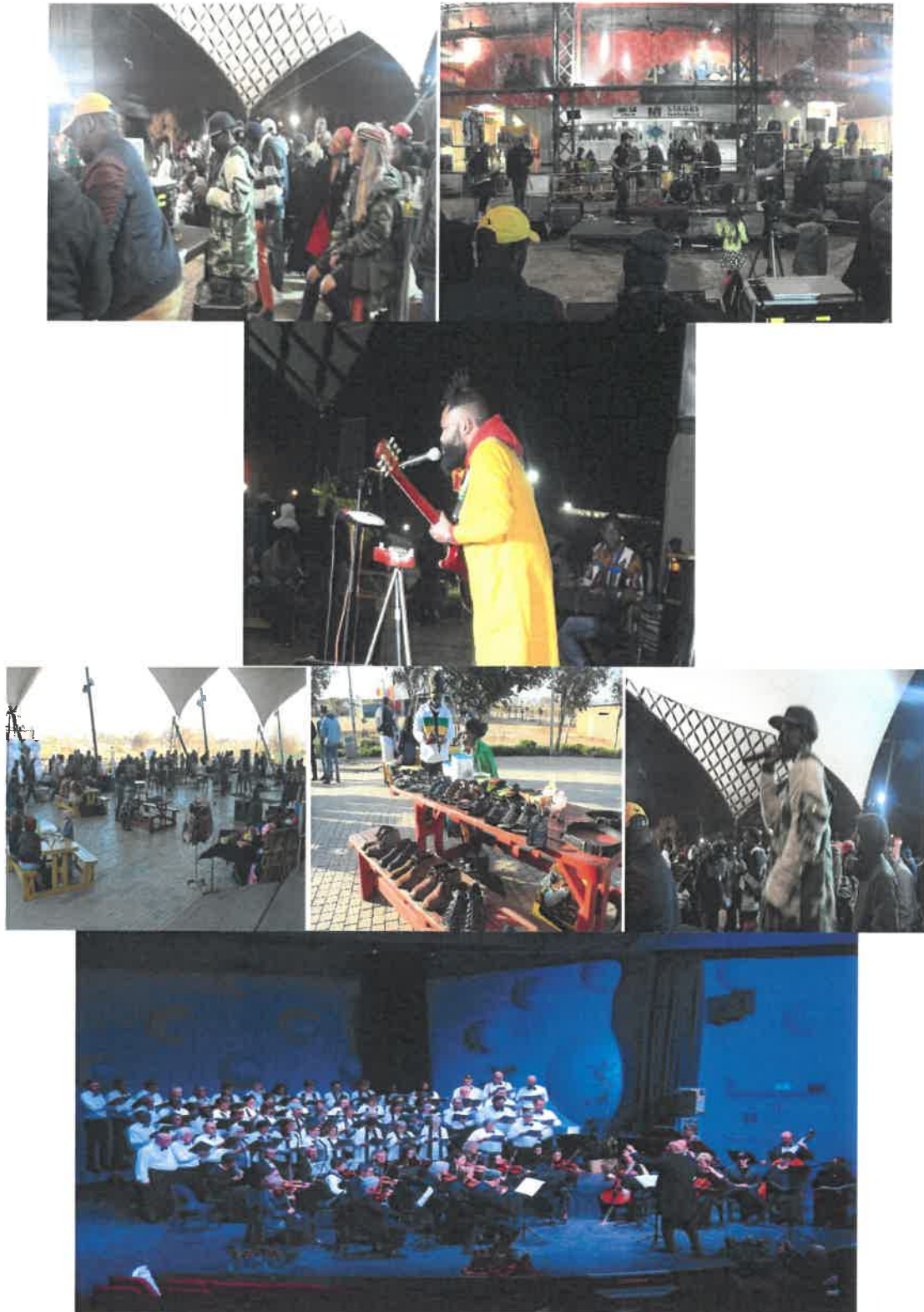
There were wide variety of activities including brainstorming of ideas, harnessing the culture of implementing innovative solutions, assisting with building profitable businesses within surrounding space, exposure to opportunities and networking.



**Long Overdue Church in Theatre** was an event put together to raise funds for Othandweni Children’s Home where Kids Alive South Africa a children’s rights organization based in Soweto, came together with other Soweto Youth choirs forming Long overdue family friendly gospel musical that was performed at Soweto Red Theatre on the 7<sup>th</sup> July 2018.



**Soweto Arts & Craft Fair** is an event that takes place every first Saturday of the month at Soweto Theatre Forecourt, on the 7<sup>th</sup> July 2018 this event gathered people from all walks of life providing good music, craft stalls and food stalls. Performers of the day were: BLK JACKS, Tubatsi Moloi from the group Urban Village and others.



The Johannesburg WA Mozart Choir (WAM) from Germany proudly presented **The Mikado** from 6 to 8 July 2018 in the Main auditorium of the Roodepoort Theatre, the choir which performed in Grahamstown Arts Festival in 2017 to six full houses, they graced the theatre with their presence after the producer of the Roodepoort Theatre convinced them of a potential beautiful partnership. THE MIKADO remains the most successful and widely performed of Gilbert and Sullivan’s comic operas and its set in an imaginary Japan in a remote period, the story was described by Gilbert himself as a satire on the failings of the British Government of the time, and certainly makes sharp comment on British society of the era. William Beatty-Kingston, a

contemporary critic, noted that the show’s humour depends on ‘unsparing exposure of human weaknesses and follies’, which might go some way to explaining the show’s longevity and enduring popularity which was very evident in the numbers in the auditorium. Directed by WAM Musical Director Carel-Johan de Graaff with set and costume designs from award winning Standard Bank Young Artist of the Year 2016 for Theatre Jade Bowers, the production featured Donae Brazer with Neil Stander as Yum-Yum and Nanki-Poo. The crowd was delighted to have Dirk Venter singing again in the title role and was accompanied by the outstanding WAM Orchestra, supporting roles were performed by members of WAM. The show entertained the crowd in many once of collaborations after which Mikado will never be seen in the same light again. As the Germans would say gut gemacht!

**Keystone State Boy Choir & Pennsylvania Girl Choir** greeted from Philadelphia in the United States on the 14<sup>th</sup> July 2018 celebrated in song the centennial of two remarkable leaders. Leonard Bernstein and Nelson Mandela –KSB and PGC are also touring to celebrate a living legend in the South African choral world – Hetti, long-time director of the Tygerberg Children’s Choir. After a long and esteemed career, Hennie Loock will be retiring soon. The choirs entertained their audiences with a diverse, enthralling repertoire, including traditional South African folk songs, and also offered music from around the world, including the American genres of gospel, spirituals, and Broadway.



**MTN Customer Operation Imbizo** hosted their event at the Soweto Red Theatre on the 17<sup>th</sup> and 18<sup>th</sup> July 2018, MTN stake holders and staff gathered to report back on what they have achieved from the world cup and their way forward to 2019 also to have a team building for staff members. Proverb MC’d the event for both days they also had Guest Speakers: Miss Lusanda Mbane Actress, comedian: Pule.





**Mandela Day Centenary Celebration** was an event hosted by Soweto Theatre in collaboration with Sawubona Music Jams celebrating the 100yrs of Tata Mandela’s birthday with music. Bands performed were: SUNXA; Rock Ruler and Jam gang; and many more others.



**MALAIKA** is a production follows the harrowing and uplifting story of an African girl, Malaika, who rises from the dangers of stereotype to become the symbol of our shared African dream. The play was performed at Soweto Red Theatre on the 20<sup>th</sup> July 2018, in a rich traditional theatrical spectacle, debunks the myths surrounding Albinism and finds the humanity in the horrors of ignorance and fear.



**Gift of Light Music Performance** took place at the Blue Theatre on the 21<sup>st</sup> July 2018 as a continuation of Mandela day celebration with performances by Eldomaine High School and Global Education Exchange from USA.



**Samson & Delilah** is a story, told in a South African context this play was performed at The Red Theatre on the 21<sup>st</sup> July 2018, the story explores the forbidden love story between Samson a leader and Judge of the Israelites and Delilah a Philistine.



**Jive 9 Nine** is a production that performed at Soweto Blue Theatre on the 21<sup>st</sup> July 2018. Via Volcano Pantsula Dance Group and some of the performers that also performed at Jive Nine nine Street Festival earlier in April of this year. These acts included Soweto Junction, the Soweto Skeleton Movers, Teboho 'Perfect Storm Tjovitjo' Chauke, Thabiso Kubu, and many more. Providing upcoming groups with the platform to showcase their talent and skill when it comes to Isipantsula.



The productions staged in this first quarter were on a majority on a hire-basis and community engagements structure which attracted a new and growing theatre audience; through the last two years the theatre has attracted a diversified feet into the theatre as a result a wide display of a transformed audience and client base has enjoyed the magnificent Roodepoort Theatre various offerings. The quarter was exceptionally exciting as we saw full houses dominate in the month of August and September.

July saw the theatre hosting the German Choir for their priceless performance of the iconic **Mikado** where our Opera community was entertained thoroughly, July was also was the month where the theatre hosted the flagship 100% community project the Jozi Youth Arts Festival. The theatre's calendar made sure that dance took up a big chunk of the first quarter, in August the theatre hosted the prominent annual **ATKV Tienertoneel** which is a national drama competition/festival aimed at enhancing the love for theatre in learners, which was hosted in the Main Theatre over a period of 6 days , in the month we also saw the Association of International Dance Teachers (**AIDT**) hold its Solo Performers Examination with disciplines ranging from modern to tap and hip hop dancing; AIDT aimed to provide young dancers with performing opportunities and give back to the community of the arts.

The month of September saw the theatre hosting the prestigious, annual **Roodepoort Dance Festival**, the highlight of the Westrand dance calendar and the theatre's biggest showcase of South African talent, which attracted full houses for each public performance .The Roodepoort Dance Festival was established in 1980 at the inception of the then residing Mayor of Roodepoort, Mr. Victor Horne, whose wish it was to provide a visible public platform to exhibit the dance talents of amateur students in the city of Roodepoort. Approximately 3300 dancers, from 76 Dance Studios / Schools participated & the annual event is held at theatre every year without fail and a lot of success. Other productions hosted at the Basement Theatre during this quarter include various workshops and functions hosted by **Carl Harvest Ministries** and **Pastor Mark Daniels** which were special Women's Day seminars and to wrap up women's month MMC Dr Cllr Mpho Phalatse together with Social Development hosted women where reinforcements on personal health, safety, social development and empowerment were reiterated. The quarter ended with the iconic Region C Dobsinville history archiving project and Heritage Day celebration curated by the Roodepoort Museum in partnership with Roodepoort Theatre which saw the land debate and reform in action.



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The objective of the day's activities was to show love and honor the life's work of Nelson Mandela to change the world for the better. **The Family Fun Day in celebration of Mandela Day** incorporated wellness centers where communities from underprivileged backgrounds were bussed to the Roodepoort Theatre and partook in the Wellness testing provided by Region C Department of Health. The testing stations included Diabetes, Cholesterol, BMI, HIV and pre and post counseling. The day activities included music performance, live radio show broad cast on Kofifi Fm and Kofifi Sophia TV. There were children's art and crafts initiative which aimed to offer the community recreational spaces to help reduce alienation, loneliness, and anti-social behaviors amongst the youth, ultimately promoting ethnic and cultural centricity and harmony. The recreational activities planned for the day were set to build strong relations among people from different backgrounds and assisted in building the foundation of a stronger society. The Kids of over 600 enjoyed the jumping castles, face painting and fun was had and they thoroughly enjoyed the outing.



**School @ Marshall Music** philosophy is to provide a service that was unfounded in South Africa, providing music tuition on an international level that is assessed through internationally accredited tertiary institutes such as; Rock and Pop, Royal Schools and UNISA. The Marshall Music School annual concert **LITTLE ROCKERS** which is the students Band Workshop project for 2018 was held at Roodepoort Theatre where children from the ages of 6-13 years doing songs like Shut up and Dance, One Call Away, This is Me, Not a Love Song and many others. The audience of 300 came to enjoy the up and coming talent doing their thing on stage. Little rockers sure rocked the theatre and left Roodepoort theatre rocked to the max.

**The Face of Figure Models** is known as the most prestigious event of its kind in South Africa's modelling fraternity. This is where local talent is scouted in the Roodepoort, Krugersdorp, Kagiso and Dobsonville area by **Figures models** with the hope to select the face of figure models for 2018, this year saw a rise in the number of entrants as the theatre had stretched its resources to allow the theatre's reach to go beyond region C. Participants poured through our glass doors for a competition of a life time where the winner receives a scholarship to study overseas; as per the norm the theatre's General Manager was present for the prize giving and he also managed to strike a pose and share a speech of encouragement.

The theatre staff service was fantastic, as they negotiated their way through the busy hallways and foyer to serve up scrumptious meal; cleaners, foyer staff and security were no exception as they smiled the entire day making the audience feel welcomed. Well done to the face of figure models she surely left a good impression in our hearts.



**Dancing Dolls** is a new dance production from Dance Inc. Studio starring little girls with big dreams and big girls whose dreams come true and how profound with it being woman's month, the empowerment of our young women artists is certainly key. Audience members were dazzled and transported back to their own childhood memories with whimsical and airy ballet moves, with fun choreography accompanied by specially orchestrated popular hits such as Uptown Funk, Can't Stop the Feeling, All about the Bass, and more, the audience loved this feel good family friendly show and most booked a table at Stages before the show and gave Moms the night off.



Another sold out production by Roodepoort Theatre, full parking, busy Stages restaurant and vibrant buzz of drama lovers filled the theatres corridors. Roodepoort Theatre is proud to be associated with brands that believe in empowerment, hard work, resilience and community development. The **ATKV-Toneelslypskool** is a youth theatre workshop of four days to develop our yearly participants of the ATKV-Tienertoneel Competition. It covers acting, directing and technical aspects. Teachers, aspiring directors and high school learners are welcome and will benefit from the practical activities and lessons. Roodepoort Theatre was delighted to host this prestige workshop that sees participants coming as far as the North West Province to partake and tries to get tips on how to win the competition; .ATKV's passion and commitment to a vision became an incredible, all-encompassing vessel of opportunity to foster technical skills in the theatre sphere talent in Gauteng.

**Children at Dosyne/ Kinders Van Dosyne** - An educational comedy about the challenges of modern parenting. Let's be honest, no matter how many children you have, parenthood remains difficult and unfortunately no child is born with a manual. Now that I think about it, that's not a bad thing, because none of us are looking for a paper cut there. In this hilarious educational comedy we looked at the top 10 responsibilities that were enlisted with our parents to raise our children this was Ideal for a nice date-night without the children. What a fun, relaxed and exceptionally hilarious show.



Families joined Drama Buzz for their 10th annual production as they brought Rodgers & Hammerstein's **'The King and I'** to the beautiful stage of the Roodepoort Theatre. The beautiful story was set in a radiant telling of East meets West, set in the early 1860s, Anna Leonowens, a young Welsh widow, travels with her son to the kingdom of Siam (now Thailand) to become the governess and English tutor to the wives and many children of King Mongkut of Siam. Anna enjoys her interactions with the children but struggles to come to any agreement with the king about his ideas for ushering Siam into the modern world. The audience came to watch the story of Anna and the King as their relationship changed from one fraught with arguments to one of understanding and respect, the lesson embedded in this story were themes relevant to everyday life.

ICAM (In Christ Alone Ministry) was founded in June 2014 and is affiliated to the Rhema Family of Churches. Their purpose, for this Women's Month celebration, is was to spread the knowledge of the love and grace of our Lord Jesus Christ, to women in their communities.

The objective was to reach women from all walks of life, by:

- Empowering them to believe right, to live right and ultimately to impact their immediate surroundings
- Motivate and encourage women especially single mothers and those in troubled relationships
- Encouraging abused women
- Alignment to the word of God

With the assistance and partnership of the Roodepoort Theatre, JMPD Band and In Christ Alone Ministry, aligning ourselves to the strategy of City of Johannesburg, we certainly made a difference in our Community, one woman at a time.

MMC Cllr Dr Mpho Phalaste and the department of Women and Social development hosted women in the basement theatre to end of woman's month. The event was free to attendees who amongst the advice and counselling also received goodie bags and were part of the debate and discussions that had to do with women abuse, equality and skills development.

**The South African Pole Dance Fitness Association** hosted its annual **Pole Awards, Regionals & SA Nationals** on the 19th of August 2018, where pole dancers across the country come and competed for their Regional and Nationals green and gold South African colours. Since 2010 Pole Dance Fitness has been accepted and recognised as a proper Dance Discipline in its own right on South African National Level under South African Arts & Culture and allowed to compete for South African Green & Gold National Federation Colours alongside all the other already established dance disciplines in South Africa. Linda Kumm, founder of SAPDFA, through a lot of hard work, effort, dedication and believe in her discipline, is singlehandedly responsible for this, and through this great achievement she took pole dancing in South Africa to the next level. South Africa is currently the only country in the world which awards National Colours for Pole Dance Fitness! SAPDFA has the exclusive right in hosting of the annual SA Pole Awards, Regional & S.A. Nationals and what an honour for Roodepoort Theatre to host the biggest Pole dancing competition in South Africa.



**AIDT** brought together dance students, dance professionals, dance teachers and studios from all over South Africa to celebrate the art of dance on a theatre stage in the form of a contest. All dancers were eligible for medals and the super nova awards and cash prizes. Categories or styles included acrobatic dance, ballet, contemporary, folk & traditional, fusion, hip hop battles, hip hop lyrical, modern, musical theatre, open, tap, urban/commercial. Most exciting were the tap battles for professionals or high-end dancers and also the hip hop battle zone for junior and senior dancers. All styles were allowed and the results were interesting and entertaining. Part of the competition was the workshop challenge which included choreography in 6 subjects namely tap, urban styles, acrobatic dance, and ballet, contemporary and musical theatre. All contestants had the opportunity to learn from some of the industry's leading teachers/choreographers and were then given the opportunity to compete these pieces.

**Roodepoort Dance Festival 11-23 September** The first quarter of the financial year 2018/19 ended on a high note with the Roodepoort Dance festival. The festival provided an important platform for contemporary dance from the African continent with the aim of promoting production and creation around the world, the festival combined the abilities of abled, disabled and semi-abled children. The opening pieces and many other following were performed before full house. This festival has been running since 1981 and is held annually at Roodepoort Theatre. The Roodepoort Dance Festival provides a public platform for dancers to exhibit the dance talents of amateur students in the city of Roodepoort. Last year 15 dance studios entered in the festival with over 3300 entries, this year saw 76 dance studios and these entrants flocked the theatre in order to partake in this annual flagship programme. The Festival continues to grow and flourish in Region C



## A Re Sebetseng: Mayoral Cleanup Campaign



\*AreSebetseng RCT Team who thoroughly enjoyed cleaning up Region C, showcasing their selfless service delivery skills.



Roodepoort theatre continues working within a trusting environment which is free from discrimination and prejudice. Employee rights and labour regulations are respected. The General Manager interacts with staff on the basis of an open door policy. Training and support for employees to perform their duties is encouraged, through performance reviews where one on ones are performed to ensure that outputs are linked to key performance objectives to improved work performance and an improving team spirit. The Roodepoort theatre has become synonymous with classical music and the lyric arts. Throughout its 33 year history many singers, musicians and artists have made their professional debuts at the Theatre – some of whom are still professionally involved in the performing arts, locally and abroad. In order to improve the profitability of the Theatre, and become more relevant to the community it serves, the strategic positioning of the organization was reviewed, resulting in a stronger focus on the receiving house aspects of the Theatre, and a more concerted effort to attract independent producers to the venue. As such, the Theatre has made major progress in terms of the diversification of its production and marketing mix, which consequently had a significant impact on the diversification of audiences. In addition, the Theatre plays a significant developmental role by means of providing a venue for community theatre initiatives in the area, as well as hosting new and upcoming productions that provide opportunity in instrumental, vocal, dance and drama for students from disadvantaged backgrounds. The quarter certainly ends on a high. The team of theatre including security, gardeners, front of house, stages restaurant staff, cleaners and all ad hoc staff have been briefed on the exciting programme for the second quarter and are all geared up.

**A re Sebetseng** – JCT embarked on the monthly A re Sebetseng campaign on Mandela with the focus on celebrating the legacy of Madiba. JT joined other CoJ departments and entities from Metro Centre through to Park Station and Wonderers Taxi Rank.



\*Mandela day enjoyed by the theatre truck with more than 600 kids in attendance



\*stages restaurant team running the bar during the show interval

## COMMUNITY AND YOUTH DEVELOPMENT

### *JOBURG THEATRE*

Community and Youth Development programmes at Joburg Theatre promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty and increase work opportunities at JCT .

Joburg City Theatre’s youth development in the art sphere caters for 400 youths attending programmes in drama and music.

**Applied Performing Arts and Arts Management** short course offered through partnership with the University of Witwatersrand through its Wits School of Arts, drama for life department, provides community theatre

groups with tools to be active art entities in their community environment and to obtain relevant qualifications as art practitioners.

The programme covers module in performance, creative, technical and business. The programme has 46 young people registered.

Community theatre groups participating in the programme are from the following regions;

Area	Community Theatre Group
Region F - Johannesburg	PONGA Projects
Region D - Soweto	Perfect Storm and Litsomong
Region E- Alexandra	Alex Youth in Action
Region A - Ivory Park	Grace of Destiny

Saturday, the 4th of August, community theatre groups graduated for their NQF level 4. These young people that are playing a part in bringing social change through performing arts celebrated their achievement with song and dance.

Key note speaker Sthandiwe Kgoroge, shared her experiences about the industry with the young thespians. The young people were full of hope about their future and their role to society.

Joburg City Theatre CEO pledged the theatre's commitment to developing young people in the performing arts and partnering with relevant stakeholders such as the University of Witwatersrand to realise structures that empower the youth.



