



a world class African city

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

trading as
Joburg City Theatres

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



**FOURTH QUARTER
PERFORMANCE REPORT
2016/17**

JOBURG THEATRE
SOC LIMITED

COMPANY INFORMATION:

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2017**

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Auditors : **Auditor-General**

Approval

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<p>Xoliswa Nduneni</p> <p>Name & Surname Chief Executive Officer/MD</p> <p>Signature</p>	<p>Date of approval: 18/07/2017</p>
<p>MKOPANE MAPHEI</p> <p>Name & Surname Chairperson of the Board</p> <p>Signature</p>	<p>Date of approval: 17 July 2017</p>
<p>NONHLANTHA SIFUMBA</p> <p>Name & Surname MMC:</p> <p>Signature</p>	<p>Date of approval: 19/07/2017</p>

Confirmation of Receipt:

<p>Name & Surname Cluster Champion Group Governance</p> <p>Signature</p>	<p>Date of Receipt:</p>
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ABBREVIATIONS

Abbreviation/ Acronym	Explanation/ Description
AA	Affirmative Action
AFS	Annual Financial Statement
AG	Auditor General 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
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

Introduction

The Mandate, Vision and Mission of JCT as presented in this report is aligned to the approved Business Plan for 2016/17. However, we acknowledge that the City of Joburg has made pronouncements outlining the new strategic Vision and Mission which will be incorporated in the Business Plan for 2017/18 financial year.

Corporate Profile / Overview of the entity

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 December 2012, were rendered by the three theatres. The effective date for the integration was 1 January 2013. During the Annual General Meeting (AGM) of 15 March 2016, Joburg Theatre Board of directors were appointed to deal with all matters relating to the winding up of the Roodepoort City Theatre (NPC) (Registration number: 1981/005017/08) in terms of the transfer agreement signed on 27 November 2013. The company name be changed be, and hereby changed from Joburg Theatre (SOC) Ltd to Joburg City Theatres (SOC) Ltd.

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 Joburgers 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 the integrated management of world class African theatre venues and a high quality entertainment, innovative and inclusive programme which serves the diverse communities of the City of Joburg – so as to build social cohesion and inclusivity.

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

Goes beyond social cohesion-inclusivity and nourishing the souls of the citizens of Johannesburg. We believe the arts, culture and heritage landscape play a pivotal role in the economic empowerment and skills development of a people.

THE VISION OF JOBURG CITY THEATRES

In delivering against its mandate, and in support of the COJ Vision for “a world Class African City of the future”, Joburg City Theatres sets for itself the following vision:

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

THE MISSION OF JOBURG CITY THEATRES

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

We commit to:

- ***Facilitate social cohesion, diversity and inclusivity;***
- ***Ensure financial viability, and resilience;***
- ***Demonstrate financial accountability and good governance;***
- ***Support education, training and skills development for our staff, management and artists;***
- ***Provide audience development, content development and education programmes for the benefit of our diverse communities;***
- ***Work in partnership with others to maximise the impact of our programmes;***

So as to promote the emancipation of the African voice through theatre activity, education and entertainment.

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 1: improved quality of life and development driven resilience for all**.

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

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 world Class African City of the future. A vibrant, equitable African city, strengthened through its diversity; a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society

For the period 2016/17 and beyond, four (4) 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:

JCT Strategic Objective (Towards achieving the mandate, mission and response to the Strategic Focus Areas)	Objective Description	Link to the GDS and COJ Priority Areas
<p>1. A recognised centre of excellence and improved perceptions of the role and contribution of JCT.</p>	<p>To build the JCT reputation and market share of JCT as a recognised world class theatre experience.</p> <p>To build JCT visibility by the development and leveraging of a unique value proposition that is recognised and appreciated in the market through enhanced marketing, communication and stakeholder management.</p> <p>The leveraging of mutually beneficial partnering agreements and joint programmes.</p> <p>To monitor and enhance customer satisfaction and the achievement of service standards.</p>	<p>GDS: Outcome 1: Improved quality of life and development-driven resilience for all.</p> <p>11 Priorities:</p> <ul style="list-style-type: none"> ▪ Social cohesion, community building and engaged citizenry. <p>IDP Priority:</p> <ul style="list-style-type: none"> ▪ Roof – Communication and development approach.
<p>2. Increased accessibility by diverse communities, ensuring that more Joburg residents benefit from the cultural experience and opportunities for positive social contact.</p>	<p>To provide opportunities for increased positive social contact and accessibility of theatre through management of the three City theatres.</p> <p>Maximise accessibility and usage of theatre facilities by the City of Johannesburg citizens</p> <p>Explore mechanisms and approaches that assist to make theatre going practical for disadvantaged communities.</p> <p>Engagement with communities and bringing new audiences into contact with JCT Venues.</p> <p>Increase the number of learners attending theatres so as to develop new audiences for the future.</p>	<p>GDS: Outcome 1: Improved quality of life and development-driven resilience for all.</p> <p>11 Priorities:</p> <ul style="list-style-type: none"> ▪ Social cohesion, community building and engaged citizenry. ▪ Transforming sustainable human settlements <p>IDP Priority: Roof – Communication and development approach</p>

**JCT Strategic Objective
(Towards achieving the
mandate, mission and
response to the Strategic
Focus Areas)**

Objective Description

**Link to the GDS and COJ
Priority Areas**

<p>3. Balance the imperative for revenue generation with socio-economic development, and provide opportunities for future arts practitioners and entrepreneurs.</p>	<p>To balance the need to transform while at the same time addressing the commercial imperatives that contribute to funding the same transformation agenda.</p> <p>To support local content development and support for socio-economic development in the Arts.</p> <p>To facilitate relationships and co-productions that widen the participation of local producing partners engaged with JCT.</p> <p>To facilitate production partnerships with theatres in South Africa and the African Diaspora for the development of productions from African stories that might develop from the studio to the main stage.</p> <p>To conceptualise and implement structured opportunities for in depth development of the talents and skills of young people, and opening up opportunities for future employment in the arts.</p>	<p>GDS: Outcome 1: Improved quality of life and development-driven resilience for all.</p> <p>11 Priorities:</p> <ul style="list-style-type: none"> ▪ Social cohesion, community building and engaged citizenry. ▪ Transforming sustainable human settlements <p>IDP Priority: Roof – Communication and development approach</p>
<p>4. Good governance, financial sustainability and sound management.</p>	<p>To grow shareholder value by ensuring good governance, sound financial management, financial control and growth in revenue; thereby supplementing the CoJ subsidy while increasing service delivery coverage and ensuring a positive return on investment.</p> <p>A second critical component of this objective is to ensure sound and consistent supply chain management processes that support preferential procurement, green procurement and enhance the contribution of JCT to enterprise development and job creation through strategic supplier management and development.</p>	<p>GDS: Outcome 4: A high performing metropolitan government.</p> <p>11 Priorities:</p> <ul style="list-style-type: none"> ▪ Financial sustainability and resilience. ▪ Informal Economy, and SMME support ▪ Repositioning Joburg in the global arena <p>IDP Priority:</p> <ul style="list-style-type: none"> • Foundation – Good governance and sound management. • Jozi@work.

PRIORITY IMPLEMENTATION PLANS

The City's 2016/17 SDBIP details eleven priority implementation plans, which are the following:

- Priority 1: Economic growth, job creation, Investment attraction and poverty reduction
- Priority 2: Informal Economy, and SMME support
- Priority 3: Green and Blue economy
- Priority 4: Transforming sustainable human settlements
- Priority 5: Smart City and innovation
- Priority 6: Financial Sustainability
- Priority 7: Environmental sustainability and climate change
- Priority 8: Building safer communities
- Priority 9: Social cohesion, community building and engaged citizenry
- Priority 10: Repositioning Joburg in the global arena
- Priority 11: Good governance

The 2016/17 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 recorded a trading surplus of R12 189 051 YTD surplus contribution against a targeted surplus of R0.00. It is 1213% better than same period last year.

Hospitality and Catering broke the R20m revenue mark with R22.3m revenue and achieve surplus of 9%. The 4th quarter revenue performance for Hospitality and Catering is well over R6m exceeding target by 29%.

Interest on investment revenue is double compared to the previous year at R4.6m while the 4th quarter contributed interest well in excess of R0.600m.

Successful completion of the upgrade of the PABX in all the 3 theatres and upgrade of the Mandela Theatre seating in the 4th quarter.

Achievement of 92% of the Scorecard targets.

99.5% CAPEX utilisation in upgrading the feel and look of the theatre buildings and stage equipment and sound.

Supporting in excess of 150 BBBEE companies of 123 of these were SMMEs as defined. About 27 and 20 companies were women and youth owned respectively.

Both liquidity and solvency ratios above the City's norm at 2.31:1 and 2.86:1 respectively.

Cash balances in the bank in excess of R23m.

JCT continues to showcase a blend of in-house productions, partnership productions and rentals.

Section 5: Chairperson's Foreword



This report presents the performance of Joburg City Theatres (JCT) for the fourth quarter of the financial year 2016/17. The report delineates performance of the company in accordance with the approved 2016/17 Business Plan, it is divided into sections that cover all operational functions of the company in line with its strategic objectives and the CoJ's strategic priorities as outlined in the Growth and Development Strategy (GDS) and in the Integrated Development Plan (IDP).

The Board and Management conducted a Strategic Planning Workshop on 19th April 2017 to review and approve JCT's Business Plan for 2017/18 financial year. This pivotal session was productive, it provided guidance to management and analysed all strategic challenges facing the company and advised management on steps to be taken to manage risks during the year ahead to ensure that the company's strategic objectives are aligned to those of COJ and remain committed to achieving strong financial and operational results, as well as ensuring good corporate governance and transparent compliance to legislation.

The company's 2017/18 Business Plan was approved by Council in June 2017 and the company is geared up for *providing 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.*

JCT proudly achieved 92% on the company's Key Performance Indicators and 99% on capital expenditure budget. The positive outcome is the result of current leadership which is ably led by the CEO and supported by a committed and dedicated team that are always driven to achieve the company's goals.

I would like to thank members of the board and independent audit committee members for charging out oversight roles and strategic guidance in order to manage the sustainability and governance of the company.

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: Chief Executive Officer's Report



We ended the 2016/17 financial year on a high note. It has been an interesting yet challenging financial year for the performing arts in general. The results of the fourth quarter depict JCT's performance on service delivery and budget that is aligned to CoJ's mandate. The fourth quarter concluded with high significant progress made against service delivery targets, which demonstrates the commitment of the Theatre in achieving its goals and objectives.

The company delivered a pleasing corporate performance during the quarter under review, underpinned by strong financial results. This performance resulted from commitment and hard work of management as well as staff.

The company has achieved 23KPIs out of 25KPIs, this constitutes 92% achievement. *2 KPIs were not measured as their implementation depended on the budget allocation as indicated in the approved 2016/17 Business Plan.* With the exclusion of the 2 KPIs, the achievement is sitting at 100% and 99% on capital expenditure budget.

ICT recorded a trading surplus of R12 189 051 YTD surplus contribution against a targeted surplus of R0.00. It is 213% better than same period last year. Arts Alive contributed about R1 443 333 to trading surplus, while the catering services department contributed R2 154 614 which is 9% net operating surplus margin.

There are major changes in the industry, as South African arts leaders and practitioners are finding the creative voices. We have seen an increase in local stories told by ever increasingly talented youthful practitioners. Audience have responded well to this, often remarking that it is good to see stories that reflect their realities.

JCT has responded to the positive trend which speaks to its core mandate by entering into various partnerships, we staged two exciting productions: **Kakadu** a direct transfer from Lagos, Nigeria and a **Passage to Bollywood** from India. We also partnership with Ndlondlo Productions and took **Woza Albert** to the National Arts Festival (Grahamstown) and it opened to full houses. We are in talks with the festival to partner further in the coming years and also taking the theatre truck to the festival. With initiative such as these, it will not be long before the industry injects well needed boost in revenue to add positively to the national fiscus.

As we are concluding 2016/17 financial year, I would like to thank the JCT team for their commitment to serve toward achieving the company's mandate. On behalf of the team, we would like to share our gratitude to the Chairperson of the Board, Mr Nkopane Maphiri, the Board members, the Independent Audit Committee members for the strategic guidance; and the shareholder, represented by Cllr Nonhlanhla Sifumba, MMC of Community Development for her leadership role and progressive support for the arts.

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

Xoliswa Nduneni-Ngema
Chief Executive Officer

Section 7: Chief Financial Officer's Report

Joburg City Theatres Fourth Quarter Results



Revenue

JCT achieved good financial results in its statement of financial performance for 4th quarter amid negative economic pressures. The economy of the country is faced with lower growth levels and our own entity is not immune from the negative effects of the slow growth and recent economic data reflecting -0.7% GDP for the quarter one of 2017. This is an indication of a contracting economy. GDP forecast by Minister of Finance remains at lower than 1% growth rate in the short term and revised projection is expected to reach 1.2% by the end of 2017. The GDP of the country by the end of November 2016 was sitting at 0.2%. The CPI currently sits at 5.4% which is within the target range of 3-6%. All these indicate the economic hardship the country is facing.

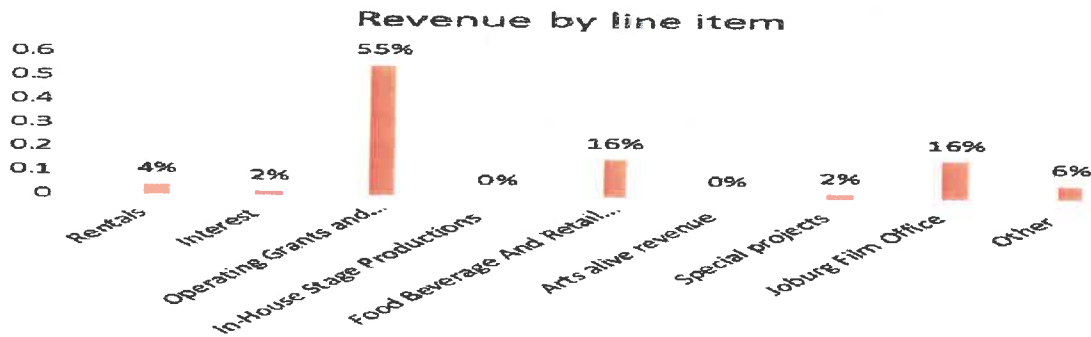
The industry remains engulfed with stiff competition while financially the consumers of our products and services remain squeezed by the lower disposable income. Inflation and the high interest rate continue to hit our consumers and ultimately impact on our revenue generation both from the buying of tickets and the attendance at our restaurants.

Despite all these aforementioned challenges Joburg City Theatres achieved good financial results. JCT achieved revenue of **R39.4m** for the 4th quarter which is a **13%** improvement year on year. The total revenue for the full year is **R161.9m** compared to a target of **R166.9m**. Earned revenue from normal operations for 4th quarter remains at **R17.9m** like the same period last year. And this performance is attributable to the interest revenue, hospitality and catering and the management fees and ticketing fees. The management fees chargeable on the activities implemented on behalf of other sister entities and departments range been 10% and 15%.

Table below is a summary of main revenue items:

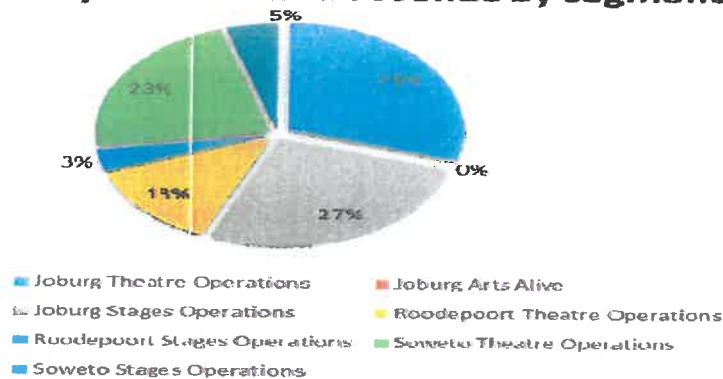
Sub AccountName	4th Quarter Actual (2016/2017)	4th Quarter Budget (2016/2017)	YTD Actual	YTD Budget	Prior Year Year To Date (2016/2016)	Actual to budget %	YTD actual to budget	Current to prior year actual %	Commentary
INCOME	39 398 769	43 219 951	161 861 460	166 919 000	143 383 479	-9%	-3%	13%	Quarter 4 performance on revenue is 9% below target due to shortfall in inhouse stage productions revenue. Music programmes planned for this quarter did not perform well ticket sales. Year to date revenue is only 3% below target and 13% better than last year.
Rental Of Facilities & Equipment	1 598 532	1 554 948	7 048 018	7 000 000	6 562 628	3%	1%	7%	Rentals for the 4th quarter are 3% higher than target however the YTD is 1% higher than target. The current achievement is 7% better than last year.
Interest Earned from External Investments	638 067	0	4 622 039	3 500 000	2 255 580	100%	32%	105%	Target achieved and exceeded due to better rate negotiated with the bank and increased grant sut year on year. Interest for the full year is 105% b than last year.
Operating Grants and Subsidies	21 518 000	21 518 000	94 072 002	94 072 002	73 502 000	0%	0%	28%	Grant is 28% better than previous year.
In-House Stage Productions	87 900	7 000 000	6 704 396	16 500 000	10 777 717	-99%	-59%	-38%	The lower than target in house ticket sales could be attributed to a number of reasons. The productions could not attract as much audiences as expected. Lower disposable income on consumers due to economic climate impacted spending patterns. Music programmes that include africa month celebrations, Tartufe, Kakadu and other shows for the quarter did not do well on ticket sales.
Sponsorship	789 474	1 689 077	831 018	1 689 077	1 497 368	0%	100%	-45%	The sponsorship from Provincial Department of sports arts and culture was not continued to the current quarter for Africa Month as expected.
Food Beverage And Retail /Stages	6 228 597	4 825 164	22 294 887	19 379 787	17 599 837	29%	15%	27%	Target achieved for the quarter due to City departments making bookings and additional sales coming from the Zoo operations. The performance is 29% better than plan and 27 better than the previous year.
Arts Alive Revenue	0	0	9 893 333	9 749 997	13 014 118	0%	100%	-24%	Arts Alive programme ran on behalf of Comdeva department of COJ.
Joburg Film Office	6 229 052	3 408 338	7 050 000	7 050 000	0	0%	100%	#DIV/0!	
Special Projects and Other income (Film	751 385	602 083	3 567 567	2 314 338	16 603 383	0%	100%	-79%	New years eve countdown and the Joburg Film Office activities.
Other Revenue	1 557 782	2 622 341	5 778 200	5 663 798	1 570 847	-41%	2%	268%	Management fee charged on New years eve countdown at 10% and ticketing fees on rented productions.

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



Revenue Analysis by Segment

Analysis of earned revenue by segments



Analysis of earned revenue by segments				
Segments	Quarter 4 2016/2017	Quarter 4 2015/2016	% Up or Down	
Joburg Theatre Operations	10 958 297.39	20 381 370.52	-46%	↓
Joburg Arts Alive	-	-	-	↔
Joburg Stages Operations	4 786 838.83	2 981 260.28	61%	↑
Roodepoort Theatre Operations	2 331 542.97	2 791 894.74	-16%	↓
Roodepoort Stages Operations	602 664.25	332 383.79	81%	↑
Soweto Theatre Operations	4 040 109.00	3 833 380.88	5%	↑
Soweto Stages Operations	839 094.28	1 013 900.35	-17%	↓
Total earned revenue	23 558 546.72	31 334 190.56	-25%	↓

Major difference in Joburg theatre operations mainly due to revenue from recognition of credit of R8.4m, June 16 Comdev activities of approximately R4m and Film office R2m and all these were not repeated in the current year.

Revenue generated by JCT is mainly generated from Braamfontein with 56% of total revenue generated from this source. The biggest contributor at 29% are the Braamfontein theatre operations followed by Joburg stages operations at 27% and Soweto theatre Operations at 23%. The other operations from other regions combined makeup 21% of total earned revenue.

Zoo Operations

During the second quarter of 2016/2017 financial JCT won a tender for operations of Hospitality and catering at the Zoo for Johannesburg City Parks and Zoo. These services shall be provided in line with the signed SLA. JCT has spent R0.304m on minor repairs relating to electrical work and R1.098m on capital upgrades to the furniture and fittings of the Zoo operations. The company has already generated revenue amounting to R0.762m YTD based on the rentals charged from external vendors that are rendering food services before a

complete take over by JCT. The commencement of the full operations is expected during the 1st quarter of 2017/2018 financial year.

Summary of Zoo Financial Information

Item	Amounts in Rs
Operating income	762 235.19
Cost of Sales	208 211.84
Administration Expense	156 168.24
Other Expense	147 464.55
Profit/Loss	250 390.56
Capital Expenditure	1 098 048.77

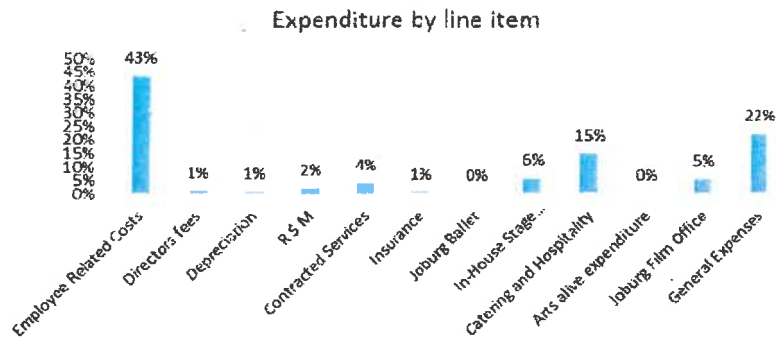
Expenditure

JCT continues to employ its utmost financial discipline when it comes to expenditure management. Total Expenditure for the 4th quarter results of 2016/2017 21% below target. Several line items on the expenditure recorded savings with the exception of utilities, hospitality and catering and contracted services and all efforts are taken to reduce the of overspending on these line items.

The table below depicts expenditure performance against target for the 4th Quarter:

Sub Account Name	4th Quarter Actual (2016/2017)	4th Quarter Budget (2016/2017)	YTD Actual	YTD Budget	Prior Year Year To Date (2016/2016)	Actual to budget %	YTD actual to budget	Current to prior year actual %	Commentary
Expenditure	34 211 400.33	34 211 400	149 672 409	166 919 003	142 988 324	-21%	-10%	5%	There is a saving of 21% on the 4th quarter plan 10% saving YTD. However the expenditure is 5% higher than last years expenditure.
Employee Related Costs	14 875 471	14 875 471	54 604 848	52 980 000	43 624 005.61	12%	3%	25%	Quarter 4 Employee related costs are 12% higher than target and 3% higher than target YTD. This is for 2 reasons which are adjustment of A and B salaries for parity as per shareholder with no additional budget and change in accounting policy for provisions accounting for the full estimate. However this line is 25% above last year due to implementation of pensions.
Directors and Committee Members	341 605	341 605	1 036 926	1 500 000	811 833.66	31%	-31%	28%	New Board Member - Induction Meetings
Depreciation & Asset Impairment	223 103	223 103	1 082 852	1 778 000	1 344 855.41	-50%	-39%	-19%	Reduction in asset base is the reason for the savings on depreciation.
Repairs and Maintenance	773 910	773 910	1 405 371	2 500 000	1 188 652.91	15%	-44%	16%	Repairs and maintenance for the 4th quarter reflect an overspending of 15% while it is 44% lower than plan YTD. There was ramping up on repairs and maintenance in the 4th quarter.
Contracted Services	1 358 938	1 358 938	5 502 471	5 331 000	5 534 330.56	13%	3%	-1%	The 4th quarter performance shows a 13% overspending on contracted services due to new contracts for security and cleaning after the old contracts expired. The overspending is 3% above plan YTD.
Insurance	188 816	188 816	65 250	757 566	661 000	186%	15%	180%	A buffer of R400 000 has been paid to GRAS risk services to cater for the settlement on the case of Mancunga.
Joburg Ballet	0	0	8 000 000	8 000 000	8 000 000.00	0%	0%	0%	
In-House Stage Productions	1 966 674	1 966 674	11 165 130	12 186 003	24 224 799.00	-82%	-52%	-50%	There has been a saving of 82% on in house stage production expenditure for the 4th quarter as a number of programmes planned could not take place. The theatre had 1 big inhouse production in the current year with number of other smaller productions hence a saving
Catering and Hospitality	5 106 177	5 106 177	3 129 038	20 140 273	14 901 632	63%	35%	19%	The 4th quarter for H&C reflects an overspending of due to Zoo operations not budgeted for, the cost of higher than plan due to product price increases, the under budgeting for operating expenses and the parity adjustment for salaries not budget for.
Arts Alive Expenditure	0	0	10 910 363	9 750 000	12 046 045.98	0%	100%	-9%	
Joburg Film Office	1 862 450	1 862 450	5 393 646	2 686 458	9 804 386	0%	100%	0%	
Special Projects and Other Expenditure	0	0	149 959	135 015	4 085 284.34	0%	100%	-96%	
General Expenses	7 516 257	7 516 257	7 488 838	31 209 319	34 077 971	0%	-8%	25%	There has been a saving of 8% on other expenditure YTD while it is 25% higher than last year.
TRADING SURPLUS /(SHORTFALL)	5 187 388	5 187 388	145 386	12 189 051	-3 395 155	3468%	426190682%	1213%	

The bar chart below depicts the expenditure contribution for 4th Quarter:



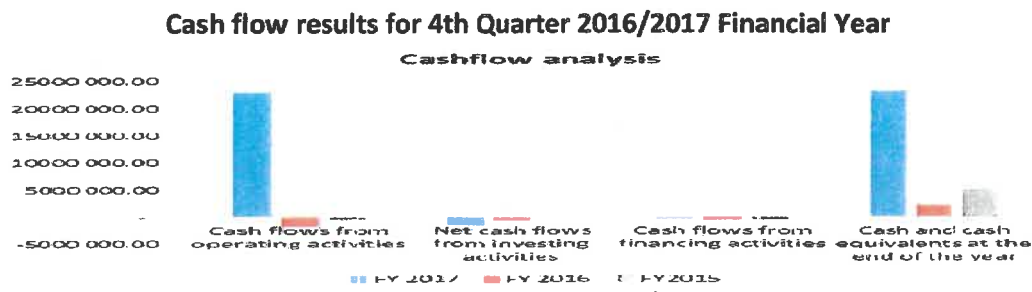
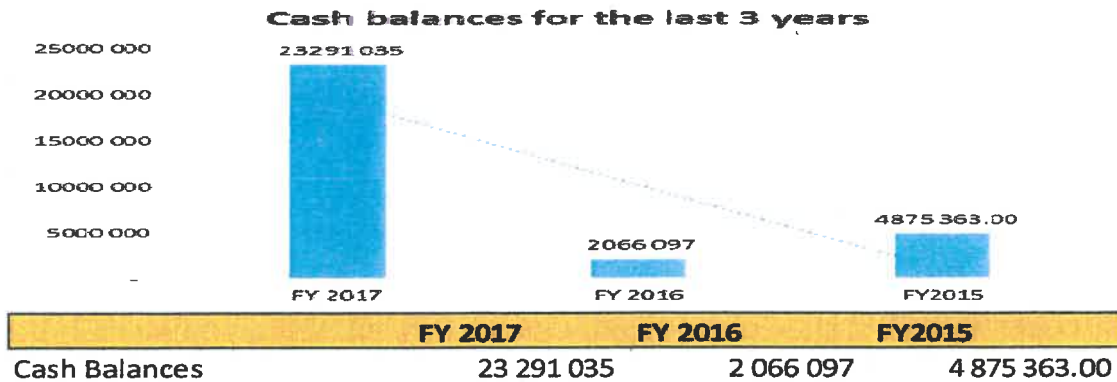
The entity will continue to forge a good relationship between revenue generation and expenditure patterns by employing prudent financial discipline on expenditure management.

Trading Surplus/Deficit

JCT recorded a trading surplus of R12 189 051 YTD surplus contribution against a targeted surplus of R0.00. It is 1213% better than same period last year. Arts Alive contributed about R1 443 333 to trading surplus, while the catering services department contributed R2 154 614 which is 9% net operating surplus margin. The cost savings from in-house productions and other line items including film office also contributed to better surplus for the current year.

Statement of Financial Position 4th Quarter 2016/2017

Cash and cash equivalents up by 1127% year on year. Liquidity ratio for the entity is up by 79% year on year from 1.29:1 to 2.31:1 still above the City's norm of 1:1, while the solvency ratio is up by 62% at 2.86:1 from the 1.77:1 same period last year which is higher than a norm of 2:1. Current assets have gone up 24% year on year while current liabilities are down by 13%. Total assets went up 17% year on year while total liabilities went down by 28% year on year.



	FY 2017	FY 2016	FY2015
Cash flows from operating activities	22 968 405.00	- 1 882 363.00	- 474 734.00
Net cash flows from investing activities	- 1 588 971.00	- 417 886.00	- 81 433.00
Cash flows from financing activities	- 154 497.00	- 509 017.00	- 488 769.00
Cash and cash equivalents at the end of the year	23 291 035.00	2 066 097.00	4 875 363.00

Audit Opinion Trends

The entity has achieved an unqualified audit opinion with no findings for the last 3 years.

Audit Opinion trends					
	2016	2015	2014	2013	2012
Type of opinion	Clean	Clean	Clean	Unqualified	Unqualified

In conclusion

I wish to thank the MMC for the strategic vision and political leadership, 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 twelve months, the whole management team and staff at Joburg City Theatres for their sterling contribution through-out the year.



Solomon Mphakathi
Chief Financial Officer
Joburg Theatre (SOC) Ltd

CHAPTER TWO: DIRECTOR'S REPORT AND GOVERNANCE

Section 1: Board of directors

Joburg Theatre (SOC) Ltd's board of directors ("board") is a unitary board comprised of two (2) executive and ten (10) non-executive directors.

The Board retains full and effective control of the activities of Joburg Theatre through a Service Delivery Agreement (SDA) which governs the relationship between the entity and the City of Johannesburg, as the Shareholder.

The Board performs oversight on the Quarterly, Bi-Annually and Annually on the entity's performance assessment reports. Together with the assurance provided by other oversight structures such as Internal Audit (Group Risk and Assurance Services), External Audit (Auditor General of South Africa) and Group Governance, the board satisfies itself about the integrity of the information and performance reported by management. Quarterly, Bi-annual and Annual Reports are prepared and approved in terms of the SDA and the Local Government: Municipal Finance Management Act (MFMA) and the Local Government: Municipal Systems Act (Systems Act).

\ Shareholder Compact with the Shareholder regulates the relationship between the City of Johannesburg Metropolitan Municipality and the Board as the Accounting Authority.

During this fourth (4th) quarter, the board met three times on the 19th of April, 20th of April and on the 1st of June 2017.

On the 19th of April, the board met for the City of Joburg Induction and thereafter a business planning workshop to consider the methodology and the programmes which were planned by the entity for the 2017/18 financial year. As the members had just been appointed to the board on the 16th of March, it was paramount for the board to be acquainted of certain assumptions and service delivery plans which had been made in the business plan by the former board members, given that, the process for the approval of business plans was already at an advanced stage in terms of approval, at the time.

On the 20th of April, the board met for an entity specific induction and a quarterly scheduled meeting for the consideration of inter alia, the 3rd quarter report, the establishment of board sub-committees, the approval of the 2017/18 business plan as well as risk register and litigation reports. A tour of Joburg Theatre also took place on the day in order to show the board the operations behind the scene.

At the meeting of 20 April, the board identified specific areas in the business's operations and requested management to convene a meeting on the 1st of June to present the areas so identified.

Accordingly, on the 1st of June, the executive management members presented the following to the board for information, inputs and recommendations:

- JCT Business Model incl. entity's mandate and vision,
- Finance processes,
- Human Resources Strategy,
- JCT's marketing strategy, fund-raising strategy and social media strategy,
- Development of the Jabulani Precinct and the Amphitheatre,
- The functionality of board sub-committees; and
- Critical City of Joburg reporting cycle processes and timelines including the structure of reporting.

Section 2: Board Committees

The entity has three (3) board sub-committees namely, the Audit and Risk Committee (ARC), the Remuneration, Social and Ethics Committee (REMSEC) and Artistic Committee (AC); each of which is chaired by a Non-Executive Director.

The sub-committees responsibilities are contained in each sub-committee's terms of references which are prepared by management, presented to each committee for recommendation to the board and approved by the board.

The ARC provides oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

REMSEC is responsible for performing oversight on the remuneration arrangements of the entity to ensure that they support the strategic aims of the City of Joburg Metropolitan Municipality and enable the recruitment, motivation and retention of senior executives while also complying with the requirements of employment legislation and the City's group policies. In addition, REMSEC is responsible for performing oversight on the social and ethics obligations of the entity.

Lastly, the Artistic Committee is the equivalent of a service delivery or operations committee in some of the City's entities. The AC advises on the programming of theatrical activities in the organisation in line with the City's mandate.

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. It exercises its functions through close liaison and communication with corporate management and the internal and external auditors. The committee convened two ordinary meetings and one special meeting during the period under review.

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.

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

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

During the period under review the ARC did not meet. The Mid-Year report for 2016/17 was reviewed and approved via round robin.

Remuneration, Social and Ethics Committee

Remunerations, Social and Ethics Committee (RemSEC) have the following functions:

- (a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
 - (i) Social and economic development, including the company's standing in terms of the goals and purposes of:
 - (aa) the 10 principles set out in the United Nations Global Compact Principles; and

- (bb) the OECD recommendations regarding corruption;
 - (cc) the Employment Equity Act; and
 - (dd) the Broad-Based Black Economic Empowerment Act;
- (ii) Good corporate citizenship, including the company's:
- (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - (cc) record of sponsorship, donations and charitable giving;
- (iii) the environment, health and public safety, including the impact of the company's activities and of its products or services;

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

Furthermore, the role of the RemSEC is:

1. To monitor the company's activities with regard to the following five areas of social responsibility:
 - (i) social and economic development;
 - (ii) good corporate citizenship;
 - (iii) the environment, health and public safety;
 - (iv) consumer relationships; and
 - (v) labour and employment.
2. To draw matters within its mandate to the attention of the Board as required.
3. To report to the shareholders at the company's annual general meeting on the matters within its mandate.

During the quarter under review RemSEC met once on the 09th of March and at that meeting, the committee considered the following:

- The Human Resources Management Report for July – December 2016
- The CEO and CFO's performance bonus
- Disciplinary Policy and Procedure
- Grievance Policy and Procedure
- ICT Governance Report
- Progress report on the Code of Ethics Implementation Plan

Artistic Committee

The Artistic Committee role and responsibility is to advise the Board in relation to Arts and Cultural Programmes, educational programs, sponsorship and marketing matters of Joburg City Theatres.

For the period under review the Artistic Committee (AC) met once to consider the following:

- The committee's Terms of Reference
- Future Pantomimes proposal
- Production calendar and highlights
- Youth and Community Development Programmes
- Mobile Truck
- Marketing Report

- Progress Report on the Transformation Charter
- Progress Report on the upgrading of the Jabulani Amphitheatre

The table below outlines year to date remuneration and attendances at Board meetings and its sub-committees for the financial year:

Company Secretarial Function

The board has unlimited access to the Company Secretary and to every executive manager of the entity, through the Chief Executive Officer's office. The Company Secretary is an advisor of the board on all governance, compliance with company rules, procedures and statutory prescriptions as well as all legal matters.

RISK MANAGEMENT

Management is responsible for risk management while the ARC and board are responsible for risk governance and risk oversight. On the 10th of May 2017, representatives of the ARC and the board participated at a risk assessment workshop to amongst other things, identify risks affecting the entity, define the parameters for acceptable risk and identify acceptable mitigation controls. The workshop was guided by the City's GRAS.

Reporting on compliance with the MFMA and MSA by board of directors

The Company Secretarial office is responsible for offering legal service to the organization as well as ensuring legislative, policy and regulatory compliance.

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 this 4th quarter, regular reporting requirements to Council as prescribed by the MSA were fulfilled.

Section 3: Director's & Prescribed Officers Remuneration

JULY 2016 - JUNE 2017

JOBURG THEATRE: NON-EXECUTIVE DIRECTORS (NED) AND INDEPENDENT AUDIT COMMITTEE MEMBERS (IAC)														
NAME	BOARD MEETING	CHAIRPERSON'S QUARTELY	GROUP AUDIT COMMITTEE	GROUP RISK GOVERNANCE COMMITTEE	GROUP PERFORMANCE AUDIT COMMITTEE	AUDIT & RISK COMMITTEE	REMUNERATIONS, SOCIAL & ETHICS COMMITTEE	ANNUAL GENERAL MEETING	ARTISTIC COMMITTEE	STRATEGIC PLANNING SESSION	RISK ASSESSMENT WORKSHOP	SHAREHOLDER COMPACT & NED/IAC INDUCTION	RETAINER FEES 2016/17	TOTAL
<i>Dates of Meetings</i>														
Mongane Serote (Board Chairperson) *	45 632.00	11 408.00											30 417.33	87 457.33
Mawuso Shabalala (NED) [ARC Chairperson] *	17 112.00		39 928.00	17 112.00	28 520.00	34 224.00			7 737.60	5 704.00			15 210.67	165 548.27
Ishmael Mkhabela (NED) [RemSEC: Chair] *	22 816.00						15 475.20			5 704.00			15 210.67	39 205.87
Mabutho Sithole (NED) [AC: Chair] *	22 816.00									5 704.00			15 210.67	43 730.67
Todd Twala (NED) *	22 816.00								4 565.50	5 704.00			15 210.67	48 296.17
Lorraine Malebo (NED) *	17 112.00						4 565.50						15 210.67	36 888.17
Sipho Sithole (NED) *	17 112.00						9 131.00		4 565.50	5 704.00			30 140.44	46 652.94
Jonny Modipa (NED) *	22 816.00						4 565.50			5 704.00			15 210.67	48 296.17
Eugene Sindair (NED) *	22 816.00						9 131.00			5 704.00			15 210.67	52 861.67
Tshidi Molata (IAC)						30 421.00		5 704.00						36 125.00
Chrystal Cape (IAC)						24 717.00				5 704.00	7 605.00			38 026.00
Manana Moroka (IAC)						30 421.00				5 704.00	7 605.00			49 434.00
Nkopane Maphiri (Board Chairperson) #	16 000.00											28 000.00		44 000.00
Ashely Hayden (NED) #	12 000.00							12 000.00	6 084.00			24 000.00		54 084.00
Mpho Lecoge (NED) [RemSEC: Chair] #	12 000.00							12 000.00				24 000.00		48 000.00
Stella Baloyi (NED) #	12 000.00							12 000.00				24 000.00		48 000.00
Theophilus Mukhuba (NED) [AC: Chair] #								12 000.00	9 125.00			12 000.00		33 125.00
Amanda Forsythe (NED) #	12 000.00							12 000.00				24 000.00		48 000.00
Thabo Motsheki (NED) #												24 000.00		24 000.00
Makhosazana Mbatsha (NED) #	12 000.00							12 000.00	6 084.00			24 000.00		66 084.00
Mpumeliso Mkhabela (NED) [ARC Chairperson] #	12 000.00		12 000.00					12 000.00				24 000.00		72 000.00
Junior Ramovha (NED) #	12 000.00							12 000.00				24 000.00		48 000.00
Sub-Totals:	311 048.00	11 408.00	51 928.00	29 112.00	28 520.00	119 785.00	42 868.20	107 408.00	38 161.60	51 336.00	27 210.00	232 000.00	147 032.44	1 197 815.24

Retired on 16 March 2017 *

Appointed on 16 March 2017 #

JOBURG THEATRE: NON-EXECUTIVE DIRECTORS (NED) AND INDEPENDENT AUDIT COMMITTEE MEMBERS (IAC)														
NAME	BOARD MEETING	CHAIRPERSON'S QUARTELY	GROUP AUDIT COMMITTEE	GROUP RISK GOVERNANCE COMMITTEE	GROUP PERFORMANCE AUDIT COMMITTEE	AUDIT & RISK COMMITTEE	REMUNERATION, SOCIAL & ETHICS COMMITTEE	ANNUAL GENERAL MEETINGS	ARTISTIC COMMITTEE	STRATEGIC PLANNING SESSION	RISK ASSESSMENT WORKSHOP	SHAREHOLDER COMPACT & NED/IAC INDUCTION	ATTENDANCE FOR RETAINER FEES 2014/15	TOTAL
Number of Meetings	5	2	7	4	5	5	5	2	1	1	1	1	1	33
Mongane Serote (Board Chairperson) *	4	2												6
Mavuso Shabalala (NED) [ARC Chairperson] *	3		7	3	5	4		1		1				24
Ishmael Mkhabela (NED) [RemSEC: Chair] *	4						2			1				7
Mabutho Sithole (NED) [AC: Chair] *	4							1	1	1				7
Todd Twala (NED) *	4							1	1	1				7
Lorraine Malebo (NED) *	3						1							4
Sipho Sithole (NED) *	2						2		1	1				7
Jonny Modipa (NED) *	4						1							6
Eugene Sinclair (NED) *	4						2	1		1				8
Tshidi Molai (IAC)						4		1						5
Chrystal Cape (IAC)						4				1				6
Manana Moroka (IAC)						5		1			1			7
Nkopane Maphiri (Board Chairperson) *	1													1
Ashely Hayden (NED) #	1													4
Mpho Lecoge (NED) [RemSEC: Chair] #	1											2		4
Stella Baloyi (NED) #	1											2		4
Theophilus Mkhumba (NED) [AC: Chair] #	1											2		4
Amanda Forsythe (NED) #	1											1		2
Thabo Moitsheki (NED) #												2		4
Makhosazana Mbatsha (NED) #	1											2		2
Mpumelelo Mkhabela (NED) [ARC Chairperson] #	1										1			5
Junior Ramovha (NED) #	1											2		4
	1							1				2		4

Retired on 16 March 2017 *
Appointed on 16 March 2017 #

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

SENIOR MANAGEMENT REMUNERATION											
No.	Name	Third Quarter Apr - Jun) 2016/17				TOTAL	YTD				
		Basic Salary	Other	Allowances & Contributio	Bonus		Basic Salary	Allowances & Contributio	Other	Bonus / Fees	
1	X. Nduneni-Ngema (Chief Executive Officer)	389 555		119 991		509 546	1 558 224	447 252	64 925	233 175	2 303 576
2	B. Mashika (Chief Operations Officer)	272 208		82 437		354 645	1 088 832	315 403	45 368	162 934	1 612 537
3	S. Mphakathi (Chief Financial Officer)	311 168		87 756		398 924	1 244 672	330 826	55 764	200 274	1 831 536
4	P. Maduka (Company Secretary)	233 749		2 392		236 141	935 001	38 958	38 958		1 012 917
5	C. Pacariz (Executive Producer)	238 500		66 678		305 178	954 000	256 415		84 975	1 295 390
	TOTAL	1 445 180	-	359 254	-	1 804 434	935 001	12 958	38 958		8 055 956

Section 4: Company Secretarial Function

The Company Secretary acts as the focal point of all corporate governance matters and is responsible for providing secretarial services to the board and the company.

Amid the responsibilities of the Company Secretary are the following duties:

- ensuring compliance with good corporate governance practices;
- providing guidance to the directors on corporate governance principles and applicable legislation;
- liaising with shareholder to ensure the company complies with shareholder requirements from time to time; and
- lodging the prescribed company documents.

The primary function of the company secretary is to act as the link between the board and management and to facilitate good relationships with the shareholder. The company secretary is responsible for the general administration, more specifically to ensure compliance with good corporate governance practices and to provide guidance to the directors on corporate governance principles and applicable legislation. All the relevant documents that needed to be lodged in terms of the act have been lodged and all duties and responsibilities of the company secretary were carried out diligently throughout the period under review.

During the period under review, the Company Secretary was responsible for amongst other things, preparing the schedule of board and committee meetings as well as the agendas for the meetings, providing legal advice to management and drafting of various legal agreements.

Furthermore, the Company Secretary is also responsible of the systems that ensure that the company complies with all applicable legal and statutory requirements.

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").

In addition, it is the responsibility of the Company Secretary to act as a conduit between management and the board by providing guidance on corporate governance and compliance matters in a manner that furthers healthy stakeholder relations. Providing the board with advice that enables the board to exercise its fiduciary responsibilities also falls within the realm of the secretariat's responsibilities.

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.

Furthermore, the Company Secretary of JCT is also responsible for advising both management and the board on legal matters, ways of mitigating risks arising and/or likely to arise from contractual relationships and operational requirements.

Section 5: Risk Management and internal controls

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.

During the period under review JCT has reviewed, monitored and reported on risks focusing on three main categories. Those categories are the strategic risks and operational risks, the emerging risks and, the ICT risks. The entity still faces significant risks both the strategic risk register and the emerging risks identified. Further actions to mitigate these risks have been put in place and are implemented and monitored continuously.

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.

The tables on the following pages spells out the areas of both the strategic and operational risks identified by the company as at 31 March 2017, including risk control measures:



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
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 for facilitators.	Moderate	Likely 4	High	1. Negotiating lower rate with facilitators. 2. The use of volunteers in the industry.	Fair	Moderate	CEO	1. Source external funding. 2. Partner with other institutions that are already offering similar training in the industry.	Executive Producer	30 September 2017, quarterly
	Inadequacy of programmes available for workplace experience and potential placements	1. Lack of internship support for new entrants in the industry. 2. Lack of skills transfer from seasoned practitioners.	Moderate	Possible 3	Moderate	1. Applied Performing Arts and Arts Management partnership with WITS. 2. Weekly drama workshops	Fair	Low	CEO	Implement the skills transfer policy.	COO	30 November 2017
High quality performing arts and entertainment experience and facilities	Inability to secure attractive productions	Background: 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.	Major	Almost Certain 5	High	1. Good relationships with producers. 2. Relationships with Joburg Ballet Company.	Fair	Moderate	CEO	1. Establish more relationships with wide variety of producers, locally and internationally. 2. Source more funding to enable inhouse production.	Executive Producer	30 September 2017, quarterly
	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 5	Very High	1. Fair maintenance of stage machinery. 2. Limited budget has been allocated for 2016/17 for maintenance. 3. Loss of revenue insurance for external producers. 4. The Council has allocated R20m & R30m in budget year 2018/19 and 2019/20 respectively.	Fair	High	CEO	1. Develop the capital procurement plan (specifications, tendering process) in line with the Theatre calendars to ensure that there are no disruptions in the scheduled performances.	CFO	Specifications: 30 September 2017 Completion: 30 June 2018



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 Owner's	Action Deadline
Affordable access to and use of theatres by communities	Poor attendance at theatre shows due to unaffordable ticket prices	<ol style="list-style-type: none"> High cost of productions and the need to recover costs. The ticket prices tend to be high due to the ratio of subsidy to total revenue. Effect of the country's downgraded economic status. 	Major	4 Likely	High	<ol style="list-style-type: none"> 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. 	Fair	Moderate	CEO	To target companies with CSI programmes to bring a child to the theatre	EP, CFO	Quarterly basis
Good governance, financial sustainability and sound management	Non-compliance with applicable legislation	<ol style="list-style-type: none"> 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 	Major	4 Possible	High	<ol style="list-style-type: none"> Regulatory compliance register/ assessment tool monitored by the Company Secretary. Compliance policy and framework developed and implemented. All pre-delegation processes concluded by management. Quarterly reporting to oversight committees on compliance. 	Fair	Moderate	CEO	<ol style="list-style-type: none"> Continuous monitoring reporting on compliance. Present to the BOD the impact and progress on MSCOA compliance. 	Company Secretary CFO	<ol style="list-style-type: none"> Quarterly 17 July 2018
Theft, fraud and corruption resulting in financial and non-financial loss		<ol style="list-style-type: none"> 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 Inadequate physical security controls 	Major	4 Likely	High	<ol style="list-style-type: none"> Anti fraud and anti corruption policy in place Fraud prevention plan Code of conduct Segregation of duties Declaration of interests Gift register in place Remuneration, Social and Ethics Committees 	Fair	Moderate	CEO	Conduct anti-fraud and corruption awareness campaigns.	Company Secretary, Artistic Manager	Bi-annually (December 2017, June 2018)
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"> Bad reputation Poor/ bad media reviews Inadequate marketing budget 	Major	4 Likely	High	<ol style="list-style-type: none"> Strategic partnerships Media launch of JCT brand Media community management 	Fair	Moderate	CEO	<ol style="list-style-type: none"> Continuous brand awareness campaigns. Review of the marketing and communication strategy. 	Marketing Executive	<ol style="list-style-type: none"> Quarterly basis December 2018

No.	Department/ NOE Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control effectiveness	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale
JOUBURG THEATRE															
1	To attain a clean audit opinion	Compliance	Non-compliance with legislation, prescribed regulations and GRP standards	Lack of knowledge of supply chain management policy and processes. JCT may not comply with MFMA disclosure requirements i.e. Regulation 36 on disclosure of deviations, disclosure of fruitless and wasteful expenditure, irregular expenditure, unauthorised expenditure, etc.	Possible qualified audit opinion	Major	4 Possible	3 High	a) Preparation of monthly Financial Statements b) Monthly reconciliations of general ledger accounts c) Follow-up and monitoring of internal and external audit findings to ensure prompt resolutions thereof d) Compliance assessment tool e) Compliance policy and framework f) Compliance centralised at the Office of the Company Secretary	Fair	Medium	LFO	1. To hold people liable for non-FCO compliance		Ongoing
2	To facilitate communication	Technology	Outdated PABX system	The available PABX system can not keep with current technology and staff.	Loss of revenue Loss of functionality Lack of communication Reputational damage	Major	4 Almost Certain	5 High	a) Shared resources b) Reallocation of resources based on need c) The installation and implementation has been completed in the current fourth quarter of 2016/2017.	Good	Low	Customer Services Manager	Maintain current controls	Customer Services Manager	30 June 2017
3	To ensure that profit margins are maintained, agreed costs are not exceeded through effective control systems	External Environment	Limited disposable income during economic downturn	A tough economy can make it difficult for businesses to maintain sales because people begin cutting down on spending. Price adjustment as a result of increased cost of supply and also government regulation	Loss of revenue	Major	4 Likely	4 High	a) Menus priced in accordance with cost of sale to avoid losses. b) Closely tracking marketing efforts allows Theatre to repeat what is working and eliminate what is not.	Fair	Medium	G.M. Hospitality	This risk is dependant on the countries economic climate and therefore beyond the control of the company Employ a combination of online and offline marketing efforts. Traditional forms of advertising are still important. It is even more true in a tough economy, which requires reaching customers in many cost-effective ways.	G.M. Hospitality	Review monthly



No.	Department/ WIDE Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale
ROODEPOORT THEATRE															
4	All objectives	External Environment	Limited parking space during the day	Day time patrons cannot utilise the Civic centre parking.	Loss of revenue	Minor	2 Likely	4 Moderate	The regional office staff parking space utilised Car guards allocated to direct cars to allocated parking. 32 extra parking bays allocated from the regional office to be demarcated for RT	Fair	Low	GM	The current controls look adequate to manage the risk The controls will be monitored for any improvements	GM Maintenance Manager	Review quarterly
5	To plan critical projects at RT as required	Technology	Outdated theatre stage machinery	The stage machinery needs to be upgraded.	Poor service delivery	Catastrophic	5 Almost Certain	5 Very High	a) Fair maintenance of stage machinery b) Increased maintenance training through in-house resources c) Limited budget has been allocated for 2016/17 for maintenance of equipment only d) Budget allocation for stage machinery has been approved.	Fair	High	GM	a) Lobby shareholder to increase CAPEX allocation to replace machinery in order for theatre to remain competitive.	GM	Review quarterly until June 2017
6	All objectives	Security	Armed robbery	The premises keep cash from the restaurant and theatre ticket sales	Loss of assets (cash) Loss of lives	Catastrophic	5 Possible	3 High	a) CCTV cameras installed b) Physical security in place c) Armed cash collection three times a week d) Cash-vault machines in use e) Security checking points installed to ensure that security has covered all the building f) Armed response and panic buttons installed.	Good	Low	GM	The current controls look adequate to manage the risk The controls will be monitored for any improvements	GM	Review monthly

No.	Department/ MOE 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
SOWETO THEATRE															
7	All objectives	Regulatory	Fresh water shortage in the building	Insufficient water reserves. Water tanks available are too small to store water for the whole building	Health hazard	Moderate	3	Almost Certain	5	High	High	General Manager	a) Water tanks provided increase of no water immediately. b) Water tanks has been identified as one of the priority projects for 2017/18 financial year and budget has been made available for this.	General Manager	30 September 2017
8	To increase rental revenue	Technology	Noise bleed through to the next venue	Soweto Theatre can not have shows running concurrently because there is no enough sound proof in the theatres.	Loss of revenue unhappy customers	Major	4	Almost Certain	5	Very High	Low	General Manager	a) Sound proofing project was done b) Planned balanced programming	General Manager	31 May 2017
9	All objectives	External Environment	Sourcing equipment from the sole supplier	Specialised equipment is available from very limited suppliers	This supplier could be liquidated Prices could be inflated	Moderate	3	Likely	4	High	Moderate	General Manager	There is a good relationship with the suppliers.	General Manager	Review quarterly
FRAUD RISKS															
10	Good governance, financial and sound management	Human Capital	Misrepresentation of information	1. Submission of fictitious qualifications 2. False information in CVs 3. False information during interviews	Reputational damage	Major	4	Almost Certain	5	Very High	High	COO	1. Qualification verification internally and by external providers 2. Reference checks 3. Criminal checks 4. Credit checks	N/A	N/A
11	Balance the imperative for revenue generation with socio-economic development, and provide opportunities for future arts practitioners and entrepreneurs.	Integrity	Collusion between employees and service providers to commit acts of corruption	JCT staff could collude with suppliers where the stock value does not match the invoice delivered in the hospitality and catering department. Box office employees could collude with patrons for cash purchased tickets	Loss of income	Major	4	Likely	4	High	High	COO	a) Every show, free or not has a ticket printed. b) All orders are centralised and done through procurement system c) A contract with external stock control company to take stock once a week	N/A	N/A
12		Financial	Theft of company assets	Laptops, stationery, stage equipment, cash, stock could be stolen	Misappropriation of assets	Major	4	Likely	4	High	High	COO	a) IT policy on computer and network usage is in place and implemented b) Removal permit c) Surveillance Cameras d) Restricted access to the copier machines e) Code of conduct signed by all employees f) Asset Management Policy in place and adhered to. g) Reconciliation for cash and bank	HR Manager Technical Manager Finance Manager	Ongoing As and when there is movement of assets Ongoing

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

The board works closely with management and the City in the entity's planning and performance management matters.