Applied Performing Arts and Arts Management for Trainers enrolled **12 graduates**. The programme creates employment opportunities and skill transfer focusing on the following;

1. Introducing and Applying Concepts of Curriculum
2. Introducing Concepts of Training Skills and Tools
3. Module Specific Application of Specific Lesson
4. Introducing Concepts of Facilitation Skills
5. Introducing and Applying Concepts of Reflective
- 6.

The programme creates a platform for graduate to apply and exchange skill and knowledge and further gain skill in facilitation/teaching.

### Shakespeare's school festival

The programme offers primary and high school learners an opportunity to explore aptitudes in a range of work fields within a theatre environment, wardrobe, props, student stage managers, creative directors in music and drama, marketing, sound lighting and various other career shaping experiences.

The Shakespeare's school festival is an opportunity for primary and high school learners to make the theatre debut on a professional stage.

20 School participated in programme, Joburg Theatre's Youth Development adopted two schools as part of development of youth in drama:

1. Iterele-Zenzele High School from **region A Diepsloot**
2. Alexandra High School, **region E.**

The two adopted schools had **40 learners** participating in the programme.



**DNA Actor's workshops programme** is a bridging course that assists graduates in the performing arts to acquire occupational skills for them to enter the performing arts industry.

DNA actor's workshop class attendance averaged at **45 students**. Dr Duma Ndlovu and casting Director Dakalo Kwinda facilitate the classes. The students are preparing their theatre pieces for graduation.



**Space.com** is a **youth development venue** that assists young artist to explore entrepreneurship platforms that exist in the performing arts and thus be active economic participants.

The 80/20% tickets sales partnership agreements between young producers and Joburg Theatre make it possible for the aspirant theatre makers to becoming well versed entrepreneurs using their trade.

Monthly programmes:

1. Poetry Dot Slam – This programme recognises poetry's role in the performing arts as a trade
2. Shef and the Kitchen Music – This group has made a breakthrough in the Music industry and have now released their first album. The groups is from Joburg Theatre music development programme.
3. New Melody – a music programme that unearths new talent.
4. Stand-up comedy – this platform introduces upcoming comedians.
5. African Goombay – Dance programme focus on African dance styles



Production	Region	Production narrative
Forbidden Knowledge by Simphiwe Ntshingila and Katlego Sekhosana	F-Naturena	Forbidden knowledge "Thabang" is a show about forgiveness and the fear of letting go of something. It's usage of sound, movement and acting, tell stories about alienation and mental illness/distress heightened with an influence of Late renaissance.
The Void by Moses D	F-Johannesburg	<p>The play was developed through a series of workshops, with three performers who researched, interviewed and used their personal stories to get different perspectives about the idea of waiting.</p> <p>The stories are told from different points of views and interwoven into one narrative of hope, love, exploration, tension, despair and coming together. As a central theme, the play explores the idea of waiting for a parental figure. It interrogates absent parents, the reasons behind their absence and the impact this may have on their children and their upbringing.</p>
Indodakazi Yakho By Bongikwazi Xulu and Star Tlali	B-Randburg	<p>A narrative about three generations of women, who share similar traumas.</p> <p>No one wants to intervene in or interfere with the 'inevitable' narrative of the African woman's struggle, not even the African woman herself.</p>
The Last Respect by Micheal Mazibuko	F-Johannesburg	<p>"You are her mother. Why did you not warn her?"</p> <p>The Production is set between 21<sup>st</sup> century Democratic South Africa, the defining years of the government of the day. Cadre Moswaswi is one of the electorate constituents, and is about to be sworn in as the new acting National Police Commissioner. Moswaswi suffer from schizophrenia which causes him to lose touch with reality. He serves under a corrupt and power hungry government. He is often caught between serving his master and the people, as such this causes internal conflict.</p>
The 2 <sup>nd</sup> coming by Sipho Saba	D-Soweto	<p>Tebogo 'Sgoloza' Monageng is affected by substance abuse, confronted by nyaope, he befriends the worst of characters in the society also turns those around him victims by pestering and stealing their things. Sgoloza dies because of overdose and gets confronted by a reality he never even dreamed of, exposed in front of a jury of Engels, a panel of super judicial entities, satan and God.</p>



## **SOWETO THEATRE**

### **Mandela day - 100 Years of Madiba celebrations**

To celebrate the 100 years centenary of Madiba, the community/youth development department partnered with the Global Education Exchange Coalition (GEEC). An organisation comprising of a group of 30 learners accompanied by a few of their parents, teachers, principals, coaches, mentors and other community leaders coming from three states (Houston, Tennessee & Los Angeles) in the USA, who visited Johannesburg from the 15 - 23 July 2018. The group outcome of their trip was to work directly with over 300 young people in South Africa, with the goal of completing an Engineering Service Project (ESP) that could provide free lighting solutions for over 100 families currently living without electricity.

Soeto Theatre partnered with the GEEC (Global Exchange Education Coalition) in the project, and invited 50 students from Freedom Park High School and Eldomaine High School in Eldorado Park – Region G as a means of cultural and education exchange through the solar light making workshops. Lights created by the learners during the workshops were distributed to households in Freedom Park and Kliptown informal settlements. The programme included workshops around indigenous music instruments, yoga and knowledge of self as part of this two-day exchange that took place at Eldomaine High School on the 17<sup>th</sup> & 20<sup>th</sup> of July, which culminated into a music showcase at Soweto Theatre on Friday the 20<sup>th</sup> of July coordinated by the band Roots Grown Deep. Through designing and constructing the solar powered jar lamps, learners engaged in engineering design and solar energy concepts that teach new skills to youth in South Africa allowing them to sustain the project and provide light for more families in the future.

In addition to the GEEC partnership in celebrating the great statesman's centenary Soweto Theatre also partnered with Roots Native Rebels and Sawubona Music Jams and staged a "100 Musicians Jam for 100 Years of Madiba" on the 18<sup>th</sup> of July. The event started at the grass area on the West wing of the theatre from 13:00 – 17:00, and then moved to the Rootz Native Rebels Restaurant & Gallery from 19:00 – 12:00, with 100 musicians coming to jam.

***Below is a link to videos taken during the 100 solar light making workshop at Eldomaine High School and music performance by the learners at Soweto Theatre.***

<https://vimeopro.com/lauquesorensen/soweto-theatre-community-development>

### **Music Tutorial Programme – Schools Music Outreach Campaign**

The Music Tutorial Programme is still continuing with its monthly schools music outreach and has conducted three sets of workshops for the first quarter. Planting the music seed, growing the culture of live music and developing audiences at grass roots level.

The workshops took place at Walter Sisulu Youth Care Centre, in Noordgesig for the month of July, the Don Mattera Youth Care Centre for the month of August and Emadelweni Primary School for the month of September, with a combined total of **122** learners taking part. The two youth centres operate as a safe place

and rehabilitation centres for troubled youth and abandoned children that are in much need of recreational activities for the youth that they house in the centres. The theatre received an invitation to take the workshops to the centres after they saw the workshop pics and posts on social media.

These workshops were facilitated by Langa Mavuso, an a jazz-soul singer, songwriter and performer from Johannesburg, Gabi Motuba, a jazz and classical music singer, composer who has performed with numerous young, prominent artists of South Africa e.g. Nduduzo Makhathini, Malcolm Jiyane, Mthunzi Mvubu, Bongeziwe Mabandla, a SAMA nominee for best African folk album in 2017 who has toured the world and has shared the stage with legends such as Madala Kunene and Pops Mohamed to name a few. Learners were taught the different techniques of voice and music instruments such as guitar, trumpet, keyboard, as well as indigenous music instruments such as percussion (djembe drums), uhadi, marimba as well as voice.

Some of the artists that have facilitated the workshops to date include Mandla Mlangeni, BLK JKS, Radio 123, Khethi Ntshangase, local band and favorite Urban Village, Sliq Angel, Nathi Bantu, Bekezela to name a few.

- ✓ Through the campaign, the Music Tutorial Programme has build a strong relationship between the Soweto Theatre, P J Simelane Secondary School, Daliwonga Secondary School and Structuring Society through Music (SSM) organization and the greater community to form the Soweto Theatre Junior Orchestra.
- ✓ The Soweto Theatre Junior Orchestra received another performance opportunity with a professional musician and was featured on the theatre’s monthly music programme titled “Its Personal”, sharing the stage with Gabi Motuba.
- ✓ The programme has also managed to attract and sustain sponsorship from ConcertsSA and the SAMRO foundation, as well as media coverage from various mainstream and community publications and radio stations such as Zola Urban News, Jozi FM and Kaya fm.
- ✓ The programme received another grant funding to the amount of R 25 000 from the SAMRO music foundation. This grant funding was to cover music lessons costs for the Junior Orchestra in preparation for the UNISA music theory exams. The Soweto Theatre Junior Orchestra is currently undergoing a series of monthly workshops and weekly lessons to prepare for the music theory exams that will be taking place from the 16<sup>th</sup> – 18<sup>th</sup> of October 2018.
- ✓ The programme has also submitted another proposal for a grant funding from ConcertsSA, this funding will assist to cover the musician’s and sound engineer costs for the schools music workshops in Quarter 2 and 3 of the 2018/19 financial year.

#### ***Langa Mavuso conducting music workshops at the Walter Sisulu Child and Youth Care Centre***



#### ***Gabi Motuba conducting music workshops at the Don Mattera Child and Youth Care Centre NB. The centre’s policy prohibits taking pictures of learners and showing their faces, thus the below pictures do not show the learners faces.***

### **Bongeziwe Mabandla conducting music workshops at Emadlweni Primary School**



### **Lits'omong Theatre Development Programme**

- The programme is currently in rehearsals, preparing for the end of year showcase. This year the programme has invited two other local youth groups from Soweto to share the stage with them. Communique in a form of letters has already been to parents to purchase tickets in advance to avoid disappointment as the show usually gets sold out. The different age groups who participate in the showcase are as follows;
  - 7 – 10 years
  - 11 – 14 years
  - 15 – 18 years
  - 19 – 21 years
  
- Lessons for the first quarter of the new financial year resumed on the 7th of July and are conducted every Saturdays from 09:00 – 15:00.

### **Schools Setworks Festival**

The Community/Youth Development department hosted a Schools Setworks Festival from the 11 – 14 September. This was a 4 day theatre festival of set-works contained within the GDE school curriculum. It

included language subjects, performing arts and culture subjects, life orientation as well as history. Theatre producers were invited to submit applications to stage set works as part of the schools festival with the intention of the festival being a teaching aide for Gauteng schools to empower learners in relating to their set works.

The festival took place on all three venues in the theatre i.e. Red theatre, Blue theatre and Yellow theatre. The Red theatre and the Blue theatre curated productions based on the subjects and curriculum being covered by schools in the catchment area and in the Yellow theatre was a social awareness production that was geared at schools.

For participation in the festival, the theatre invited three (3) high schools and three (3) primary schools around Soweto, Region D, with two (2) schools performing short stories in the Blue theatre each day. Each school was encouraged to sell 60 tickets to its learners to fill up the four days. The schools who participated in the short stories festival were Khandubuhle Primary School, Lakeview Full Service Primary, Adelaide Tambo Special School, Zola Higher Primary School, Orlando West High School as well as Vuwani Secondary School, 18 – 20 learners participating from each school.

***Learners from Khandubuhle Primary School performing “The Ways of the World” short story***



In the Red theatre, the theatre invited a theatre company called Blankpage to stage an isiZulu set work for Grade 12 titled Ubhuku Lwamanqe. High schools around Soweto, Kagiso and the Eaststrand were invited to buy tickets for the show. These are schools that were not able to come when the production was first staged in May.

***Learners from Lakeview Full Service Primary performing “A wise and foolish King” short story***



In the Yellow theatre, a theatre production focused on the lives of people dealing with the prejudice affecting those with Albinism was staged, as September is International Albinism month the play brought a social relevance to the Schools Set work Festival. The show was free to schools. Primary and high schools from around Soweto and Roodepoort – Region C, Eldorado Park and Lenasia were invited to bring 20 learners per school to watch the show, translating to four different schools coming in to see the show, each day of the

festival. There was a 30 minute question and answer session after each performance in the Red and the Yellow theatre.

**Learners from Zola Higher Primary performing "Four bullies meet their match" short story**



The MEC for basic education Mr. Panyaza Lesufi was invited to give an address on the opening of the festival but due to a prior family commitment, he could not make it. Ms. Lerato Mosia, an education specialist and language advisor from the GDE Soweto district office and her colleagues from the GDE creative arts department were in attendance and opened the festival. The Library and Information Services were also invited, and they facilitated a digital skills workshop for the attending schools in partnership with google.

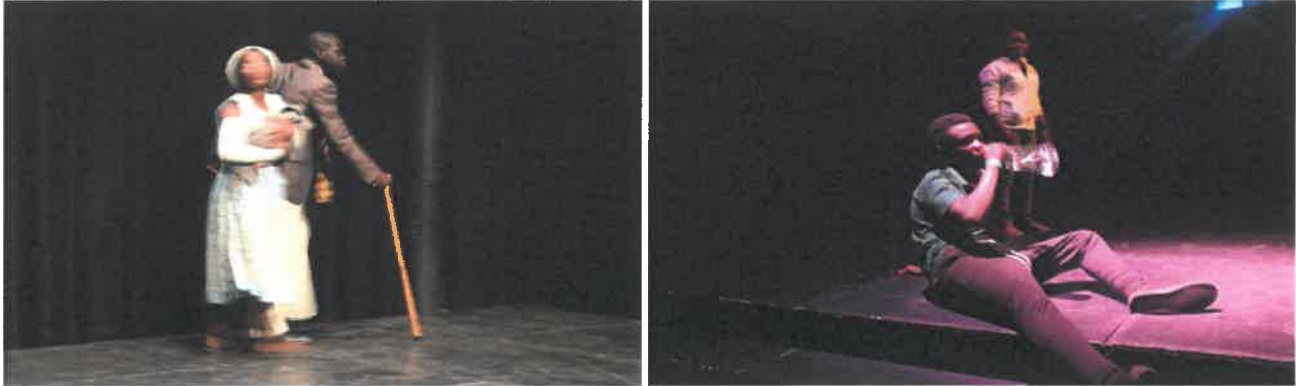
**Learners from Adelaide Tambo Special School performing "In the shacks of Inanda" short story**



**Learners from Vuwani Secondary School performing "The Whistlers" short story**



**Learners from Orlando West High School performing "The Crocodile" short story**



**ROODEPOORT THEATRE**

**PerformingHEARTS Theatre Programme July – September - Youth development** is a Theatre Programme consisting of 3 artistic disciplines, namely Acting, Physical Theatre/Movement/Contemporary Dance and Creative Writing. Workshops are aimed at youth in the Westrand area from ages 6- 18 and will be conducted weekly by head facilitator Francesca Matthys, a versatile Performing Artist, Theatremaker and Writer. From a young age, the arts has always been a vehicle for Francesca to express herself and now a professional artist, she believes that the arts is vital for the development of each child. **PerformingHEARTS** provides a platform where children are allowed to engage in play whilst gaining quality arts training. **PerformingHEARTS** aims to not only develop potential performers but confident and expressive youths. The programme ran successfully for the quarter and will return in the next quarter.



Braamfisher based Amukelani Theatre Production hosted its second Jozi Community Theatre and Dance Festival on July 13,14 and15 at the Roodepoort Theatre, broken down in three quadrants being a workshop in the business of the arts , followed by a competition and ended with a youth concert . The young, gifted and black dance community came in numbers some from all the way from Limpopo to partake in this prestige event. The platform that Roodepoort Theatre gave to the groups was highly appreciated as the groups would have not ordinarily been given an opportunity to showcase their talent and dance on a stage as big as the theatres. The dance festival is the first of many and will in partnership with the theatre continue to shine the light of new talent comprising of a diverse community.



**Womb Outside My Body- 31 August – Youth Development** This is a play of a mother and son, their love, their challenges and their special bond. She has dreams for him and his future. His journey of rejection, low self – esteem which ultimately culminates into drug abuse, crime and a vicious cycle of rehab, prison and the streets. The love bond between them is a combination of love and hate but mostly and always love conquers all. There are turning points in their lives and a tragedy changes their lives irrevocably. The mother struggles to deal with her emotions so she’s preparing to meet him for supper and she has prepared only his favorites, every day non- stop but he just never turns up until one day, she realizes why. She reminisces about his childhood, his challenges and their journey together. There are funny stories and sad stories but the expectancy and enthusiasm is there every step of he way. She cannot wait to see her son and tell him how much she loves him and catch up every bit of news. The climax of the play was when she was confronted with the truth about her son and why he did not turn up for dinner. This is a play of hope, love and forgiveness but most of all a story based on different people’s real stories including that of the producer, what a tear jerking show.

**The Art Revival TAR** is a platform to introduce talented up and coming artists to the public, with the hope that these new artists can get a following and grow from there. TAR was also looking to revive the love of the arts within our fellow countrymen and women. TAR’s intention was to use the arts to mend our injured country, to bridge the racial and cultural boundaries and this time around, there was reserved time on the program for an open mic session. What an amazing night full of talent and high notes.



**Evolution of Rainbow** - The audience was greeted in the name of Dance and Music at Roodepoort Theatre on 17 July 2018. This project was made possible by a grant from the National Lotteries Commission (NLC). The theme of the training programme was “A Slave’s Prayer”, focusing on the Slave or enslavement heritage of South Africa. The production utilized Colonialism and the spice trade to explain the variety of people and cultures in our country.

Our former President, Mr. Nelson Mandela very aptly stated: “Society without The Arts has no soul”, it was no coincidence that this event took place a day before his birthday in the year of his centenary celebration. The NLC, Anavarata and members utilized their training process to assist fellow artistes within our Arts, Culture



and Creative Sector to help grow interest within previously disadvantaged communities. The training took place in the form of advanced/ master classes to community –based youth. **The training was free to all participants as they were individuals from previously disadvantaged communities.** The certificate recipients had been through rigorous training in various South African and World dance styles by professionals in these genres. The trainees/interns of the programme have in turn been teaching the children and Youth to connect to the joy, healing and freedom of Dance and Dance theatre. Each participant became an active agent of change, transformation and Social Cohesion- an Ambassador of Peace and Nation- Building.

**Youth Word Explosion** - This event showcased local talented young people with a zest for words and music, the show was enjoyed by many as they came out in their numbers to witness new and raw talent within region C, the producers hoped that this production will spark the youth into action to come out and support the local home grown talent, this was the first of many.



The major event for Joburg Ballet during this period was season entitled FIRE AND ICE. This comprised a double bill with the two works showcasing contrasting aspects of theatre dance, from pure ballet classicism to powerful contemporary dance. In the space of a single evening, the dancers excelled in both styles, showing Joburg Ballet to be one of the most versatile dance companies in South Africa.

The first work *Raymonda Act III*, was staged by visiting Brazilian ballet producer and teacher, Guivalde de Almeida who drew accomplished performances from the dancers in this technically demanding ballet. Mr Guivalde also accepted an invitation to teach ballet class while he was here, the dancers noticeably benefitting from his outstanding teaching abilities.

The second work, *Whispers of My Soul*, was by Algerian born French choreographer, Redha, and explored in his inimitable way views and aspects of humanity's inner landscapes, the dark and foreboding as well as the serene. The work exposed the dancers to a challenging creative environment and drew from them new, and for some of them, unexplored facets of their artistry.

## MARKETING, PUBLICITY AND PUBLIC RELATIONS REPORT JULY 2018 – SEPTEMBER 2018

In the 99-day period under review the office generated an Advertising Value Equivalent (AVE) of R 17 813 860.53, amounting to 175 media clips.

Broadcast: R 787 597.60 (17 clips)

Online: R 12 703 933.34 (104 clips)

Print: R 4 322 329.59 (54 clips)

**Publicity and awareness** was generated through a combination of press releases, emailers, direct contact with media outlets and individual journalists, social media and The Friends of the Ballet.

Publicity and Marketing output generated summary:

Press Releases	4
Electronic Mailers to database	4
Invitations	4

**Social media coverage** our social media during this period focused primarily on our two seasons at Joburg Theatre, *Fire and Ice* and the upcoming season of *The Nutcracker*

Our top Tweet during this period was about our national auditions in October, which earned over 22K impressions.

**Facebook:** 12,018 followers (up from 11,330)

**Twitter:** 3,897 followers (down from 4,151)

**Instagram:** 4,094 followers (up from 3,883)

**LinkedIn:** 63 followers (up from 41)

**Advertising** - Joburg Ballet advertised FIRE AND ICE using outdoor billboards, citilights, motorway posters and roadside digital boards as well as pro bono advertising in magazines and journals.

## JOBURG BALLET SCHOOL JULY 2018 – SEPTEMBER 2018

The JB School teachers have completed the Advanced 1 examinations and results will be issued by the end of October 2018. The next step is to obtain the Associates Diploma in Teaching and this will be complete by November 2019.



The current number of students is as follows:

JBS Accelerated Program	29
BRAAMFONTEIN	18
SOWETO	23
ALEXANDRA	20

The teaching staff is also working tirelessly to ensure that adequate care is taken in preparing the students for their external exams through the Cecchetti Society. Their exams will occur in October 2018. Forty-five (45) students have been entered and the selected students are expected to achieve high merits but ideally, distinctions (75% and above) for these vocational examinations.

With regards to performances, the children in our Accelerated Program have also participated in the Heritage Day event at Roodepoort High School as well as in the 2<sup>nd</sup> annual Jozi Tese Festival held at the Walter Sisulu Botanical Gardens.

12 students from our Accelerated Program have also been cast in Joburg Ballet's production of The Nutcracker that will be performed from October 5<sup>th</sup> at the Mandela Stage at Joburg Theatre. Preparations are now underway for the Annual Showcase which will be held at the Soweto Theatre in December 2018.