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. These reports are 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 existence of the company is dependent on the continued ongoing support from its sole shareholder, the City of Joburg, by way of subsidy paid each year in terms of the service delivery agreement entered into between the company and the City of Joburg. Should the subsidy be withdrawn, the company would not be able to continue as a going concern.

JCT also maintains its relationship with the National Department of Arts and Culture. These associations and relationships are critical for business sustainability and also for achieving the all-important objective of transformation and content diversification.

JCT is committed to 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.

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 world class African City of the future", 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 PANSAs, 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 quarter 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.

Section 8: ICT Governance

The board is responsible for ensuring that Information and Communication Technology (ICT) governance is embedded in the organisation's strategy.

Accordingly, and on a quarterly basis, the ARC and the board considers a status report on ICT governance and provide recommendations to enhance the effectiveness and security of the ICT environment.

In line with King III guidelines, and the recently released 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.

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:

The SonicWALL at Joburg and Soweto Theatres continue to enforce their protection of the company's network. This is a hardware device that acts as a firewall for the company's network. Services run on this firewall protect against external threats. Continuous monitoring of the logs is taking place. There have been further lockouts occurring this quarter, and the attempts of January 2017 appear to be an isolated incident.

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 replaces King III in its entirety.

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.

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:

JCT recently advertised a tender to provide the services of an external IT Consultant. The tender was awarded to Praxis Computing. As much as the consultants provide strategic and hands-on assistance, the committee identified that the theatre must start to empower its own staff where knowledge is lacking. The first knowledge centre to be identified is VM back-up and replication certification.

The following business and technology strategies were identified this quarter:

- Implementation of the upgrade of the PABX system at JCT.
- Development of a Joburg City Theatres app
- Upgrading and replacing the servers at Joburg, Soweto and Roodepoort Theatres
- Phasing out of all XP systems

Upgrading of the PABX system at JCT

The tender to upgrade the PABX systems at JCT sites was awarded to ECN Panasonic in the third quarter. The switchboards at Roodepoort and Soweto Theatre have been replaced in entirety. The switchboard at Joburg Theatre was being replaced, with the exception of users' handsets which are compatible with the new system. All telephone calls are being rerouted through the ECN Network for cost saving purposes.

ECN Panasonic is a company that provides a low cost, high quality Panasonic voice telephone system that enables the company to make and receive calls to and from customers and other branches. They offer a hybrid PABX solution that caters for digital, analogue and internet protocol (IP) technology, with room to expand as the company grows.

The majority of installation and implementation has been completed by the end of the fourth quarter 2016/2017. There are some minor snags that are being attended to, but the system is up and running. JCT has already been able to cancel some of the Telkom services that are no longer required thanks to the new system.

Soweto Theatre has much more stable connectivity thanks to the upgrade and calls are no longer cutting out.

Joburg City Theatres app

In the third quarter, the ITSC resolved to test the market with a Request for Quotation (RFQ) for a mobile app, and see if there are some cost effective ways of rolling out an app across all 3 sites.

The app development was awarded to AIMweb solutions. Aimweb is a company that offers a complete end-to-end website design, e-commerce, branding, online advertising and digital marketing solutions as well as software and application development for ios and android operating system.

The app is currently in the testing phase, and we look forward to rolling it out to the public in the new financial year.

The servers at Joburg, Soweto and Roodepoort Theatres are reaching end-of-life.

The 2016 /2017 Capex allocation has been sufficient to upgrade Joburg Theatre's server capacity only.

The servers at Roodepoort & Soweto theatres need to be upgraded. Thanks to Capex reallocation, Roodepoort Theatre can be upgraded in the new financial year, including the upgrade of the SonicWALL (the firewall software). The Soweto Theatre will hopefully be upgraded in the 2018/2019 financial year.

The ITSC has requested that various options are investigated regarding the linking of all three theatres, on a single network, with built in redundancies, similar in scope to the PABX tender. One of the possibilities is hosting data in the cloud, which may be a way to remove the need to upgrade the Roodepoort and Soweto Theatre servers. The use of the cloud is very new to the company, and staff are busy familiarising themselves with the advantages and disadvantages. Amongst the research has included visits to various data centres to inspect the premises, as well as attending a recent IBM Conference on Cloud Computing

Phasing out and upgrading of all XP systems

JCT still has some legacy systems running on XP. Due to the recent WannaCry Global Cyber Attack, Microsoft released an urgent update for Windows XP. This provides some breathing space to allow for the upgrade of the 3 remaining XP systems. Upgrade will be completed by December 2017.

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 quarter 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 Theatre's internal audit coverage plan is based on risk assessment performed at each operating unit. The coverage plan is updated annually, based on the risk assessment and results of the audit work performed. This ensures that the audit coverage is focused on and identifies areas of high risk. The internal audit coverage plan for 2016/17 was approved by the Audit and Risk Committee on July 15th 2016.

During the period under review, internal audit conducted 3 and reports will be issued in the fourth quarter.

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.

In Q3 2016/17 the aim was to begin initiatives towards the achievement of high level compliance, and to ensure continual communication of the code internally and externally. A major play initiative was presented, and plans were put in play of extensive roll out from the 4th quarter onwards.

JCT produced and presented a play (satire) *The Mother of All Eating* by Zakes Mda for Joburg City Theatres, and City of Johannesburg, staff to highlight the importance of ethics and conduct, and anti-corruption. The play served as part of an innovative ethics and conduct training format initiative aimed to stimulate debate and action. It will be followed up by workshops scheduled in Q4 2016/17.

The Human Resource Department scheduled a management workshop series for Q4 2016/17. An Internal Audit email address will also be created and uploaded on to the website for stakeholders to be able to lodge their complaints/queries on JCT matters. An ethics help line request was presented to the ICT Steering Committee on 22 March 2017 for recommendation and approval of the set up by EXCO. Posters on ethical behaviour are being placed in strategic places around the theatres.

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 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 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 and are therefore due for review and approval by end of 4th quarter of the 2016/17 financial year.

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 2016/17 was reviewed and approved by the Audit and Risk Committee, at the meeting held on July 2016. 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 4th 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

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 December 2016, JCT reported on compliance for quarter 1 and quarter 2 through GRAS and in the mid-year performance assessment report.

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 business case in respect of the ageing and upgrade of infrastructure was presented to the budget steering committee in December 2016 and January 2017 and R50m was allocated to Joburg City Theatres to address this risk. The implementation date of the upgrade of stage equipment is 2018/19 and 2019/20 financial years.

ii) Inadequate funding to produce in-house productions:

In-house productions require a lot of capital funding in order to keep ticket prices reasonable and attract a diverse audience. The theatre needs to increase in-house productions in order to promote JCT as a flagship social asset

Progress on implementation per action plan - The entity successfully negotiated with City Departments and Entities, provincial and national government to support specific shows and programmes. Africa Day programmes were supported by Department of Sport, Arts, Culture and Recreation and Department of Arts and Culture. The Arts Alive Festival was supported by City of Johannesburg Metro (Community Development). During the quarter under review no sponsorship was received for in-house stage productions

iii) Poor attendance at theatre shows:

High cost of productions and the need to recover costs. The ticket prices tend to be high due to the ratio of subsidy to total revenue. Effect of the country's downgraded economic status.

Progress on implementation per action plan - The Marketing plans per each show is developed and executed to ensure that the company received more ticket sales. Strategic marketing efforts on various media are carried out. 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.

iv) Scarcity of skilled theatre practitioners

Local competition for scarce skills (directors, executive producers, script writers) due to shortage of trained theatre practitioners in the country.

Progress on implementation per action plan - The succession and retention policy and plan for the key roles in the organisation and creative skills transfer policy has been drafted and approved. The company is currently in the implementation stage of the policy.

v) Outdated PABX system

The available PABX system cannot keep up with the current technology and workforce.

Progress on implementation per action plan - The tender to upgrade the PABX systems at JCT sites has finally been awarded to ECN Panasonic. The switchboards at Roodepoort and Soweto Theatre are have been replaced in entirety. The switchboard at Joburg Theatre has also been replaced, with the exception of users' handsets which are compatible with the new system. All telephone calls were rerouted through the ECN Network for cost saving purposes.

ECN Panasonic is a company that provides a low cost, high quality Panasonic voice telephone system that enables the company to make and receive calls to and from customers and other branches. They offer a hybrid

PABX solution that caters for digital, analogue and internet protocol (IP) technology, with room to expand as the company grows.

The installation and implementation has been completed in the current fourth quarter of 2016/2017.



vi) Fresh water shortage in the building

Water tanks available are too small to store water for the whole building and resulting to insufficient water reserves. The consequence of the risk is Health hazard.

Progress on implementation per action plan - Water tanks has been identified as one of the priority projects for 2017/18 financial year.

Table 1: Summary Assurance Outcomes –Fourth Quarter 2016/17

 LOW	 MODERATE	 HIGH
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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	↕ High	↕ High	↕ High	No	
Inadequate funding to produce in-house productions	In-house productions require a lot of capital funding in order to keep ticket prices reasonable and attract a diverse audience The theatre needs to increase in-house productions in order to promote JCT as a flagship social asset	↕ Moderate	↕ Moderate	↕ Moderate	↕ Moderate	Yes	

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
Poor attendance at theatre shows	<p>Some shows are attended very poorly thereby impacting negatively on planned revenue generation; some of the reasons might be:</p> <ol style="list-style-type: none"> 1. High cost of productions and the need to recover costs. 2. The ticket prices tend to be high due to the ratio of subsidy to total revenue. 3. Effect of the country's downgraded economic status. 4) less appealing content to some audiences 5) inadequate marketing 6) limited disposable income 7) external environment (eg safety & security, transport, etc) 	↕ Moderate	↕ Moderate	→ Low	↕ Low	Yes	😊
Noise bleed through to the next venue	Soweto Theatre cannot have shows running concurrently because there is no enough sound proof in the theatres.	↕ Moderate	↕ Moderate	↕ Moderate	→ Low	Yes	😊

Information on emerging / new risks

During the financial year under review the following emerging risks were identified.

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Non-compliance with the MSCOA requirements	The possibility of the entity not achieving full compliance by 1 July 2017.	Adverse audit opinion None compliance with national treasury regulations	The Mscoa project has been completed and transactions will be processed in the new chart of accounts effective July 2017	High	High	Moderate	Low

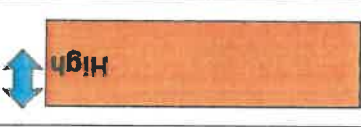
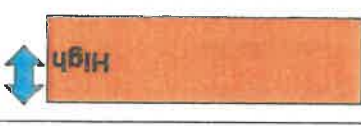
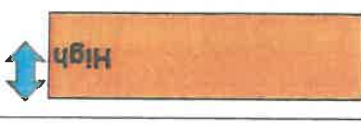

Conclusion on the emerging risks:

The MSCOA project has been completed and the company will transact on the MSCOA new chart of accounts effective July 2017.

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 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Ageing PABX and unsupported ICT infrastructure and limited capacity	<p>Lack of budget to upgrade systems. Some systems are so outdated that they do not have support available current software may be incompatible with latest technology and business trends</p> <p>The available PABX system cannot keep with current technology and staff.</p>	<p>Business systems may become dysfunctional</p> <p>Revenue losses</p> <p>Impact on service delivery</p> <p>Loss of productivity</p>	<p>a) Annual software and hardware maintenance</p> <p>b) The tender to upgrade the PABX systems at JCT sites has finally been awarded to ECN Panasonic. The switchboards at Roodepoort and Soweto Theatre are have been replaced in entirety. The switchboard at Joburg Theatre has also been replaced, with the exception of users' handsets which are compatible with the new system. All telephone calls were rerouted through the ECN Network for cost saving purposes.</p>				

Fraud risk management / fraud prevention

The entity has an approved fraud prevention policy and fraud hotline. During fraud risk assessment conducted in May 2016 for 2016/17 financial year the following fraud risk exposure has been identified:

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Misrepresentation of information	<ol style="list-style-type: none"> 1. Submission of fictitious qualifications 2. False information in CVs 3. False information during interviews 	Reputational damage	<ol style="list-style-type: none"> a) Qualification verification internally and by external providers b) Reference checks c) Criminal checks d) Credit checks 	Moderate	Moderate	Low	Low
Collusion between employees and service providers to commit acts of corruption	<p>JCT staff could collude with suppliers wherein the stock value does not match the invoice delivered.</p> <p>Box office employees could collude with patrons for cash purchased tickets</p>	Loss of income / poor service delivery	<ol style="list-style-type: none"> a) Every show, free or not has a ticket printed. b) All procurement orders are centralised and done through procurement system c) A contract with external stock control company to take stock once a week 	Moderate	Moderate	Moderate	Moderate

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Theft of company assets	Laptops, stationery, stage equipment, cash, stock could be stolen	Misappropriation of asset	<ul style="list-style-type: none"> a) IT policy on computer and network usage is in place and implemented b) Removal permit c) Surveillance Cameras d) Restricted access to the storerooms d) Code of conduct signed by all employees e) Asset Management Policy in place and adhered to. f) Reconciliation for cash and bank 				

Risk transfer – exposures

On Saturday 8th October 2016 Pierre Michael Bosch (Parent) whilst still carrying Sarah Elizabeth Bosch (Daughter) in his arms Pierre stepped onto netting and both he and Sarah fell approximately two metres below into the orchestra pit situated at the front of the stage. The attorneys believe that the incident was caused by negligence. The amounts have been based on attorney's best estimates of the possible amount payable R9, 020,000. The matter has been reported to the City's insurance broker.

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 this 4th quarter, regular reporting requirements to Council as prescribed by the MSA were fulfilled.

Compliance with the MFMA circulars 68 and 69 forms part of the priority regulatory register. In March 2017, JCT reported on compliance for quarter 1, 2 and 3 through GRAS and in the mid-year performance assessment report.

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 2016/17 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 Quarter 4 of 2016/17 and are summarised herein. The report therefore covers the following:

- strategic risks and residual risk profile for Quarter 4 of 2016/17;
- Strategic and operational risk monitoring;
- Strategic risk mapping to the Priorities.

Strategic Risks Monitoring & Dashboard Reporting

The 3rd of August 2016 brought about a change in the political leadership and administration at the City of Johannesburg Metropolitan Municipality, with that, a change in the CoJ strategic direction, below are the revised CoJ priorities that Joburg City Theatres aligns to.

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)

- **Obsolete and/or outdated stage machinery and equipment:**

The residual risk rating remains high due to inadequate capex budget. The company will continue to Lobby shareholder to increase CAPEX allocation to replace machinery in order for theatre to remain competitive.

Progress on implementation per action plan - The business case in respect of the ageing and upgrade of infrastructure was presented to the budget steering committee in December 2016 and January 2017 and R50m was allocated to Joburg City Theatres to address this risk. The implementation date of the upgrade of stage equipment is 2018/19 and 2019/20 financial years.

- **Inadequate funding to produce in-house productions:**

In-house productions require a lot of capital funding in order to keep ticket prices reasonable and attract a diverse audience. The theatre needs to increase in-house productions in order to promote JCT as a flagship social asset

Progress on implementation per action plan - The entity successfully negotiated with City Departments and Entities, provincial and national government to support specific shows and programmes. Africa Day programmes were supported by Department of Sport, Arts, Culture and Recreation and Department of Arts and Culture. The Arts Alive Festival in September 2016 was supported by City of Johannesburg Metro (Community Development). During the quarter under review no sponsorship was received for in-house stage productions

- **Poor attendance at theatre shows:**

High cost of productions and the need to recover costs. The ticket prices tend to be high due to the ratio of subsidy to total revenue. Effect of the country's downgraded economic status.

Progress on implementation per action plan - The Marketing plans per each show is developed and executed to ensure that the company received more ticket sales. Strategic marketing efforts on various media are carried out. 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.

- **Scarcity of skilled theatre practitioners**

Local competition for scarce skills (directors, executive producers, script writers) due to shortage of trained theatre practitioners in the country.

Progress on implementation per action plan - The succession and retention policy and plan for the key roles in the organisation and creative skills transfer policy has been drafted and approved. The company is currently in the implementation stage of the policy.

- **Outdated PABX system.**

The available PABX system cannot keep up with the current technology and workforce.

Progress on implementation per action plan - The tender to upgrade the PABX systems at JCT sites has finally been awarded to ECN Panasonic. The switchboards at Roodepoort and Soweto Theatre are have been replaced in entirety. The switchboard at Joburg Theatre has also been replaced, with the exception of users'

handsets which are compatible with the new system. All telephone calls were rerouted through the ECN Network for cost saving purposes.

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The installation and implementation has been completed in the current fourth quarter of 2016/2017.

- **Fresh water shortage in the building**

Water tanks available are too small to store water for the whole building and resulting to insufficient water reserves. The consequence of the risk is Health hazard.

Progress on implementation per action plan - Water tanks has been identified as one of the priority projects for 2017/18 financial year

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	Obsolete and outdated stage machinery and equipment	<p>a) The Council has allocated R20m & R30m in budget year 2018/19 and 19/20 respectively</p> <p>b) Fair maintenance of stage machinery</p> <p>c) Limited budget has been allocated for 2016/17 for maintenance of equipment only</p>	<p>a) The business case in respect of the ageing of infrastructure was presented to the budget steering committee and R50m was allocated to Joburg City Theatres to address this risks. The entity is a process of developing the capital expenditure plan in line with the Theatre calendars to ensure that there are no disruptions in the scheduled performances.</p>
2	Inadequate funding to produce in-house productions	<p>a) Secure marketing deals (barter transactions) and private sector sponsorship for productions</p> <p>b) Portion of Subsidy from the Shareholder allocated to in-house productions</p> <p>c) Identified and obtained external sponsorships from DAC (dpt of arts & culture), Gauteng provincial govt and City dpt.</p>	<p>a) The entity successfully negotiated with City Departments and Entities, provincial and national government to support specific shows and programmes. Africa Day programmes were supported by Department of Sport, Arts, Culture and Recreation and Department of Arts and Culture.</p>
3	Poor attendance at theatre shows	<p>a) Basic marketing effort on various media eg MNET, Jozi FM, Khaya FM, social media</p> <p>b) A Marketing Executive appointed</p> <p>c) Limited daytime performances during the year</p> <p>d) developed and approved the group marketing and communication strategy for JCT</p> <p>e) West Side Story and Bony Tyler productions had sold out performances in Qtr 3 of the financial year</p>	<p>a) The group marketing and communication strategy for JCT is in the implementation stage. The effectiveness of the strategy is currently evaluated at against the revenue targets.</p> <p>b) Strategic marketing efforts on various media are carried out.</p>
4	Unaffordable ticket prices	<p>a) Different pricing structures based on product and venue</p> <p>b) Offering a limited number of discounted and/or free tickets to the youth, senior citizens and deprived communities.</p> <p>c) Mobile theatre truck used to access targeted communities</p> <p>d) Developed and approved a policy to guide subsidised tickets for various communities.</p>	<p>a) Negotiations with Medbank are ongoing re-CSI programmes to bring a child to theatre</p>
5	Constraints in attracting internationally recognised productions	<p>a) Negotiating terms on productions, including cost-sharing models.</p> <p>b) Carefully and consistently evaluating standards of tenant productions.</p>	<p>a) The entity is continuing to negotiate terms on productions with various producers.</p> <p>b) The Artistic committee consistently evaluating the standards of the tenant productions</p>

TABLE 1: SUMMARY ASSURANCE OUTCOMES – QUARTER 4 OF 2016/17

LOW
 MODERATE
 HIGH

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management			Level 2 - SUMMARY ASSURANCE OUTCOMES – Q3 2016/17			Level 3 – EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
			Q2 Residual Risk	Q3 Residual Risk	Risk Movement	Internal Audit	Risk Advisory Services	Level 2 – integrated assurance	Auditor General	Combined Assurance
I	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	High	No rating	High

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management	Level 2 - SUMMARY ASSURANCE OUTCOMES - Q3 2016/17	Level 3 - EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
			Q2 Residual Risk Q3 Residual Risk Risk Movement	Internal Audit Risk Advisory Services Level 2 - integrated assurance	Auditor General	Combined Assurance
	Inadequate funding to produce in-house productions	In-house productions require a lot of capital funding in order to keep ticket prices reasonable and attract a diverse audience The theatre needs to increase in-house productions in order to promote JCT as a flagship social asset	Moderate Moderate ⚠️	High Moderate Moderate	No rating	Moderate High
	Non-compliance with the MSCOA requirements	The possibility of the entity not achieving full compliance by 1 July 2017.	High High ⚠️	High High High	No rating	High

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management			Level 2 - SUMMARY ASSURANCE OUTCOMES - Q3 2016/17			Level 3 - EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
			Q2 Residual Risk	Q3 Residual Risk	Risk Movement	Internal Audit	Risk Advisory Services	Level 2 - integrated assurance	Auditor General	Combined Assurance
	Poor attendance at theatre shows	<p>Some shows are attended very poorly thereby impacting negatively on planned revenue generation; some of the reasons might be:</p> <ul style="list-style-type: none"> a) less appealing content to some audiences b) inadequate marketing c) limited disposable income d) External environment (e.g. safety & security, transport, etc.) 	Moderate	LOW		LOW	LOW	LOW	No rating	LOW

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

Risk Area	Q3 Residual Risk	Movement
Non-compliance with SCM Policy and MFMA regulations	Moderate	↔
Increased competition	Moderate	↔
Insufficient water reserves. Water tanks available are too small to store water for the whole building	High	↔
Limited disposable income during economic downtime	Moderate	↔
The stage machinery needs to be upgraded.	High	↔
Misrepresentation of information	Moderate	↓
Armed robbery	Moderate	↔
Segregated audience	Low	↔
Sourcing equipment from the sole supplier	Moderate	↔
Outdated PABX system	Low	↓
Noise bleed through to the next venue	Moderate	↔

• 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 quarter under review assurance from internal audit could only be provided on completed components.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

Section 1: Highlights and Achievements

The fourth quarter has proved to be a challenging one for Joburg City Theatres.

Cold weather, public holidays and economic downgrades have all affected audience attendance. Classics and school performances have been well received, but overseas productions have found it difficult to crack the local market, despite critical acclaim.

The quarter signals the end of a programming year that has been filled with a great variety of work; in a time of relative economic instability.

Loyal theatre patrons have managed to keep coming to the theatre, even through these tough times. The support from the City of Johannesburg (CoJ) has not wavered. This demonstrates a commitment by the City, to ensure the arts; the performing arts, in particular, play a more central role to inspire our communities to be more creative, imaginative, and effective.

Joburg Theatre quarter highlights included, for the first time a musical production from Nigeria; *Kakadu – The Musical*. The show attracted new audiences to the venue, and new partnerships with Africa's biggest economy and most populous nation. This was followed by another new partnership with the world's second most populous nation, India with the musical *A Passage to Bollywood*. This show has also been able to tap into Johannesburg audiences that don't normally come to the theatre in large numbers. The media reviews have been exceptional.

Joburg Theatre curated the Africa Month Music and Literature programme, in partnership with the Department of Arts and Culture (DAC). The Literature programming hosted Jamaican-American Professor Claudia Rankine, who conducted workshops with aspiring professional thinkers and writers, contributed to a discussion panel, and delivered a paper at the Soweto Theatre, as part of the Theatre's Youth Month programming.

In this quarter, Soweto co-produced its second school set work of the year, Athol Fugard's *My Children My Africa*, which proved popular with school going audiences. A contemporary South African, *Umoja*, was the highlight of the Soweto Theatre June Programme. The show continues to enjoy great interest and public support. Lastly, Soweto Theatre partnered with The Sello Maake Foundation to produce, *House of Truth*, a solo work in which Sello Maake ka Ncube pays homage to University of Fort Hare alumnus and South African Literary icon, Can Themba.

Roodepoort Theatre leased the venue to community groups, schools and other amateur and professional groups. This is a significant and secure revenue stream for JCT, and relationships with these organisations are key. The theatre hosted the set work *My Country South Africa* during the month of June, the first of many children's production seasons to come.

In the year ahead, JCT aims to consolidate gains from this financial year, and programme more targeted content at the youth audiences in line with our efforts to continually develop new theatre going audiences. We intend to grow more national and international partnerships to maintain a diverse content pallet for the diverse peoples of the CoJ.

JOBURG THEATRE

The fourth quarter saw Joburg Theatre host an array of exceptional diverse productions.

Joburg Ballet's first production of 2017 was the return of celebrated choreographer Veronica Paeper's *La Traviata*. The production did extremely well, playing to over 7,500 patrons.

Joburg Ballet's prima ballerina Burnise Silvius announced that she would be retiring from the stage at the end of the season – her final performance was on Sunday 9 April.



Joburg Ballet dancers performing in *La Traviata*

Joburg Theatre wanted to offer Joburg residents a concert over Easter. The theatre partnered with ATTV and co-produced *Gospel Spectacular* – a feel good show gospel show for the whole family.

Heading up the 30-strong cast were top South African gospel and pop artists, Brian Temba, Connell Cruise and Mahalia Buchanan, backed by a big ensemble of singers and dancers. Traditional gospel legend, Teboho Moloi, also made a special appearance.

It offered something for fans of virtually every gospel genre; from pop hits *Shackles* (Mary, Mary) to traditional songs "O Mpha Tsohle" (Teboho Moloi), movie favourites like "I Will Follow Him", to light classics like "You Raise Me Up" and "The Prayer", to sing-along praise songs like "Ancient of Days" and "Jesu Ke Moloki Waka" and even Carman's dramatic story song, "The Champion".



Connell Cruise and Brian Temba



Teboho Moloji



Mahalia Buchanan

Steve Kekana delivered an unforgettable show of pure local nostalgia on April 29th and 30th. He included hits from 1978 to date. Steve performed with Joe Nina whom he previously collaborated with on his hit song *Iphupho*. The show also featured Siphon 'Hotstix' Mabuse with the all-time classic *Burn Out* as well as Multi-Grammy award-winners Ladysmith Black Mambazo paying a special tribute to Steve.

Steve, who lives with a disability when he lost his eye-sight at the age of five, has never let this stand in his way of fulfilling his dream. The concert aimed at entertaining a wide audience and inspiring people living with disabilities. It was for this reason that the show was called *Iphupho the Dream*.



Steve Kekana's *Iphupho The Dream*

Collaborations and partnerships with international companies are very important to JCT.

The Tenors first came to South Africa in 2010 and were delighted to return in May 2017. The concert featured a feast of feel-good favourites from Broadway to Opera including swing, pop and rock classics. A local 4-piece band was sourced to accompany *The Tenors*.

The Tenors took time out to share their talent in a music exchange workshop with 45 learners from Thaba Jabula Secondary School, situated in Klipstruit, Soweto. The Tenors were impressed with the young talent that met them at the school.



JCT, in partnership with the Department of Arts and Culture, celebrated the start of Africa Month celebrations with two music concerts on May 26th and 27th.

The music concerts featured one of the best drummers living in the world today, Paco Séry & the African Beat, along with Vusi Nova, Mahube and The Parlotones.