## **JOBURG BALLET SCHEDULE OF EVENTS AND ACTIVITIES JULY 2018 – SEPTEMBER 2018**

### **JULY**

#### **SEASON 2**

Raymonda / Redha – 25 June – 08 July 2018

- 01 JUL. SUN 15:00
- 03 JUL TUE. 11:00
- 04 JUL WED. 11:00
- 06 JUL FRI. 19:30
- 07 JUL SAT. 15:00
- 07 JUL SAT. 19:30
- 08 JUL SUN. 15:00

09 -17 July Company Leave

18 July Mandela day

20 July Oprah Winfrey School

26 July Maropeng

### **AUGUST**

15 August – 09 September (CHINA)

25 August JBS parents watching class

### **SEPTEMBER**

02 September Solo Seal exam

03 – 08 September Kevin Durwael

12 September Décor morning (Edith Venter)

15 September Nutcracker Open day

18 September German school

21 September Heritage day event TBC

22 September Val Whyte Auditions  
24 September (Afrikoa) TBC  
26 September JBS Alexandra progress assessment 3  
27 September JBS Braamfontein progress assessment 3  
28 September JBS Soweto progress assessment 3  
29 September JBS Accelerated progress assessment 3  
30 September Jozi Festival (JB School)

## **JOBURG BALLET SCHOOL INTERACTIONS JULY 2018 – SEPTEMBER 2018**

### **Mandela Day – Orphanage Visit**

Joburg Ballet went to Othandweni Child welfare Centre in Soweto with dancers to spend time with the kids who are orphaned.

The following dancers from the company entertained the children: Nicole Ferreira-Dill, Chloe Blair, Erica Vadelka; Christina Nakos and Alice le Roux. Also joining us was: Lauren Slade, Kabelo Modiga, Emmanuel Madavha, Lerato Letlape and Kevin Hurter as we delivered donations to the centre for the kids, collected from the staff and dancers.

Performing pieces choreographed by the company was Kitty Phetla, Shana Dewey, Savannah Ireland and Mahlatse Sachane.

### **Workshops**

- 16 March 2018 - Heronbridge School
- 20 July 2018 - Oprah Winfrey School
- 18 September 2018 - German School

### **Heritage Month Celebrations**

Joburg Ballet celebrated Heritage Day on 21 September 2018 at Hoerskool Roodepoort in collaboration with the Department of Education West District.



The performers were:

- Joburg Ballet
- Johannesburg Philharmonic Orchestra
- Hoerskool Roodepoort

- Isulihle Primary School
- Joe Moth



### The Nutcracker – Schools Performances

We have the below Schools booked for 09 and 10 October 2018

- Assumption Convent
- Hoërskool Waterkloof
- Crawford prep Sandton
- Crawford prep Lonehill

Joburg Ballet will be their destination, not their departure point!

UPCOMING SHOWS IN THE FIRST QUARTER 2018/19





## HOSPITALITY AND CATERING

According to research firm Stats SA publication dated 17 September 2018, Country wide restaurants and coffee shops revenue decreased by 1.6% and Catering services reduced by 2.4% year on year. Stats SA also published a drastic decline in bar revenue year on year.

We hosted a few noteworthy events in this quarter, the COJ Social Development Awards at the Joburg Theatre



Our annual Mandela Day celebrations held at the Roodepoort Theatre



And Both the Jozi FM dinner and the VIP guests of Thina Zungu



We have started the building works in phase 1 of the metro centre and should be completed in the middle of October, We are excited at this opportunity and know it will strengthen our footprint throughout the metro.





Hospitality and Catering also provided all the public bars and catering for The launch of the arts alive festival at the Joburg theatre on 01<sup>st</sup> September as well as Jazz On The Lake at Zoo Lake on the 3<sup>rd</sup> September catering to all the iconic artists both international and local.

The Stages menu features a broad selection of high-quality Prime- and Choice-grade steaks and other premium offerings served in stages signature fashion complemented by other traditional menu items inspired by our South Africa heritage. Stages restaurants reflect the commitment to the core values of caring for our guests by delivering the highest quality food, beverages and service in a warm and inviting atmosphere. We are pleased to announce a menu change in all our restaurants which will be implemented in the next quarter.



Our business is subject to seasonal fluctuations and once again our first quarter has delivered as being one of the strongest revenue quarters largely due to popularity of dining out during the spring months. Consequently, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year and comparable restaurant sales for any particular period may decrease.

## Section 2: Service Delivery Challenges

Although still strained, the global economy has been recovering over the past few years. The economic growth outlook in South Africa however remains flat, with rising inflation and lower disposal income impacting on audience numbers. The JCT however is challenged to be creative and innovative in seeing off competition and improving revenue whilst creating opportunities for job creation and the development of local arts practitioners and enterprises.

Sectoral challenges in developing collaboration with others as a result of the competitive nature of the industry. Maintain and develop relationships with local producers such as Market Theatre and State Theatre and nationally such as Artscape and Durban Playhouse.

Millions of migrants from neighbouring countries and provinces settle in Gauteng in pursuit of economic and employment opportunities, which ultimately impacts negatively on infrastructure and service delivery and challenges government to cater for the needs of a more diverse citizenry.

While the entrepreneurial spirit of migrants is an asset to the city, diversity also presents challenges. Growing the city is, beyond the bricks and mortar, also about building a shared sense of belonging. The success of Johannesburg will be directly related to the extent to which all believe they belong – with the promotion of an environment where everyone holds an equal opportunity to contribute, critical for long term sustainability. With excessive socio-economic challenges in the 189 informal settlements in Johannesburg and an annual crime rate of 200/100 000 citizens, this issue of building a world class and highly cohesive community is a significant challenge.

### **Section 3: Performance against Service Standards**

- Youth development focus and priority;
- Host, develop and stage world class productions that tell the story – and promote civic pride / social cohesion which includes community dialogues and education sessions implemented in identified high risk areas for Xenophobic attacks as well as utilisation of diverse cultural activities amongst the citizens
- Accelerate number of activities: Heritage and arts appreciation and education;
- Audience and content development;
- Continuous product enhancement and employee skilling;
- Promote the visibility of facilities and programmes;
- Customer care improvement;
- Integrate the programming across the City theatres
- Visible improvement in service delivery through: Service Delivery Standards, Compliance to Service Level Standards

The company has signed the Shareholder Compact and is actively adhering to the Service Standards.

### **Joburg City Theatres: Customer Satisfaction Survey**

The Joburg City Theatres are scoring higher than average on all positive aspects of the survey, including across the SurveyMonkey Global benchmarks (where applicable).

A customer satisfaction survey consistently runs across all 3 websites – [www.joburgtheatre.com](http://www.joburgtheatre.com) / [www.sowetothatre.com](http://www.sowetothatre.com) / [www.roodepoorttheatre.com](http://www.roodepoorttheatre.com). Customer satisfaction remains stable. Although there were several more complaints this period, there was a similar increase in compliments.

Joburg Theatre has also been rated quite dramatically on the travel website [www.tripadvisor.com](http://www.tripadvisor.com), which is a new development. Joburg Theatre has 90 reviews: 42 excellent, 40 very good, 4 average, 2 poor and 1 terrible. The venue is rated no1 for things to do in Braamfontein. TripAdvisor has awarded the theatre a Certificate of Excellence as an attraction that consistently earns great reviews from travellers.

Soweto Theatre has 2 reviews on the site, while Roodepoort Theatre has not yet been rated by any travellers.

The main objective is to heighten the customer experience of both customers and citizens of services rendered.

- Implementation of Customer Service Charter
- Query Resolution /Regionalisation
- Timeous response at Call Centre

**JCT SERVICE STANDARDS**

CORE BUSINESS	SERVICE STANDARD TARGET	ACTUAL	EVIDENCE	VERIFIED ACTUAL*	VARIANCE	VARIANCE EXPLANATION	MITIGATION
Theatres accessible to people living with disabilities	100% accessibility	100%	Zero incidences reported	Zero incidences reported	0%		
Production Start Times	100% of all shows starts within 15 minutes as per schedule	98.66%	Theatre manager's show reports	6 shows out of 447 started more than 15 minutes after scheduled start time	1.34%	<p>2 church events did not start within 15 minutes of scheduled time</p> <p>Miscommunication between organisers and the theatre between rehearsal start time and actual show starting time</p> <p>1 church event did not start within 15 minutes of scheduled time</p> <p>Miscommunication between organisers and the theatre between rehearsal start time and actual show starting time</p> <p>1 school performance only started after speeches were completed</p> <p>A spare projector was brought from the stores, and the performance was able to continue.</p> <p>1 performance of Shakespeare Schools Festival started late due to a faulty projector 07.09.18</p> <p>The first heavy rains of summer resulted in major traffic delays. Both audience members and a cast member were delayed in getting to the theatre on time for a performance of Bantu 28.09.18</p>	

CORE BUSINESS	SERVICE STANDARD TARGET	ACTUAL	EVIDENCE	VERIFIED ACTUAL*	VARIANCE	VARIANCE EXPLANATION	MITIGATION
<ul style="list-style-type: none"> <li>Safety of Patrons</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance to health and safety legislation</li> </ul>	100%	Joburg Theatre was affected by lack of water when a major pipe burst on 12 & 13 September	one incidence reported – Occupational Health & Safety's report.	0%	Joburg Theatre's water tanks were able to supply water to the building until those tanks ran dry. Joburg Water was able to assist in delivering extra water once the tanks ran dry	Joburg Theatre's water tanks were put to good use, day-to-day operations were not adversely affected, and customers were not inconvenienced.
<ul style="list-style-type: none"> <li>Safety of patrons</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance to health and safety legislation</li> </ul>	100%	3 days of the Soweto International Jazz Festival were cancelled (15, 16 and 17 June) because the JOC requirements were not of a sufficiently suitable standard to ensure the safety of performers and patrons. Joburg City Theatres had offered on several occasions to assist with JOC requirements, but the promoter had declined all offers of assistance.				

To support and drive its core strategy, JCT appreciates that values identify the principles for the conduct of the institution in carrying out its mission; and in this regard, the institutional values are derived in conjunction with the JCT mission. JCT values define a citizen-oriented approach for producing and delivering its services in line with the service delivery improvement priorities of the COJ, as follows:

Value	What it means in practice for Joburg City Theatres
Service With Pride	We will display a results orientation and a commitment to perform and deliver on the priorities of the organisation. We will place customer service excellence at the centre of everything we do. We will do so in a competent, timely, cost effective and efficient manner. We will take ownership of our work at all times and take responsibility for our actions
UBUNTU (Care and concern for people)	We will do our work with care, empathy and concern for the wellbeing of vulnerable communities, customers and stakeholders. We will at all times display tolerance, respect and consideration of cultural diversity.
Accountability	We will display punctuality, reliability, dependability and a commitment to meet deadlines. We will act in a transparent manner and display ethical and consistent behaviour. We will behave with integrity in all our actions, always acting in the best interest of the citizen and organisation.
Agility	We will seek to be flexible, adaptable and responsive to our highly competitive environment. We will value and promote innovative ideas and solutions in order to deliver exceptional results.

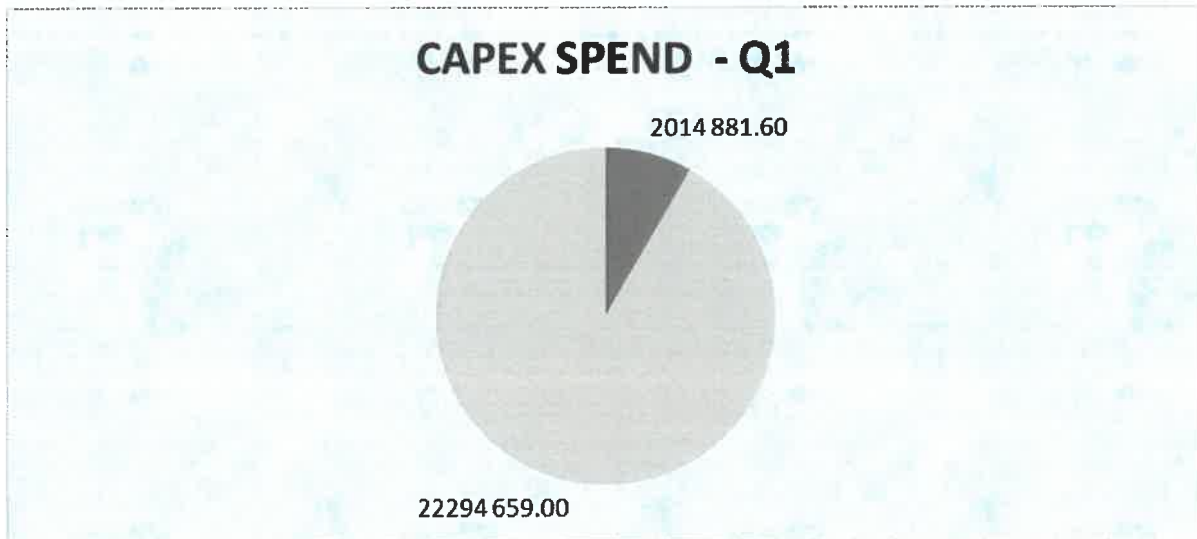
#### Section 4: Capital Projects & Expenditure

The budget for 2018/19 is R 22,294,659. Joburg City Theatre's capital expenditure spend as at 30 September (Quarter 1) is 10%.

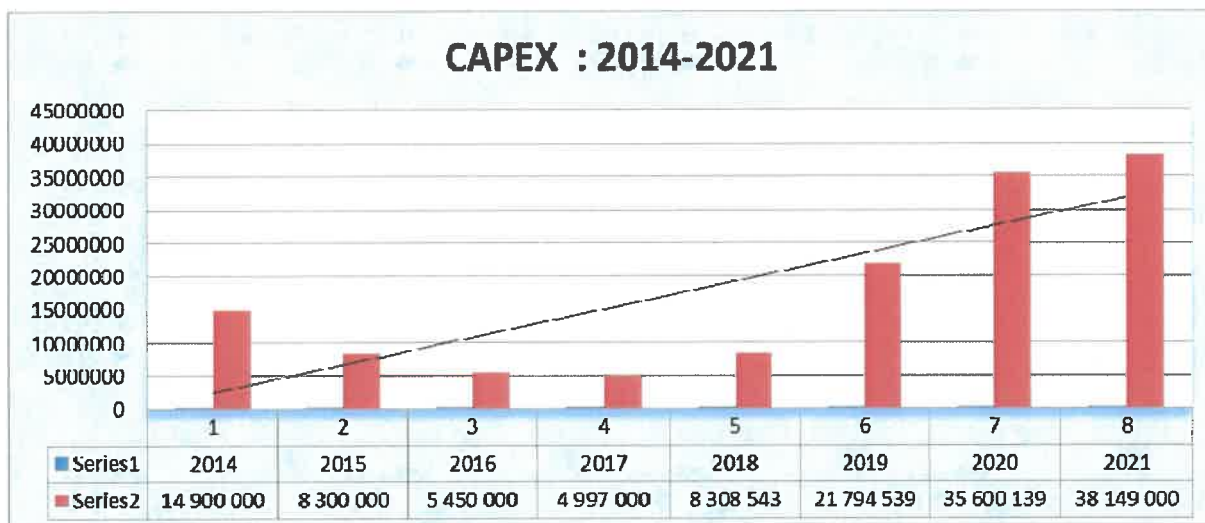
#### JOBURG CITY THEATRE'S CAPEX 2018/19

PROJECT	EXPENDITURE (VAT EXCL)	ORIGINAL BUDGET	COMMITTED BUDGET	AVAILABLE BALANCES
<b>JOBURG THEATRE</b>				
BUILDING RENOVATIONS AND UPGRADES	352 253.05	1 614 000.00	-	1 261 746.95
UPGRADE OF STAGE MACHINERY	-	11 604 000.00	-	11 604 000.00
TECHNICAL EQUIPMENT NEW	734 927.82	6 300 000.00	-	5 565 072.18
INFORMATION TECHNOLOGY	369 655.25	408 000.00	-	38 344.75
<b>TOTAL - JOBURG THEATRE</b>	<b>1 456 836.12</b>	<b>19 926 000.00</b>	<b>-</b>	<b>18 469 163.88</b>
<b>ROODEPOORT THEATRE</b>				
BUILDING RENOVATIONS	26 055.00	200 000.00	-	173 945.00
STAGE EQUIPMENTS UPGRADES	-	808 668.52	-	808 668.52
<b>TOTAL - ROODEPOORT</b>	<b>26 055.00</b>	<b>1 308 668.52</b>	<b>-</b>	<b>1 282 613.52</b>
<b>SOWETO THEATRE</b>				
BUILDING RENOVATIONS	143 937.00	528 000.00	-	384 063.00
STAGE EQUIPMENTS UPGRADES	531 990.48	531 990.48	-	-
<b>TOTAL- SOWETO</b>	<b>675 927.48</b>	<b>1 059 990.48</b>	<b>-</b>	<b>384 063.00</b>
<b>TOTAL CAPEX JCT 2018/19</b>	<b>2 158 818.60</b>	<b>22 294 659.00</b>	<b>-</b>	<b>20 135 840.40</b>
		<b>10%</b>		

The diagram below depicts the actual capex spend as at 30 September 2018(Quarter 1):



The diagram below better depicts the overall capital expenditure budget allocation pattern from the year 2014 to 2021.



JCT's budget capital expenditure allocations from COJ have been declining as reflected on the diagram above in 2014 to 2019 however it ascends in the 2020 and 2021.

JCT spent and invested a lot on the infrastructure of the organisation, where there has been a major upgrade amongst all the Theatres' buildings, stage machinery, Catering & Hospitality department. The Capex projects included upgrading of stage tower and Seating for the Fringe Theatre as well as Upgrade of the West End of the Joburg City Theatre Buildings, the upgrade of stage equipment including and IT hardware. In the coming years the Theatre is looking at continuing investing on upgrading the stage machinery and the acquisition of a backup generator that will ensure that the operation of the business continue without interruptions. These future Capex requirements are a priority for the theatres due to the impact they have on the operations of the theatre and they are also rated high in the strategic risk register. The purpose of investing on the Theatre's infrastructure is for growth and be in line with the Theatre's mission to become competitive in the market.

## Section 5: Performance against “Diphetogo”

The Mayor has stated his commitment to “business unusual” game changer priorities that will make a significant contribution to enhanced service delivery. In response, the JCT “Diphetogo” commitments are informed by, and build upon, the foundation laid by the 2015 JCT “transformation charter” which was aimed at transforming the organisation to be commercially viable and relevant within a changing society. While Joburg City Theatres has traditional audiences, it must be an environment which is accessible to all members of society; and transformation and relevance must be integral to the organisation’s focus. JCT has identified the following “Diphetogo” commitments for the period 2018/19 and beyond:

Moral Imperative	Impact	JCT Focus Areas	2018/19 Target	Means of Verification	Unit Responsible for Reporting	2018/19 Performance Targets				Comment	
						Reporting Period	Q1 Jul - Sep 2018	Q2 Oct - Dec 2018	Q3 Jan - Mar 2018		Q4 Apr - Jun 2018
Social - Greater quality of life and dignity for previously marginalised sections of our society	Cluster Activations Tribute to Legends	To champion social cohesion and contribute to building a better society through the arts.  To be accessible to previously disadvantaged communities.  To promote diversity in content creation and curatorship.	12 activations (Monthly)	Attendance registers / SLA, Quarterly report / Contracts and marketing material	EP	Quarterly	3 Activations	6 Activations	6 Activations	6 Activations	Target for First Quarter was Achieved
			2 programmes (productions and concerts)	Attendance registers / SLA, Quarterly report / Contracts and marketing material	EP	Biannual	2 programmes (productions and concerts)	-	-	-	Target for First Quarter was Achieved
			1 Programme	Attendance registers / SLA, Quarterly report / Contracts and marketing material/ Ticket reports	EP	Annually	2 Programmes (1 Concert + 1 Production)	-	-	-	Target for First Quarter was Achieved
Socio-Economic - To ensure access to and use of theatre facilities by communities and other art industries	Inner City Revitalisation Programmes: (Ballet, Orchestra, Arts & Crafts)	To champion and harness a multi-cultural public space.  To develop and attract new audiences to the theatre	Fraud Awareness	Attendance registers / SLA, Quarterly report / Contracts and marketing material/ Ticket reports	EP	Annually	-	1 Collaborative Industrial Theatre/Production	-	-	Target for First Quarter was Achieved

## Section 6: Performance against Institutional SDBIP

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		2018/19 Performance Targets					2018/19 Budget	
				Baseline 2017/18 Estimate	2018/19 Target	Unit Responsible for Reporting	Reporting Period	Q1 Jul - Sep 2018	Q2 Oct - Dec 2018	Q3 Jan - Mar 2019		Q4 Apr - Jun 2019
<b>Strategic Objective 1: Provision of opportunities for the youth, including future arts practitioners and entrepreneurs</b>												
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty	Increase work opportunities at JCT	Number of Expanded Public Works programmes (EPWP) work opportunities created at JCT	Job opportunities	New	250 Expanded Public Works programmes (EPWP) work opportunities created at JCT	COO	Quarterly	50 Expanded Public Works programmes (EPWP) work opportunities created at JCT <b>64 Opportunities</b>	150 Expanded Public Works programmes (EPWP) work opportunities created at JCT	200 Expanded Public Works programmes (EPWP) work opportunities created at JCT	250 Expanded Public Works programmes (EPWP) work opportunities created at JCT	Target for First Quarter was Achieved
	Increase youth development	Number of youths attending arts programmes (Non-Cumulative)	Youth development in the art sphere	New	400 of youths attending arts programmes (Non-Cumulative)	Executive Producer, Artistic Manager	Quarterly	400 of youths attending arts programmes (Non-Cumulative) <b>637 youths</b>	400 of youths attending arts programmes (Non-Cumulative)	400 of youths attending arts programmes (Non-Cumulative)	400 of youths attending arts programmes (Non-Cumulative)	Target for First Quarter was Achieved
<b>Strategic Objective 2: High quality performing arts and entertainment experiences and facilities</b>												
Create a culture of enhanced service delivery with pride and dignity	Improved service delivery	Percentage achievement on service level standards	Service standards turnaround time improvement	90% achievement service level standards	90% achievement service level standards	COO	Quarterly	90% achievement service level standards <b>99.5%</b>	90% achievement service level standards	90% achievement service level standards	90% achievement service level standards	Target for First Quarter was Achieved