Paco Séry



Vusi Nova



The Parlotones

Joburg Theatre presented, for the first time, a musical production from Nigeria; *Kakadu – The Musical*. The show attracted new audiences to the venue, and new partnerships with Africa's biggest economy and most populous nation.

The show debuted in Lagos to critical acclaim, having run successfully in Nigeria and Switzerland. The award-winning production was infused with an eclectic blend of music ranging from Anglo-American pop and soul, afro beat, traditional Igbo, Yoruba folk and Juju music.

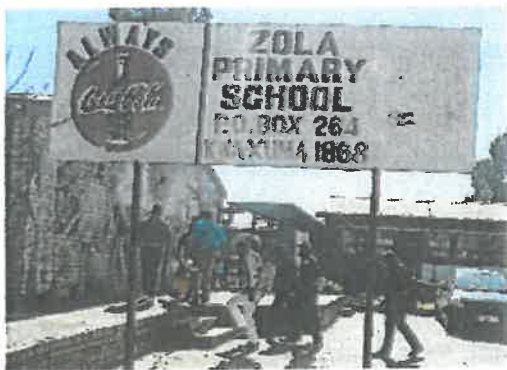
Wrapping up Africa Month Celebrations in June 2017, *Kakadu* was very well received by a wide range of audiences including an Ambassador of Nigeria and Italy as well as local and international artists, stakeholders and media.

Their sponsor, MTN Africa, flew down key executives from Nigeria to be present at the Premier Night.



Performers in *Kakadu – The Musical*

As part of celebrating Youth Month, the Kakadu cast took to Soweto and Hillbrow to impart and exchange cultural experiences with young pupils at Zola Primary School and the Hillbrow Theatre dancers. The workshop participants seemed to have had the cast eating out of their palms with their commitment to learning from the professionals themselves.



From 'Nollywood', to Bollywood, the fourth quarter ended with *A Passage to Bollywood*, direct from India, presenting an all-Indian experience.

Full of traditional Indian values and customs, and depicted by a group of high energy dance routines, it brought the true vivacity and enchantment of India to life. The musical showcased the artistry of Indian folk dance along with more modern genres of dance performed by a cast whose energy was electrifying.



A Passage to Bollywood

The Fringe at Joburg Theatre also hosted an eclectic mix of stage productions during the fourth quarter of the financial year with an improving occupation rate of this venue.

The Caucasian Chalk Circle was the first set work produced by Joburg Theatre this quarter. It featured a stellar cast; Aubrey Poo, Izak Davel, Nyeleti Ndubane, Néka Da Costa, Jacques Wolmarans, Marcus Oageng, Mimi Mahlasela and Keketso Motlhabane. 390 Schools came to see the production.



The stellar cast of *The Caucasian Chalk Circle*

Another new partnership for JCT this quarter was with IFAS (French Institute of South Africa) and the Alliance Française, to stage the production of Molière's *Tartuffe*.

The show premiered at Soweto Theatre in April, toured to Cape Town and Durban, and returned to The Fringe at Joburg Theatre in June.

Tartuffe is one of the "French Shakespeare's" most famous works. Multi-award-winning director Sylvaine Strike directed the play and managed to showcase the genius of Molière, one of France's most accomplished and universal artists.

The French Ambassador, Mr Christoph Farnaud, attended the opening performance. The play did very well, and attracted over 3,600 patrons.

Some of the reviews included:

"It's always surprising when a play written in 1664 is just as relevant today as it was then. Brilliantly directed by Sylvaine Strike, Molière's Tartuffe is just that. It's at once charming and chilling, with physical theatre so subtly incorporated that, by the end, you feel like the human condition is light on its feet."

Briony Chisholm, Wordpress

"You may think that a stage production of a 400 year story would make for a slow evening. In this case you will be happily wrong because multi award-winning director Sylvaine Strike's version is absolutely enthralling. Her Tartuffe is set in the early 20th century. The simple set is effective and cleverly manipulated. Lighting is excellent, giving the pastel colours of some of the costumes an ethereal glow and especially effective when it illuminates Tartuffe's demonic visage. Powerful lighting of the final scene leaves the audience with no doubt about Molière's view of where Tartuffe and his ilk belong."

Chris Sutton, Publicity Matters



The cast of Molière's *Tartuffe*

The schools drama competition, Federation of Excellence in the Dramatic Arts (FEDA) attracted over 1,000 young learners presenting their school stage productions in The Fringe.

The standard of the work was so exceptional that Ismail Mohammed (former Artistic Director of the National Arts Festival, and current Market Theatre CEO) made the announcement that all four finalists would receive prizes. The prize included three days accommodation at the National Arts Festival in Grahamstown, along with show tickets.



The Peoples Theatre presented Disney's *Cinderella Kids* in the fourth quarter.

An exciting professional cast served as an inspiration to three groups of children who were brought into a Learnership Programme. These children were chosen from open auditions, all schools were notified and after extensive rounds of auditions, 12 talented children were selected. The benefits derived are extensive, school marks were increased by as much as 15% to 20%.

Cinderella has been well received by schools and public alike, with sold out performances over weekends. The theatre has now added audio-visual effects into their shows, allowing for more exciting and visually pleasing performances.

The show has been attended by 48 schools (as of 30 June) and a further 26 schools is expected for the remainder of the run, paying a maximum of R70 per learner.

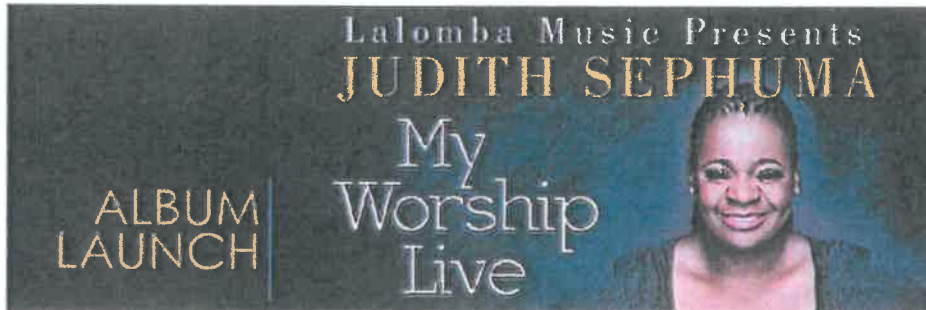
They have also provided complimentary tickets to many charities allowing for the less fortunate to have access to the wonderful world of theatre.



Upcoming productions / highlights at JCT for the first quarter of 2017/2018 include:

- La Bohème performed by Gauteng Opera (Joburg Theatre)
- Judith Sephuma (Joburg Theatre)
- Big City, Big Dreams performed by Joburg Ballet (Joburg Theatre)

- Jozi Community Theatre and Dance Festival
- Beneath African Skies / Igugulethu le Afrika (Peoples Theatre)
- Calling Me Home (Joburg Theatre)
- King Kong (Joburg Theatre)



SOWETO theatre

The House of Truth premiered at the National Arts Festival in Grahamstown last year, and played to full houses at The Market Theatre earlier in the year. JCT has a good relationship with the Market Theatre, so it was decided to partner with The Sello Maake Foundation to produce **House of Truth** at Soweto Theatre in May.

The House of Truth was a solo work in which Sello Maake ka Ncube pays homage to University of Fort Hare alumnus and South African Literary icon, Can Themba.

The show ran for 10 days at the Blue Theatre and attracted 1,000 patrons.

Some of the reviews included:

"House of Truth is an essay about an historical period. It's a one hander which is held together by the charisma of the central performer, which is the main reason you need to see the play."

Robyn Sassen, What's On Joburg



Sello Maake ka Ncube

In this quarter, Soweto Theatre co-produced its second school set work of the year, Athol Fugard's *My Children My Africa*, which proved popular with school going audiences.

1,981 Schools attended the production.



Scenes from My Children My Africa

JCT, in partnership with the Department of Arts and Culture, celebrated Youth Day along with Africa Month, with literature, poetry and dialogue sessions at Soweto Theatre.

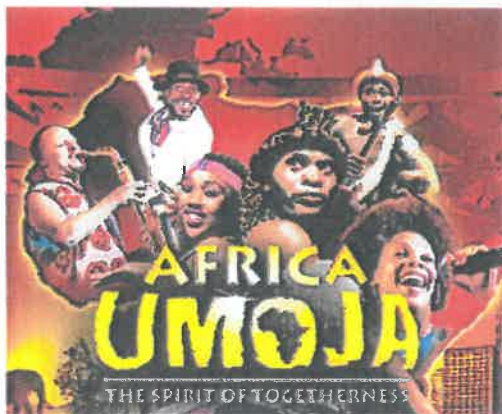
Poet, essayist, playwright and anthology editor, Claudia Rankine was the keynote speaker. Her work is largely centred on addressing and highlighting racial issues.



A contemporary South African, *Africa Umoja*, was the highlight of the Soweto Theatre June programme. Having been to all corners of the world at all its best and biggest stages, this performance was extra special as it was staged where it was all conceived, at home, in Soweto.

Africa Umoja is a loud, colourful and jubilant celebration of life that audiences from all backgrounds have found infectiously delightful and uplifting. Thirty countries have embraced the traditional love songs, lullabies and other musical expressions of rural life.

The show attracted over 2,400 patrons.



Upcoming productions / highlights at JCT for the first quarter of 2017/2018 include:

- **Gone Native: The Life and Times of Regina Brooks (Soweto Theatre)**



ROODEPOORT THEATRE

developing youth in theatre

Roodepoort Theatre is pleased to report the successful conclusion of the fourth quarter, with delivery targets being met on most of the scorecard items. Roodepoort Theatre leased the venue to community groups, schools and other amateur and professional groups. This is a significant and secure revenue stream for the JCT, and relationships with these organisations are key.

The theatre hosted the school set work *My Country South Africa* during the month of June – this production was one of the first of many children’s production seasons to come. The theatre sponsored 326 tickets for children that could not afford theatre tickets.



Scenes from *My Country South Africa*

Modelling competitions enjoy Roodepoort Theatre facilities with *Figures Models* returning for its third year for its national talent and model search in the West Rand, and *Mrs Grand South Africa Pageant* in its second year – the winner will represent South Africa at the Mrs Universal and Mrs Universe elegance pageants in 2018. The aim for this pageant is to empower women across South Africa by inspiring and motivating them to create change in their communities. This year the pageant is supporting the Reinhardt Drewel Foundation, the country’s first non-profit organisation to target national drowning prevention awareness by offering dynamic innovative National Drowning Prevention Awareness and Education Programmes to community based supervised child-care, pre-school and primary school.

Talent Africa Showcase held its finals week at Roodepoort Theatre in April.

The competition attracted 2,101 contestants; categories of the competition included modelling, acting, dance, poetry and music.

The theatre was full with over 2,200 patrons coming through the doors, and a great income was earned at Stages restaurant (R182 351.65)



This was followed by South Africa's *International Modelling and Talent Association* (IMTA) – they held their convention at Roodepoort Theatre with over 1,500 top models attending.

The Association of International Dance Teachers (AIDT) held its Hip Hop Exams at the theatre. The aim of the AIDT is to promote a strong foundation in dance from a young age.



Siphokazi, established as one of the premiere gospel artists in South Africa, booked the theatre for a DVD recording.



Siphokazi

The brand new pantomime by Hoerskool Randburg, *Ar-Fur*, took place in May. Boasting a large drama department, Hoerskook Randburg's shows are presented with a professional approach. Their productions culminate in an experience that is more than just a concert – it echoes the same dynamism found in professional full-scale theatre shows. The theatre was packed to capacity.



Hoerskool Randburg pupils in Ar-Fur

The theatre hosted other prestigious events such as the *Jozi Youth Dance* and the *Val Whyte Bursary*.

Sundays at the Roodepoort theatre have never been the same since the addition of three regular Sunday church ministries, namely In Christ Alone, Alexandra Ministry's and Rooftop Churches.

Upcoming productions / highlights at JCT for the first quarter of 2017/2018 include:

- Annie Jr (Roodepoort)
- Roodepoort Dance Festival (Roodepoort)



YOUTH AND COMMUNITY DEVELOPMENT

Joburg Theatre

The Youth and Community Development department at Joburg Theatre is mandated to provide structured and professional opportunities to aspirant artists and new audiences for in-depth development of the artistic skills.

Artists that produced work as part of the creative entrepreneurship programme in the fourth quarter include; Regions F, Joburg, Yoeville and Linmeyer, Region A, Noordwyk, Region D, Soweto – Protea South, Region C, Florida North, as well as surrounding areas outside the City Regions, Vanderbijlpark, Vaal Triangle.

Training programmes provide enabling tools and opportunities for community theatre groups and individual artists to be practicing practitioners in the performing arts sector.

The programmes are facilitated through the Applied Performing Arts and Arts Management (APAAM) short course, a partnership with the University of the Witwatersrand, Wits School of the Arts, Drama for Life, focusing on community theatre groups as art organisations.

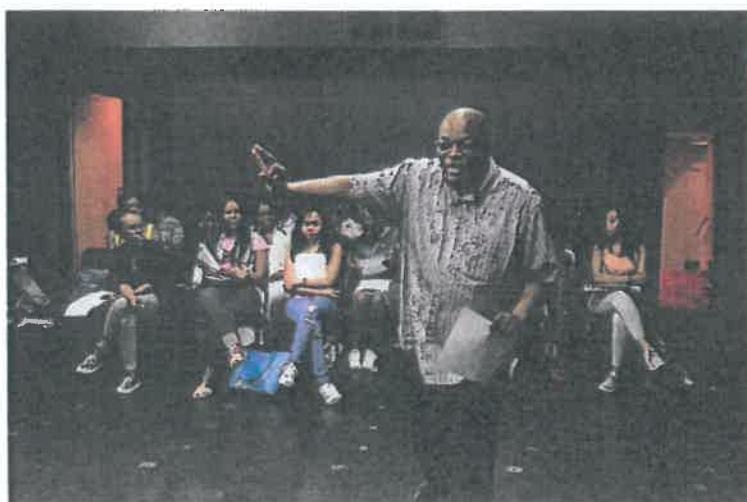
The APAAM short course covers four modules:

- Performance (movement, voice, characterization)
- Creative (role of the director, power, facilitation, listening, absorbing, art of facilitation, reflective practice)
- Business (administration, communication, fundraising, budgeting, activity planning, marketing)
- Technical (lighting, sound, costume)

Other training programmes include the Duma Ndlovu Academy (DNA) Actor's workshops, facilitated by Dr Duma Ndlovu (South African Casting Director for Disney's Lion King, Director of Word of Mouth Productions, producer of the popular SABC 2 soap Muvhango) – the programme is focussed on the individual artist within the arts and entertainment industry.

It was with sad news that the DNA class of 2017 lost Ms Bongeka Phungula in the brutal murders during the month of May. Her body was found in Tladi, Soweto.

"Bongeka performed a brilliant scene in class with a classmate and got accolades from their class mates. We will always remember and miss her. She always sat back and did not raise her hand a lot but when she had to deliver a monologue she rose to the occasion." Dr Duma Ndlovu



Dr Duma Ndlovu

The EPWP funding assists the theatre to carry out development initiatives to a broader community.

Creative Entrepreneurship programmes:

Space.com hosted 11 productions; namely *Simunye, Boy Ntuli, The Incarnations, Thank you Concert, Space. Comedy, Poetry dot Slam, Hustler's Journey, Made in Time, Africa Goombay, Expressions Made in Africa, Music and Comedy Experience*. This platform allows young people and the Joburg community to express their art, while creating economic opportunity through the performing arts.



The Poetry Dot Slam programme at the World Cup of Poetry in Paris, France, saw Zewande BK Bhengu earn a spot at the podium in third place performing in a South African Native language.

"I was grateful. I think we often undervalue the power which our indigenous languages bring to the war on colonisation. Language is a soft power. So, to use isiXhosa in France and that whole experience, was amazing. There were only two poets from Africa in the slam and I don't think much was expected from either one of us. At the finals, I gave it all, the poet from Norway who eventually took first place, Evelyn Osazuwa and myself received the same scores. Unfortunately, I then got a 1 point deduction for going 11 seconds over time which then saw me sink below her and then Scotland settled in right in between us with his final poem." Zewande BK Bhengu

Training programmes:

Following a successful exchange with students from Egmont Højskolen, a Danish school that enables real integration of people with disabilities, APAAM graduates class of 2016, presented to be eligible to participate in the Zwakala Festival that gives opportunity for their work to be produced.



"We all had a great and memorable experience and continued to talk about the play and the young people we met during the rest of our trip. We hope we can do a similar visit again next year" Egmont Højskolen

Roodepoort Theatre

Roodepoort Theatre, in association with Amukelani Theatre productions, presented *76 Behind Peterson*, in commemoration of the Youth of 1976. *76 Behind Peterson* was a new play about the June 16th 1976 Soweto uprising written by Themba Mnyando.

For adults, *76 Behind Peterson* is a familiar but painful story, a reminder of the dark days of apartheid. For the children who filled the auditorium, it was a history lesson delivered to them by their peers. They could identify with the young actors who sang familiar struggle songs, use the township slang and make the story more relatable through - just like in Mbongeni Ngema's *Sarafina* - music, foot-stomping and slogans.

Delivered in English, isiZulu, isiXhosa and Setswana, *76 Behind Peterson* also put the spotlight on the challenges today's youth face, including diseases such as HIV-Aids. But it was also about bravery, unity, pride, dignity and forgiveness.



Actors from 76 Behind Peterson

Newtown House kicked off their season at the Roodepoort Theatre with a Skills Retention; Community Development & Mentorship Programme which took place for free under the command of the school's principal and as part of their 5th Anniversary of their Art Department. They offered skilled, semi-skilled and totally untrained artists an opportunity to learn, grow and develop into marketable members of the South African Arts & Culture Sphere.



Soweto Theatre

Music Tutorial Programme – Schools Music Outreach Campaign

In the fourth quarter, the programme organised successful workshops at the following schools:

- Selelekela Secondary School – 64 scholars took part. The facilitators of this workshop chose Sophiatown as the theme and Meadowlands as the song that they taught the scholars. Pupils were taught about the history of the song as well as how to make their own indigenous music instruments, using empty toilet paper rolls and rice. The instruments that were produced from the workshop are called shakers.
- Pace Commercial Secondary School – 96 scholars took part. This workshop focused on song composition and African indigenous instruments. The band brought a variety of African indigenous instruments from Swaziland. Learners had the experience of trying out the instruments and the various sounds they made. This workshop was facilitated by Mandla Mlangeni and his band, and formed part of his “Composers Workshop” tour.
- Adelaide Tambo School for the Mentally and Physically Challenged – 50 scholars took part. This workshop was facilitated by the internationally acclaimed band The Muffinz.

The total number of learners that took part in the workshops was 210.



The programme received another grant from Concerts SA – amount of R43,000 – this covered workshop costs for the months of May and June.

A feeder school that will assist with providing lessons for MTP learners for 2018 has been identified; Structuring Society through Music and Arts Centre (SSM Arts Centre). The school will be able to prepare learners for the UNISA accredited exams from July 2017.



Lits'omong Theatre Development Programme

The programme held its mid-year showcase on June 25th.



The first draft of the curriculum has been completed. The 18 to 21 year-old group will be moved to Joburg Theatre's Community and Youth development's drama programme, APAAM. The students are currently rehearsing their monologues and preparing for auditions.

During the period under review Joburg Ballet presented a successful season of ten performances of *La Traviata – The Ballet* by South African choreographer Veronica Paeper. The season, at Joburg Theatre from 31 March to 9 April 2017, attracted large audiences as well as favourable public and critical acclaim.

The final performance on 9 April marked the retirement from the stage of South African ballerina and Joburg Ballet prima ballerina Burnise Silvius, bringing to a close a distinguished career by this much-loved artist. Ms Silvius will continue to be associated with Joburg Ballet in a teaching and coaching capacity, passing on her knowledge and experience to younger generations of South African dancers.

In addition, during this period Joburg Ballet toured to Knysna and Hermanus, appeared in Classics is Groot in Pretoria and was involved in the rehearsal process for the company's next major production, *Big City, Big Dreams* to be presented in collaboration with Vuyani Dance Theatre and Moving Into Dance Mophatong at Joburg Theatre in July and August.



Claudia Monja and Daniel Szybkowski in *La Traviata – The Ballet*

JOBURG BALLET SCHOOL REPORT: APRIL – JUNE 2017

As a result of the first internal assessments for the Joburg Ballet Satellite Schools and the accelerated Program, there are currently 187 students receiving training at the schools. The teaching staff of the schools has still remained as follows:

Keke Chele	Program Coordinator and Teacher
Thabang Mabaso	Teacher: JB Accelerated Program
Jo-Anne Wyngaard	Teacher: Soweto and Alexandra
Tshego Masoabi	Teacher: Soweto and Braamfontein

For the winter months (June – August), Joburg Ballet's CEO Ms Esther Nasser has agreed to have the students in the Accelerated Program that live in Alexandra and Soweto may be dropped off at home instead of the pick-up/drop-off points. This was an agreement made between parents/guardians, students and the school. The company drivers were also consulted and they agreed to the terms and conditions. The agreement will be reviewed in August.

The Joburg Ballet Satellite School in Braamfontein organised an Arts & Crafts Day in order to raise funds for the school. The crafts that were handmade by parents, guardians and students were sold on the days leading up to Mother's Day. All the funds raised were used to purchase more materials for a similar effort in aid of Father's Day. All proceeds will then be handed over to the Joburg Ballet School and used towards funding for examinations and the Year End Concert.

The students that are currently in all schools have now fully received their full uniform. All extra items are available for purchase at market-related prices for parents/guardians that wish to purchase additional items for their children.

The students in the Joburg Ballet Accelerated Program took part in the Youth Day Celebration performance at the Orange Farm Multipurpose Centre. Here they performed a new piece called "Furaha", choreographed by the coordinator of the Joburg Ballet Schools, Keke Chele, who also served as Master of Ceremonies alongside Mr. Thabo Matsebe who represented the Gauteng Department of Sport, Recreation, Arts and Culture.

All the students are currently undergoing their second internal assessment: 19 June (Alexandra), 20 June (Soweto), 22 June (Braamfontein) and 24 June for the Accelerated Program. Upon completion of these assessments, final lists of children that will take part in the Cecchetti Examinations will be compiled. Budgets and logistics for the examinations will also be determined. The closing date for Cecchetti Examinations is 14 August 2017.

The teachers in the schools will attend a pianist rehearsal on Saturday 24 July in preparation for the Intermediate Examinations taking place in September. Furthermore, they will attend a course on "Pointe Work, Pirouettes and Musicality for Cecchetti Intermediate Exercises" with Ms Nicolette Loxton on 1st and 2nd July.

MARKETING, PUBLICITY AND PUBLIC RELATIONS REPORT (24 MARCH to 20 JUNE 2017 Inclusive)

In the 58-day period under review the office generated an Advertising Value Equivalent (AVE) of R6, 477, 075.98, amounting to 204 media clips.

Broadcast:	R 2, 240, 723.61 (48 clips)
Online:	R 1, 504, 612.03 (94 clips)
Print:	R 2, 731, 740.34 (62 clips)

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

Publicity and Marketing output generated summary:

Press Releases	3
Electronic Mailers to database	3
Invitations	1

Increased visibility and awareness through social media platforms (Facebook, Twitter, Instagram) was generated by posting material – images, videos, press coverage and details about events from Joburg Ballet – plus sharing posts generated by organisations collaborating with the company, and by sponsors and other stakeholders.

Facebook:	9679 followers (up from 9167)
Twitter:	4906 followers (up from 4749)
Instagram:	2780 followers (up from 2473)

JOBURG BALLET SCHOOL INTERACTIONS

On the 28th February we met with the Department of Sport, Arts, Culture and Recreation and confirmed to collaborate with them for the Heritage event.

We had schools performances to celebrate the Youth Day on the 15th June at Orange Farm in partnership with the Department of Sport, Arts, Culture and Recreation.

Kabelo Modiga did the welcoming speech and Keke Chele and Thabo Matsebe a patriot from NYDA were programme directors. Kevin Hurter was managing sound and stage. Nozipho Mhlambi was the event coordinator together with Ashley Mabitsela and Castro Khubeka.

Officials from Department of Sport, Arts, Culture and Recreation:

- Matsepo Mphoso: Palestine Hub,
- Ashley Mabitsela: Assistant Director – Creative Arts,
- Itumeleng Molokoane: Monitoring and Evaluation,
- Nthabiseng Mokoteli: Intern – Creative Arts
- Lefa Makoloane: Communications
- Castro Khubeka: Cultural officer

Officials from Joburg Ballet:

- Kabelo Modiga – General Manager
- Edgar Moagi – Ticketing and Office Manager
- Lauren Slade – Ballet Mistress
- Kevin Hurter – Logistic Manager
- Emmanuel Madavha - Office Administrator and company Driver
- Nozipho Mhlambi – Schools Co-ordinator, PA to CEO and Artistic Director

Participating Schools:

- Madume Primary School – Panstula and Gumboots Dance
- Masibambane College (Primary) – Marimba and Dance
- Masibambane College (High) – Dance and Drama cancelled because of time
- Jabulile Secondary School – Musical drama and Tapkofifi dance
- Raphila secondary School – Kofifi dance
- Joburg Ballet School - Furaha

Masibambane brought 55 Grade 8 & 9 learners as part of their curriculum activities. We had 294 youth at the event which also included Joburg Ballet dancers.

Joburg Ballet's Programme for the Event:

- Summer Friends from La Traviata
- Gypsy Pas de Deux from La Traviata
- Dance of the Cygnets from Swan Lake
- Solo from Pas de Trois from Swan Lake
- Solo from Esmeralda
- Mob dance
- Surrender

We are looking forward to the Heritage Day event to be held on 28th September 2017, in partnership with GDE West District and Department of Sport, Arts, Culture and Recreation.



The Joburg Film Office partners with government agencies to promote the City as a viable local and international partner for film projects.

Marketing and Promoting the JFO and Joburg as a film destination

Newsroom

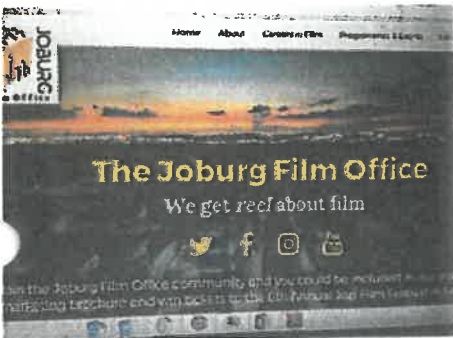
The JFO introduced itself to the Joburg Newsroom, presenting who and what the office does. The calendar of upcoming events was communicated and the Social media team was assigned to assist with articles and social media feeds. It is evident that a JFO resource will be needed to not only attend the meetings regularly, but to also handle marketing for the office to insure a consistent presence and interface with marketing.

International Strategy and Implementation plan for selling Joburg at international Markets

One of the film office's mandates was to market and promote Joburg at international markets as a film destination and to target "green light" projects to persuade to film in Joburg, just as Capetown does. The Office was set to attend specific industry trade shows where location marketing is a core focus (e.g. the American Film Locations Market, etc.). Toward this aim, experienced consultants were contracted to assist the office with identifying the most strategic markets for Joburg and to develop a "plan of attack" for each market.

Although the City has placed a moratorium on travel and the Film Office had to cancel all its intended trips to attract productions to the location, the strategy will serve to facilitate the office lobbying for attendance at these markets in future and having a canned action plan for each, as the markets occur on an annual basis.

Website



The JFO website is up and running and being updated. The service provider had to be changed due to a series of excuses regarding why the site could not be activated. However, the new provider activated the website within 2 working days.

This is a large step forward for the film office as the website has been set back several months. The next quarter will focus on developing the database of the local industry and the online permit process.

Location video completed and loaded

The marketing video for Joburg as locations was completed and loaded to the Joburg Film Office website. It is a ninety second insert in 4k Ultra HD and be used as a marketing tool for the city as a location. The video has been shared with the department of Economic Development. (See www.joburgfilmoffice.com)

Locations Database

The Film office is developing a database of 1000 locations which shall be loaded onto the website by end June. These include Joburg city properties, historical buildings, transportation hubs such as Park station, and a host of other location spaces. The database will help the city promote more of its own locations to increase permit revenues to benefit the City.

Joburg Talent Show Reels

A diverse group of Joburg actors, dancers, comedians, etc. were selected to demonstrate the vast array of talent that the City possesses. The Show reels are being loaded onto the Joburg Film Office website to help promote them and the Film Office as a contact point for all needs of the film industry. The individuals have been given a copy that they can use to market and promote themselves as well. Hopefully, the next Charlize Theron or Trevor Noah will emerge from this support.

We are hoping to secure further sponsors to continue these show reels as they present an opportunity and platform to showcase our local talent through electronic medium.

(Re)Imagine Joburg! Youth Video Campaign

In collaboration with the founder of Imagine SA (Lerato Motaung) and the founders of the Afro-Punk global movement, the JFO is in the process of developing a video campaign involving Joburg youth. The premise of the Campaign is for Joburg youth to reimagine their city and themselves with in it. Their goal is to reimagine the City to their ideal and to demonstrate their power to effectuate that change amongst their friends, family and/or community.

The Campaign will run from September to December culminating in a screening of the best youth videos at the Afro Punk Festival happening at Constitutional Hill on the 22nd of December.

Industry Stakeholder Collaboration

MOU with Gauteng Film Commission

A draft Cooperation agreement is being circulated between the Gauteng Film Commission and the Joburg Film Office (Joburg Theatre). It is anticipated that the document shall be signed by early July as the GFC has noted the terms as being reasonable and acceptable.

Sharing Cities Conference

The Head of the Joburg Film Office, while on leave, attended the Sharing Cities' Summit in Manhattan, New York. Therein contacts were made with Deputy Mayors (MMCs) and economic development units from across the world. Represented were 21 Cities from across the globe; namely: Amsterdam; Barcelona; Copenhagen; Singapore; Toronto; Los Angeles; New York; Washington DC; Chicago; Milan; Hong Kong, Seoul and I, on behalf of Johannesburg.

During the summit, site visits were coordinated to Google's offices in New York to visit Youtube and Black Girls CODE. Both visits proved particularly useful for the film office.

Youtube often creates studio labs in cities where they have high traffic Youtube users. These labs support young film makers with a following of 1000 to generate more content. They provide free scripting and production support for people with a following of 10,000 or more. They also share advertising revenue with the content providers since it is their voice and stories that generate demand for advertising. Youtube is very willing to share and strategise how to generate more traffic onto youtube channels in Joburg so that we can equally attract a Youtube Studio Space.

BlackGirls Code is a non-profit organisation that is supported by Google. It trains and supports young girls to develop applications for download or mobile use. These include games, practical applications or other apps. They have a branch in Johannesburg that the JFO will be meeting in July. Additionally, the New York office is run by a Zambian who is a naturalised American Citizen. She has a strong relationship with Google and Youtube, and is highly supportive of developing intercontinental initiatives that will facilitate the JFO's and Joburg's presence of mind in the US, African market and Google environment.

Anti-Sexual Harassment Strategy/Policy development with South African Women in Film (SWIFT) Advocacy Committee.

The Head of the Film Office - as a woman, professional, spouse, and mom - deems it critical to support organisations such as Sisters Working in Television and Film (SWIFT) who are stepping up to network more women into the industry as well as to change the industry paradigm to be more inclusive of the multiple roles that women play in life and the workplace. SWIFT is also on the forefront of advocating against sexual exclusion and harassment in the workplace.

The JFO supported SWIFTS industry harassment survey and will publish the results online once compiled. The JFO assisted to provide input into key strategic and policy formulation as well as the manner in which the city can facilitate lobbying for the pending policy to feature in the City's broader discussion about women as well as how requirements can be included in the permitting process to ensure a Safety Officer is on call for any issues of harassment that may occur during productions or on set.

Creative Industry Strategy with Gauteng Department of Economic Development

The JFO, has been providing input into the GDED creative industry strategy since 2016 before the office formed. The strategy aims to collectively address the needs of the overall industry, but JFO input focused on

the collaborations and outcomes that it would consider if the Province and the City could align itself better. It must be noted that the cooperation agreement with the GFC factors into this GCR initiative.



Audience Development

Movies Under the Moon

in partnership with Investong, the JFO hosted its first Movie night in the Park. The purpose of the project is to activate our City Parks as a spaces that encourage social cohesion; develop additional screening options for those who want a different movie experience. This concept differs from the township screening in that tickets are at a cost and the target market is middle to upper income. The movie screened was "Happiness is a 4 letter Word".

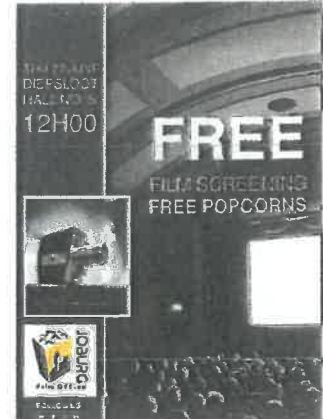




The JFO had to move the screening into June in order to meet the financial year end. It was originally planned for September once the weather got warmer. Despite the winter night, there were close to 500 people who came to the screening and cuddled up in the cold. A full report is pending from the Suppliers.

Free Film Screenings

JFO audience development township screenings continued with a second set of fourteen screening and introduction to careers in the film industry workshops around Joburg. The screenings occurred in Community Development Centres as well as other popular area centres for youth in Alex, Rabie Ridge, Finetown, Zandspruit, Cosmo City, Ivory Park, Diepsloot, Tshepisoong, Mofolo, Riverlea, Lenasia, and Kliptown.



Youth Month Expo at Nasrec

The Joburg Film Office co-partnered with the Gauteng Film Commission during the Youth Expo at NASREC from the 9th -18th of June 2017. In addition to being on exhibit to answer young people questions about the Film Office and the industry, we provided free daily moving screenings and workshops about the various career options in the film industry. The workshops were conducted by professionals in the industry who gave young people updated information on industry trends and opportunities. We have identified gap skill areas such as set building and design, make-up and wardrobe, as well as trends in visual effects, virtual reality and animation to ensure that young people realise that the industry has career opportunities above and beyond being a director, producer or part of the set crew.







Workshops were followed by 2 daily screenings of locally produced film so that young people can see South African stories, told and produced by South Africans. The following were screened: Kalushi by Mandla Dube, The Hangman and Sibusiso's handprint by Zwelethu Radebe, Love & Kwaito by Stephina Zwane and Uprize by Sifiso Khanyile. The Cinemas/workshops seated 200 young people and on average each day the venues were more than half full.

Skills development

Young Film makers Bootcamp – 1 minute film

Seasoned professionals walked young people through the process of creating a film – from concept pitching, budgeting, story and character development, production and editing and finally marketing and distribution. In essence, they learned how to take a concept to the screen. Participants concluded with developing a 1 minute story on film which, if of adequate production quality, will be submitted to the International 1 Minute Film Festival. If any of the film become finalist, this will be a phenomenal story to follow for Joburg and the participant.





Cine-prenuer Programme

The Cine-prenuer screening schedule is underway. 3 highly underserved townships have been identified. Lawley, Orange Farm and Diepsloot. The outcome of the programme as a pilot project shall be reported on by early July. The report is anticipated to address whether the cinepreneurs can help develop a culture of cinema watching as well as run small sustainable businesses within their communities. In this way, the City will not have to perpetually fund free and infrequent screenings but can support the development of community screens where the owners make money from regularly showing content.

International Workshop with Lina Srivastava

In collaboration with the US Consulate, the JFO hosted Impact strategy and Transmedia specialist Lina Srivastava. In response to the rapid rise of impact campaigns and a need for films that bring about meaningful change, she delivered a powerhouse session on how to transform creative communications into calls to action, and devise effective impact strategies to ensure that film reaches potential audiences. The session took filmmakers through the process of designing an effective, comprehensive campaign to increase the reach and impact of their films.



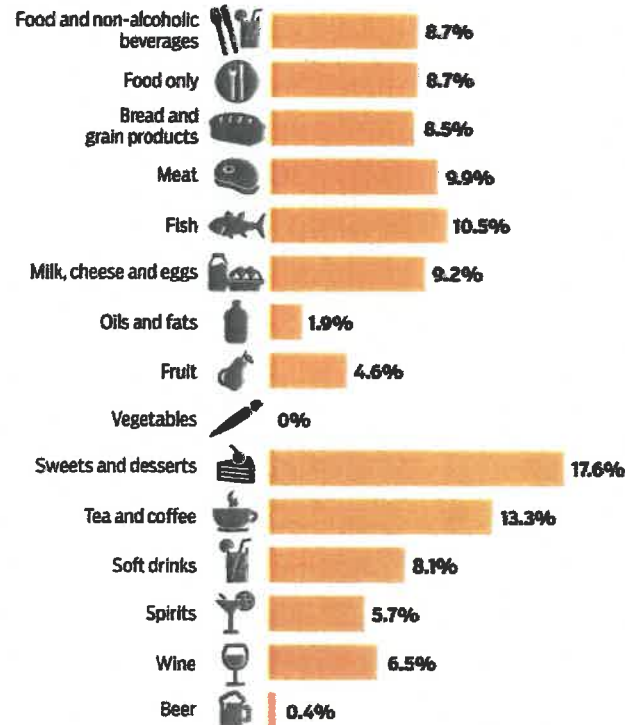


HOSPITALITY AND CATERING

The current ever increasing uncertainty in the tourism industry and the continued pricing pressure to the hospitality and catering department has unfortunately forced the department to increase a few prices especially in the banqueting sector of our business, On average the costs of produce has increased 8% year on year from March 2016 to March 2017. To assist in spurring consumer confidence in the stages brand we have taken steps to market the business to the surrounding areas through leaflet distribution, and responding to consumer demand for convenience and variety. Our current growth opportunities include free delivery and other off-premise catering options, we have also requested a new media campaign to reach new and returning guests.

Food price increases over one year

Increases in March 2017 compared to March 2016



Source: Stats SA

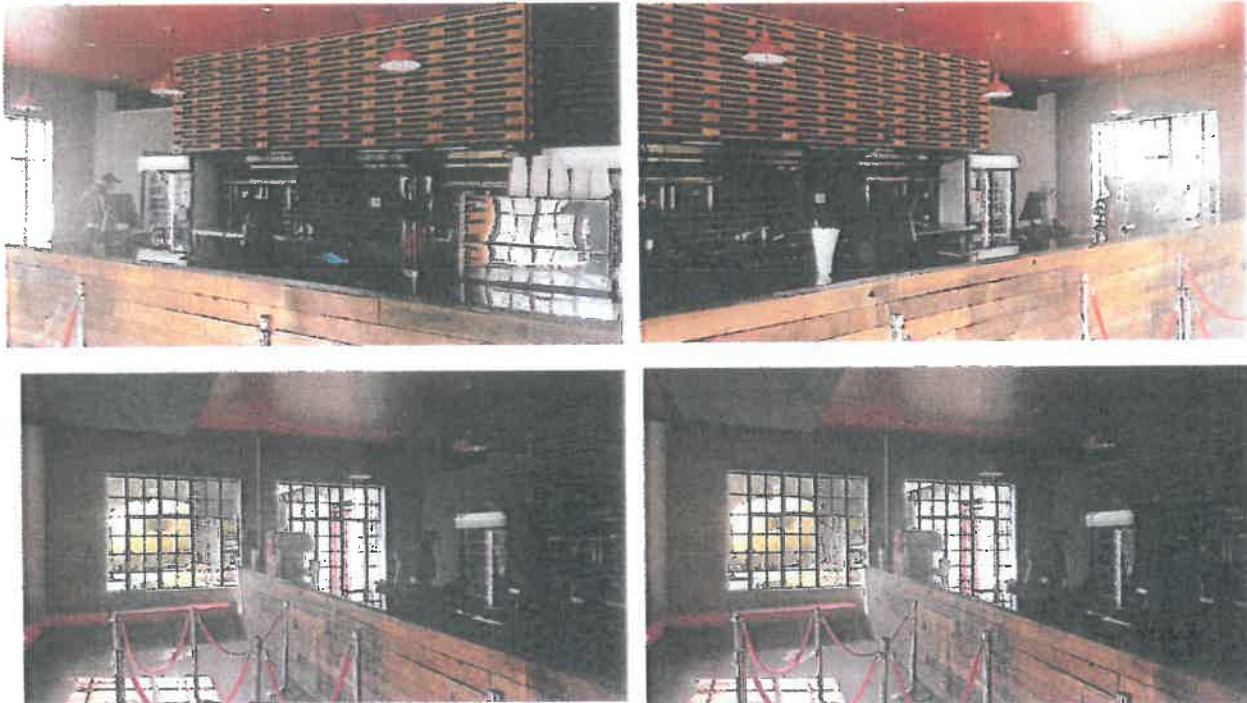
THEUNS KRUGER, Graphic24

We have fortunately increases our breakfast trade for the Fourth quarter in Stages Restaurant by aligning with strategic partners to accommodate them with pre ordered breakfast as well as delivery. As mentioned previously our discount specials are still well utilised well by the patrons and we will continue to manage this process.



Hospitality and catering visits for the fourth quarter remained constant from year-earlier levels. Currently the evening trade represents 38% of all visits to the restaurants.

One of the highlights for H&C was the successful opening of the JHB Zoo Stages Express, after many snags and headaches the doors to Stages Express were opened on the 7th May 2017. It has been a relative slow start but the business is starting to gain traction and we feel that the revenues should exponentially increase with the opening of Phase 2 which is currently in the process of development. In accordance with the contract signed with the Joburg Zoo, Stages Express was awarded the contract to provide all the hospitality and catering for the annual Mother's day music festival, unfortunately the attendance was low due to the cold front and rain that passed over the city.





As the hospitality business is subject to seasonal fluctuations and due to the decrease in temperature our business levels have slowed drastically however we have increased relationships with other stake holders and will increase our banqueting revenue over the next few months.

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

As of June 2016, Joburg City Theatres has its first customer satisfaction survey benchmark. The objectives of benchmarking are (1) to determine what and where improvements are called for, (2) to analyse how other organizations achieve their high performance levels, and (3) to use this information to improve performance.

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 / www.sowetotheatre.com / www.roodepoorttheatre.com. Customer satisfaction remains stable. Although there were several more complaints this quarter, there was a similar increase in compliments.

Joburg Theatre has also been rated quite dramatically on the travel website 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

JANUARY – MARCH 2017

CORE BUSINESS	SERVICE STANDARD	ACHIEVEMENT	PROGRESS / COMMENTS
<ul style="list-style-type: none"> Creation of theatres accessible to people living with disabilities 	<ul style="list-style-type: none"> 100% accessibility 	100%	<p>Joburg City Theatres continues to provide access to our patrons living with disabilities. There have been morning performances where the theatre has run out of sufficient disabled parking to cope with the public demand. Joburg Theatre is gaining a reputation as a theatre destination that is welcoming to, and accommodating of, disabled patrons.</p> <p>A recent Section 79 visit to the theatres asked for a report on disabled access to the various buildings. That report is shared in the evidence</p>
<ul style="list-style-type: none"> Customer satisfaction 	<ul style="list-style-type: none"> 90 - 100% satisfaction 	90%	<p>A customer satisfaction survey consistently runs across all 3 websites – www.joburgtheatre.com / www.sowetothetre.com / www.roodepoorttheatre.com . Customer satisfaction remains stable. Both complaints & compliments were considerably reduced this month.</p> <p>Joburg Theatre continues to be well rated www.tripadvisor.com. Joburg Theatre has 95 reviews: 45 excellent, 43 very good, 4 average, 2 poor and 1 terrible. The venue is still rated no1 for things to do in Braamfontein. TripAdvisor has awarded the theatre a 2017 Certificate of Excellence as an attraction that consistently earns great reviews from travellers.</p> <p>Soweto Theatre has 2 reviews on the site, while Roodepoort Theatre has not yet been rated by any travellers.</p>
<ul style="list-style-type: none"> Access to information 	<ul style="list-style-type: none"> JCT app must be developed 	100%	<p>The development of the JCT app was awarded to Aimweb. The app is currently in it's testing stage. The app will be rolled out to the public in Q1 of the new financial year.</p>
<ul style="list-style-type: none"> Query resolution 	<ul style="list-style-type: none"> Within 24 hours of logged call 	90%	<p>A Customer Services log book has been created in order to monitor complaints and compliments received by the theatre. 12 different areas of concern are monitored. All complaints and compliments are responded to, and issues arising addressed appropriately. Customers can expect a response within 24 hours, except over a Sunday or public holiday.</p>

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 Excellence	We will at all times render the quickest, responsive and best service to our customers. We will do so in a competent, timely, cost effective, efficient and professional manner. We will strive for enhanced levels of customer satisfaction and responsiveness, and diligently strive to meet and exceed our service standards.
UBUNTU (Care and concern for people)	We will do our work with care, empathy and concern for the well-being of our staff, our customers and our stakeholders. We will respect diversity, and will at all times display tolerance, respect and consideration for others.
Accountability	We will take ownership of our work and act with enthusiasm, passion, pride and commitment to our work. We will at all times take responsibility for our actions. We will act with integrity in transparent, ethical and honest manner.
Agility	We will seek to be flexible, adaptable and responsive to our highly competitive environment. We will value and promote creativity and innovation.

Section 4: Capital Projects & Expenditure

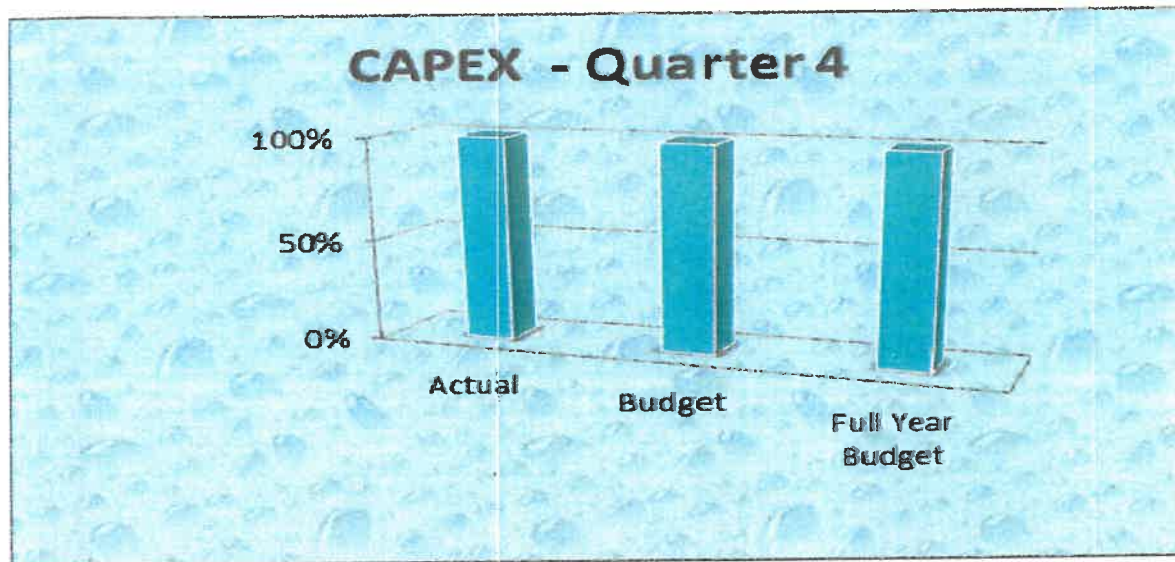
The diagram below better depicts the overall capital expenditure for the 2016/2017 financial year:

Capex expenditure budget for 2016/17 is R 6,813,000. JCT spent R 6,149,337.81 in quarter 4 which is at 99.46% as at 30 June 2017. It must also be noted that JCT accelerated 20% of the next financial year budget in the current year in line Section 31 of MFMA Act no. 56 of 2003.

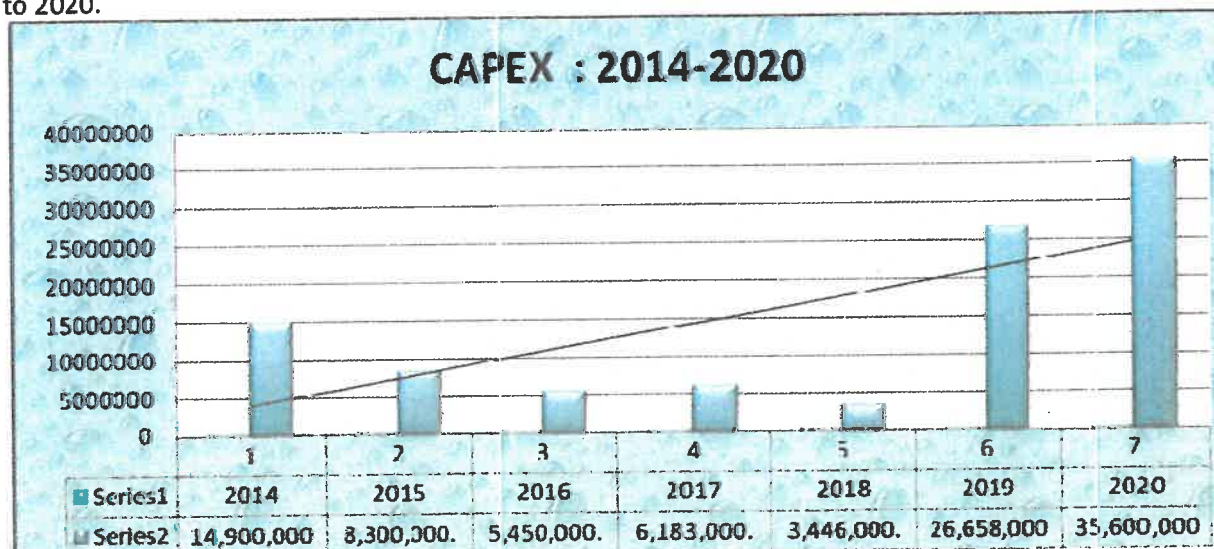
JOBURG CITY THEATRE'S 2016/17 CAPEX			
PROJECT	EXPENDITURE (VAT EXCL)	BUDGET AFTER ADJUSTMENT	AVAILABLE BALANCES
JOBURG THEATRE			
BUILDING RENOVATIONS	2 264 467.22	2 278 261.50	13 794.28
UPGRADE OF STAGE MACHINERY	697 570.41	700 000.00	2 429.59
UPGRADING OF TECHNICAL EQUIPMENT	748 765.85	750 000.00	1 234.15
INFORMATION TECHNOLOGY	146 331.80	150 000.00	3 668.20
TOTAL - JOBURG THEATRE	3 857 135.28	3 878 261.50	21 126.22
ROODEPOORT THEATRE			
BUILDING RENOVATIONS	299 884.19	300 000.00	115.81
UPGRADING OF TECHNICAL EQUIPMENT	715 070.26	720 000.00	4 929.74
TOTAL - ROODEPOORT	1 014 954.45	1 020 000.00	5 045.55
SOWETO THEATRE			
BUILDING RENOVATIONS	792 123.95	797 000.00	4 876.05
UPGRADING OF TECHNICAL EQUIPMENT	397 425.63	400 000.00	2 574.37
TOTAL- SOWETO	1 189 549.58	1 197 000.00	7 450.42
HOSPITALITY AND CATERING DEPARTMENT			
BUILDING RENOVATIONS	87 738.50	87 738.50	-
TOTAL HOSPITALITY AND CATERING	87 738.50	87 738.50	-
TOTAL CAPEX JCT 2016/17	6 149 377.81	6 183 000.00	33 622.19

99%

This diagram depicts the overall capital expenditure for the 2016/2017 financial year:



The diagram below better depicts the overall capital expenditure budget allocation pattern from the year 2014 to 2020.



JCT's budget capital expenditure allocations from COJ have been declining as reflected on the diagram above. 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, Hospitality and Catering department. The Capex projects included roof waterproofing of the Joburg Theatre building, the upgrade of the bars, the upgrade of the cooling towers, and the replacement of stage equipment including stage projectors and lighting 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 the world class of entertainment theatre venues.

Section 5: Performance against Institutional SDBIP

STRATEGIC OBJECTIVE 1:

INFORMAL ECONOMY, SMME AND ENTREPRENEURIAL SUPPORT

GDS: Outcome 4:

A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR

"9+1" Priorities:

- Financial sustainability and resilience
- SMME and entrepreneurial support (emphasis on skills for economy).
- Investment attraction, retention and expansion.

IDP 2015 Priority:

- Joz@work

IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	Reporting Period	2016/17 Performance Targets				Comment
							Q1 Jul - Sep 2016	Q2 Oct - Dec 2016	Q3 Jan - Mar 2017	Q4 Apr - Jun 2017	
Enterprise Development	Increased Entrepreneurial support of small businesses through procurement	Percentage of procurement spend on SMMEs quarterly against total procurement expenditure	Business Support to SMMEs	Financial statements Procurement reports	CFO	Quarterly	30% of procurement spend on SMMEs quarterly against total procurement expenditure 62%	30% of procurement spend on SMMEs quarterly against total procurement expenditure 74%	30% of procurement spend on SMMEs quarterly against total procurement expenditure 70%	30% of procurement spend on SMMEs quarterly against total procurement expenditure 66%	Target for Fourth Quarter was Achieved
	Increased Entrepreneurial support of small businesses through procurement	Percentage of procurement spend on BBBEE quarterly against total procurement expenditure	Business Support to BBBEEs	Financial statements Procurement reports	CFO	Quarterly	75% of procurement spend on BBBEE quarterly against total procurement expenditure 98%	75% of procurement spend on BBBEE quarterly against total procurement expenditure 106%	75% of procurement spend on BBBEE quarterly against total procurement expenditure 89%	75% of procurement spend on BBBEE quarterly against total procurement expenditure 96%	Target for Fourth Quarter was Achieved
	Increased Entrepreneurial support of small businesses through procurement	Percentage of procurement spend on Joz@Work quarterly against total procurement expenditure	Joz@Work Programmes	Financial statements Procurement reports	CFO	Quarterly	15% of procurement spend on Joz@Work, quarterly against total procurement expenditure 0%	15% of procurement spend on Joz@Work, quarterly against total procurement expenditure 27%	15% of procurement spend on Joz@Work, quarterly against total procurement expenditure 45%	15% of procurement spend on Joz@Work, quarterly against total procurement expenditure 33%	Target for Fourth Quarter was Achieved
City wide job creation programme	Number of Joz@Work Job opportunities created	Joz@Work Programmes	EPWP database	CFO	Quarterly	57 Joz@Work Job opportunities created 0 Jobs created	57 Joz@Work Job opportunities created 68 Jobs created	57 Joz@Work Job opportunities created 70 Jobs created	57 Joz@Work Job opportunities created 70 Jobs created	Target for Fourth Quarter was Achieved	

STRATEGIC OBJECTIVE 1:

INFORMAL ECONOMY, SMME AND ENTREPRENEURIAL SUPPORT

GDS: Outcome 4:

A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GOR

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- SMME and entrepreneurial support (emphasis on skills for economy).
- Investment attraction, retention and expansion.