CORE BUSINESS	SERVICE LEVEL STANDARD
1. Theatres accessible to people with disabilities	100% accessibility
2. Production start times	100% of all shows commence within 15 minutes as per schedule
3. Safety of patrons	100% compliance to health and safety legislation



IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		2018/19 Performance Targets					2018/19 Budget	
				Baseline 2017/18 Estimate	2018/19 Target	Unit Responsible for Reporting	Reporting Period	Q1 Jul - Sep 2018	Q2 Oct - Dec 2018	Q3 Jan - Mar 2019		Q4 Apr - Jun 2019
Create a culture of enhanced service delivery with pride and dignity	Improved audience development and accessibility to venues	Number of Arts and Culture festivals and productions held / in-house production	To make venues more accessible Promotion of positive social local content	18 Arts and Culture festivals and themed productions held / in-house production	24 Arts and Culture festivals and themed productions held / in-house production	Executive Producer	Quarterly	8 Arts and Culture festivals held / in-house productions held	13 Arts and Culture festivals held / in-house productions held	17 Arts and Culture festivals held / in-house productions held	20 Arts and Culture festivals held / in-house productions held	Capex Opex
				6 ballet seasons	6 ballet seasons	Executive Producer	Quarterly	2 ballet seasons	4 ballet seasons	5 ballet seasons	6 ballet seasons	
	Promote positive social local content	Annual Targets not cumulative	2	Image building of the CoJ by Joburg Ballet	6 ballet seasons	6 ballet seasons	Executive Producer	Quarterly	2 ballet seasons	4 ballet seasons	5 ballet seasons	6 ballet seasons
Promote economic development	Number of Philharmonic Orchestra seasons	Number of Philharmonic Orchestra seasons	Improved access to professional concerts of classical and choral music	4 Philharmonic Orchestra seasons	4 Philharmonic Orchestra seasons	Executive Producer	Quarterly	1 Philharmonic Orchestra seasons	2 Philharmonic Orchestra seasons	3 Philharmonic Orchestra seasons	4 Philharmonic Orchestra seasons	Target for First Quarter was Achieved
				6	6	Executive Producer	Quarterly	2 Season	2 Season	2 Season	2 Season	Target for First Quarter was Achieved
				1	1	Executive Producer	Quarterly	1 Season	1 Season	1 Season	1 Season	Target for First Quarter was Achieved
<b>Strategic Objective 3: Affordable access to and use of theatres by communities</b>												
Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress	Improved audience development and accessibility to venues	Number of discounted tickets issued to school learners	Affordable tickets, public access to theatres	30,000 number of discounted tickets issued to school learners	40,000 number of discounted tickets issued to school learners	COO	Quarterly	11,000 discounted tickets issued to school learners	30,000 discounted tickets issued to school learners	35,000 discounted tickets issued to school learners	40,000 discounted tickets issued to school learners	Target for First Quarter was Achieved
				10,000 free tickets issued to various communities	15,000 free tickets issued to various communities	COO	Quarterly	3,000 free tickets issued to various communities	9,500 free tickets issued to various communities	12,500 free tickets issued to various communities	15,000 free tickets issued to various communities	Target for First Quarter was Achieved
				4,500 discounted tickets issued to senior citizens	6,500 discounted tickets issued to senior citizens	COO	Quarterly	3,156 discounted tickets issued to senior citizens	4,000 discounted tickets issued to senior citizens	5,500 discounted tickets issued to senior citizens	6,500 discounted tickets issued to senior citizens	Target for First Quarter was Achieved
3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008	3,008

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		Means of Verification	Unit Responsible for Reporting	2018/19 Performance Targets				2018/19 Budget	
				Baseline 2017/18 Estimate	2018/19 Target			Reporting Period	Q1 Jul - Sep 2018	Q2 Oct - Dec 2018	Q3 Jan - Mar 2019		Q4 Apr - Jun 2019
Create a City that responds to the needs of the citizens, customers, stakeholders and businesses	Improved audience development and accessibility to venues	Number of attendees to theatres	Public access to theatres	215 000 attendees to theatres	255 000 attendees to theatres	Ticket reports	COO	Quarterly	60,000 attendees to theatres <b>81,435</b>	180,000 attendees to theatres	200,000 attendees to theatres	255,000 attendees to theatres	Capex Opex  Target for First Quarter was Achieved
<b>Strategic Objective 4: Good governance, financial sustainability and sound management</b>													
Enhance our financial sustainability	Improved financial planning and project management	Percentage of CAPEX budget spent	Capital project programme	100% of R3,443m CAPEX budget spent	95% of total CAPEX budget spent	CAPEX expenditure report Financial statements	CFO	Quarterly	10% of total CAPEX budget spent <b>10% of R22,294,659</b>	30% of total CAPEX budget spent	70% of total CAPEX budget spent	95% of total CAPEX budget spent	Target for First Quarter was Achieved
Enhance our financial sustainability	Improved and sound financial management	Proportion of earned income against total revenue including subsidy	Financial sustainability Improved and sound financial management	36% / 64% Earn Revenue R58,714m Total revenue R160,439m	38% / 62% Earn Revenue R67,653m Total revenue R179,097m	Financial statements Income reports	CFO	Annually	39% / 61% Earned revenue R19,994m Total revenue R50,608m <b>42% / 58% Earned revenue R22,257/ Total revenue R 52,766</b>	49% / 51% Earned revenue R51,037m Total revenue R103,346m	39% / 61% Earned revenue R57,658m Total revenue R145,420m	38% / 62% Earn Revenue R67,653m Total revenue R179,097m	Target for First Quarter was Achieved
	Internal control improvement process Audit mitigation initiatives	Audit opinion	Clean audit outcome	Unqualified audit opinion with zero audit report findings	Unqualified without material findings	External audit opinion and report Annual financial statement	CFO	Annually	-	Unqualified without material findings	-	-	Target for First Quarter was Achieved
	Increased entrepreneurship I support of small	Percentage of procurement spend on SMME's	Business Support to SMME's	30% of procurement spend on SMME's against total procurement expenditure	30% of procurement spend on SMME's against total procurement expenditure	Procurement reports	CFO	Quarterly	30% of procurement spend on SMME's against total procurement expenditure (quarterly) <b>94%</b>	30% of procurement spend on SMME's against total procurement expenditure (quarterly)	30% of procurement spend on SMME's against total procurement expenditure (quarterly)	30% of procurement spend on SMME's against total procurement expenditure (quarterly)	Target for First Quarter was Achieved

IDP Programme	Result Area	Key Performance Indicator	Key Intervention	Strategic Objective Annual Targets		2018/19 Performance Targets					2018/19 Budget	
				Baseline 2017/18 Estimate	2018/19 Target	Unit Responsible for Reporting	Reporting Period	Q1 Jul - Sep 2018	Q2 Oct - Dec 2018	Q3 Jan - Mar 2019		Q4 Apr - Jun 2019
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021	businesses	Percentage of procurement spend on BBEEE against total procurement expenditure	Business support to BBEEE's	75% of procurement spend on BBEEE against total procurement expenditure	75% of procurement spend on BBEEE against total procurement expenditure	CFO	Quarterly	75% of procurement spend on BBEEE against total procurement expenditure (quarterly) 100%	75% of procurement spend on BBEEE against total procurement expenditure (quarterly)	75% of procurement spend on BBEEE against total procurement expenditure (quarterly)	75% of procurement spend on BBEEE against total procurement expenditure (quarterly)	Capex Opex
	Increased entrepreneurial support of small businesses	Number of SMMEs supported by JCT	SMMEs supported	120 SMMEs supported by JCT	120 SMMEs supported by JCT	CFO	Quarterly	120 SMMEs supported by JCT (Non-Cumulative) 120	120 SMMEs supported by JCT (Non-Cumulative)	120 SMMEs supported by JCT (Non-Cumulative)	120 SMMEs supported by JCT (Non-Cumulative)	Target for First Quarter was Achieved
<b>Strategic Objective 5: Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT</b>												
Create a culture of enhanced service delivery with pride and dignity	Improved perceptions of JCT	Number of monthly media monitoring reports	Monitoring perceptions and media reporting	12 monthly media monitoring reports	12 monthly media monitoring reports	Executive Marketing Manager	Monthly	3 media monitoring reports 3 Reports	6 media monitoring reports	9 media monitoring reports	12 media monitoring reports	Target for First Quarter was Achieved
Create a City that responds to the needs of the citizens, customers, stakeholders and businesses	Improved stakeholder mobilisation	Number of strategic partnerships created	Partnerships / Collaborations productions / programmes / events	18 strategic partnerships created	20 strategic partnerships created	Executive Producer	Quarterly	5 strategic partnerships created 5 Partnerships	10 strategic partnerships created	15 strategic partnerships created	20 strategic partnerships created	Target for First Quarter was Achieved

### Summary

Quarterly KPIs	18
Annual KPIs	01
Total number of KPIs	19
Total number of KPIs Measured	18
Number of Quarterly KPIs Achieved	18
Number of Quarterly KPIs Not Achieved	0
Total achieved constitutes	100%

## **Section 7: Supply Chain Management and Black Economic Empowerment**

The company adheres to a procurement system which is fair, equitable, transparent, competitive and cost effective in terms of Chapter 11 of the Municipal Finance Management Act, No 56 of 2003, read together with the Municipal Supply Chain Management Regulations.

The company has a supplier database in order to afford all prospective suppliers registered on the database an equal opportunity to submit quotations. Preference will be given to suppliers registered on the database, but it does not necessarily follow that suppliers who are not registered as yet will be totally exempted.

It is however envisaged that this database will contribute to efficient administration and compliance to prescribed policies, procedures and legislations. A Supplier Registration Form was created to assist in updating or obtaining detailed supplier information for the database in accordance with the company's Supply Chain Management Policy and applicable legislations.

The Bid Adjudication Committees were established in terms of the provisions of Local Government Municipal Finance Management Act (MFMA). This Committee consist of officials with delegated authority to recommend bids in accordance with their terms of reference. The Bid Adjudication Committee considers the bids and makes recommendation to the Accounting Officer / CEO to make final awards.

Bids were evaluated in accordance with criteria set out in the Preferential Procurement Policy Framework Act (Act No: 5 of 2000) and the Preferential Procurement Regulations 2011, published in terms of Government Gazette No 34350, JCT's approved Supply Chain Management (SCM) Policy and also in terms of the criteria set out in the Construction Industry Development Board (Act No 38 of 2000).

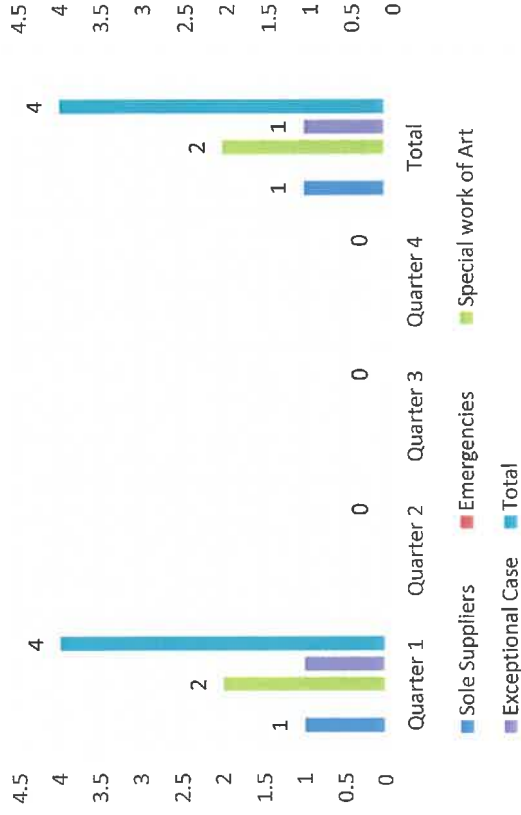
In terms of Regulation 6 (1) read with Regulation 6(2) of the MSCMR issued in terms of the Local Government MFMA 56 of 2003, the Board of Directors of the Municipal entity must maintain an oversight role over the implementation of its SCM Policy. This report has been compiled in compliance thereto. The CEO in terms of the MSCMR, the company's SCM Policy and delegations within the SCM Policy approves tenders up to R10 000 000.00.

### **PROCUREMENT FROM RELATED PARTIES**

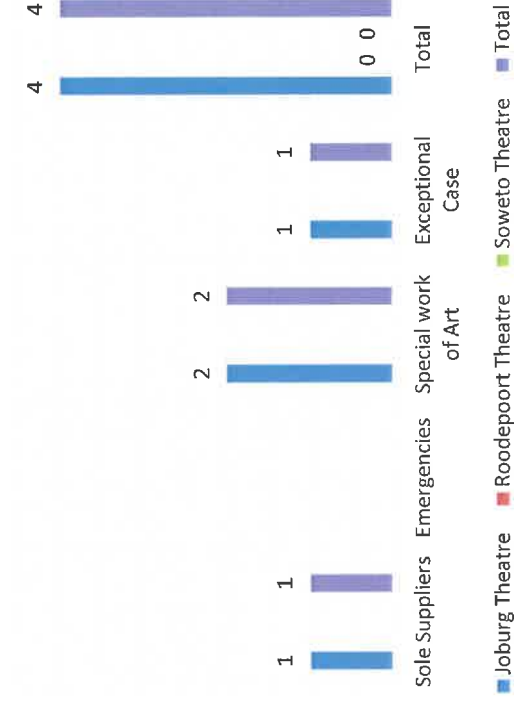
During the period under review, there were no payments processed on procurement from related parties.

Below is the summary of SCM Report

Analysis of deviation by quarter



Analysis of deviations by theatre

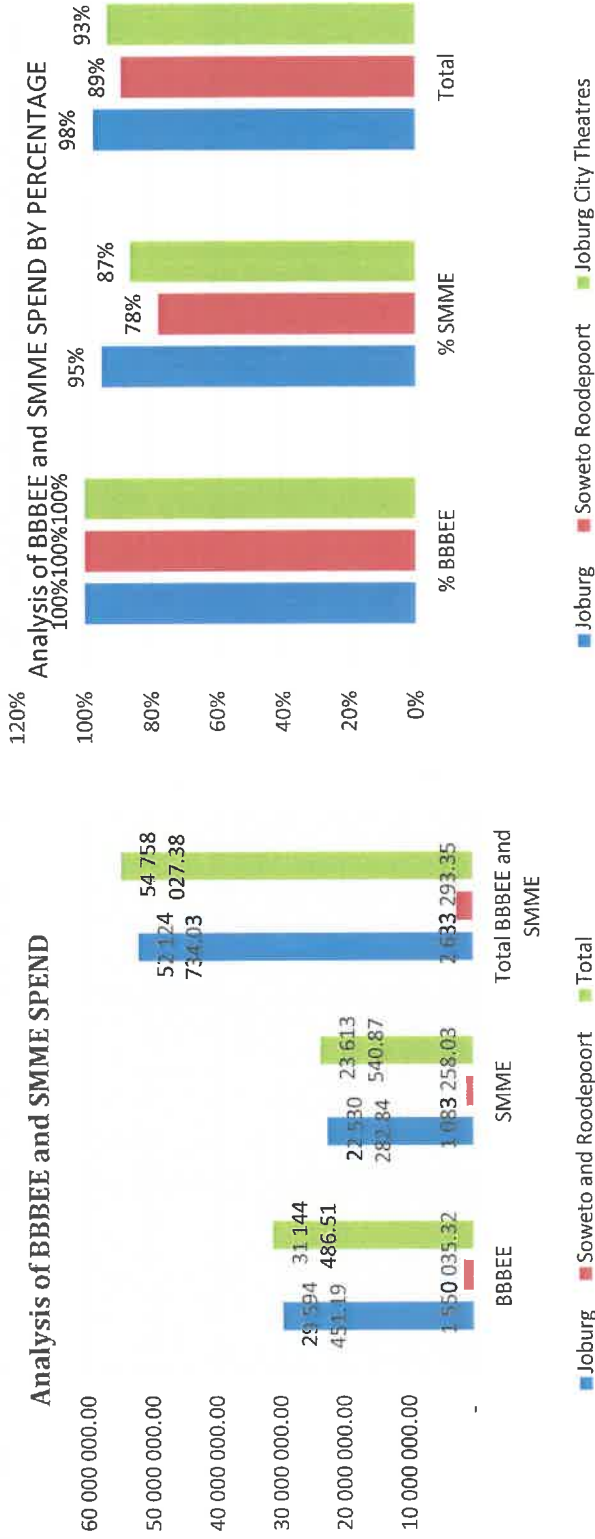


Joburg City Theatres had a total of 4 deviations year to date. The deviations raised were classified as, sole suppliers and exceptional cases where it is impractical to follow a procurement process. The deviations relate to repairs and maintenance, various productions within JCT and sole supplier goods for the Hospitality and

## 2 Tenders and RFQs AWARDED AND THE CONTRIBUTION TO BBBEE AND SMMEs

Joburg City Theatres awarded RFQs and tenders amounting to R 2 114 594.86m and R 1 996 328.07m respectively, during the quarter under review. The expenditure to both BBBEE and SMME has increased exponentially. Both Joburg theatre and its other sister theatres do primarily spend on BBBEE and SMME. The average spend for Joburg City Theatres on BBBEE is 100% which is 30% better than the scorecard target while spend on SMMEs averages at 87% and this is 57% above the scorecard target of 30%. This achievement has been consistent throughout the years and maintenance of phenomenon is critical for the advancement of the objectives of South African Constitution, Preferential Procurement Framework Policy Act, MFMA, BBBEE codes. This ultimately translates into the economic

transformation of citizens of the city of Johannesburg. This contributes towards job creation and the reduction of poverty as one of the imperatives and priorities of the city of Johannesburg.



Theatres	BBBEE	SMME	Total BBBEE and SMME	Theatres	% BBBEE	% SMME	Total
Joburg	29 594 451.19	22 530 282.84	52 124 734.03	Joburg	100%	95%	98%
Soweto Roodepoort	1 550 035.32	1 083 258.03	2 633 293.35	Soweto Roodepoort	100%	78%	89%
<b>Total</b>	<b>31 144 486.51</b>	<b>23 613 540.87</b>	<b>54 758 027.38</b>	<b>Joburg City Theatres</b>	<b>100%</b>	<b>87%</b>	<b>93%</b>

**DEVIATION FROM SCM POLICY FOR THE FIRST QUARTER PERIOD ENDING 30 JUNE 2018**

- 7.1 The CEO in terms of Regulation (36) (1) (a) of the MSCMR and Section 20 of the company's SCM Policy approved dispensing with official procurement processes established by the policy.
- 7.2 Provisions of Section 20 (2) (d) of the company's SCM Policy requires reporting of such deviations to the next meeting of the Board of Directors and their inclusion as a note to the financial statements.
- 7.3 During the period under review, Joburg City Theatres had no deviations, reported to the Board of Directors.
- 7.4 The deviation for Joburg City Theatres for the 4<sup>th</sup> Quarter ending 30 June 2018 are as follows:

<b>CATEGORY: EXCEPTIONAL CASE</b>			
<b>JOBURG THEATRE</b>			
<u>Description</u>	<u>Value of the deviation (Incl Vat)</u>	<u>Date Approved by CEO</u>	<u>Reasons</u>
Renewal of Licenses for Electronic Operating Systems and Miscellaneous Licenses	R 784 506.68	02 July 2018	That for the reasons set out in the report and on the basis that the procurement in question is regarded as an emergency cases where it is impractical to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 21(2)(a)(ii) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes in respect of renewal of licenses for Joburg City Theatres Electronic Operating Systems and Miscellaneous licenses.
Joburg City Theatres Productions 2018/2019	R 33 532 850.00	16 July 2018	That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 21(2)(a) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes.

**CATEGORY: SPECIAL WORK OF ART**

**JOBURG THEATRE**

<u>Description</u>	<u>Value of the deviation (Incl Vat)</u>	<u>Date Approved by CEO</u>	<u>Reasons</u>
Marketing Partners / Special Barter Arrangements	R 4 600 000.00	28 August 2018	That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical or impossible to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 20(2)(a) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes i.r.o the acquisition of services from marketing partners / special barter arrangements.

**CATEGORY: SOLE**

**JOBURG THEATRE**

<u>Description</u>	<u>Value of the deviation (Incl Vat)</u>	<u>Date Approved by CEO</u>	<u>Reasons</u>
Sole Suppliers products for the Hospitality and Catering Department	Varies according to orders placed but subject to availability of funds and proper control by the HOD	02 July 2018	That for the reasons set out in the report and on the basis that the procurement in question is regarded as an exceptional case where it is impractical to follow the normal procurement processes, the Chief Executive Officer in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Sections 20(2)(a) of the policy, approves the dispensing with the normal procurement processes in respect of various products provided by Sole Suppliers only.

**SOLE SUPPLIERS – HOSPITALITY AND CATERING**

<u>Description</u>	<u>Value of the deviation (Incl Vat)</u>	<u>Reasons</u>
Slo Jo - Supply of Slo Jo syrups and powders -Joburg City Theatres	R 39,296.20	Slo Jo is the Sole supplier of Slo Jo Syrups. The syrups are being used in all cocktails smoothies and milk shakes. The Slo Jo Syrups are a preferred product. Sole supplier letter has been received.
Frozen Drinks Africa	R 52,079.41	Frozen Drinks Africa is the Sole Supplier of the Slush Puppy Syrups. Sole supplier letter has been received.