IDP 2015 Priority:

- Jozi@work

IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	2016/17 Performance Targets				Comment	
						Reporting Period	Q1	Q2	Q3		Q4
City wide job creation programme		Number of EPWP Job opportunities created	Creation of work opportunities using the EPWP Incentive Grant	EPWP database	CFO	Quarterly	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2017	Apr - Jun 2017	Target for Fourth Quarter was Achieved
							1 of EPWP Job opportunities created 13 of EPWP Job opportunities created	1 of EPWP Job opportunities created 13 of EPWP Job opportunities created	1 of EPWP Job opportunities created 13 of EPWP Job opportunities created	1 of EPWP Job opportunities created 13 of EPWP Job opportunities created	

STRATEGIC OBJECTIVE 6:

FINANCIAL SUSTAINABILITY

GDS: Outcome 1:

Improved quality of life and development-driven resilience for all

"9+1" Priorities:

- Active and engaged citizenry
- Investment attraction, retention and expansion.

IDP 2015 Priority:

Roof – Communication and development approach

IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	Reporting Period	2016/17 Performance Targets				Comment
							Q1	Q2	Q3	Q4	
Financial Sustainability	Improved and Sound Financial Management	Proportion of earned income against total revenue including subsidy	Revenue Generated	Financial statements Income reports	CFO	Quarterly	Jul - Sep 2016	Oct - Dec 2016	Jan - Mar 2017	Apr - Jun 2017	Target for Fourth Quarter was Achieved
							38% / 64% Earned revenue R15,068m Total revenue R 42,356m Actual 49%/50% Earned revenue R21,215m Total revenue R42,733m	45% / 55% Earned revenue R38,546m Total revenue R 85,657m Actual 49%/51% Earned revenue R41,243m Total revenue R84,279m	38% / 64% Earned revenue R43,546m Total revenue R 120,961m Actual 41%/59% Earned revenue R48,908m Total revenue R72,554m	38% / 65% Earned revenue R52,747m Total revenue R139,819m Actual 41%/59% Earned Revenue R67,785m Total revenue R161,861	

STRATEGIC OBJECTIVE 9: ACTIVE AND ENGAGED CITIZENRY		2016/17 Performance Targets				Comment				
IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting					
Active and engaged citizenry	Improvement Service Standards turnaround time	% achievement Service Level Standards	Service Standards turnaround time improvement ¹	Service Level Standards Report	Customer services manager	Q1 Jul - Sep 2016 90% achievement Service Level Standards 92%	Q2 Oct - Dec 2016 90% achievement Service Level Standards 92%	Q3 Jan - Mar 2017 90% achievement Service Level Standards 96%	Q4 Apr - Jun 2017 90% achievement Service Level Standards 97%	Target for Fourth Quarter was Achieved
	Improved perceptions of JCT	Number of monthly media monitoring reports	Monitoring perceptions and media reporting	Monthly media monitoring reports	Executive Marketing Manager	3 media monitoring reports 3 Media reports	6 media monitoring reports 6 Media reports	9 media monitoring reports 9 Media reports	12 media monitoring reports 12 Media reports	Target for Fourth Quarter was Achieved
	Improved stakeholder mobilisation	Number of strategic partnerships created	Partnerships/Coalitions productions/programmes/events	Signed MoA / MoU / Contract	Executive Producer	4 strategic partnerships created 4 Strategic partnerships created	10 strategic partnerships created 11 Strategic partnerships created	13 strategic partnerships created 15 Strategic partnerships created	18 strategic partnerships created 21 Strategic partnerships created	Target for Fourth Quarter was Achieved
	Promote art education	Number of Youths attending music tuition programme per annum (non-cumulative)	Youth development in the art sphere	Attendance registers Tutor reports on programme content Programme summary	Executive Producer, Artistic Manager	150 Youths attending music tuition programme per annum 150 Youth Attended	150 Youths attending music tuition programme per annum 150 Youth Attended	200 Youths attending music tuition programme per annum 200 Youth Attended	200 Youths attending music tuition programme per annum 200 Youth Attended	Target for Fourth Quarter was Achieved

GDS: Outcome 1:
Improved quality of life and development-driven resilience for all
"9+1" Priorities:

- Active and engaged citizenry
- Investment attraction, retention and expansion.

 IDP 2015 Priority:
 Roof – Communication and development approach

CORE BUSINESS	SERVICE STANDARD
Creation of theatres accessible to people living with disabilities	100% Accessibility
Customer Satisfaction	90 – 100% Satisfaction
Access to Information	JCT App must be developed Within 24 hours of logged call
Query resolution	Ensure all shows start on time
Prompt Start times	98 – 100% showing of scheduled productions
Cancellation of Production	100% compliance to health and safety legislation
Safety of patrons	

	Promote art education	Number of Youths attending drama tuition programme per annum (non-cumulative)	Youth development in the art sphere	Attendance registers Tutor reports on programme content Programme summary	Executive Producer, Artistic Manager	Quarterly	200 Youths attending drama tuition programme per annum 200 Youth Attended	200 Youths attending drama tuition programme per annum 200 Youth Attended	250 Youths attending drama tuition programme per annum 250 Youth Attended	250 Youths attending drama tuition programme per annum 250 Youth Attended	Target for Fourth Quarter was Achieved
Active and engaged citizenry	Promote positive social contact and awareness of National Special Days utilising platforms	Number of annual National / Special Day's celebrated with targeted programming/ productions?	8 National / Special Days celebrated annually with targeted programmes	Annual schedule Marketing Material Show reports	Executive Producer	Quarterly	3 annual National / Special Day's celebrated with targeted programming/ productions 3 National days celebrated	4 annual National / Special Day's celebrated with targeted programming/ productions 4 National days celebrated	5 annual National / Special Day's celebrated with targeted programming/ productions 5 National days celebrated	8 annual National / Special Day's celebrated with targeted programming/ productions 8 National days celebrated	Target for Fourth Quarter was Achieved
	Improved Audience Development and accessibility to venues	Number of Arts and Culture festivals held/in-house productions held	To make venues more accessible	Contracts Marketing Material Show reports	Executive Producer	Quarterly	4 Arts and Culture festivals held/in-house productions held 4	9 Arts and Culture festivals held/in-house productions held 9	12 Arts and Culture festivals held/in-house productions held 12	15 Arts and Culture festivals held/in-house productions held 15	Target for Fourth Quarter was Achieved
	Improved Audience Development and accessibility to venues	Number of discounted tickets issued to school learners	Affordable tickets, Public access to theatres	Ticket reports	COO	Quarterly	8 500 discounted tickets issued to school learners 8 523	20 000 discounted tickets issued to school learners 23 331	25 000 discounted tickets issued to school learners 33 808	30 000 discounted tickets issued to school learners 40 183	Target for Fourth Quarter was Achieved
	Improved Audience Development and accessibility to venues	Number of free tickets issued to disadvantaged communities	Public access to theatres	Ticket reports	COO	Quarterly	2 000 free tickets issued to disadvantaged communities 2 002	5 500 of free tickets issued to disadvantaged communities 7 576	7 500 free tickets issued to disadvantaged communities 9 583	10 000 free tickets issued to disadvantaged communities 12 085	Target for Fourth Quarter was Achieved
	Improved Audience Development and accessibility to venues	Number of discounted tickets issued to senior citizens	Affordable tickets, Public access to theatres	Ticket reports	COO	Quarterly	2 000 discounted tickets issued to senior citizens 2 011	3 000 discounted tickets issued to senior citizens 3 188	3 500 discounted tickets issued to senior citizens 6 002	4 5000 discounted tickets issued to senior citizens 7 233	Target for Fourth Quarter was Achieved

2

QUARTER	NATIONAL DAYS
Quarter 1	Mandela Day, Women's Day, Heritage Day
Quarter 2	New Year's Day
Quarter 3	Take a child to theatre day
Quarter 4	Freedom Day, Youth Day and Africa Day

STRATEGIC OBJECTIVE 10: REPOSITIONING JOBURG IN THE GLOBAL ARENA		2016/17 Performance Targets							Comment	
IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	Q1 Jul - Sep 2016	Q2 Oct - Dec 2016	Q3 Jan - Mar 2017		Q4 Apr - Jun 2017
Funding has not been allocated.	Image building of the COJ by Joburg Ballet	Number of Ballet seasons at JCT	Transformed programmes and audience	Quarterly Report Contracts and marketing material	Executive Producer	2 Ballet seasons at JCT 2 Ballet Seasons	4 Ballet seasons at JCT 5 Ballet Seasons	5 Ballet seasons at JCT 6 Ballet Seasons	6 Ballet seasons at JCT 7 Ballet Seasons	Target for Fourth Quarter was Achieved
	Improved access to resources for aspiring young filmmakers to the tools of filmmaking	Number of Joburg Film Festivals & Film Months	Entrepreneurial development within Film/media sector	Quarterly Report Contracts and marketing material	Executive Producer	1 Joburg Film Festival & Film Month	1 Joburg Film Festival & Film Month -			Target for Fourth Quarter was Achieved
	Improved access to resources for aspiring young filmmakers to the tools of filmmaking	Number of Philharmonic Orchestra seasons at JCT	Transformed programmes and audience	Quarterly Report Contracts and marketing material	Executive Producer	1 Philharmonic Orchestra seasons at JCT	2 Philharmonic Orchestra seasons at JCT	3 Philharmonic Orchestra seasons at JCT	4 Philharmonic Orchestra seasons at JCT	Target was not measured No budget allocation for this project Mid-year deviation to remove KPI was not approved.

GDS: Outcome 4:
A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR

"9+1" Priorities:

- Financial sustainability and resilience
- SMME and entrepreneurial support (emphasis on skills for economy).
- Smart city.
- Investment attraction, retention and expansion.

IDP 2015 Priority:

- Foundation – Good governance and sound management
- Jozi@work

**STRATEGIC OBJECTIVE 11:
GOVERNANCE**

GDS: Outcome 4:
A high performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive GCR

"9x1" Priorities:

- Financial sustainability and resilience

IDP 2015 Priority:

- Foundation – Good governance and sound management

2016/17 Performance Targets											
IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	Reporting Period	Q1 Jul - Sep 2016	Q2 Oct - Dec 2016	Q3 Jan - Mar 2017	Q4 Apr - Jun 2017	Comments
To improve governance profile of the City	Good Governance	Unqualified audit opinion	Internal control improvement process Audit mitigation initiatives	External Audit opinion and report Annual financial statement	CFO	Annually	Unqualified audit opinion	Unqualified Report with no findings achieved			JCT attained a Clean Audit Opinion for 2015/16 financial year, Target was Achieved
	Good Governance	% of predetermined objectives achieved	Strategy improvement plans	To improve organisation performance	CFO	Annually	85% of predetermined objectives achieved	100% of predetermined objectives achieved			JCT attained a Clean Audit Opinion on Predetermined Objectives for 2015/16 financial year, Target was Achieved
Improved Lawful and ethical conduct in the workplace	Improved Lawful and ethical conduct in the workplace	% of financial losses recovered by the JCT from proven incidents	Lawful and ethical conduct in the workplace		CFO	Quarterly	50% of financial losses recovered by the City from proven incidents	50% of financial losses recovered by the JCT from proven incidents	50% of financial losses recovered by the City from proven incidents	50% of financial losses recovered by the City from proven incidents	Target for Fourth Quarter was Achieved No Financial losses
	Improved Lawful and ethical conduct in the workplace	% reduction in employee misconduct	Lawful and ethical conduct in the workplace		CFO	Quarterly	No Financial losses Employee misconduct drop by 60%	No Financial losses Employee misconduct drop by 60%	No Financial losses Employee misconduct drop by 60%	No Financial losses Employee misconduct drop by 60%	Target for Fourth Quarter was Achieved No misconduct reported
To reduce the levels of corruption in the City	Improved access to resources for aspiring young filmmakers to the tools of filmmaking	% delivery on reported cases of corruption	Recovery of financial resources and embedding ethics programme	Quarterly Report Contracts and marketing material	CFO	Quarterly	100% delivery on reported cases of corruption No cases of corruption reported	100% delivery on reported cases of corruption No cases of corruption reported	100% delivery on reported cases of corruption No cases of corruption reported	100% delivery on reported cases of corruption No cases of corruption reported	Target for Fourth Quarter was Achieved No cases of corruption reported
	Improved productivity in the workplace	Productivity	% achievement of performance index	Performance Management System	COO	Quarterly	85% improvement of productivity levels	85% improvement of productivity levels	85% improvement of productivity levels	85% improvement of productivity levels	Target was not measured No budget allocation for this project Mid-year deviation to remove KPI was not approved.

Summary

Quarterly KPIs	20
Annual KPIs	03
KPIs with no budget	02
Total number of KPIs	25
Number of KPIs Achieved	23
Number of KPIs Not Achieved	02
Total achieved constitutes	92%

3 KPIs were achieved during the second quarter
2 KPIs are not measured as their implementation depended on the budget allocation as indicated in the approved 2016/17 Business Plan.
With the exclusion of the 2 KPIs, the achievement is sitting at 100%.

Section 6: 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.

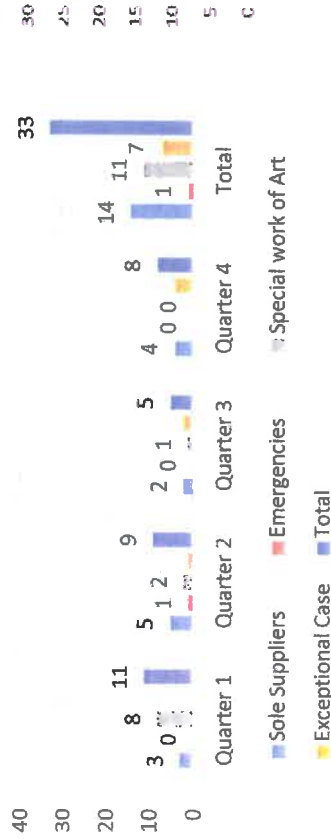
The Bid Adjudication Committees were established in terms of the provisions of Local Government Municipal Finance Management Act (MFMA). This Committee consist of officials with delegated authority to recommend bids in accordance with their terms of reference. The Bid Adjudication Committee considers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

PROCUREMENT FROM RELATED PARTIES

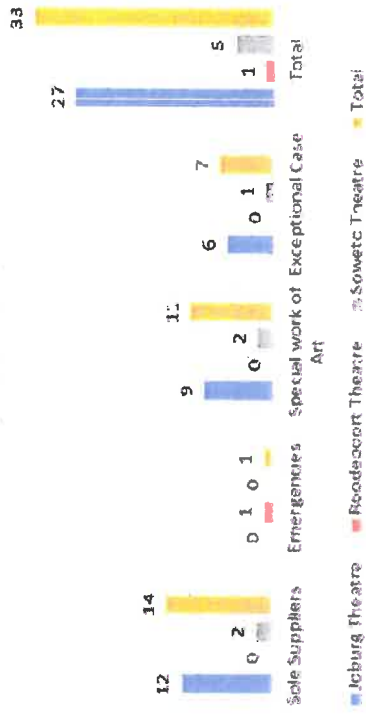
During the period under review, there were no payments processed on procurement from related parties.

Below is the summary of SCM Report

Analysis of deviation by quarter



Analysis of deviations by theatre



Category	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Sole Suppliers	3	5	2	4	14
Emergencies	0	1	0	0	1
Special work of Art	8	2	1	0	11
Exceptional Case	0	1	2	4	7
Total	11	9	5	8	33

Category	Joburg Theatre	Roodepoort Theatre	Soweto Theatre	Total
Sole Suppliers	12	0	2	14
Emergencies	0	1	0	1
Special work of Art	9	0	2	11
Exceptional Case	6	0	1	7
Total	27	1	5	33

Joburg City Theatres had a total of 8 deviations for the 4th Quarter of 2016/2017 financial year. Of these, 04 deviations were used as sole suppliers accounting for 50%. Exceptional cases where it was impractical to follow the normal Supply Chain Management Processes accounted for 04 deviations which is 50%.

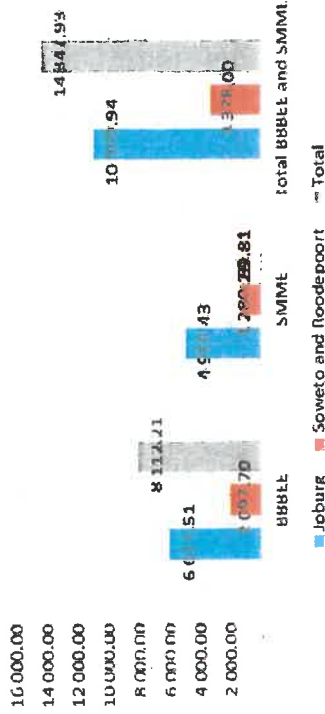
Tenders and RFQs AWARDED AND THE CONTRIBUTION TO BBBEE AND SMMEs

Joburg City Theatres awarded RFQs and tenders amounting to R5 418 380.00m 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 96% which is 21% better than the scorecard target while spend on SMMEs averages at 66.05% and this is 36.05% 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. With this expenditure a total of 157 BBBEE companies were supported, 123 were SMMEs, 27 were Black Women owned and 20 were youth owned.

Analysis of BBBEE and SMME Spend by Percentage



Analysis of BBBEE and SMME Spend



Theatres	% BBBEE	% SMME	Women	Youth
Joburg	70%	58%	20.30%	5.79%
Soweto & Roodepoort	121%	74%	74.24%	18.16%
Joburg City Theatres	96%	66%	47.27%	12%

DEVIATION FROM SCM POLICY FOR THE 4TH QUARTER ENDING 30 JUNE 2017

- 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 Quarter 4 of the 2016/17 financial year Joburg City Theatres had a total of 8 deviations, reported to the Board of Directors. The total value of the deviations during Quarter 4 is R 2 329 451.00 but does not necessarily mean that the total amount has been spent.
- 7.4 The deviation for Joburg City Theatres for Quarter 1 are as follows:

DEVIATION FROM SCM POLICY FOR THE QUARTER ENDING 31 MARCH 2017

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. 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. During Quarter 3 of the 2016/17 financial year Joburg City Theatres had a total of 5 deviations, reported to the Board of Directors. The total value of the deviations during Quarter 3 is **R 836 052.40** but does not necessarily mean that the total amount has been spent.

The deviation for Joburg City Theatres for Quarter three are as follows:

<u>CATEGORY: EXCEPTIONAL CASE</u>			
<u>JOBURG THEATRE</u>			
<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Joburg Film Office in world of Locations magazine	R 78 816.18	12 April 2017	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 20(2)(a) of the company's Supply Chain Management Regulations , and Section 20(2)(a)(i) of the policy approves the dispensing with the normal procurement processes in respect of advertising the Joburg Film Office and the city of Joburg in the Location International 2017 magazine.
Procurement of professional services for visiting international productions and co-productions at Joburg Theatre	R 120 000.00 Per Production	01 April 2017	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 20(2)(a) of the company's Supply Chain Management Regulations , and Section 20(2)(a)(i) of the policy approves the dispensing with the normal procurement processes in respect of fees payable

Africa Month Celebrations 2017	R1 095 540.00	25 May 2017	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 in respect of artist fees, producers fees and other contractual requirements of the artists for the Africa Month Celebrations which will be managed by Joburg City Theatres.
Joburg Film Office in world of locations magazine	R 78 816.18	12 April 2017	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 20(2)(a) of the company's Supply Chain Management Regulations , and Section 20(2)(a)(i) of the policy approves the dispensing with the normal procurement processes in respect of advertising the Joburg Film Office and the city of Joburg in the Location International 2017 magazine.

CATEGORY: SOLE SUPPLIER

JOBURG THEATRE

<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Payment of SABC TV Licences	R12 000.00	10 May 2017	Regulation 36 (1) (a) of the Supply Chain Management regulations makes provision for the accounting officer to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process: (ii) if such goods or services are produced or available from a single / sole provider as contemplated in paragraph 16.5 of the Supply Chain Management Policy.
Procurement of emergency towing of the mobile theatre truck	R6 566.40	18 May 2017	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)(i) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes in respect of emergency towing of the Mobile Theatre Truck.
Renewal of Licenses for Electronic Operating Systems and Miscellaneous Licenses	R 800 000.00	08 June 2017	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.
Slo Jo Products	R16 528.65	23 June 2017	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 20(2) (a) of the Policy, approves the dispensing with the normal procurement processes in respect of Slo Jo Products.

SOLE SUPPLIERS – HOSPITALITY AND CATERING FOR THE PERIOD APR TO JUNE 2017

Description	Value of the Project (Inc Vat)	Reasons
Slo Jo - Supply of Slo Jo syrups and powders -Joburg City Theatres	R16 528.65	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.
Slush Puppy	R36 616.23	Slush Puppy is the Sole Supplier of the Slush Puppy Syrups. Sole supplier letter has been received.
The Flavor Lab	R23 620.23	The Flavour Lab sells a unique blend of sauces and spices. There products are used in the recipes of Stage restaurant. Sole supplier letter has been received.
Ola Cool Runners	R22 631.71	Ola ice cream is the sole supplier of resale Ola products. Ola Sells the exclusive selling rights of their products to associate companies. Sole Supplier letter has been received.

BIDS (Tender) ADVERTISED

During the period of July 2016 – December 2016 the following tenders was advertised.

Department	Contract No.	Description	Contracted Service Provider(s)	Period	BBBEE LEVEL	Reasons	Value of the project (Inc Vat)
Building and Security	00086/17	Security Services at Joburg Theatre	Eldna Security Services	12 months	Level 1	Evaluated in accordance with the PPPFA and Regulations	R504 000.00 per annum
Building and Security	00087/17	Supply, Delivery And Installation of Building Signage	Jifa Signs (Pty) Ltd	12 months	Level 1	Evaluated in accordance with the PPPFA and Regulations	R794 903.76 per annum
Customer Services	00088/17	IT CONSULTANTS	Praxis Computing (Pty) Ltd.	12 months	Level 1	Evaluated in accordance with the PPPFA and Regulations	R109 440.00 retainer fee per annum (R800 per hour for additional hours over retainer)

REQUEST FOR QUOTATIONS

Department	Contract No.	Description	Contracted Service Provider	Period	BBBE LEVEL	Reasons	Value of the project (Vat Inc)
Film Office	00449/17	The JFO requires a service provider for audience development screenings	Motheo wa Maungo	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 198 500.00
Film Office	00450/17	Service provider to provide a project manager for the implementation of film incubators and internships	Untold Media (Pty) Ltd	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 182 856.00
Film Office	00451/17	The JFO requires a service provider to manage and develop content for the JFO website	Aimweb Global Web Solution (Pty) Ltd	12 Months	4	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Film Office	00452/17	Supply of high end branding and promotional material for Joburg film office	GSO Technologies (Pty) Ltd	12 Months	1	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Film Office	00453/17	Service provider required to screen outdoor movies in coj owned venues	Motheo wa Maungo	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 199 600.00
Film Office	00455/17	Service provider to create a locations database of PHOTOGRAPHIC images of the seven regions of Joburg	Untold Media (Pty) Ltd	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 197 790.00

Film Office	00458/17	The JFO requires a service provider to facilitate workshops	Work IT Solution	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 197 633.75
Hospitality And Catering	00462/17	Supply & Delivery Of Breads & Rolls	Milexi Food Industries CC T/A La Concorde Bakery	12 Months	2	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Hospitality And Catering	00463/17	Supply & Delivery Of Pastries	Milexi Food Industries CC T/A La Concorde Bakery	12 Months	2	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Customer Service Department	00464/17	Supply & Maintenance Of Water Coolers Bottles/Dispensers	Aquazania (Pty) Ltd	12 Months	2	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Governance Department	00465/17	Body Stress Release	JH Holman	12 Months	4	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Stage Department	00466/17	Supply & Delivery Of Wireless Body Pack Transmitter/Receiver System	Sennheiser Electronic (SA) (Pty) Ltd	Once Off	2	Evaluated in accordance with the PPPFA and Regulations	R 66 133.68
Hospitality & Catering	00473/17	Supply And Installation Of Warewashing Green & Clean Hood Type Dishwasher	Muz Creations (Pty) Ltd t/a OMNI AFRICA	Once off	1	Evaluated in accordance with the PPPFA and Regulations	R 52 953.00
Building And Security	00474/17	Supply and installation of tiling for the penthouse	Puledi Construction	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 74 340.00
Hospitality & Catering	00475/17	Supply and delivery of under bar fridges	Fanel Caterware Supplies (Pty) Ltd	Once Off	2	Evaluated in accordance with the PPPFA and Regulations	R 114 684.00
Soweto Theatre	00476/17	Sound proofing of theatre doors	Sanlic House of Locks	Once off	0	Evaluated in accordance with the PPPFA and Regulations	R 111 588.00
Hospitality & Catering	00477/17	Hiring of décor equipment	Event Equip Hiring & Distribution (Pty)	12 Months	2	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00

Hospitality & Catering	00482/17	Supply and delivery of stationery	Ltd DSM Kgasi Engineering (Pty) Ltd	12 Months	1	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Hospitality & Catering	00484/17	Hiring of banqueting equipment	Pink Party Function Hire CC	12 Months	4	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Hospitality & Catering	00485/17	Supply & delivery of bottled water	Siyabonga Consulting & Training	12 Months	1	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Hospitality & Catering	00486/17	Supply and delivery of fresh juice	Sir Fruit (Pty) Ltd	12 Months	7	Evaluated in accordance with the PPPFA and Regulations	R 200 000.00
Hospitality & Catering	00488/17	Supply and delivery of corporate gifts/stationery	QKT Agencies (Pty) Ltd	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 199 420.20
Customer Services	00489/17	Server memory upgrade	Muz Creations (Pty) Ltd t/a OMNI AFRICA	Once Off	1	Evaluated in accordance with the PPPFA and Regulations	R 30 916.80

SPENT REPORT

The percentage of BBBEE and SMME companies respectively, supported during the 4th quarter are as follow:

JOBURG THEATRE						
TOTAL SPEND	BBBEE CONTRIBUTORS	NON COMPLIANT CONTRIBUTORS	SMME CONTRIBUTIONS	WOMEN CONTRIBUTION	YOUTH CONTRIBUTION	
R 8 563 990.40	R 6 014 506.50	R 2 549 483.90	R 4 955 430.62	R 1 738 404.83	R 496 068.04	
150 Suppliers	134 suppliers	16 suppliers	103 suppliers	24 suppliers	13 suppliers	
	70.23%	42.39%	57.86%	20.30%	5.79%	
ROODEPOORT & SOWETO THEATRE						
TOTAL SPEND	BBBEE CONTRIBUTORS	NON COMPLIANT CONTRIBUTORS	SMME CONTRIBUTIONS	WOMEN CONTRIBUTION	YOUTH CONTRIBUTION	
R 1 724 440.12	R 2 097 702.64	(R 355262.52)	R 1 280 293.86	R 1 280 293.86	R 313 111.00	
50 suppliers	46 suppliers	4 suppliers	36 suppliers	8 suppliers	9 suppliers	
	121%	-20.60%	74.24%	74.24%	18.16%	
JOBURG CITY THEATRES						
TOTAL SPEND	BBBEE CONTRIBUTORS	NON COMPLIANT CONTRIBUTORS	SMME CONTRIBUTIONS	WOMEN CONTRIBUTION	YOUTH CONTRIBUTION	
R 10 288 430.52	R 8094209.13	R 2194221.39	R 6 235724.48	R 3 018 698.69	R 809179.04	
*175 suppliers	*157 suppliers	*18 suppliers	*123 suppliers	*27 suppliers	*20 suppliers	
	96%	4.58%	66.05%	47.27%	11.9%	

*Suppliers used by all theatres are counted once to avoid double counting.