The Flavor Lab	R 21,483.27	The Flavour Lab sells a unique blend of sauces and spices. These products are used in the recipes of Stage restaurant. Sole supplier letter has been received
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**BIDS (Tender) ADVERTISED**

Department	Contract No.	Description	Contracted Provider(s)	Service	Period	BBBEE LEVEL	Reasons	Value of the project (Vat Inc)
Hospitality & Catering	00104/1 8	Supply And Delivery Of Catering Equipment For Hire & Decorations	HODE Group (Pty) Ltd		12 months	Level 2	Evaluated in accordance with the PPPFA Regulations	As and when
			Party Solutions cc			Level 4		
			Eventquip Hiring Distributors			Level 2		
Hospitality & Catering	00113/1 8	Supply & Delivery Of Fresh Juice	Sir Juice (Pty) Ltd		12 Months	Level 7	Evaluated in accordance with the PPPFA Regulations	As and when
Governance	00114/1 8	Appointment Of A Travel Management Company For Joburg City Theatres	Munlin Travel		12 Months	Level 1	Evaluated in accordance with the PPPFA Regulations	As and when
			XL Nexus Travel			Level 2		
Customer Services / IT	00116/1 8	Supply And Delivery Of Server Software	Vukani Technologies Ltd		12 Months	Level 1	Evaluated in accordance with the PPPFA Regulations	R 286 162.15
Governance	00119/1 8	Outdoor Events Stage, Sound And Lighting Hire	Gearhouse South Africa Ltd		12 Months	Level 3	Evaluated in accordance with the PPPFA Regulations	R 770 310.80

**REQUEST FOR QUOTATIONS**

Department	Contract No	Description	Contracted Service Provider	Period	BBBEE Level	Reasons	Value of the Contract (Vat Incl)
SOWETO THEATRE	00592/18	REMOVAL OF EXISTING DOMESTIC PUMPS & SUPPLY AND INSTALLATION OF NEW DOMESTIC PUMPS	Vee's Automotive Pipes & Fittings CC	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 138 000.00
CUSTOMER SERVICES	00593/18	SUPPLY AND DELIVERY OF IT HARDWARE ON A "AS AND WHEN" BASIS	Vukani Technologies (Pty) Ltd	12 Months	Level 1	Evaluated in accordance with the PPPFA and regulations	R 200 000.00
CUSTOMER SERVICES	00594/18	SUPPLY AND DELIVERY OF LAPTOPS ON A "AS AND WHEN" BASIS	Vukani Technologies (Pty) Ltd	12 Months	Level 1	Evaluated in accordance with the PPPFA and regulations	R 200 000.00
CUSTOMER SERVICES	00595/18	SUPPLY AND DELIVERY OF MICROSOFT OFFICE LICENSES ON A "AS AND WHEN" BASIS	Vukani Technologies (Pty) Ltd	12 Months	Level 1	Evaluated in accordance with the PPPFA and regulations	R 200 000.00
HOSPITALITY & CATERING	00597/18	SUPPLY AND DELIVERY OF STAFF UNIFORMS FOR JOBURG CITY THEATRES	Bambanani	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 200 000.00
		HOSPITALITY AND CATERING	Fanel Caterware				
			Kaytie Identity				

Department	Contract No	Description	Contracted Service Provider	Period	BBBEE Level	Reasons	Value of the Contract (Vat Incl)
		OPERATIONS					
HOSPITALITY & CATERING	00598/18	SUPPLY AND DELIVERY OF AUDIO VISUAL EQUIPMENT FOR JOBURG CITY THEATRES HOSPITALITY AND CATERING	Bophelo Ke Tlthago (Pty) Ltd	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 116 725.00
HOSPITALITY & CATERING	00599/18	SUPPLY AND DELIVERY OF FRONT OF HOUSE SMALLS FOR JOBURG CITY THEATRES HOSPITALITY AND CATERING OPERATIONS	Bophelo Ke Tlthago Bambanani Fanel Caterware	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 125 285.42
HOSPITALITY & CATERING	00600/18	SUPPLY AND DELIVERY OF KITCHEN SMALLS FOR JOBURG HOSPITALITY AND CATERING OPERATIONS	Fanel Caterware Supplies (Pty) Ltd	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 128 741.70
HOSPITALITY & CATERING	00601/18	SUPPLY AND DELIVERY MOBILE TROLLEYS FOR THE JOBURG CITY THEATRES HOSPITALITY AND CATERING	Mykatrade 16 CC t/a Bambanani	Once off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 106 839.00

Department	Contract No	Description	Contracted Service Provider	Period	BBBEE Level	Reasons	Value of the Contract (Vat Incl)
		OPERATIONS					
BUILDING & SECURITY	00602/18	INDOOR PARKING FOR TRUCK (LOCKABLE)	AZA's Auto CC	12 Months	Level 4	Evaluated in accordance with the PPPFA and regulations	R 200 000.00
BUILDING & SECURITY	00603/18	MANUFACTURING AND INSTALLATION OF ALUMINIUM SHOPFRONTS	Blue Lotus Trading (Pty) Ltd	Once off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 139 495.00
BUILDING & SECURITY	00605/18	BATHROOM RENOVATIONS	GST Office Refurb CC	Once off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 92 143.90
BUILDING & SECURITY	00606/18	SUPPLY AND DELIVERY OF TISSUE PAPER	Afrikongo IT Consulting (Pty) Ltd	12 Months	Level 1	Evaluated in accordance with the PPPFA and regulations	R 200 000.00
BUILDING & SECURITY	00607/18	SUPPLY & INSTALLATION OF CARPETS IN THE PT BARNUM	Phumula Meokgo Trading	Once off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 44 402.11
BUILDING & SECURITY	00608/18	UPGRADE OF FLOORING IN THE CAS COVADIA STUDIOS	Divine Spaces Construction & Building Projects (Pty) Ltd	Once off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 76 155.75
HOSPITALITY AND CATERING	00609/18	PROCUREMENT OF DESIGN SERVICES FOR LOOK AND FEEL OF THE METRO CENTRE	Where is the Beef Media	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 120 200.00

Department	Contract No	Description	Contracted Service Provider	Period	BBBEE Level	Reasons	Value of the Contract (Vat Incl)
HUMAN RESOURCES	00610/18	TRAINING: COMPUTER SOFTWARE, MICROSOFT WORD, EXCEL, POWERPOINT, MICROSOFT OUTLOOK AND INTERNET	Spectrum (Pty) Ltd	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 179 331.00
GOVERNANCE	00611/18	BODY STRESS RELEASE	JH Holman	12 Months	Level 0	Evaluated in accordance with the PPPFA and regulations	R 200 000.00
BUILDING AND SECURITY	00613/18	EXTENSION OF A MERCHANDISE COUNTER AT JCT	Edem Consulting Engineers (Pty) Ltd	Once off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 52 894.25
SOWETO THEATRE	00616/18	SUPPLY AND INSTALLATION OF BULLET-PROOFING (AUDIO SERVICE WINDOW) FOR THE SECURITY OFFICE	TGZ Trading	Once Off	Level 1	Evaluated in accordance with the PPPFA and regulations	R 66 700.00
HUMAN RESOURCE	00617/18	TRAINING: EVACUATION FOR JOBURG CITY THEATRES AND THE ZOO	Transafric Consulting (Pty) Ltd	Once Off	Level 2	Evaluated in accordance with the PPPFA and regulations	R 168 749.55

**SPENT REPORT**

The percentage of BBBEE and SMIME companies respectively, supported during the 1<sup>st</sup> Quarter ending 30 September 2018 are as follow:

<b>JOBURG THEATRE</b>						
<b>TOTAL SPEND</b>	<b>BBBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMIME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>	
R 23 830 573.31	R 29 594 451.19	R -5 763 877.88	R 22 530 282.84	R 6 167 904.97	R 1 303 760.40	
	<b>100%</b>	<b>0%</b>	<b>95%</b>	<b>26%</b>	<b>5%</b>	
<b>113 SUPPLIERS</b>	<b>110 SUPPLIERS</b>	<b>03 SUPPLIERS</b>	<b>85 SUPPLIERS</b>	<b>23 SUPPLIERS</b>	<b>16 SUPPLIERS</b>	
<b>ROODEPOORT &amp; SOWETO THEATRE</b>						
<b>TOTAL SPEND</b>	<b>BBBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMIME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>	
R1 391 878.56	R 1 550 035.32	- R158 156.76	R 1 083 258.03	R 298 068.47	R 483 162.17	
	<b>100%</b>	<b>0%</b>	<b>78 %</b>	<b>21%</b>	<b>35%</b>	
<b>29 SUPPLIERS</b>	<b>28 SUPPLIERS</b>	<b>01 SUPPLIER</b>	<b>21 SUPPLIERS</b>	<b>03 SUPPLIERS</b>	<b>12 SUPPLIERS</b>	
<b>JOBURG CITY THEATRES</b>						
<b>TOTAL SPEND</b>	<b>BBBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMIME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>	
R 25 222 451.87	R 31 144 486.50	R-5 922 034.63	R 23 613 540.87	R6 456 973.44	R 1 786 922.57	
	<b>100%</b>	<b>0%</b>	<b>94%</b>	<b>26%</b>	<b>7%</b>	

**Section 8: Statement on Amounts Owed By and To Government Departments and Public Entities**

The table below depicts Amounts Owed by Government Departments and Public Entities

Name of Department	Amounts owed	Account Status	Comments
City of Johannesburg	2,882,560.14	77% is sitting under 30 days on the debtors age analysis and 23% is sitting over 120 days	100% of this balance is for COJ department and COJ entities
Department of arts and culture	1,600,000	This department is sitting under current on debtors age analysis	This was sponsorship for the Africa Day celebration
Gauteng Department of Economic Development	R 41,242.42	This department is sitting under current on debtors age analysis	The debt was for venue hire and catering services

The table below depicts Amounts Owed by Joburg City Theatres to Government Departments and Public Entities

Name of Department	Amounts owed	Account Status	Comments
City of Johannesburg	880,152.43	The account is sitting under current on the creditor's age analysis.	The balance relates to utilities (water, electricity and waste removal) ,OHASA and rental at zoo.

## CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

### Section 1: Human Resources Management

JCT's Human Resource Management function is responsible in creating, delivering and sustaining the value proposition for the organisation's strategic objectives. The department was engaged in recruitment and selection, training and development, implementing the employee wellness programmes, labour relations, and implementation of approved HR policies and procedures.

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.

### Section 2: Employee Remuneration

#### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

#### Notes to the Financial Statements

Figures in Rand	30 September 2018	30 June 2018
<b>16. EMPLOYEE RELATED COSTS</b>		
Salaries and Wages	17,842,658	68,725,807
Employee costs included in other expenses	495,000	1,324,109
	<b>18,337,658</b>	<b>70,049,916</b>
<b>Employee Costs Breakdown</b>		
Net Salary	12,085,363	35,867,054
PAYE	2,311,645	11,360,800
SDL	134,011	652,463
UIF	158,602	747,085
Medical Aid	1,013,848	4,584,828
Pension Contribution	2,092,848	10,682,543
Third Parties	46,341	623,201
13th cheque leave accrual and performance bonus	-	4,207,833
	<b>17,842,658</b>	<b>68,725,807</b>
<b>Committee Fees Breakdown</b>		
Net Salary	495,000	1,324,109
In the current financial year, PAYE was not deducted from the Board members's fee. <b>Chief Executive Officer</b>		
Annual Remuneration	-	1,672,908
Performance Bonuses	-	218,151
Contributions to UIF, SDL, Medical Aid and Pension Funds	-	512,128
Other	-	89,705
	-	<b>2,472,890</b>



## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Notes to the Financial Statements

Figures in Rand	30 September 2018	30 June 2018
<b>16. EMPLOYEE RELATED COSTS (continued)</b>		
<b>Chief Operating Officer</b>		
Annual Remuneration	389,186	1,169,970
Performance Bonuses	-	162,438
Contributions to UIF, SDL, Medical Aid and Pension Funds	94,739	345,075
Other	-	109,360
	<b>483,925</b>	<b>1,774,841</b>
<b>Chief Financial Officer</b>		
Annual Remuneration	404,751	1,436,859
Performance bonus	-	183,370
Contributions to UIF, SDL, Medical Aid and Pension Funds	102,610	359,904
Other	-	116,073
	<b>507,361</b>	<b>2,096,206</b>
<b>Executive Producer</b>		
Annual Remuneration	-	853,512
Performance Bonuses	-	79,500
Contributions to UIF, SDL, Medical Aid and Pension Funds	-	229,678
Other	-	88,774
	-	<b>1,251,464</b>
The Executive Producer resigned on 30 April 2018 hence current year remuneration is less than previous year.		
<b>Company Secretary</b>		
Annual Remuneration	389,186	1,003,816
Performance Bonuses	-	112,200
Contributions to UIF, SDL, Medical Aid and Pension Funds	94,739	11,678
Other	-	53,828
	<b>483,925</b>	<b>1,181,518</b>

### Section 3: Key Vacancies

The current approved structure has **158** positions. **142** positions have been filled and **16** are vacant. A detailed staff establishment per department is provided in the table below to indicate occupancy and vacancy percentages as per the approved structure.

**Table 1: Detailed analysis on occupancy and vacancy report as at 30 Sep 2018**

Department	Approved Positions	Occupied Positions	Vacant Positions	Temporary Staff	Interns / Learners
Governance	6	5	1	0	0
Human Resources	2	2	0	0	1
Stage	28	22	6	0	0
Finance and SCM	15	15	0	0	3
Building and Security	30	28	2	3	1
Customer Services	11	11	0	29	1
Client Services (Programming)	9	8	1	0	0
Catering and Hospitality	26	21	5	111	30
Soweto Theatre	17	16	1	17	4
Roodepoort Theatre	14	14	0	16	0
<b>Total</b>	<b>158</b>	<b>142</b>	<b>16</b>	<b>176</b>	<b>40</b>
<b>Vacancy Occupancy %</b>		<b>90%</b>	<b>10%</b>		

JCT is operating at 90% occupancy rate against the approved staff establishment with the remaining 10% recorded as vacancy rate.

Three (3) terminations and two (2) appointments were recorded in this quarter. There are plans to fill the 16 vacant posts in the 2<sup>nd</sup> quarter of 2018/2019 financial year. JCT has 176 temporary employees. The appointment of temporary employees is dictated by the needs of the business. The number of temporary employees fluctuates on monthly basis due to the nature of the business. The total number of employees (both permanent and temporary) stands at **318**.

The second largest group of temporary employees is found in the Hospitality and Catering department. The total number stands at 98. These groups of employees consist of waiters, scullers, bartenders, commie chefs, kitchen staff, banqueting staff and general assistants, etc. The Department currently utilises Fixed Term Contract due to the business requirements for the following reasons –

- There is no fixed patron capacity in the theatre bars as the business in this area is determined by the shows that are on the stage at any given time, hence this area is treated as seasonal work based on the seasonal run of any given show.
- The restaurant business is managed on a day to day basis based as per point 1, as well as the daily take up of the restaurant by the surrounding businesses.
- Unfortunately, the department often experiences an extreme fluctuation of business volumes that occur over a period of any one year due to the area of the hospitality it works in, namely, the theatre.
- There are very few foreign nationals in the workforce and their fixed term contracts are based on their current valid work permits.

The number of temporary employees fluctuates on monthly basis due to the nature of the business

## 1.1 WORKFORCE PROFILE PER THEATRE

### 1.2.1. Joburg Theatre

Table 2: Workforce Profile

Occupational Level	Male					Female					Grand
	A	C	I	W	Total	A	C	I	W	Total	Total
Top Management	1	-	-	-	1	3	-	-	0	3	3
Senior Management	7	1	0	2	10	1	-	-	1	2	12
Professionally Qualified / Middle Management	7	0	0	5	12	8	1	0	0	9	21
Skilled Technically and Academically Qualified	11	2	1	3	17	6	0	0	0	6	23
Semi-Skilled	18	0	0	0	18	9	0	0	0	9	27
Unskilled	1	0	0	0	1	4	0	0	0	4	5
<b>Total</b>	<b>45</b>	<b>3</b>	<b>1</b>	<b>10</b>	<b>59</b>	<b>30</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>32</b>	<b>91</b>
% of Gender Representation	49%	3%	1%	11%	65%	33%	1%	0%	1%	35%	

### 1.2.2. Soweto Theatre

Table 3: Workforce Profile

Occupational Level	Male					Female					Grand
	A	C	I	W	Total	A	C	I	W	Total	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	1	0	0	0	1	1
Professionally Qualified / Middle Management	2	0	0	0	1	2	0	0	0	2	3
Skilled Technically and Academically Qualified	2	0	0	0	2	2	0	0	0	2	4
Semi-Skilled	4	0	0	0	4	3	0	0	0	2	6
Unskilled	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>16</b>
% of Gender Representation	50%	0%	0%	0%	50%	50%	0%	0%	0%	50%	

### 1.2.3. Roodepoort Theatre

Table 4: Workforce Profile

Occupational Level	Male					Female					Grand
	A	C	I	W	Total	A	C	I	W	Total	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	0	1	0	0	0	0	1	1
Professionally Qualified / Middle Management	1	0	0	0	1	1	1	0	0	2	3
Skilled Technically and Academically Qualified	4	0	0	0	4	1	0	0	0	1	5
Semi-Skilled	2	0	0	0	2	2	0	0	0	2	4
Unskilled	0	0	0	0	0	1	0	0	0	1	1
<b>Total</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>8</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>14</b>
% of Gender Representation	50%	0%	7%	0%	57%	36%	7%	0%	0%	43%	

### 1.2.4. Hospitality and Catering Department

Table 5: Workforce Profile

Occupational Level	Male					Female					Grand
	A	C	I	W	Total	A	C	I	W	Total	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	0	1	0	0	0	0	0	1
Professionally Qualified / Middle Management	0	0	0	1	1	0	0	0	0	0	1
Skilled Technically and Academically Qualified	1	0	0	0	1	1	0	0	0	1	2
Semi-Skilled	7	0	0	1	8	1	0	0	0	1	9
Unskilled	4	0	0	0	4	4	0	0	0	4	7
<b>Total</b>	<b>11</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>15</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>21</b>
% of Gender Representation	52%	0%	5%	10%	71%	29%	0%	0%	0%	29%	

### Workforce Movement

#### Recruitment

JCT employed one (1) permanent employee during this period. The recruitment status is reflected in the table below.

**Table 2: Recruitment progress report as at 30 June 2018:**

Department	Position	Number of positions	Mode of recruitment	Progress
Stage	Lighting Technician	1	External	Recruitment completed. Offer of appointment signed. Employee starts work 1 October 2018
	Automation Technician	1	External	Advert closed 25 September 2018
	Assistant Storeman Technician	1	External	Advert closed 25 September 2018
	Stage Crew	1	External	Advert closed 25 September 2018
Soweto Theatre	Operational Manager : Building & Security	1	External	Advert closed 25 September 2018
Catering & Hospitality	Driver	1	Internal	Recruitment was completed. Offer of appointment has been signed. Commencement date : 1 October 2018
Governance	Chief Executive Officer	1	External	Position was advertised on Sunday Times on 17 June 2018. Recruitment was outsourced to Pinpoint.

During the quarter under review one (1) new appointment was made as depicted in the table below:

**Table 3: New appointments**

Department	Position	Positions	Effective Date
Stage	Lighting Technician	1	01 August 2018
Finance	Payroll Administrator	1	01 August 2018
<b>Total Number of Appointments</b>			<b>2</b>

**Staff Turnover**

Three (3) termination of services were recorded during the quarter as shown in the table below:

**Table 4: Staff Terminations as at 30 June 2018**

Department	Position	Reason for termination	Years in service	Effective date	Positions
Building & Security	Administrative Assistant	Expiry of Contract	3 Months	1 August 2018	Building & Security
Stage	Sound Technician	Resignation	5 years	31 August 2018	Stage
	Sound Technician	Resignation	9 years	16 September 2018	
<b>Total Number of Terminations</b>					<b>3</b>

The termination is reflected in the table above. The vacancies created will be filled in the first quarter. The table below summarises JCT’s age groups according to race and gender.

**Table 5: Age Analysis profile per race and gender**

Age			Gender		Race			
Age Groups	Number of staff	% representation	Male	Female	A	C	I	W
18-25	1	1%	0	1	1	0	0	0
26-35	41	29%	18	23	37	3	1	0
36-45	49	35%	34	15	42	1	1	5
46-55	35	24%	25	9	29	0	1	5
56-65	16	11%	13	4	11	1	0	4
<b>Total</b>	<b>142</b>	<b>100%</b>	<b>90</b>	<b>52</b>	<b>120</b>	<b>5</b>	<b>3</b>	<b>14</b>

The majority of JCT employees are aged between 26-45 years of age, which represents 64% of the JCT staff establishment. This group is largely represented by African employees at 79%. 24% of staff is between the age groups of 46-55 years. The least represented age group is 56-65 at 11%.

**Section 4: Employment Equity**

Section 20 of the Employment Equity Act, 1998, provides that the employer must 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.

All the relevant employment equity reports, return of earnings and work skill plans are submitted to the Department of Labour and Culture, Arts, Tourism, Hospitality and Sport SETA (CATHSSETA). The company receives SETA rebates on a regular, fully monitored basis. The Chief Executive Officer, together with the Chief Operating Officer, is responsible for the monitoring of the implementation of the employment equity plan. The company is committed to the principles of equity, anti-discrimination and diversity as enshrined in the Constitution and the Employment Equity Act. In this context, Joburg Theatre seeks to create an institution that reflects the diversity of South African society, and which contributes to maximising the human resource potential of its entire people.

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. The company firmly endorses 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 implementation of JCT’s three-year employment equity plan is on track. The implementation of the plan is monitored on quarterly and annual basis through the reports submitted to the City and to the Department of Labour to ensure compliance requirements are fully met.

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.

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.

JCT is committed to the principles of equity, anti-discrimination and diversity as enshrined in the Constitution and the Employment Equity Act. In this context, JCT seeks to create an institution that reflects the diversity of South African society, which contributes to maximising the human resource potential of its entire people. JCT

is committed to appointing a fair representation of employees in terms of race and gender in order to comply with its employment equity plan. The tables and graphs below are based on the formats prescribed by the Employment Equity Act, 55 of 1998 and the Department of Labour. The numbers reflected in the tables below relate to the number of employees who were in the employ of JCT as at 31 March 2018.

#### Employment Equity and Affirmative Action plans

JCT's Employment Equity is profiled according to gender, disability, race, and by occupational levels. The employment equity targets are aligned to the country's Economically Active Population (EAP) percentage distribution within the Gauteng region. The EAP includes people from **15 to 64 years of age** who are either employed or unemployed and seeking employment and is used to assist employers in the analysis of their workforce to determine the degree of under-representation of the designated groups. JCT is required to use the EAP as a guide (City's 50/50 gender), to determine the resource allocation and subsequent interventions that are needed to achieve an equitable and representative workforce. It is important to note that the analysis of the section of this report focuses on the EAP as depicted in the tables below.

#### Employment Equity and Affirmative Action plans

JCT's Employment Equity is profiled according to gender, disability, race, and by occupational levels. The employment equity targets are aligned to the country's Economically Active Population (EAP) percentage distribution within the Gauteng region. The EAP includes people from **15 to 64 years of age** who are either employed or unemployed and seeking employment and is used to assist employers in the analysis of their workforce to determine the degree of under-representation of the designated groups. JCT is required to use the EAP as a guide (City's 50/50 gender), to determine the resource allocation and subsequent interventions that are needed to achieve an equitable and representative workforce. It is important to note that the analysis of the section of this report focuses on the EAP as depicted in the tables below.

**Table 6: Employment Equity Profile**

Occupational Level	Male					Female					Grand Total
	A	C	I	W	Total	A	C	I	W	Total	
Top Management	1	0	0	0	1	2	0	0	0	2	3
Senior Management	7	1	2	2	12	2	0	0	1	3	15
Professionally Qualified / Middle Management	10	0	0	6	16	11	2	0	0	13	29
Skilled Technically and Academically Qualified	18	2	1	3	24	10	0	0	0	10	34
Semi-Skilled	31	0	0	1	32	15	0	0	0	15	47
Unskilled	5	0	0	0	5	9	0	0	0	9	14
<b>Total</b>	<b>72</b>	<b>3</b>	<b>3</b>	<b>12</b>	<b>90</b>	<b>49</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>52</b>	<b>142</b>
<b>% of Gender Representation</b>	<b>52%</b>	<b>2%</b>	<b>2%</b>	<b>9%</b>	<b>65%</b>	<b>32%</b>	<b>1.4%</b>	<b>0%</b>	<b>1.4%</b>	<b>35%</b>	

**Table 7: Disability Profile**

Occupational levels	Males				Female				Total PWDs
	A	C	I	W	A	C	I	W	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally Qualified / Middle Management	-	-	-	-	-	1	-	-	1
Skilled Technically and Academically Qualified	-	-	-	-	-	-	-	-	-
Semi-Skilled	-	-	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>

The target for employment of Persons with disability is 2%. It should be achieved against the institution's entire staff compliment. The employment of the persons with disabilities is currently at 0.7%.

To balance the Employment Equity within the company, JCT will give preference to designated people, women and persons with disabilities when opportunities arise. These targets will be achieved by way of replacing employees who leave the organization due to natural attrition and reasons related to staff turnover.

In order to achieve the equitable representation, Joburg Theatre will ensure that the following strategies are adopted and implemented;

- Where gender and racial underrepresentation exist in the Workforce, targeted recruitment for the EE Targeted candidate shall be enforced unless the suitably qualified candidate from the Targeted Group was not found;
- Identify training which is aimed at addressing the imbalances within the organisation –train individual in order to create a pool of suitably qualified employees from the Targeted Group and give them an opportunity for growth in line with the EE Targets.

**Table 8: Employment Equity and Economically Active Population (EAP) Targets**

Description	Total number of employees	Gauteng EAP EE Target %	JCT EE Actual %	Variance
Africans	121	80.0%	85%	+5%
Coloureds	5	3%	4%	-1%
Indians	3	2.9%	2%	-0.9%
Whites	13	14.2%	9%	-5.2%
Persons with disability	1	2%	0.7%	-1.3%
Male	90	50%	63%	+13%
Female	52	50%	37%	-13%

**Table 9: Gender representation**

Gender	African		Coloured		Indian		White		TOTAL	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Male	44.8%	51%	1.7%	2%	1.8%	2%	7.9%	8%	56.1%	63%
Female	35.2%	35%	1.3%	1.4%	1.1%	0%	6.3%	0.7%	43.9%	37%
TOTAL	80.0%	86%	3.0%	3.4%	2.9%	2%	14.2%	9%	100%	100%

Target Achieved
Requires Improvement

During the reporting period (Table 12), overall African representation stands at **85%** which is above the set target of **80.0%**, Coloureds at **4%** which is also above a target of **3.0%**, Indians at **2%** which is below the target of **2.09%**, and the under representation of White employees by **9%**, which is below the set target of **14.2%**. Males form **63%** of the staff profile and are over represented while women in general are underrepresented at **37%**.

The target for employment of Persons with disability is 2%. It should be achieved against the institution's entire staff compliment. The employment of the persons with disabilities is currently at 1.4%.

To balance the Employment Equity within the company, JCT will give preference to designated people, women and persons with disabilities when opportunities arise. These targets will be achieved by way of replacing employees who leave the organization due to natural attrition and reasons related to staff turnover.



## Section 5: Skills Development and Training

Joburg City Theatres is committed to sustaining a continuous programme of training and development for its management and staff to improve either job performance and/or competitiveness for promotion. The company has a policy in respect of paid assistance for skills development courses, which help in enhancing the skills of previously disadvantaged individuals. The policy also includes access to training by members of designated groups, structured training and development programmes. Company retention strategies include the promotion of diverse organisational cultures, interactive communication and feedback and ongoing labour turnover analysis.

A number of employees attended training and development interventions during the quarter as shown in the table below:

**Table 10: Training and Development**

Occupational Levels	Training Intervention	Training Institution	Number of Staff	Total number of Staff
Top Management	Performance Management Training	Executives	2	R20 000.00
Senior Management	Performance Management Training. EE Committee Induction, Generic Management & Health and Safety Training	Senior Management, Supervisors, EEF Members and employees	15	R35 792.37
Professionally Qualified / Middle Management	EE Committee Induction Generic Management Health and Safety Training	Supervisors, EEF Members and employees	10	R20 725.71
Skilled Technically and Academically Qualified	Health and Safety Training EE Committee Induction	EEF Members and employees	5	R7 128.87
Semi-skilled	EE Committee Induction Health and Safety Training	EEF Members and employees	11	R38 008.87
Unskilled	Stores Management and Stock Control, Health and Safety Training	Stage and H & C employees	2	R13 142.21
<b>TOTAL</b>			<b>45</b>	<b>R134 798.03</b>

The company is committed to sustaining a continuous programme of training and development for its management and staff to improve either job performance and/or competitiveness for promotion. The Company has a policy in respect of paid assistance for skills development courses. The policy also intends to include access to training by members of designated groups, structured training and development programmes.

The education assistance scheme ensures that employees are able to improve their educational qualifications with the assistance of the funding from the company. Most of the assistance is provided over two to three years, which is mostly the duration of academic programs. **Two employees** have registered B Tech International Relations degree with TUT and B Com Accounting with UNISA through the company's study financial assistance this period.

## Section 6: Performance Management

JCT has a standardised performance management policy and procedure for setting performance objectives, which is aligned to the Business Plan. Formal performance reviews are conducted bi-annually during April and June. Year-end performance ratings are the determinant of a performance reward for employees on level 1 and 2. An enhanced performance development and coaching approach is being conducted on a continuous basis to ensure that employee performance is consistently and fairly reviewed.

Succession planning within the company has been implemented for all senior management. The succession and retention will be reviewed going forward, depending on funding being available. Retention strategies aimed at discouraging the employees from leaving the company will be developed and discussed.

## Section 7: Leave and Productivity Management

In line with the approved Leave policy, JCT employees are entitled to 21/24 days leave per annum to be taken at a time convenient to JCT and agreed upon by line management. 30/36 sick leave days in a three (3) year cycle are also provided. The section below provides a detailed overall leave management and analysis per department.

**Table 11: Overall Company Leave Analysis as at 31 March 2018**

Type of Leave	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (April-Jun)	Total Leave Days Taken	% Leave days taken
Annual Leave	291					62.85
Sick Leave	84					19.26
Family Responsibility Leave	14					3.02
Study Leave	8					1.72
Unauthorised Leave	0					0.00
Maternity Leave	66					14.25
<b>Total</b>	<b>463</b>					<b>100%</b>

As at 31 August 2018, a combined total of 463 leave days were taken by employees. Annual leave was the most taken, however this did not affect business operations.

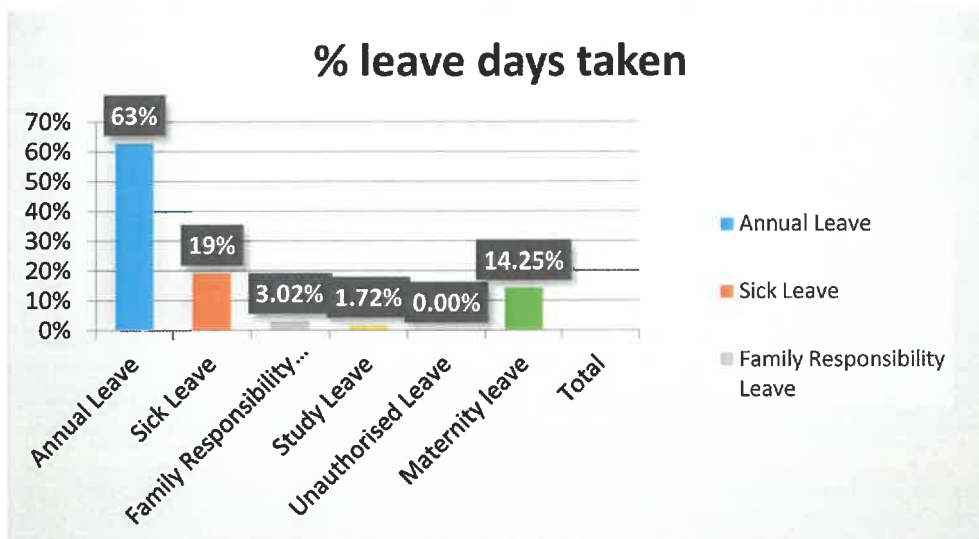


Figure 1: Leave Analysis

Annual leave was the most leave taken by employees as per figure 1 above by 63%, Sick Leave at 19%, Maternity Leave at 14.25%, Family Responsibility at 3.02% and Study leave was the least leave taken at 1.72%.

A table below provides a detailed breakdown of leave days taken per department:

Table 12: Joburg Theatre

Number of staff	Type of Leave	JUL 2018	AUG 2018	SEP 2018	Total Days Taken
112	Annual Leave	192	60		252
	Sick Leave	53	21		74
	Family Responsibility Leave	14	0		14
	Study Leave	8	0		8
	Unauthorised Leave	0	0		0
	Maternity leave	22	0		22
	<b>Total</b>		<b>289</b>	<b>81</b>	

Table 13: Soweto Theatre

Number of staff	Type of Leave	JUL 2018	AUG 2018	SEP 2018	Total Days Taken
16	Annual Leave	7	2		9
	Sick Leave	0	7		7
	Family Responsibility Leave	0	0		0
	Study Leave	0	0		0
	Unauthorised Leave	0	0		0
	Maternity leave	22	22		44
	<b>Total</b>		<b>29</b>	<b>31</b>	

**Table 14: Roodepoort Theatre**

Number of staff	Type of Leave	JUL 2018	AUG 2018	SEP 2018	Total Days Taken
14	Annual Leave	17	13		30
	Sick Leave	3	0		3
	Family Responsibility Leave	0	0		0
	Study Leave	0	0		0
	Unauthorised Leave	0	0		0
	Maternity leave	0	0		0
	<b>Total</b>		<b>20</b>	<b>13</b>	

Human resources will continue to monitor the leave and employee attendance to mitigate against the abuse of sick and family responsibility leave.

### Section 8: Disciplinary Matters and Outcomes

JCT's Human Resources Manager's office deals with employee / employer related issues and thereby maintaining direct lines of communication with employees. All entity's labour disputes are referred to South African Local Government Bargaining Council (SALGBC) for conciliation and/or arbitration.

The Human Resources Manager's office deals with employee / employer related issues and thereby maintaining direct lines of communication with employees.

### Union Membership

A total of 57 employees belong to South African Municipal Workers Union (SAMWU). The rest of the employees are not affiliated to any union.

### Labour Relations matters

The table below summarises the labour relations cases recorded for this 4<sup>th</sup> quarter.

**Table 15: Labour Relations Cases**

Department	Nature	Outcome	Effective date
Building & Security	Assault	Employee was dismissed on 7 May 2018. Unfair dismissal referred to SALGBC. Conciliation set on 12 September 2018. Applicant requested to apply for Condonation for late dispute referral.	07 May 2018

Despite the challenges, it is clear that majority of JCT staff uphold the policies, procedures and values of the organisation. This conclusion is drawn from the total number of misconduct cases that were conducted within the quarter which resulted in both written warnings. All matters were handled in line with the approved disciplinary code policy of the organisation.

Human resources continue to monitor the leave and employee attendance to mitigate against the abuse of sick and family responsibility leave.

Cases	No. Of Cases	Comments
Death and memorial service.	0	The company did not experience any death of its employee
Bereavement support intervention	0	There was no bereavement support intervention
Study	0	No employee has registered during the quarter under review.
Miscellaneous cases	0	There was none
<b>GRAND TOTAL</b>	<b>0</b>	

### Section 9: Employee Wellness

No Wellness Day was conducted this quarter. However as part of the organizations strategy for employee wellness and internal communications:

- Employees are continuously participating in the internal gym.
- The company hosts aerobics sessions three times a week for an hour.
- These classes are good for exercising and promoting staff engagement

The aerobics class also partake in the external walks/runs and wellness activities

### Section 10: Employee Benefits

The Company is a participating employer in the various retirement benefit schemes through which the City of Johannesburg Metropolitan Municipality and its associated Municipal Entities (MEs) provide post-employment benefits to their permanent employees.

#### Defined Benefit Funds

Joburg City Theatres currently operates three funds and has the following number of employees on each fund:

- Johannesburg Municipal Pension Fund (NMG) has 13 employees.
- E-Joburg Pension Fund has 121 employees.
- Mutual Gratuity Pension Fund (MGF) has 8 employees.

The total number of employees on pension funds has increased to **142**.

#### Medical Aid Funds

The company also administers three accredited medical aid schemes and pays a minimum of 60% and 75% monthly premium contribution on behalf of its members. Currently 68 employees are members of the schemes as follows:

- Discovery has 66 employees, of which 42 receive 60% employer contributions, 21 receives 75%, and while 3 employees on total cost to company contribute 100%.
- LA Health has 1 employees who receive 60% company contributions
- Key Health has only 1 employee who receives 60% company contributions

## **Company Allowances**

The Board has approved the Home Owners Allowance. The number of employees who receive home owners allowance has increased in this quarter from 5 to 28. 56 employees still receive allowances towards the use for business purposes of their personal cell phones

## **Section 11: Occupational Health & Safety Programmes**

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.

Permanent and part-time staff members are continuously trained in the areas of First Aid, Safety, Fire, and evacuation. A safety committee is being established and will have regular monthly and quarterly meetings.

## **HIV/AIDS on the Workplace**

The management of HIV/AIDS is an important challenge facing every organisation in the country. Joburg City Theatres is committed to maintaining the health and welfare of all its employees as well as providing a safe and hygienic working environment. JCT's policy on HIV/AIDS ensures that no employee, or applicant, is discriminated against based on their HIV status. The company's policy is aligned with the City of Johannesburg's AIDS Strategy.

JCT 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. In order to ensure that all employees are made aware of the problem and - in the process – hope to reduce the rate of HIV/AIDS, JT supplies free condoms in all washroom areas back stage.
- Distribute pamphlets internally to employees relating to HIV/AIDS and participate in the Voluntary Counselling and Testing in support of World AIDS Day.
- 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 within current legislative parameter

## CHAPTER FIVE: FINANCIAL PERFORMANCE AND EXPOSURE

### Section 1: Statement of Financial Position

#### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

#### Statement of Financial Position as at 30 September 2018

Figures in Rand	Note(s)	30 September 2018	30 June 2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	2	10,029,221	5,852,601
Receivables from exchange transactions	3	3,605,459	10,898,006
VAT receivable	4	3,102,990	3,075,107
Cash and cash equivalents	5	96,662,313	15,729,386
		<b>113,399,983</b>	<b>35,555,190</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	11,770,543	11,902,101
Intangible assets	7	700,813	731,994
Heritage assets	8	1,592,700	1,592,700
		<b>14,064,056</b>	<b>14,226,795</b>
<b>Total Assets</b>		<b>127,464,039</b>	<b>49,781,985</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	9	94,605,033	19,116,836
Provisions	10	5,228,158	3,016,333
		<b>99,833,191</b>	<b>22,132,969</b>
<b>Non-Current Liabilities</b>			
Deferred tax	11	4,696,935	4,696,935
<b>Total Liabilities</b>		<b>104,530,126</b>	<b>26,829,904</b>
<b>NET ASSETS</b>		<b>22,933,913</b>	<b>22,952,081</b>
Share capital	31	10	10
Reserves			
Investment from Shareholder		1,784,049	1,784,049
Accumulated surplus		21,149,854	21,168,022
<b>Total Net Assets</b>		<b>22,933,913</b>	<b>22,952,081</b>

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## Section 2: Statement of Financial Performance

### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Statement of Financial Performance

Figures in Rand	Note(s)	3 months ended 30 September 2018	11 Months 31 May 2018 30 June 2018
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Ticketing Services	12	248,082	1,014,876
Catering Services	12	7,954,437	30,413,031
Rental facilities and equipment	12	1,494,666	8,032,721
Arts Alive Festival	12	7,909,627	10,275,555
Sponsorships	12	-	1,391,304
In-House Ticket Sales	12	2,216,627	11,155,035
Other income	13	398,541	2,678,646
Interest received - investment	14	2,034,899	5,544,523
<b>Total revenue from exchange transactions</b>		<b>22,256,879</b>	<b>70,505,691</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Subsidy	15	30,508,500	104,432,000
<b>Total revenue</b>	12	<b>52,765,379</b>	<b>174,937,691</b>
<b>Expenditure</b>			
Salaries and Wages	16	(18,337,858)	(70,049,916)
Depreciation and amortisation	17	(421,411)	(1,352,067)
Debt impairment		-	(20,980)
Transfers and Subsidies	18	(7,544,316)	(19,339,330)
General Expenses	19	(26,480,162)	(83,405,040)
<b>Total expenditure</b>		<b>(52,783,547)</b>	<b>(174,167,333)</b>
<b>(Deficit) surplus before taxation</b>		<b>(18,168)</b>	<b>770,358</b>
Taxation	20	-	275,595
<b>Surplus</b>		<b>(18,168)</b>	<b>494,763</b>

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## Section 3: Cash Flow Statement

### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Cash Flow Statement

Figures in Rand	Note(s)	3 months ended 30 September 2018	11 Months 31 May 2018 30 June 2018
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		27,486,734	58,388,911
Grants		111,444,000	104,432,000
Interest income		2,034,899	5,544,523
		<u>140,965,633</u>	<u>168,365,434</u>
<b>Payments</b>			
Employee costs		(21,191,814)	(81,901,688)
Suppliers		(38,582,218)	(111,356,020)
		<u>(59,774,032)</u>	<u>(173,257,708)</u>
<b>Net cash flows from operating activities</b>	21	<u>81,191,601</u>	<u>(4,891,272)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(258,673)	(1,995,221)
Purchase of other intangible assets	7	-	(688,028)
		<u>(258,673)</u>	<u>(2,683,249)</u>
<b>Net cash flows from investing activities</b>		<u>(258,673)</u>	<u>(2,683,247)</u>
<b>Cash flows from financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>80,932,928</u>	<u>(7,554,519)</u>
Cash and cash equivalents at the beginning of the year		15,729,386	23,283,904
<b>Cash and cash equivalents at the end of the year</b>	5	<u>96,662,314</u>	<u>15,729,385</u>

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Notes to the Financial Statements

Figures in Rand	2018	2018
<b>2. INVENTORIES</b>		
Work in progress	8,862,893	4,652,825
Consumable stores	536,851	528,241
Trading Stock - Food and Beverage	609,477	671,535
	<b>10,029,221</b>	<b>5,852,601</b>
<b>Reconciliation of Opening Balances to Closing Balances</b>		
<b>Work In Progress</b>		
Opening Balance	4,652,825	529,361
Prior year WIP transferred	(4,652,825)	(529,361)
Current year WIP	8,882,893	4,652,825
	<b>8,882,893</b>	<b>4,652,825</b>
<b>Consumable Stock</b>		
Opening Balance	528,241	237,231
Stock movement for the year	8,610	291,010
	<b>536,851</b>	<b>528,241</b>
<b>Trading Stock</b>		
Opening Balance	671,535	661,104
Stock movement for the year	(62,058)	10,431
	<b>609,477</b>	<b>671,535</b>

Joburg City Theatres operate as a both receiving and production house. The expenditure on show productions prior to maturity is treated as Work in Progress (WIP) for example, the Color purple and Snow white.