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

Name of Department	Amounts owed	Account Status	Comments
N/A	0	N/A	N/A

Section 7: 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	R2 779 679.71	Based on the debtors age analysis, 88% is sitting under current; 6% is sitting under 30 days and 6% is sitting over 60 days.	100% of this balance is coming from the COJ departments and COJ entities. Management does not expect write off from these departments and therefore no provision for doubtful debts has been processed on the financial statements.
Department of arts and culture	R100,000	The invoice amount was R1m and to date the department of Arts and Culture has paid R900 000. The outstanding balance of R100 000 is payable on receipt of a close out report on the event. Therefore the amount is still current.	This was sponsorship for the Africa Day celebration.
City of Johannesburg	R2 779 679.71	Based on the debtors age analysis, 88% is sitting under current; 6% is sitting under 30 days and 6% is sitting over 60 days.	100% of this balance is coming from the COJ departments and COJ entities. Management does not expect write off from these departments and therefore no provision for doubtful debts has been processed on the financial statements.

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	R170,172	The account is sitting under current on the creditors age analysis.	The balance relates to the utilities i.e. (water/sewer and waste removal) and payable in the following month (July 2017)

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 year ended 30 June 2017

Notes to the Financial Statements

	2017	2016
17. EMPLOYEE RELATED COSTS		
Salaries and Wages	54,605,593	43,982,594
Employee costs included in other expenses	1,030,826	811,834
	55,642,519	44,794,428
Chief Executive Officer		
Annual Remuneration	1,558,224	1,470,022
Performance Bonuses	223,175	200,824
Contributions to UIF, Medical and Pension Funds	447,252	315,875
Other	64,925	61,250
	2,303,576	2,047,771
Chief Operating Officer		
Annual Remuneration	1,088,832	1,027,200
Performance Bonuses	162,834	139,104
Contributions to UIF, Medical and Pension Funds	315,403	218,950
Other	45,368	42,800
	1,612,537	1,427,454
Chief Financial Officer		
Annual Remuneration	1,244,672	1,167,018
Performance bonus	200,274	170,882
Contributions to UIF, Medical and Pension Funds	330,826	182,479
Other	55,764	52,606
	1,831,536	1,553,087
Executive Producer - current		
Annual Remuneration	954,000	760,000
Performance Bonuses	84,975	69,317
Contributions to UIF, Medical and Pension Funds	256,415	181,987
Other	-	37,500
	1,295,390	1,008,804
Company Secretary		
Annual Remuneration	935,001	-
Contributions to UIF, Medical and Pension Funds	12,958	-
Other	38,958	-
	986,917	-

The company appointed the Company Secretary in July 2015.

Section 3: Key Vacancies

All critical vacancies are filled.

The current approved structure has **162** positions, out of which **145** have been filled and **17** positions are vacant. A detailed analysis has been provided in the table below:

Table 1: Detailed analysis on occupancy and vacancy report as at 30 June 2017

Department	Approved Positions	Occupied Positions	Vacant Positions	Temporary Staff	Interns / Learners
Governance	6	6	0	0	1
Human Resources	3	3	0	0	1
Stage	28	26	2	0	1
Finance and SCM	13	13	0	0	2
Building and Security	30	30	0	0	0
Customer Services	11	11	0	28	3
Client Services (Programming)	9	7	2	0	2
Catering and Hospitality	31	19	12	97	7
Soweto Theatre	17	17	0	13	4
Roodepoort Theatre	14	13	1	11	1
Total	162	145	17	149	22
Vacancy Occupancy %		90%	10%		

JCT is operating at **90%** occupancy rate against the approved staff establishment with the remaining **10%** recorded as vacancy rate. In addition to the above staffing, **14%** of human capacity resource comprises of Interns / Learners which are placed within various departments.

As at 30 June 2017, JCT has 283 employees. The workforce profile is presented as follows: 145 of staff are permanent employees and 138 are temporary fixed term employees. Temporary employees are divided into ushers and Hospitality and Catering employees. As of 30 June 2017, the total number of ushers across the three theatres was 52 as reflected in the above table. Ushers are ad hocs who are not full time employees. They are contracted and required to work and/or called per show. They are paid an hourly rate.

The second largest group of temporary employees are found in the Hospitality and Catering department. The total number stands at 87 as of 30th June. This group of employees consist of waitress, 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 fluctuations 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 but for the employees. Their fixed term contracts are based on their current valid work permits.

The number of temporary employees fluctuate on monthly basis due to the nature of the business and they are hourly paid.

The table below summarises the recruitment activities and progress towards filing of vacant positions.

Table 2: Recruitment progress report as at 30 June 2017:

Department	Position	Number of positions	Mode of recruitment	Progress
Stage	Stage Crew	1	Internal and external	Recruitment process incomplete. Shortlisting process completed. Interview process to commence 2 nd week of July.
	Lighting Technician	1	Internal and external	Recruitment process incomplete. Advert in the 1 st week of July. Interview process to commence 3 rd week of July.
Soweto Theatre	Finance Clerk	1	Internal and external	Shortlisting process in progress. Interview process to commence in the 1 st week of July.
Client Services	Marketing Assistant	1	Internal	Shortlisting completed. Interviews will be on 4 th week of June 2017. Appointment 1 st week of July.
	Youth Development Administrator	1	Internal	Shortlisting completed. Interviews will be on 4 th week of June 2017. Appointment 1 st week of July.
Roodepoort Theatre	Marketing Assistant	1	Internal	Shortlisting completed. Interviews will be on 4 th week of June 2017. Appointment 1 st week of July.
Catering & Hospitality	Assistant: Banqueting Manager	1	Internal and external	Shortlisting completed. Interviews in 1 st week of July 2017. Appointment in 01 August 2017

During the quarter under review there was one (1) permanent appointment and nineteen (19) temporary employees as depicted in the table below:

Table 3: New appointments

Department	Position	Effective Date	Positions
Soweto Theatre	Finance Clerk	01 April 2017	1
Customer Services	Usher	1 June 2017	1
Catering & Hospitality	Waitresses (temporary)	April 2017	3
	Assistant Bartenders, General Assistant & Commie Chef	1 June 2017	15
Total Number of Appointments			20

Table 4: Staff turnover as at 30 June 2017

Department	Position	Reason for termination	Years in service	Effective date	Positions
Catering & Hospitality	Assistant: Banqueting Manager	Resignation	2 years	1 May 2017	1
Soweto Theatre	Finance clerk	Resignation	2 months	30 June 2017	1
Total Number of Terminations					2

Two exit interviews were conducted during the 4th quarter. The two employees resigned because they found another employment.

The table below summarises JCT's age groups according to race and gender.

Table 5: Age Analysis profile per race and gender

Age Groups	Age		Gender		Race			
	Number of staff	% representation	Male	Female	A	C	I	W
18-25	0	0%	0	0	0			
26-35	36	25%	20	16	32	3	1	0
36-45	58	40%	39	19	49	1	1	7
46-55	35	24%	28	7	29	0	1	5
56-65	16	12%	11	5	11	1	0	4
Total	145	100%	98	47	121	5	3	16

The majority of JCT employees are aged between 26-45 years of age, which represents 65% of the JCT staff establishment. This group is largely represented by African employees at 83%. 24% of staff are between the age groups of 46-55 years. The least represented age group is 56-65% at 12%.

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.

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, 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. JCT is committed to appoint 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 only the number of employees who were in the employ of JCT as at 30 June 2017.

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	-	-	-	1	3	-	-	1	4	5
Senior Management	7	1	2	2	12	2	-	-	1	3	15
Professionally Qualified / Middle Management	36	3	1	11	51	15	2	-	-	17	68
Skilled Technically and Academically Qualified	33	-	-	-	33	20	-	-	-	20	53
Semi-Skilled	-	-	-	-	-	4	-	-	-	4	4
Unskilled	-	-	-	-	-	-	-	-	-	-	-
Total	77	4	3	13	97	44	2	-	2	48	145
% of Gender Representation	53%	3%	2%	9%	67%	30%	1.4%	0%	1.4%	33%	

Table 7: Disability Profile

Occupational levels	Males				Female				Total PWDs
	A	C	I	W	A	C	I	W	
Top Management	-	-	-	-	-	-	-	1	1
Senior Management	-	-	-	-	-	-	-	-	-
Professionally Qualified / Middle Management	-	1	-	1	-	1	-	-	3
Skilled Technically and Academically Qualified	-	-	-	-	-	-	-	-	-
Semi-Skilled	-	-	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-	-
Total	-	1	-	1	-	1	-	1	4

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	78%	83%	+5%
Coloureds	6	3%	4%	+1%
Indians	3	3%	2%	-1%
Whites	15	16%	10%	- 6%
Persons with disability	4	2%	3%	+1%
Male	97	50%	67%	+17%
Female	48	50%	33%	-17%

Table 9: Gender representation

Gender	African		Coloured		Indian		White		TOTAL	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Male	39%	53%	1.5%	3%	1.5%	2%	8%	9%	50%	67%
Female	39%	30%	1.5%	1.4%	1.5%	0%	8%	1.4%	50%	33%
TOTAL	78%	83%	3%	4.4%	3%	2%	16%	10.4%	100%	100%

	Target Achieved
	Requires Improvement

During the reporting period (Table 8), overall African representation stands at 83% which is above the set target of 78%, Coloureds at 4.4% which is also above a target of 3%, Indians at 2% which is below the target of 3%, and the under representation of White employees by 10.4%, which is below the set target of 16%. Males form 67% of the staff profile and are over represented while women in general are underrepresented at 33%.

JCT has exceeded the Disability Target of 2% which should be achieved against the institution's entire staff compliment. The employment of the persons with disabilities is currently at 3, %. The target was exceeded as a result of the recent campaign initiated from the HR office whereby employees issued Declaration forms to complete and voluntary declare their disability status. Employees who declare their disabilities are advised to submit letters from the registered medical practitioner as proof. The campaign will be finalised by end July 2017.

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.

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

Training Intervention	Total number of employees
WITS Municipal Finance Programme	9
Advance Excel Training	13
MSCOA (Municipal Standard Chart of Accounts	21

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. Three employees who have registered B Com Accounting degree with University of South Africa (UNISA) received 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 December 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 for 2016/2017 financial year to be taken at a time convenient to JCT and agreed upon by line management. The section below provides a detailed overall leave management and analysis.

Table 12: Overall Company Leave Analysis as at 30 June 2017

Occupational Levels	Leave Accrued	Leave Taken	Balance of Leave
Senior management (Levels 1-3)	224.75	88	156.75
Other Employees Levels 4 and below	2 906	927.25	1 978.75
GRAND TOTAL	3 150.75	1 015.25	2 134.75

As at 30 June 2017, a combined total of 1015.25 leave days were taken by employees.

Section 8: Disciplinary Matters and Outcomes

JCT is not a unionised environment. Employees are not affiliated to any Union. The entity does not have recognition agreement with trade unions (SAMWU and IMATU). 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 CCMA for conciliation and/or arbitration.

Following the recent demarcation settlement agreement and the SALGA's variation of scope, all municipal entities will soon become members of the South African Local Bargaining Council (SALGBC). The variation of scope means that all entity's disputes will now be referred to the Council. No dismissal of employee was recorded in this quarter.

Labour Relations matters

The table below summarises the labour relations cases recorded for the fourth quarter.

Table 11: Labour Relations Cases

Department	Nature	Outcome	Effective date
Soweto Theatre	Inconsistent work attendance register (clocking in and out)	Verbally Recorded Warning plus 4 annual leave days deducted.	21.04.2017
	Failure to complete sick leave form	Verbally recorded Warning letter	22.06.2017
	Negligence – failure to ensure subordinate complete sick leave form	Verbally recorded Warning letter	22.06.2017
Roodepoort	Unauthorized leave	Written Warning plus 1 day unpaid	25.04.2017

Department	Nature	Outcome	Effective date
Theatre		leave	
Stage	Unauthorized leave	Written Warning plus 1 day unpaid leave	02.05.2017

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 continues 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	1	One employee has registered B Com Accounting degree with UNISA through the company's study financial assistance this period.
Miscellaneous cases	0	There was none
GRAND TOTAL	1	

Section 8: Employee Wellness

JCT did not conduct or hold Wellness Day during this period. However employees are continuously participating in the internal gym.

As part of the organisations strategy for employee wellness and internal communications, the company hosts aerobics sessions three times a week for an hour. These classes are good for exercising and promoting staff engagement.

The classes are intimate, with great music led by the company manager, Mogapi Mokgautsi supported by Joburg Ballet's, Keke Chele.

The aerobics class also partake in the external walks/runs and wellness activities. The team is in need of music equipment, mats and steps.



Section 9: 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 16 employees.
- E-Joburg Pension Fund has 108 employees.
- Mutual Gratuity Pension Fund (MGF) has 8 employees.

The total number of employees on pension funds is 133.

Medical Aid Funds

The company also administers three accredited medical aid schemes and pays a minimum of 50%, 60% and 75% monthly premium contribution on behalf of its members. Currently 52 employees are members of the schemes as follows:

- Discovery Health has 50 employees, of which 23 receives 75% company contributions, while 1 receives 60% and the other 23 receive 50%.
- LA Health has 1 employees who receive 60% company contributions
- Key Health has only 1 employee who receives 60% company contributions

Company Allowances

Five (5) employees still receive monthly housing allowances with their salaries (a contractual policy that ceased for any new employees from July 2000), and 54 employees receive allowances towards the use for business purposes of their personal cell phones.

Section 10: 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 year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016
ASSETS			
Current Assets			
Inventories	2	2,203,020	1,215,012
Receivables from exchange transactions	3	3,630,223	21,489,999
VAT receivable	4	1,420,041	-
Cash and cash equivalents	5	23,291,035	2,066,098
		30,594,319	24,771,109
Non-Current Assets			
Property, plant and equipment	6	11,353,251	10,885,191
Intangible assets	7	75,561	113,191
Heritage assets	8	1,592,700	1,592,700
		13,021,512	12,591,082
Total Assets		43,615,831	37,362,191
LIABILITIES			
Current Liabilities			
Finance lease obligation	9	-	175,304
Payables from exchange transactions	10	10,993,144	15,281,017
VAT payable	34	-	2,891,431
Provisions	11	2,248,729	1,049,531
		13,241,873	19,177,283
Non-Current Liabilities			
Deferred tax	12	1,987,091	1,987,091
Total Liabilities		15,228,964	21,164,374
NET ASSETS		28,386,867	16,197,817
NET ASSETS			
Share capital	31	10	10
Investment from Shareholder		1,784,049	1,784,049
Accumulated surplus		26,602,808	14,413,758
TOTAL NET ASSETS		28,386,867	16,197,817

Draft

Section 2: Statement of Financial Performance

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
Revenue			
Ticketing Services	13	1,126,971	1,153,071
Catering Services	13	22,294,887	17,651,190
Rental facilities and equipment	13	7,049,018	6,573,899
Arts Alive Festival	13	9,893,333	13,014,118
Sponsorship	13	831,018	1,508,768
In-house Ticket Sales	13	6,704,396	10,777,717
Other income	14	15,268,797	17,021,159
Interest received - investment	15	4,822,039	2,255,588
Subsidy	16	94,072,002	73,502,000
Total revenue		161,861,461	143,457,510
Expenditure			
Salaries and Wages	17	(55,642,519)	(44,794,428)
Depreciation and amortisation	18	(1,082,852)	(1,132,368)
Finance costs	19	(832)	(51,588)
Debt impairment		(8,937)	-
Transfers and Subsidies	20	(8,000,000)	(8,000,000)
General Expenses	21	(84,937,272)	(88,997,378)
Total expenditure		(149,672,412)	(142,975,762)
Operating surplus		12,189,049	481,748
Surplus before taxation		12,189,049	481,748
Less Taxation	22	-	134,889
Surplus		12,189,049	346,859

Draft

Section 3: Cash Flow Statement

Joburg Theatre (SOC) Limited

(Registration number 2000/D13032/07)

Financial Statements for the year ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Receipts			
Sale of goods and services		71,507,155	64,015,941
Grants		94,072,000	73,502,000
Interest income		4,622,039	2,244,583
		<u>170,201,194</u>	<u>139,762,524</u>
Payments			
Employee costs		(53,164,386)	(44,531,883)
Suppliers		(94,068,383)	(97,112,884)
		<u>(147,232,769)</u>	<u>(141,644,887)</u>
Net cash flows from operating activities	23	<u>22,968,405</u>	<u>(1,882,363)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,588,971)	(321,983)
Purchase of other intangible assets	7	-	(95,883)
Net cash flows from investing activities		<u>(1,588,971)</u>	<u>(417,886)</u>
Cash flows from financing activities			
Finance lease payments		(154,487)	(509,017)
Net increase/(decrease) in cash and cash equivalents		<u>21,224,937</u>	<u>(2,809,266)</u>
Cash and cash equivalents at the beginning of the year		2,066,088	4,875,363
Cash and cash equivalents at the end of the year	5	<u>23,291,035</u>	<u>2,066,097</u>

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2017

Notes to the Financial Statements

	2017	2016
2. INVENTORIES		
Work in progress	1,304,112	308,507
Consumable stores	147,904	171,169
Trading Stock - Food and Beverage	661,104	647,246
	2,203,020	1,215,012

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).

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 is 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	(16,787,220)	1,011,542
Accrued Income (Interest Earned)	-	11,006
Related Party Debtors	20,467,462	20,467,462
	3,680,223	21,489,999

Trade and other receivables:

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. Joburg City Theatres does not charge interest on related party debtors.

Debtors are measured at fair value.

4. VAT RECEIVABLE

VAT	1,420,041	-
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The company accounts for VAT on an accrual basis.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	66,064	60,042
Nedbank current account balance	2,461,968	976,227
Nedbank and Investec Investment Accounts	20,743,003	1,328,829
	23,291,035	2,066,098
Current assets	23,291,035	2,066,098
Current liabilities	-	-
	23,291,035	2,066,098

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 5.5% and 8.0%.

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 9 Months ended 31 March 2017

Notes to the Financial Statements

Figures in Rand

31 March
2017

30 June
2016

7. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software	113,101	(27,334)	85,857

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Computer software	34,888	85,883	(17,888)	113,101

Other information

Intangible Assets Written Off - 2016

	Cost	Accumulated Amortisation	Total
	3,069	(3,069)	-

8. HERITAGE ASSETS

	2017			2016		
	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

Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the year ended 30 June 2017

Notes to the Financial Statements

2017 2016

8. HERITAGE ASSETS (continued)

Reconciliation of heritage assets - 2016

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

Reconciliation of heritage assets, 2016

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

Additional Information

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

9. FINANCE LEASE OBLIGATION

Minimum lease payments due
- within one year

22,968 180,382

less: future finance charges

22,968 180,382

Present value of minimum lease payments

- (5,078)

22,968 175,304

Present value of minimum lease payments due
- within one year

22,968 175,304

22,968 175,304

Non-current liabilities

- -

Current liabilities

- 175,304

- 175,304

Joburg Theatre entered into a 3 year lease agreement with Pilot Software (Pty) Ltd for point of sales hardware. The entity had one finance lease during the current financial year. The company used Grap 13 to recognise finance lease asset and liability as well as the finance costs and depreciation.

10. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	2,156,936	743,882
Deferred Income	779,367	2,039,688
Accrued Leave	2,024,500	1,127,219
Sundry creditors	2,022,410	277,789
Accrued 13th Cheque	734,467	352,823
Year end accruals	2,874,302	2,268,454
Related Party	401,162	8,451,162
	10,993,144	15,261,017

Trade payables consists of trade creditors due to the suppliers/service providers.

Deferred income represent deposits for rental of facilities and ticket sales for future shows and Subsidy

Related party consist of CHASA and Utilities.

Sundry creditors is made up of capex.

Notes to the Financial Statements

	2017	2016
17. EMPLOYEE RELATED COSTS		
Salaries and Wages	54,605,593	43,982,594
Employee costs included in other expenses	1,036,926	811,834
	55,642,519	44,794,428
Chief Executive Officer		
Annual Remuneration	1,558,224	1,470,022
Performance Bonuses	233,175	200,624
Contributions to UIF, Medical and Pension Funds	447,252	315,875
Other	64,925	61,250
	2,303,576	2,047,771
Chief Operating Officer		
Annual Remuneration	1,088,832	1,027,200
Performance Bonuses	162,934	139,104
Contributions to UIF, Medical and Pension Funds	315,403	218,350
Other	45,368	42,800
	1,612,537	1,427,454
Chief Financial Officer		
Annual Remuneration	1,244,672	1,167,018
Performance bonus	200,274	170,982
Contributions to UIF, Medical and Pension Funds	330,826	162,479
Other	55,764	52,608
	1,831,536	1,553,087
Executive Producer - current		
Annual Remuneration	954,000	750,000
Performance Bonuses	84,975	59,317
Contributions to UIF, Medical and Pension Funds	256,415	161,987
Other	-	37,500
	1,295,390	1,008,804
Company Secretary		
Annual Remuneration	935,001	-
Contributions to UIF, Medical and Pension Funds	12,958	-
Other	38,958	-
	986,917	-
The company appointed the Company Secretary in July 2016.		
18. DEPRECIATION AND AMORTISATION		
Property, plant and equipment	1,082,652	1,132,368
19. FINANCE COSTS		
Finance leases	832	51,588

Total interest expense, calculated using the effective interest rate (13%), on finance lease liability amounted to R 832 (2016: R 51,588).

Joburg Theatre (SOC) Limited
 (Registration number 2000/013032/07)
 Financial Statements for the year ended 30 June 2017

Notes to the Financial Statements

	2017	2016
20. GRANTS AND SUBSIDIES PAID		
Other subsidies		
Joburg/Mzansi Ballet	8,000,000	8,000,000
21. GENERAL EXPENSES		
Auditors remuneration	673,676	712,323
Bank charges	478,306	615,463
Cleaning	2,755,357	2,678,905
Consulting and professional fees	624,489	299,976
Consumables	3,027,533	1,741,912
Community Development	2,208,786	2,460,064
Entertainment	336,388	318,546
Building signage; framing and printing	1,080,864	466,220
Gifts	-	6,000
Insurance	947,284	377,352
Employee Uniforms	218,656	56,074
IT expenses	680,252	568,114
Marketing and show contributions	6,675,269	8,539,351
Ticketing	642,520	725,716
Motor vehicle expenses	1,322,553	1,040,588
Licences	903,211	405,391
Productions	15,141,762	23,673,188
Printing and Stationery	791,342	548,241
Security	1,815,833	1,960,241
Subscriptions and membership fees	451,356	185,268
Business travel	547,143	250,140
Electricity	8,894,731	5,826,769
Gas	410,375	324,443
Sewerage and waste disposal	1,142,111	1,072,101
Assessment Rates	14,128	72,918
Employee Wellness & Training	518,694	76,436
Arts Alive and Special Projects	10,910,363	16,038,717
Write offs	-	227,086
Other hospitality and catering expenses	9,044,690	10,015,285
Repairs and Maintenance	1,584,017	1,193,671
Cost of Sales	11,026,283	6,523,949
	84,937,272	88,997,378
22. TAXATION		
Major components of the tax expense		
Deferred		
Other deferred tax	-	134,889
Reconciliation of the tax expense		
Reconciliation between accounting surplus and tax expense.		
Accounting surplus	12,188,049	491,748
Tax at the applicable tax rate of 28% (2016: 28%)	3,412,934	134,889

Section 4: Ratio Analysis

Financial Ratios	30-Jun-17	30-Jun-16	Target	Norm	Interpretation
Current Ratio	2.31	1.29	> 1.00	1.5 to 2.1	The current ratio is below the norm of between 1.5 to 2.1, however this does not pose any challenge as 85% of the payables do not require any cash outflow, it is simply an accounting treatment for deferred revenue.
Solvency Ratio	2.14	1.23	> 2.00	02:01	Solvency Ratio is also below the norm of 2:1 and again this is not a challenge for the entity because of the same reason of the accounting treatment for deferred revenue.
Debt: Revenue	9%	15%	< 45%	45%	The ratio is on target and does not pose any challenge. The entity needs to maintain the ratio going forward.
Remuneration	37%	35%	At least 30%	25% - 40%	The ratio is on target and JCT should continue to monitor this ratio and put measures in place to ensure it does not go outside the norm.
Repairs & Maintenance	1%	1%	8%	8%	The ratio is way below the norm of 8%, however this is not a cause for concern as our asset base is low and therefore the level of repairs and maintenance are low as well.
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 Margin Ratio	0%	0%	At least 15%	= or > 0%	The entity is sitting at a position of 0% which is on par with the norm.
Cost Coverage Ratio	2 Months	0 Months	> 45 Days	1 - 3 Months	The entity is within the norm of 1 - 3 months, and even will improve in the next quarter.

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

During the quarter and year under review, there was no fruitless and wasteful expenditure that was incurred.

Section 6: Pending Litigations and Possible Liabilities

During the quarter under review, 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

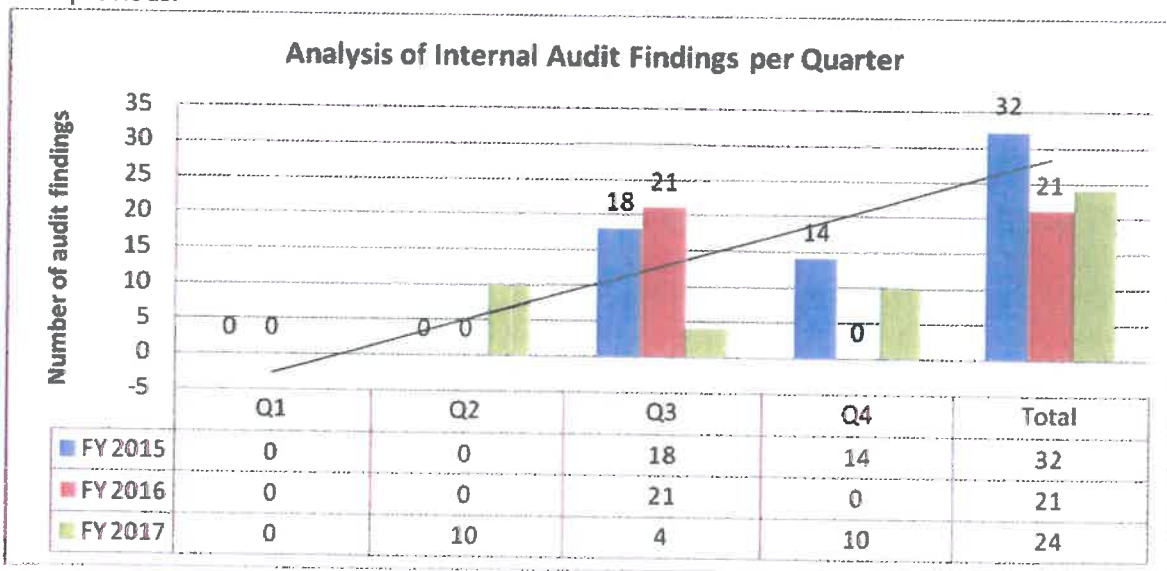
During the quarter under review, there were no insurance claims against/to MOE/Department.