Consumable stores contain 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 are fairly valued.

Trading stock - Food and Beverage contains amongst others bar-, restaurant- and hospitality stock. Trading stock is measured at the 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	(5,846,470)	1,899,182
Accrued Income	11,411	192,120
Related Party Debtors	9,440,518	8,606,794
	<b>3,605,459</b>	<b>10,698,096</b>

Accrued income consist of interest earned (R11 410).

*N/B: Only high level notes have been included on the quarterly report per directive from group governance however full notes available on separate set of annual financial statements.*

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Notes to the Financial Statements

Figures in Rand

30 September  
2018

30 June  
2018

#### 5. CASH AND CASH EQUIVALENTS (continued)

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 end of the period were between 6% and 8.02%.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 September 2018	30 June 2018	30 June 2017	30 September 2018	30 June 2018	30 June 2017
Nedbank-current account- Joburg Theatre	202,186	206,781	1,992,526	202,186	206,781	1,992,526
Nedbank-current account- Roodepoort and Soweto Theatre	254,934	79,808	176,152	254,934	79,808	176,152
Nedbank-current account- Ticketing	214,351	77,301	38,713	214,351	77,301	38,713
Nedbank-current account- Hospitality and Catering	292,130	180,259	254,571	292,130	180,259	254,571
Nedbank-call account- Joburg Theatre	2,497,411	9,997,811	788,449	2,497,411	9,997,811	788,449
Nedbank-call account- Roodepoort and Soweto Theatre	3,519	3,467	3,259	3,519	3,467	3,259
Nedbank-call account- Ticketing	2,797,733	628,174	586,857	2,797,733	628,174	586,857
Nedbank-call account- Hospitality and Catering	446,821	450,845	1,962,788	446,821	450,845	1,962,788
Nedbank-fixed account- Joburg Theatre	36,956,006	-	-	36,956,006	-	-
Investec-call account	29,909	-	2,178,739	29,909	-	2,178,739
Investec-Fixed account	52,858,961	3,914,619	15,242,917	52,858,961	3,914,619	15,242,917
<b>Subtotal</b>	<b>96,553,961</b>	<b>15,629,065</b>	<b>23,204,971</b>	<b>96,553,961</b>	<b>15,629,065</b>	<b>23,204,971</b>
Cash on hand	108,353	100,321	78,933	108,353	100,321	678,933
<b>Total</b>	<b>96,662,314</b>	<b>15,729,386</b>	<b>23,283,904</b>	<b>96,662,314</b>	<b>15,729,386</b>	<b>23,883,904</b>

Cash on hand is made up of petty cash and cash floats

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Notes to the Financial Statements

Figures in Rand	30 September 2018	30 June 2018
<b>3. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)</b>		
<b>Trade and other receivables</b>		
Trade Debtors- represents rent receivable for use of facilities (hospitality and theatre rentals).		
Related party debtors - represents the amounts owed to Joburg City Theatres by the City of Johannesburg and Municipal Owned Entities. Included in the related party receivables is the youth month activities, EPWP and CAPEX. Joburg City Theatres does not charge interest on related party debtors.		
Debtors are measured at fair value.		
The receivables increased from last financial year to current year due to invoice issued to City of Johannesburg-CAPEX (R6 067 868), Department of Arts and Culture (R 1 600 000), COJ- EPWP ( R 994 767.30), COJ-Department of Economic Development (R 878 787.53) .		
<b>Receivables From Exchange Transactions by Class</b>		
Hospitality and Catering	-	2,682,017
City of Joburg-CAPEX	-	6,067,868
City of Joburg-Entities	-	57,110
	<b>3,605,459</b>	<b>2,091,303</b>
	<b>3,605,459</b>	<b>10,898,096</b>
<b>Debtors Age Analysis</b>		
90 Days +	2,261,026	61,350
60 Days	141,404	34,792
30 Days	571,859	-
Current	631,170	10,769,468
	<b>3,605,459</b>	<b>10,865,610</b>
<b>4. VAT receivable</b>		
VAT	<b>3,102,990</b>	<b>3,075,107</b>
The company accounts for VAT on an accrual basis.		
The major contributor to VAT receivables are refunds not yet received from SARS which include amongst other VAT input from invoices for grants paid to Joburg Ballet and philaharmonic Orchestra R318 800;utilities R305 816; security and cleaning services R192 843; Africa Month activities R121 565,insurance premium R57 864; upgrade of accounting software (MSCOA) R21 190 and other year end adjustment i.e accruals R356 799.		
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents consist of:		
Cash on hand	108,353	100,321
Nedbank accounts balance	43,695,090	11,714,476
Investec Investment Accounts	52,858,870	3,914,589
	<b>96,662,313</b>	<b>15,729,386</b>
Current assets	96,662,313	15,729,386
Current liabilities	-	-
	<b>96,662,313</b>	<b>15,729,386</b>

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)  
Financial Statements for the 3 Months ended 30 September 2018

### Notes to the Financial Statements

Figures in Rand

#### 6. PROPERTY, PLANT AND EQUIPMENT (continued) Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
Leasehold property	911,772	702,184	(187,533)	1,426,433
Furniture and fixtures	1,483,293	752,197	(321,950)	1,913,540
Motor vehicles	180,431	152,539	(34,580)	298,410
IT equipment	1,699,282	312,500	(221,815)	1,789,967
Stage equipment	8,943,631	75,791	(545,671)	8,473,751
	<b>11,218,409</b>	<b>1,995,221</b>	<b>(1,311,529)</b>	<b>11,902,101</b>

Buildings are capitalised by the City of Johannesburg.

#### 7. INTANGIBLE ASSETS

##### Computer software

##### Reconciliation of intangible assets - 2019

	2018		2018	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Cost / Valuation	Accumulated amortisation and accumulated impairment
	828,857	(128,044)	828,857	(96,863)
	<b>700,813</b>	<b>700,813</b>	<b>731,994</b>	<b>731,994</b>

##### Computer software

##### Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
	731,994		(31,181)	700,813
	<b>104,509</b>	<b>688,020</b>	<b>(40,541)</b>	<b>731,994</b>

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Notes to the Financial Statements

Figures in Rand 30 September 2018 30 June 2018

#### 8. HERITAGE ASSETS

	2018			2018		
	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

#### Reconciliation of heritage assets 2019

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

#### Reconciliation of heritage assets 2018

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

#### Additional information

Heritage assets includes artwork valued R851 000 and historical assets valued at R741 700. Deemed cost was determined using fair value. A class of heritage assets is carried at its cost less any accumulated impairment losses. The assessment has been performed to test whether any impairment indicators have been triggered and there was no indication of impairment during the current financial year.

#### 9. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	1,944,299	9,177,375
Deferred income	84,912,117	2,926,229
Accrued Leave	2,691,577	2,239,664
Sundry creditors	1,766,160	1,797,604
Accrued 13th Cheque	926,035	735,617
Year end accruals	1,370,272	1,364,404
Related Party	994,573	875,743
	<b>94,605,033</b>	<b>19,116,636</b>

Trade payables consists of trade creditors due to the suppliers/service providers. The major contributor to the increase of trade payables is the work done for the following services: upgrade of stage machinery to the value of R5m, hospitality and catering ( R2m) and acquisitions of computer hardware and upgrade of server amounting to R758 938 .

Deferred income represent deposits for rental of facilities and ticket sales for future shows i.e. Snow White and The Color Purple

Related party consist of OHASA , utilities and rentals due to Joburg City Parks and Zoo.

Sundry creditors is made up of third party balances i.e. PAYE, SDL, UIF, Pension Fund, Medical Aid, Samwu and Psira.

Year end accruals consist of COJ AGM consumables, COJ conferences, staff uniforms, City Press and others.

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

### Notes to the Financial Statements

Figures in Rand

	30 September 2018	30 June 2018
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#### 10. PROVISIONS

##### Reconciliation of provisions - 2019

	Opening Balance	Additions	Total
Performance Bonus and COIDA	3,016,333	2,211,825	5,228,158

##### Reconciliation of provisions - 2018

	Opening Balance	Additions	Utilised during the year	Total
Performance Bonus	2,219,115	3,606,458	(2,809,240)	3,016,333

The bonus provision relates to the performance bonuses that the entity expects to pay the qualifying employees. The amount is based on the performance of the financial year under review which is still to be determined. The provision is management's best estimate of the entity's liability at reporting date.

#### 11. DEFERRED TAX

##### Deferred tax liability

Property, plant and equipment	-	(298,732)
Allowance for future expenditure section 24c	-	(6,417,720)
<b>Total deferred tax liability</b>	-	<b>(6,716,452)</b>

##### Deferred tax asset

Deferred income	-	818,656
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Deferred tax liability	-	(6,716,452)
Deferred tax asset	-	818,656
<b>Total net deferred tax liability</b>	-	<b>(5,897,796)</b>

Draft

# Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

## Notes to the Financial Statements

Figures in Rand	30 September 2018	30 June 2018
<b>16. EMPLOYEE RELATED COSTS</b>		
Salaries and Wages	17,842,658	68,725,807
Employee costs included in other expenses	495,000	1,324,109
	<b>18,337,658</b>	<b>70,049,916</b>
<b>Employee Costs Breakdown</b>		
Net Salary	12,085,363	35,867,054
PAYE	2,311,845	11,380,800
SDL	134,011	652,463
UIF	158,602	747,085
Medical Aid	1,013,848	4,584,828
Pension Contribution	2,092,849	10,682,543
Third Parties	48,341	623,201
13th cheque leave accrual and performance bonus	-	4,207,833
	<b>17,842,658</b>	<b>68,725,807</b>
<b>Committee Fees Breakdown</b>		
Net Salary	495,000	1,324,109
In the current financial year, PAYE was not deducted from the Board members's fee. <b>Chief Executive Officer</b>		
Annual Remuneration	-	1,672,908
Performance Bonuses	-	218,151
Contributions to UIF, SDL, Medical Aid and Pension Funds	-	512,126
Other	-	69,705
	-	<b>2,472,890</b>



# Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

## Notes to the Financial Statements

Figures in Rand	30 September 2018	30 June 2018
<b>16. EMPLOYEE RELATED COSTS (continued)</b>		
<b>Chief Operating Officer</b>		
Annual Remuneration	389,186	1,168,970
Performance Bonuses	-	152,438
Contributions to UIF, SDL, Medical Aid and Pension Funds	94,739	345,075
Other	-	108,360
	<b>483,925</b>	<b>1,774,841</b>
<b>Chief Financial Officer</b>		
Annual Remuneration	404,751	1,436,859
Performance bonus	-	183,370
Contributions to UIF, SDL, Medical Aid and Pension Funds	102,610	359,904
Other	-	116,073
	<b>507,361</b>	<b>2,096,206</b>
<b>Executive Producer</b>		
Annual Remuneration	-	853,512
Performance Bonuses	-	79,500
Contributions to UIF, SDL, Medical Aid and Pension Funds	-	229,678
Other	-	88,774
	-	<b>1,251,464</b>
The Executive Producer resigned on 30 April 2018 hence current year remuneration is less than previous year.		
<b>Company Secretary</b>		
Annual Remuneration	389,186	1,003,816
Performance Bonuses	-	112,200
Contributions to UIF, SDL, Medical Aid and Pension Funds	94,739	11,676
Other	-	53,826
	<b>483,925</b>	<b>1,181,518</b>

# Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2018

## Notes to the Financial Statements

Figures in Rand	30 September 2018	30 June 2018
<b>18. GRANTS AND SUBSIDIES PAID</b>		
<b>Subsidies</b>		
Grants Paid	7,544,316	19,339,330
<b>Subsidies comprises of:</b>		
Joburg Ballet	-	8,873,176
Joburg Philharmonic Orchestra	-	10,466,154
	-	19,339,330
<b>19. GENERAL EXPENSES</b>		
Auditors remuneration	148,639	655,233
Bank charges	166,320	660,636
Cleaning	614,160	2,338,272
Computer expenses	3,258	180,303
Consulting and professional fees	44,497	527,474
Consumables	669,659	3,120,450
Community Development	541,955	1,748,025
Entertainment	82,515	676,565
Building signage; framing and printing	795,983	2,637,555
Gifts	(1,339)	-
Insurance	174,453	755,797
Employee Uniforms	5,229	264,136
IT expenses	183,410	703,943
Marketing and show contributions	1,255,920	5,332,585
Ticketing	296,391	1,279,632
Motor vehicle expenses	269,815	1,823,603
Licences	453	378,465
Productions	4,996,758	17,471,017
Printing and Stationery	134,807	325,821
Security	474,392	1,954,615
Subscriptions and membership fees	6,158	116,236
Business travel	3,988	105,547
Electricity	2,475,015	8,529,216
Gas	338,540	485,274
Sewerage and waste disposal	392,533	1,222,762
Employee Wellness & Training	5,188	215,229
Arts Alive and Special Projects	7,295,020	8,298,531
Other hospitality and catering expenses	2,961	6,978,980
Repairs and Maintenance	358,352	2,577,248
Cost of Sales	4,745,132	12,041,892
	<b>26,480,162</b>	<b>83,405,040</b>

Draft

#### Section 4: Ratio Analysis

Financial Ratios	31-Dec-17	31-Dec-16	Target	Norm	Interpretation
Current Ratio	1.14	1.24	> 1.00	1.5 to 2.1	Liquidity ratio have deteriorated by 8% (from 1.24:1 last year to 1.14:1 in the current year) year on year. Even though the liquidity ratio is not within the norm of 1.5 to 2.1 the entity will still be able to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels.
Solvency Ratio	1.22	1.31	> 2.00	02:01	Solvency ratio is up by 7% (from 1.31:1 last year to 1.22:1 in the current year) year on year. The calculated ratio for the current year is below the norm of 2. Despite these results the entity is still a going concern and the entity does not have long term loans.
Debt: Revenue	198%	185%	< 45%	45%	At face value the ratio looks very high, above the norm of 45% and a cause for concern, but this ratio should not be a cause for concern because the debt figure includes subsidy which is received upfront at the beginning of the financial year and unwinded on a month basis to ensure matching principle of accounting
Remuneration	35%	40%	At least 30%	25% - 40%	The ratio has improved from previous year to current year . The ratio is still on target in the current year which indicates the efficiencies, balanced staffing and resources allocated to service delivery related expenditure.
Repairs & Maintenance	3%	3%	8%	8%	The ratio has deteriorated from previous year to current year and its below the norm of 8%. This indicates that the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery is at unacceptable standard. Repairs and maintenance of JCT assets is required to ensure the continued provision of services.
Interest: Expenditure	0%	0%	< 7%	<7%	The entity is really not financed by interest bearing borrowings hence a lower ratio on interest and this is not a reason for concern at all.
Net Operating Expenditure	0%	15%	At least 15%	= or > 0%	The ratio has declined from prior year to current year, however it is on target which indicates that the entity has generated a surplus which will assist to contribute towards its capital funding requirements
Cost Coverage Ratio	26 Months	9 Month	> 45 Days	1 – 3 Months	The ratio has increased from previous financial year. It is not within the target of 1-3 months which suggest that the entity will not be able to meet its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during the month.

## **Section 5: Report on Irregular, Fruitless and Wasteful Expenditure and Due Process**

### **Irregular Expenditure**

During the quarter under review, there was no irregular expenditure that was incurred.

### **Fruitless and wasteful expenditure**

The only instance reported on fruitless and wasteful expenditure was on the cancellation of the conference in Australia due to visa applications not done on time. This expenditure amounted to R28 399.46 which will be recovered from the employees concerned.

## **Section 6: Pending Litigations and Possible Liabilities**

No litigations during the quarter under review. However the litigation that was reported in the previous quarter is still underway - JCT has received a letter of demand from one law firm, Brugmans Incorporated acting on behalf of Bosch family, the family whose child fell into the pit following a ballet show (Cinderella). They have sent this notice to the City, JCT, JPC and Joburg Ballet.

JCT has engaged Group Legal on the matter since the Group also administers our insurance policy.

## **Section 7: Insurance Claims against/to MOE/Department**

During the quarter under review, there were no insurance claims against/to MOE/Department.

## CHAPTER SIX: INTERNAL & EXTERNAL AUDIT FINDINGS

### Section 1: Results of Internal Audits

The purpose of this report is to provide status on the internal and external audit findings raised by Group Risk Assurance Services (Internal Auditors) and Auditor General (External Auditors) and progress status of the current financial year (2018/19) coverage plan.

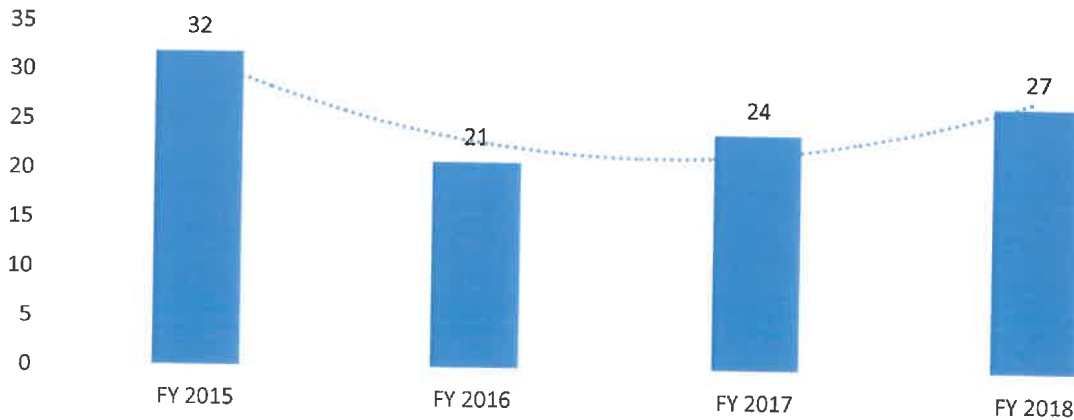
The following table shows 8 business areas to be audited in the current financial year in terms of the coverage plan and 7 have been started.

Business Area	Focus Area	Suggested Timeline	No. of findings	Status
FINANCE	Revenue Management (Including Hospitality and Catering)	Q4	0	Not yet commenced
	Petty Cash	Q4	0	Not yet commenced
	Accounts Payable	Q4	0	Not yet commenced
	Assets Management	Q4	0	Not yet commenced
	Supply Chain & Expenditure Management	Q4		Not yet commenced
	Quality Assurance on Annual Financial Statement Preparation including compliance with related legislation	Q4 /Q1 next FY		Not yet commenced
HUMAN RESOURCES	Human Capital	Q3	0	Not yet commenced
	Leave Management	Q3	0	Not yet commenced
	Payroll Review	Q3	0	Not yet commenced
MARKETING	Marketing of all three Theatres	Q2	0	Not yet commenced
EXTERNAL ENVIRONMENT	Youth development	Q2	0	Not yet commenced
MAINTENANCE	Maintenance and security	Q2	0	Not yet commenced
	Health and safety	Q2		Not yet commenced
	Repairs and Maintenance	Q2	0	Not yet commenced
INFORMATION TECHNOLOGY	IT Application Controls Review	Q3	0	Not yet commenced
	IT General Controls Review	Q3		Not yet commenced
Compliance to Code of Conduct	Compliance to City's Code of conduct	Q3	0	Not yet commenced
PERFORMANCE INFORMATION	Quarterly	Quarterly	0	Not yet commenced
			<u>0</u>	

### Analysis of Internal Audit Findings

There has been a reduction on the internal audit findings from 2014/15 financial year (32) to 21 audit findings raised in 2015/16. However, an increase of 14% occurred in 2016/17 and in the previous financial year (24 internal audit findings to 27 internal findings). In the current financial year, the audit has not yet commenced.

## Analysis of Internal Audit Findings per financial year



### Progress on the resolution of internal audit findings.

All internal audit findings relating to 2015-2017 financial years have been resolved and out of 27 audit findings that were issued in the previous financial year (2018), only 6 have not been resolved. In the current financial year, the audit has not yet commenced.

## Resolution of Internal Audit Findings

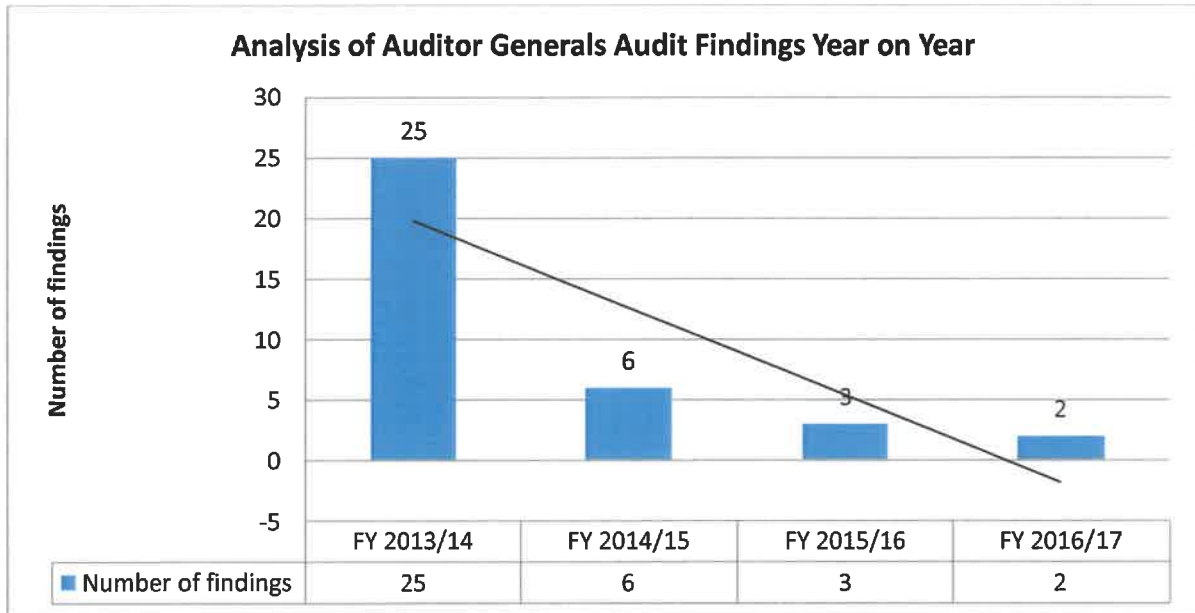


### Section 3: Progress on Resolution of Auditor General Audit Findings for 2016/17 financial year.

#### Analysis of AG Audit Findings

There has been a reduction on the external audit findings year on year i.e. they moved from 25 in 2013/14 financial year to only 2 in 2016/17 financial year. The external audit for 2017/18 is still in progress.

### Analysis of Auditor Generals Audit Findings Year on Year



Auditor General of SA raised 2 audit findings in 2016/17 financial year and they were all resolved and evidence was provided and verified by the auditors. All other audit findings coming from the previous years were resolved.

Findg #	Heading	Description	Action Required	By Whom	When	Status
B.1.1	Internal control deficiency over SCM minutes and declarations Audit finding	During the audit inspection of competitive bidding and contracts processes it was noted that officials from the user department did not form part of the bid evaluation committee resulting in non-compliance with the regulations and policy.	all relevant documentation and minutes relating to procurement processes is reviewed by the SCM manager and filed appropriately.	SCM Manager	Immediately	Done
A1 AOP0	Internal control deficiency over the accuracy of the reported performance results.	Management did not implement a proper system of reviewing the accuracy of the reported performance results. Complete, relevant and accurate information does not support the performance results reported.	Annual performance report and the adjustments should be provided to the auditors for inspection.	Strategic Supprt Mnager	Immediately	Done

## DETAILS OF THE INTERNAL AUDIT FINDINGS

### ACTION PLAN FOR INTERNAL AUDIT FINDINGS 2017/18

Finding #	Dpt	Heading	Action Required	By Whom	When	Status	Comments
1	Youth Development	Incomplete documents supplied by applicants	All the required documents are attached to the application form before submission. No application form is accepted without the required documents.	Community and Audience Development Manager: Soweto Theatre	09-Feb-18	Done	Documents have been made available
2	Youth Development	Application Forms not signed	Management must ensure that all application forms for learners to participate in Youth Development are fully completed and signed by the parent/guardian as proof and acknowledgment of their responsibilities and requirements.	Community and Audience Development Manager: Soweto Theatre	09-Feb-18	Done	The required signatures have been obtained.
3	Health and Safety	Aircondition at Roodepoort Theatre foyer not working	A new air conditioner is installed.	General Manager: Roodepoort Theatre	31-Mar-18	Done	PC Boards have been replaced
4	Health and Safety	Glass door at Struben room cracked	The glass door is fixed as a matter of urgency to avoid injuries and serviced on regular basis.	General Manager: Roodepoort Theatre	28-Feb-18	Done	The glass door has been fixed and it is serviced regularly.
5	Petty Cash	No segregation of collection of petty cash and authorisation	Compliance with Joburg City Theatre's Petty Cash Policy and cash is not processed in the absence of both the claimant's and HOD signatures.	Finance Manager	Immediately	Done	Petty cash is processed in the presence of both the claimant's and HOD signatures.
6	Petty Cash	No odometer readings for use of own vehicles	The entity must review its policy to include the use of GPS	Finance Manager	01-Apr-18	Done	Complete odometer readings are being taken before the approval of the claim.
7	Human Resource	Leave Policies not reviewed periodically	Leave policies are periodically reviewed, updated and implemented and that compliance checklist is developed to monitor deadlines.	HR Manager	09-Mar-18	Done	Leave policies have been reviewed and compliance checklist is developed.
8	Human Resource	Annual Leave Exceeding 1 Week Not Made Atleast 1 Month In Advance	All employees comply with the policy requirements.	HR Manager	09-Mar-18	Done	Management policies have been reviewed to be aligned with the COJ.
9	Human Resource	Differences between Leave Form and Leave System Report	All leave captured is checked for accuracy and completeness by the responsible supervisor/manager and the system is reviewed for accuracy and updated where it is applicable.	HR Manager	Immediately	Done	Leave management is automated.
10	Human Resource	Lack of segregation of duties	Management must ensure that leave applications are not captured into the system by the same applicant.	HR Manager	Immediately	Done	Leave management is automated.
11	Information Technology	Data validation weakness identified on the SAGE 300 Payroll	Management must configure the SAGE 300 Payroll system to detect any alphanumeric errors when data is captured.	Payroll Manager	30-Jun-18	Done	SAGE 300 Payroll system has been configured to detect any alphanumeric errors when data is captured.
12	Information Technology	Weaknesses identified on user access	Access request forms are completed as per the JCT IT Policy, when access is requested.	Payroll Manager	30-Jun-18	Done	Access request forms are completed when access is requested as per the JCT IT policy.
13	Information Technology	Weaknesses identified on the Password	Configure the SAGE 300 Payroll system password settings as per the JCT IT Policy to ensure the system complies with the security standards.	Payroll Manager	30-Jun-18	Done	SAGE 300 Payroll system password settings has been configured to ensure the system complies with the security standards.
14	Supply Chain	Service Level Agreement delayed to approve	Service Level Agreement is signed by all parties soon after the acceptance of the awards and draft Service Level Agreement is prepared before the appointment of potential supplier	SCM Manager	Immediately	Done	SLA are now signed by all parties soon after the acceptance of the awards. Supply Chain prepares the draft SLA before the appointment of potential supplier



15	Supply Chain	Invoice served before the purchase order	SCM policies and procedures are complied with and Goods are purchased when there is a need	Graham Momphe	Immediately	Done	Document trails are correct
16	Assets Management	Assets not recorded on the asset register	Assets are recorded on Asset Register upon delivery and they randomly select assets on the floor and trace them to the asset register.	Phumlani Nkomo	31-Aug-18	Done	All assets have been recorded on the assets register
17	Assets Management	Assets not barcoded	All movable assets are barcoded for easy identification.	Phumlani Nkomo	31-Aug-18	Done	All assets have been barcoded
18	Assets Management	Different descriptions of assets	Periodic asset verification is conducted and adjust the register accordingly.	Phumlani Nkomo	31-Aug-18	Done	description of assets are done
19	Performance Information	Insufficient evidence to support the reported performance progress.	Progress reported is supported by adequate and accurate evidence. SOP is finalized to be used as a guide during performance reporting periods and the means of verification required.	Vincent Motau	30-Jun-18	Done	Evidence was provided
20	Performance Information	Supporting documentation not provided for audit verification purposes.	Performance must have accompanied by supporting documentation. Reliability of reported performance is enhanced by implementing a proper record keeping systems	Vincent Motau	30-Jun-18	Done	Evidence was provided
21	Performance Information	Reported Performance progress differs with provided supporting evidence.	Controls regarding monitoring of performance information are strengthened to ensure that performance reported by the department is supported by adequate, complete and accurate evidence	Vincent Motau	30-Jun-18	Done	The three invoices were corrected during the reconciliation of claim 2 of CAPEX.
22	Youth Development	Youth Development Policy not in place	Youth Development policy must be developed and approved by the board.	Community Development Manager: Joburg Theatre	30-Sep-18	Not Yet Done	The policy has been developed , it is awaiting approval by the board.
23	Maintenance and Security	Insufficient backup power generator	Powerful generator is installed.	General Manager: Building & Security	On-going	Not Yet Done	To be installed once COJ has made a budget for it.
24	Maintenance and Security	No parking shades in Soweto Theatre	Management must ensure that parking shades are constructed to protect theatre and staff vehicle against extreme weather condition.	General Manager: Building & Security	30-Sep-18	Not Yet Done	Procurement of the parking shade will be done in the new budget of the 2018/19
25	Revenue	Revenue policy not updated periodically	Ensure that Joburg City Theatres revenue policy is updated, approved and implemented	Finance Manager	30-Nov-18	Not Yet Done	Audit finding is noted however there has not been new standards nor activities that will change the current policy. The policy will be reviewed.
26	Revenue	No cash register at Joburg Theatre canteen	An operational cash register is installed which would record all canteen sales.	Attie Schutte and Branden Karim	30-Sep-18	Not Yet Done	There is a cash register used by the canteen. It was very expensive to install point of sale system at the canteen as the entity is selling at cost.
27	Revenue	Failure to exchange coins for notes for timely banking	Coins are immediately exchanged for notes and banked timely and Finance officer is not allowed to keep cash.	GM - Hospitality and Catering	30-Sep-18	Not Yet Done	The entity will investigate the possibility of upgrading to Nedbank cash Vaults that can take coins; that decision will be subject to cost however. The coins are in the region of R10-R50.

#### Section 4: Statement of Internal Control

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.

In line with best practice and Municipal Management Finance Act (MFMA) requirements, Group Risk and Assurance Services (GRAS) compiled a risk-based audit coverage plan for the Joburg City Theatres which was

approved by the Audit and Risk Committee on July 2017. This audit coverage plan has taken into consideration areas that are perceived to be of high risk as per the risk registers for the three theatres and areas identified by management. The timelines indicated on the plan were discussed and agreed with management.

As at 30 June 2018 Internal Audit provided assurance on 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. The system of internal control was reasonably adequate and effective, for the quarter under review. The following table depict the current internal control dashboard:

**Dashboard Report – Drivers of Internal Control to Achieve Clean Administration**

<b>AUDITEE NAME:</b>	Joburg City Theatres SOC LTD				<b>ASSESSMENT PERFORMED ON:</b>		July 2018- Sept 2018	
<b>ASSESSMENT PERIOD COVERED:</b> (Tick as appropriate)	<b>PFMA</b>	Apr – Jun'17	Jul – Sep'17	Oct – Dec'17	Jan – Mar'18	Apr'17 – Mar'18		
	<b>MFMA</b>	Jul – Sep'17	Oct – Dec'17	Jan – Mar'18	Apr – Jun'18	Jul'17 – Jun'18		

No.	DRIVERS	<p>↑ Improved</p> <p>↔ Unchanged</p> <p>↓ Regressed</p>	<p>Required controls that are able to prevent, or detect and correct misstatements / control deviations / instances of non-compliance in a timely manner, are currently in place; care is required to maintain the situation for changes in conditions</p> <p>Progress in the implementation of controls that are able to prevent, or detect and correct, misstatements / control deviations / instances of non-compliance in a timely manner is noted, but improvement is still required</p> <p>Required controls that are able to prevent, or detect and correct, misstatements / control deviations / instances of non-compliance in a timely manner, are not in place; intervention is required to design and implement appropriate controls</p>	<p>Good </p> <p>In progress </p> <p>Intervention required </p>	ASSESSMENT		
					Financial	Performance	Compliance

**LEADERSHIP**

	<b>Movement from previous assessment:</b>	↔	↔	↔
1.a	Provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity			
1.b	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls			
1.c	Implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored			
1.d	Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities			
1.e	Develop and monitor the implementation of action plans to address internal control deficiencies			
1.f	Establish an IT governance framework that supports and enables the business, delivers value and improves performance			

**FINANCIAL AND PERFORMANCE MANAGEMENT**

	<b>Movement from previous assessment:</b>	↔	↔	↓
2.a	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting			
2.b	Implement controls over daily and monthly processing and reconciling of transactions			
2.c	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information			
2.d	Review and monitor compliance with applicable legislation			
2.e	Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information			

**GOVERNANCE**

	<b>Movement from previous assessment:</b>	↔	↔	↔
3.a	Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored			
3.b	Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively			
3.c	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with legislation.			

<b>AUDITEE NAME:</b>	Joburg City Theatres SOC LTD				<b>ASSESSMENT PERFORMED ON:</b>		July 2018- Sept 2018
<b>ASSESSMENT PERIOD COVERED:</b> (Tick as appropriate)	<b>PFMA</b>	Apr – Jun'17	Jul – Sep'17	Oct – Dec'17	Jan – Mar'18	Apr'17 – Mar'18	
	<b>MFMA</b>	Jul – Sep'17	Oct – Dec'17	Jan – Mar'18	Apr – Jun'18	Jul'17 – Jun'18	

No.	DRIVERS	COMMITMENTS
<b>LEADERSHIP</b>		
1.a	Provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity	Maintain the performance through-out.
1.b	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	Maintain the performance through-out
1.c	Implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Maintain the performance through-out
1.d	Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities	Maintain the performance through-out
1.e	Develop and monitor the implementation of action plans to address internal control deficiencies	Maintain the performance-through-out
1.f	Establish an IT governance framework that supports and enables the business, delivers value and improves performance	Maintain the performance-through-out
<b>FINANCIAL AND PERFORMANCE MANAGEMENT</b>		
2.a	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	Audit findings related to supporting documents not submitted or not adequately addressing issues raised.
2.b	Implement controls over daily and monthly processing and reconciling of transactions	Maintain the performance through-out
2.c	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	Some audit findings related to supporting documents not being properly kept or submitted
2.d	Review and monitor compliance with applicable legislation	New internal audit findings that include compliance issues.
2.e	Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information	New IT audit findings under general controls audit report yet to be presented
<b>GOVERNANCE</b>		
3.a	Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored	Maintain the performance through-out
3.b	Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively	Maintain the performance through-out
3.c	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with legislation.	Maintain the performance through-out

## Joburg Theatre (SOC) Ltd

REPORTING PERIOD: SEPTEMBER 2018

BranchName: JHB, 'MET', 'RCT', 'SWT', 'Zoo'

6

COVER SHEET

## INCOME STATEMENT

Main Account	Sub AccountName	Actual	Budget	Var	Var%
<b>INCOME</b>					
	Rental Of Facilities & Equipment	52 766 026	47 305 129	5 460 897	11.54%
	Interest Earned from External Investments	1 494 666	1 927 000	-432 334	-22.44%
	Operating Grants and Subsidies	2 034 899	2 126 531	-91 632	-4.31%
	Arts Alive	30 508 500	30 508 500	0	0.00%
	Joburg Film Office	7 909 627	0	7 909 627	0
	Other Revenue	0	0	0	-
	In-House Stage Productions	10 818 333	12 743 097	-1 924 764	-15.10%
	In House Music Programme	2 216 627	3 000 000	-783 373	-26.11%
	Sponsorships	0	98 206	-98 206	-100.00%
	Food Beverage And Retail /Stages	0	0	0	-
	Ticketing Services	7 954 437	8 710 181	-755 744	-8.68%
	Management Fees	248 082	385 666	-137 584	-35.67%
	Special Projects and Other Income	0	0	0	-
		399 187	549 045	-149 858	-27.29%
<b>Expense</b>					
	Employee Related Costs	52 784 194	47 134 294	-5 649 900	-11.99%
	Directors and Committee Members	47 638 139	41 847 069	-5 791 070	-13.84%
	Depreciation & Asset Imparment	495 000	300 446	-194 554	-64.76%
	Repairs And Maintenance	421 411	600 000	178 589	29.76%
	Contracted Services	358 352	705 433	347 082	49.20%
	Insurance	1 151 937	859 803	-292 134	-33.98%
	Joburg Ballet	97 359	97 357	-2	0.00%
	Joburg Film Office	7 544 316	7 544 316	0	-
	Arts Alive	0	0	0	-
	General Expenses	7 295 020	0	-7 295 020	0
		17 577 495	19 141 800	1 564 305	8.17%
	<b>TRADING SURPLUS / ( SHORTFALL)</b>	<b>-18 168</b>	<b>170 835</b>	<b>-189 003</b>	<b>-110.63%</b>

**Joburg Theatre (SOC) Ltd**

**REPORTING PERIOD: SEPTEMBER 2018**

BranchName: JHB'



**INCOME STATEMENT**

Main Account	Sub AccountName	Actual	Budget	Var	Var%
<b>INCOME</b>					
		42 975 121	37 070 171	5 904 950	15.93%
	Rental Of Facilities & Equipment	704 546	804 320	-99 774	-12.40%
	Interest Earned from External Investments	2 034 899	2 126 531	-91 632	-4.31%
	Operating Grants and Subsidies	24 306 439	24 306 439	-0	0.00%
	Arts Alive	7 909 627	0	7 909 627	0
	Joburg Film Office	0	0	0	-
	<b>Other Revenue</b>	8 019 610	9 832 881	-1 813 271	-18.44%
	In-House Stage Productions	2 216 627	3 000 000	-783 373	-26.11%
	In House Music Programme	0	0	0	-
	Sponsorships	0	0	0	-
	Food Beverage And Retail /Stages	5 273 097	6 019 275	-746 178	-12.40%
	Ticketing Services	165 555	273 730	-108 175	-39.52%
	Management Fees	0	0	0	-
	Special Projects and Other Income	364 330	539 875	-175 545	-32.52%
<b>Expense</b>					
	Employee Related Costs	44 612 855	39 725 638	-4 887 217	-12.30%
	Directors and Committee Members	41 023 947	35 921 932	-5 102 015	-14.20%
	Depreciation & Asset Imparment	495 000	300 446	-194 554	-64.76%
	Repairs And Maintenance	253 038	327 750	74 712	22.80%
	Contracted Services	165 445	511 507	346 062	67.66%
	Insurance	543 414	426 918	-116 496	-27.29%
	Joburg Ballet	62 063	54 980	-7 083	-12.88%
	Joburg Film Office	7 544 316	7 544 316	0	-
	Arts Alive	0	0	0	-
	General Expenses	7 295 020	0	-7 295 020	0
		14 604 557	15 250 429	645 872	4.24%
<b>TRADING SURPLUS / ( SHORTFALL)</b>		<b>-1 637 734</b>	<b>-2 655 467</b>	<b>1 017 733</b>	<b>-38.33%</b>

**Joburg Theatre (SOC) Ltd**

**REPORTING PERIOD:SEPTEMBER 2018**

BranchName:RCT'



**INCOME STATEMENT**

Main Account	Sub AccountName	Actual	Budget	Var	Var%
<b>INCOME</b>					
		3 076 227	3 295 585	-219 358	-6.66%
	Rental Of Facilities & Equipment	176 736	476 277	-299 541	-62.89%
	Interest Earned from External Investments	0	0	0	-
	Operating Grants and Subsidies	2 135 555	2 135 555	0	0.00%
	Arts Alive	0	0	0	0
	Joburg Film Office	0	0	0	-
	<b>Other Revenue</b>	763 936	683 753	80 183	11.73%
	In-House Stage Productions	0	0	0	-
	In House Music Programme	0	0	0	-
	Sponsorships	0	0	0	-
	Food Beverage And Retail /Stages	737 545	599 892	137 653	22.95%
	Ticketing Services	17 891	74 692	-56 801	-76.05%
	Management Fees	0	0	0	-
	Special Projects and Other Income	8 500	9 169	-669	-7.30%
<b>Expense</b>					
	Employee Related Costs	2 947 892	2 676 647	-271 245	-10.13%
	Directors and Committee Members	2 520 636	2 283 951	-236 686	-10.36%
	Depreciation & Asset Imparment	55 750	93 210	37 460	40.19%
	Repairs And Maintenance	19 584	103 984	84 400	81.17%
	Contracted Services	247 441	247 949	509	0.21%
	Insurance	21 132	21 132	0	-
	Joburg Ballet	0	0	0	-
	Joburg Film Office	0	0	0	-
	Arts Alive	0	0	0	-
	General Expenses	1 058 663	1 065 014	6 351	0.60%
<b>TRADING SURPLUS / ( SHORTFALL)</b>		128 335	618 938	-490 603	-79.27%

**Joburg Theatre (SOC) Ltd**

**REPORTING PERIOD:SEPTEMBER 2018**

BranchName:SWT'



**INCOME STATEMENT**

Main Account	Sub AccountName	Actual	Budget	Var	Var%
<b>INCOME</b>					
		5 518 633	5 911 194	-392 560	-6.64%
	Rental Of Facilities & Equipment	613 385	646 403	-33 019	-5.11%
	Interest Earned from External Investments	0	0	0	-
	Operating Grants and Subsidies	4 066 506	4 066 506	-0	0.00%
	Arts Alive	0	0	0	0
	Joburg Film Office	0	0	0	-
	<b>Other Revenue</b>	838 743	1 198 284	-359 542	-30.00%
	In-House Stage Productions	0	0	0	-
	In House Music Programme	0	98 206	-98 206	-100.00%
	Sponsorships	0	0	0	-
	Food Beverage And Retail /Stages	747 750	1 062 834	-315 084	-29.65%
	Ticketing Services	64 636	37 244	27 392	73.55%
	Management Fees	0	0	0	-
	Special Projects and Other Income	26 357	0	26 357	0.00%
<b>Expense</b>					
	Employee Related Costs	3 907 421	3 700 978	-206 444	-5.58%
	Directors and Committee Members	3 513 805	3 209 062	-304 742	-9.50%
	Depreciation & Asset Imparment	112 623	179 040	66 417	37.10%
	Repairs And Maintenance	162 263	88 577	-73 686	-83.19%
	Contracted Services	361 083	183 436	-177 647	-96.84%
	Insurance	14 164	21 245	7 081	33.33%
	Joburg Ballet	0	0	0	-
	Joburg Film Office	0	0	0	-
	Arts Alive	0	0	0	0
	General Expenses	1 128 162	2 176 942	1 048 781	48.18%
<b>TRADING SURPLUS /( SHORTFALL)</b>		<b>1 611 212</b>	<b>2 210 216</b>	<b>-599 004</b>	<b>-27.10%</b>