CHAPTER SIX: INTERNAL & EXTERNAL AUDIT FINDINGS

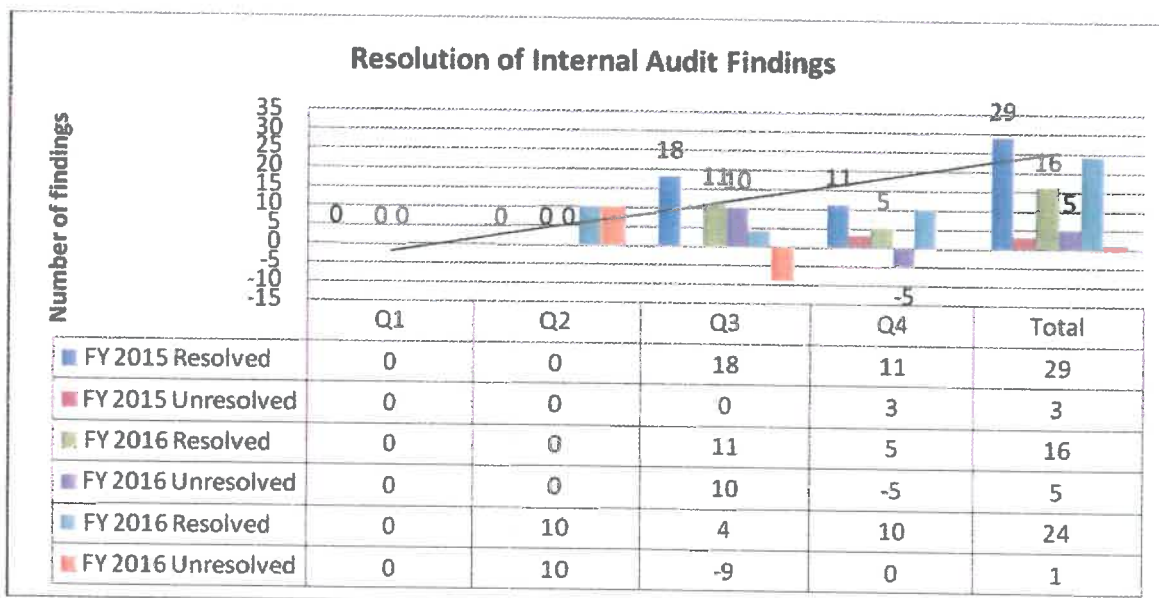
Section 1: Results of Internal Audits

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 (2016/17) coverage plan.

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 there has been an increase of 14% internal audit findings in the current year 2016/17 from previous.

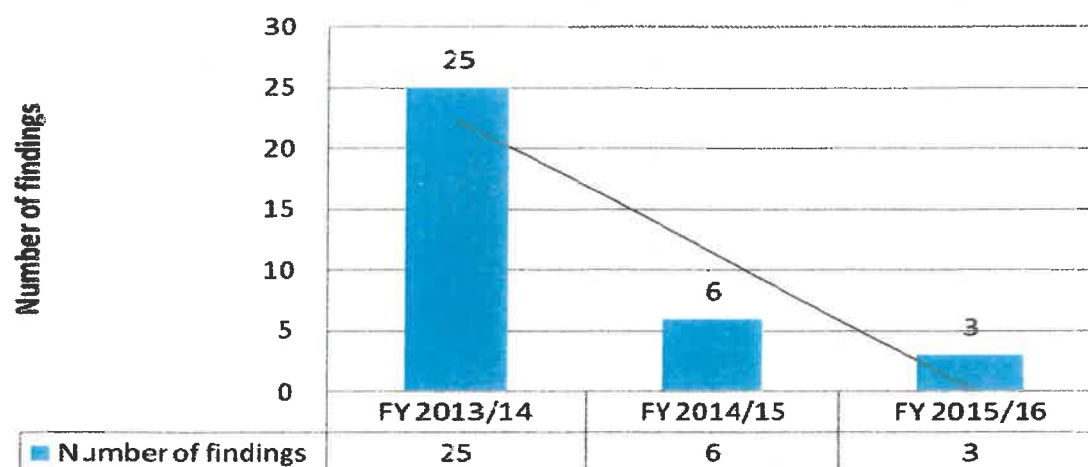


The remaining unresolved internal audit findings for 2014/15 and 2015/16 were resolved and verified by the auditors. There is only 1 of the 24 internal audit findings that has not been resolved in the current year (2016/17). It will be resolved in July 2017.



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 3 in 2015/16 financial year which translates to a positive movement of 88%.

Analysis of Auditor Generals Audit Findings Year on Year



Progress On The Status Of The Audit

The following table shows 10 components out of 10 that have been executed and 5 audit reports have been issued.

#	Project	Start date	End execution	Planned Completion date	Progress on Reports
1	Marketing	17 Oct 16	30 Oct 16	Qtr. 2	Reported
2	Health and Safety	17 Oct 16	30 Oct 16	Qtr. 2	Reported
3	Maintenance and Security	17 Oct 16	30 Oct 16	Qtr. 2	Reported
4	Youth Development	02 Nov 16	17 Nov 16	Qtr. 2	Reported
5	Information Technology and ICT Steering Committee	15 Feb	04 Apr 2017	Qtr. 4	Reported
6	Leave Management	22 Dec 2016	17 Feb 2017	Qtr. 3	Draft Reporting
7	Payroll Management	22 Dec 2016	17 Feb 2017	Qtr. 3	Draft Reporting
8	Human Capital	18 Jan 2017	17 Feb 2017	Qtr. 3	Draft Reporting
	Finance	15 Feb 17	31 May 2017	Qtr. 4	Draft Reporting
	<ol style="list-style-type: none"> 1. Revenue management 2. Petty cash 3. Accounts payable 4. Asset management 5. Supply chain management 				
10	Performance information	27 Mar 17	31 May 2017	Qtr. 4	Draft Reporting

Progress on resolution of internal audit findings for 2015/16 financial year.

Internal audit findings relating to last financial year were resolved by management and closed by the internal auditors after they have verified that all recommendations were adequately carried out by management.

Progress on Resolution of Auditor General Audit Findings for 2015/16 financial year.

Auditor General of SA raised 3 audit findings and they were all resolved).

Section 2: Progress on Resolution of Internal Audit Findings for the current financial year (2016/17).

No.	AUDIT AREA	STATUS	# audit findings	Resolved audit findings by management	Unresolved audit findings by management	Awaiting Internal Audit verification	Status
1	Marketing	Finalised	1	1	0	1	
2	1. Inadequate signage for Stages restaurant Youth Development 1. Required documents not attached to the contract 2. No banking details on the standard lease agreement	Finalised	2	2	0	2	
3	Health and Safety 1. Health and Safety representatives not regularly trained 2. Inadequate disclaimer at the Theatres Auditoriums 3. Inadequate signage at Roodepoort Theatre 4. Evacuation drills not performed 5. Firearm safes not provided	Finalised	5	4	1	5	
4	Maintenance and Security 1. Inadequate access control 2. CCTV monitors not reviewed on a continuous basis	Finalised	2	2	0	2	
5	Leave Management 1. Captured leave forms not stamped 2. Non-compliance with the annual leave policy 3. Leave balance incorrectly calculated	Finalised	3	3	0	3	
6	Payroll Management	Finalised	0	0	0	0	
7	Human Capital 1. Succession and Retention Policy was not signed by Chief Executive Officer.	Finalised	1	1	0	1	
8	IT	Finalised	3	3	0	3	

No.	AUDIT AREA	STATUS	# audit findings	Resolved audit findings by management	Unresolved audit findings by management	Awaiting Internal Audit verification	Status
	<ol style="list-style-type: none"> Documents not signed. Back up logs for Booking and Ticketing system not monitored and reviewed. Joburg City Theatres IT policy not implemented on the User Account Management. 						
9	Finance <ol style="list-style-type: none"> One asset with two different barcodes. Assets not found Incorrect asset location Incorrect asset description Two assets with same barcode number 	Finalised	5	5	0	5	●
10	Performance Information <ol style="list-style-type: none"> Misalignment of Performance targets between approved 2016/17 Joburg City's Theatres Business Plan and Approved Quarter 1 and Quarter 2 Performance Reports. Reported Performance progress differs with provided supporting evidence. 	Finalised	2	2	0	2	●
Total			24	23	1	24	

Detailed internal audit findings for the current financial year 2016/17.

#	Project Name	Audit Finding	Management response	Responsible Person	Timeline
1	Maintenance and Security	<p>Inadequate access control</p> <p>There is a thoroughfare for the members of the public who come from Inhlazane Railway Station passing through the premises of the Soweto Theatre. The thoroughfare is caused by a missing 98.1 meters fence in Western part of the Soweto Theatre. There are at least five security personnel at any given day, which may be overwhelmed by intruders</p>	The fencing was done	Clive Lewis Building Manager Soweto Theatre	15/12/2016 DONE
2	Maintenance and Security	<p>CCTV monitors not reviewed on a continuous basis</p> <p>CCTV monitors at Roodepoort are not monitored on a continuous basis. One monitor is in the General Manager's office and another in the Sound Room. The CCTV only monitors the interior part of the building, ignoring the exterior part. These CCTV monitors are reviewed on as and when basis as the General Manager has to perform his other duties, whilst the Sound Room monitor is reviewed when the security guards have a chance to do so.</p>	The recommendation was implemented immediately and the CCTV cameras were installed in the control room.	Prits Pillay General Manager Roodepoort Theatre Lesley Mtshali Technician Roodepoort Theatre	28/02/2017. DONE
3	Marketing	<p>Inadequate signage for Stages restaurant</p> <p>Internal Audit observed that there is a Stages Restaurant signage along the Christiaan de Wet road, Roodepoort, however once in the public parking space, there is no signage or directional sign that guides patrons to Stages Restaurant.</p>	Signarama placed all the required signagel.	Prits Pillay General Manager Roodepoort Theatre	30/01/2017 DONE

4	<p>Youth Development</p> <p>Required documents not attached to the contract</p> <p>When reviewing the Facilitators contracts, we noticed the following was not in order</p> <table border="1" data-bbox="261 1111 572 1765"> <thead> <tr> <th>No.</th> <th>NAME</th> <th>DEFICIENCY</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Presley Chueneyagae</td> <td>No documents attached</td> </tr> <tr> <td>2.</td> <td>Cathrine Isaacs</td> <td>Expired Tax Clearance</td> </tr> <tr> <td>3.</td> <td>Nthabiseng Seane</td> <td>ID copy not certified</td> </tr> </tbody> </table>	No.	NAME	DEFICIENCY	1.	Presley Chueneyagae	No documents attached	2.	Cathrine Isaacs	Expired Tax Clearance	3.	Nthabiseng Seane	ID copy not certified	The required documents were in the finance department	Nondumiso Sithole -Youth Development Manager	25 November 2016 DONE
No.	NAME	DEFICIENCY														
1.	Presley Chueneyagae	No documents attached														
2.	Cathrine Isaacs	Expired Tax Clearance														
3.	Nthabiseng Seane	ID copy not certified														
5	<p>Youth Development</p> <p>No banking details on the standard lease agreement</p> <p>The standard lease agreements did not have Tenant's banking details for the below stated shows:</p> <ul style="list-style-type: none"> - Box Unlimited Rehearsals - Group Conference - Tshedi Mholo's live 40 songs Rendition 	There were no ticket sales therefore no need for banking details	Nondumiso Sithole -Youth Development Manager	25 November 2016 DONE												
6	<p>Health and Safety representatives not regularly trained</p> <p>Health and Safety Representatives at Soweto and Roodepoort did not attend regular training on basic fire-fighting, first aid and emergency evacuations.</p> <ul style="list-style-type: none"> ● Soweto Theatre - no one had attended training in the past two years not even the coordinator. ● Roodepoort Theatre - the last training certificates on file expired in September 2015. 	The health and safety training was immediately arranged and all staff attended and got certificates	Clive Lewis Building Manager Soweto Theatre Prits Pillay General Manager Roodepoort Theatre	28 February 2017 DONE												
7	Evacuation drills not performed	This was conducted together	Clive Lewis	July 2017												

		<p>Soweto and Roodepoort Theatres' auditorium stages to exonerate the Joburg City Theatres from any injuries incurred by patrons on stage or litigations.</p> <p>Furthermore, all three Theatres, Soweto, Roodepoort and Joburg Theatre did not have disclaimers that neither the Theatre nor its staff will be liable for any injuries incurred at the galleries.</p>	<p>against the stage on either side.</p>	<p>Manager Soweto Theatre</p> <p>Prits Pillay General Manager Roodepoort Theatre</p> <p>Pierre Pretorius</p>	<p>DONE</p>
10	Health and Safety	<p>Inadequate signage at Roodepoort Theatre</p> <p>Internal Audit has observed that signage was not displayed at the following areas:</p> <ul style="list-style-type: none"> There is "no smoking" signage at the entrance. Back stage toilet doors are not marked "Male or Female toilet". At the foyer next to the refreshment area, the storeroom door is not marked "no unauthorized persons or storeroom". 	<p>Signage has since been displayed as per recommendation</p>	<p>Prits Pillay General Manager Roodepoort Theatre</p>	<p>15 December 2016.</p> <p>DONE</p>
11	Leave Management	<p>Captured leave forms not stamped</p> <p>When reviewing Joburg City Theatre leave management process, Internal Audit noted that there is inconsistency in the capturing of leave.</p> <p>Leave captured on the system is stamped captured, however, some leaves were captured without approval stamp.</p>	<p>For consistency as suggested, all leave forms will be stamped.</p>	<p>Thomas Sadiki Human Resources Manager</p>	<p>28 February 2017</p> <p>DONE</p>
12	Leave Management	<p>Non-compliance with the annual leave policy</p> <p>During the review of annual leave Internal Audit noted that</p>	<p>Capturing of annual leave on the system before the completion of leave form was a human error.</p>	<p>Thomas Sadiki Human Resources</p>	<p>28 February 2017</p>

		<p>an employee (Thandy Lebyeng) went on annual leave without submitting the leave form, only submitted a month later. Internal Audit also noted was that the leave was captured before completion and approval. Below are details:</p> <p>Leave taken from the 08 to 10th July 2016 Leave form completed 22 August 2016 Leave approved on 22 August 2016 Leave captured on 08 August 2016</p>	<p>Management will ensure that there is compliance with the policy. Completion and capturing leave forms will be monitored on daily basis.</p>	<p>Manager</p>	<p>DONE</p>
13	Leave Management	<p>Leave balance incorrectly calculated</p> <p>When reviewing sick leave for the period under review, internal audit noted that employees sick leave was incorrectly calculated</p>	<p>Management will ensure that Sick Leave balance will be put in the opening leave balance column before the leave is captured into the leave book/form.</p>	<p>Thomas Sadiki Human Resources Manager</p>	<p>28 February 2017</p> <p>DONE</p>
14	Human Capital	<p>Succession and Retention Policy was not signed by Chief Executive Officer.</p> <p>According to the minutes of the Board of Directors meeting of Joburg City Theatres held in the Manhattan on Wednesday 20 July 2016 at 09h30, the Board took a resolution to approve the succession planning and retention policy as recommended by Remuneration of Social and Ethics Committee, but the signed copy of the policy by Chief Executive Officer confirming that this is the approved policy could not be provided for review during audit review.</p>	<p>The policy has been signed. Audit Comments: A copy of succession and retention policy signed by the Chief Executive Officer was made available after the closing meeting.</p>	<p>Thomas Sadiki Human Resources Manager</p>	<p>28 February 2017</p> <p>DONE</p>
15	IT Department	<ul style="list-style-type: none"> Document not signed 	<p>The IT Policy and the Steering Committee Terms of Reference has been signed by the relevant authorities</p>	<p>Customer Service Manager-Justine</p>	<p>DONE</p>
16		<ul style="list-style-type: none"> Back up logs for bookings and ticketing system not monitored and reviewed 	<p>Back up logs will be provided by the service provider quarterly, and checked and signed off by both the Ticketing Manager and</p>	<p>Customer Service Manager-Justine</p>	<p>Implemented Immediately</p> <p>DONE</p>

			annual physical verification has also identified more redundant assets for write off.		DONE
22		<ul style="list-style-type: none"> Two assets with same barcode number 	<p>Management notes the audit finding, the asset in question is redundant asset stored at the storeroom for write off. The annual physical verification has also identified more redundant assets for write off</p>	Phumiani Nkomo	30 June 2017 DONE
23	Performance Information	<ul style="list-style-type: none"> Misalignment of performance targets between approved 2016/2017 Joburg City's Theatres Business Plan and approves Quarter 1 and Quarter 2 Performance Reports. 	<p>The JCT approved Business plan to be amended as and when there are changes as per the City's planning through the deviation process.</p>	Solomon Mphakathi Chief Financial Officer JCT	From Q3 Reporting Period DONE
24		<ul style="list-style-type: none"> Reported performance progress differs with provided supporting evidence 	<p>Reconciliation has been performed to reflect drop outs and newly joined participants</p>	Solomon Mphakathi Chief Financial Officer JCT	Immediately DONE

Section 3: Progress on Resolution of Auditor General Audit Findings for 2015/16 financial year.
Auditor General of SA raised 3 audit findings and they were all resolved

Findings #	Heading	Description	Action Required	By Whom	When	Status																																								
B1	Non-compliance with SCM Regulation 2.3	<p>During the audit of quotations and contracts auditors identified that the bid results are not published on the municipal entity's website. The following Bids Serves as an example:</p> <table border="1"> <thead> <tr> <th>Bid No</th> <th>Supplier</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>00054/15</td> <td>IMPERIAL GROUP (Pty) Ltd</td> <td>4 869 507.72</td> </tr> <tr> <td>00057/15</td> <td>WEBTICKETS</td> <td>1 153 000.00</td> </tr> <tr> <td>00061/15</td> <td>GEARHOUSE SA (PTY) LTD</td> <td>340 005.00</td> </tr> <tr> <td>00063/15</td> <td>KAPOK LIVE EVENT</td> <td>512 574.16</td> </tr> <tr> <td>00068/15</td> <td>BALTIMORE AIRCOIL COMPANY</td> <td>432 446.68</td> </tr> </tbody> </table>	Bid No	Supplier	Value	00054/15	IMPERIAL GROUP (Pty) Ltd	4 869 507.72	00057/15	WEBTICKETS	1 153 000.00	00061/15	GEARHOUSE SA (PTY) LTD	340 005.00	00063/15	KAPOK LIVE EVENT	512 574.16	00068/15	BALTIMORE AIRCOIL COMPANY	432 446.68	All the reports on award of tenders and RFQs for 2015/2016 and the first quarter of 2016/2017 financial year have been placed on the website. This will be the practice going forward to ensure full compliance with	Supply Chain Manager	Immediately	Implemented																						
Bid No	Supplier	Value																																												
00054/15	IMPERIAL GROUP (Pty) Ltd	4 869 507.72																																												
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C1	late payments: Fruitless and Wasteful	<p>During an inspection of the supporting documents relating to expenditure items it was noted that interest was charged on overdue accounts of Eskom's electricity bill for the Soweto Theatre.</p> <p>Interest was charged on the following invoices:</p> <table border="1"> <thead> <tr> <th>Invoice date</th> <th>Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>27-Nov-15</td> <td>November 2015 electricity bill</td> <td>R 128,53</td> </tr> <tr> <td>01-Mar-16</td> <td>February 2016 electricity bill</td> <td>R 683,94</td> </tr> <tr> <td>28-Aug-15</td> <td>August 2015 electricity bill</td> <td>R 1 512,24</td> </tr> <tr> <td colspan="2">Total amount</td> <td>R 2 324,71</td> </tr> </tbody> </table>	Invoice date	Description	Amount	27-Nov-15	November 2015 electricity bill	R 128,53	01-Mar-16	February 2016 electricity bill	R 683,94	28-Aug-15	August 2015 electricity bill	R 1 512,24	Total amount		R 2 324,71	Management comment on internal control deficiencies Sufficient internal controls are in place to prevent the recurrence of this audit finding. Monitoring tools are in place to ensure that all invoices are paid on time.	Finance Manager	Immediately	Implemented																									
Invoice date	Description	Amount																																												
27-Nov-15	November 2015 electricity bill	R 128,53																																												
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28-Aug-15	August 2015 electricity bill	R 1 512,24																																												
Total amount		R 2 324,71																																												
C1	Discrepancies noted during Fixed Asset Verification 1. Incorrect location	<p>The fixed asset register contained the following incorrect location for the following assets:</p> <table border="1"> <thead> <tr> <th>Asset code</th> <th>Description</th> <th>Location of asset register</th> <th>Location where verified</th> <th>Purchase price</th> </tr> </thead> <tbody> <tr> <td>R 391,73</td> <td>Chamberlain s/s fridge</td> <td>Joburg theatre</td> <td>Rodepoort theatre</td> <td>R 15 226,50</td> </tr> <tr> <td>R 391,73</td> <td>Chamberlain s/s fridge</td> <td>Joburg theatre</td> <td>Rodepoort theatre</td> <td>R 15 226,50</td> </tr> <tr> <td>R 391,73</td> <td>Stipple Jigsaw</td> <td>Joburg theatre</td> <td>Soweto theatre</td> <td>R 17 928,72</td> </tr> <tr> <td>R 391,83</td> <td>Bar Counter</td> <td>Joburg theatre</td> <td>Rodepoort theatre</td> <td>R 146 842,15</td> </tr> <tr> <td>R 391,422</td> <td>Apple Max Zfrich</td> <td>Joburg theatre</td> <td>Soweto theatre</td> <td>R 22 815,98</td> </tr> <tr> <td>R 391,433</td> <td>Undercounter Bar Fridge</td> <td>Joburg theatre</td> <td>Rodepoort theatre</td> <td>R 1 750,00</td> </tr> <tr> <td colspan="4">Total</td> <td>R 219 763,85</td> </tr> </tbody> </table>	Asset code	Description	Location of asset register	Location where verified	Purchase price	R 391,73	Chamberlain s/s fridge	Joburg theatre	Rodepoort theatre	R 15 226,50	R 391,73	Chamberlain s/s fridge	Joburg theatre	Rodepoort theatre	R 15 226,50	R 391,73	Stipple Jigsaw	Joburg theatre	Soweto theatre	R 17 928,72	R 391,83	Bar Counter	Joburg theatre	Rodepoort theatre	R 146 842,15	R 391,422	Apple Max Zfrich	Joburg theatre	Soweto theatre	R 22 815,98	R 391,433	Undercounter Bar Fridge	Joburg theatre	Rodepoort theatre	R 1 750,00	Total				R 219 763,85	Management will continue to conduct physical verification and updating the Fixed Assets Register accordingly	Finance Manager	Immediately	Implemented
Asset code	Description	Location of asset register	Location where verified	Purchase price																																										
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R 182,707	GEORGE BERNARD SHAW	2002/07/01	R 12 800,00																																											
Total			R 12 800,00																																											

Audit Coverage Plan

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 are purely suggested timelines; the actual commencement dates of the audits will be discussed and agreed upon with management.

Scope of Work And Expectations Of Management

The critical success factors for an effective Plan are that it:

- Is aligned with strategic objectives of the organisation.
- Covers the strategic risk areas facing the organisation, not just the financial risks and controls.
- Is risk based – addresses the key risks areas and concerns of management.
- Is prepared in co-operation with management, other internal assurance providers, the Group Audit Committee and external auditors;
- Is flexible and responsive, allowing for the possibility to be updated should the risk environment during the financial year, warrant a change. All changes to the Plan are dependent on prior approval from the Group Audit Committee; and
- Matches assurance needs with available resources

COVERAGE PLAN

Business Area	Focus Area	Risk No. as per 2016 Risk Register SR= Strategic Risk OR= Operational Risk	Estimated Hours	Suggested Timelines	Preliminary Audit Scope
FOLLOW UP	1. Follow-up	Findings raised by Internal & External Auditors	24	Q3	Follow up on previous Auditor General and Internal Audit findings to assess extent to which agreed management action has been implemented.

Business Area	Focus Area	Risk No. as per 2016 Risk Register SR= Strategic Risk OR= Operational Risk	Estimated Hours	Suggested Timelines	Preliminary Audit Scope	
FINANCE	Revenue Management (Including Hospitality and Catering)	SR 1 – Inadequate funding for producing in-house productions	60	Q4	Review the completeness of revenue. Perform analytical review on revenue collected from the restaurants	
		SR 3 – Constraint in attracting internationally recognised productions				
		SR 6 – Unaffordable ticket prices SR 7 – Poor attendance at theatre shows				
		OR 3 – Limited disposable income during economic downtime				
		Petty Cash	SR 10 – Non-compliance with applicable legislation	20	Q4	Review monthly reconciliations. Review the authorisation of reimbursements
		Accounts Payable/ Creditors	SR 10 - Non-compliance with applicable legislation	30	Q4	Review and confirm compliance with existing legislation, regulations, policies and procedures including payment of creditors within 30 days
	Asset Management	SR 4 – Obsolete and/or outdated stage machinery and equipment SR 10 – Non-compliance with applicable legislation	54	Q4	Review effectiveness of controls implemented on asset registers, regular asset counts, maintenance of asset registers and procedures to update asset register. Conduct a physical verification of assets. Compare results of physical verification with that on the asset register.	

Business Area	Focus Area	Risk No. as per 2016 Risk Register SR= Strategic Risk OR= Operational Risk	Estimated Hours	Suggested Timelines	Preliminary Audit Scope
	Supply Chain & Expenditure Management	SR 1 - Inadequate funding for producing in-house productions SR 10 - Non-compliance with applicable legislation OR 1 – Non-compliance with SCM policy and MFMA regulations OR 9 – Sourcing equipment from sole supplier (Soweto theatre)	60	Q4	Review if all processes (Closed or opened) are in accordance with the Supply Chain Management Policy Review compliance with policies and procedures
HUMAN RESOURCES	Human Capital	SR 2 – Scarcity of skilled theatre practitioners	24	Q3	Review processes in place for succession planning, training and recruitment.
	Leave Management	SR 10 - Non-compliance with applicable legislation	24	Q3	Review the adequacy and effectiveness of administrative reporting processes regarding attendance registers, clocking system, duty list, control of annual leave/sick leave forms, compulsory leave, approval, capturing of leave on the system, filing and safeguarding of source documents
	Payroll Review	SR 10 - Non-compliance with applicable legislation	24	Q3	Review if payments and allowances are made to and received by the designated recipient for the correct sum in terms of the approved contract. Review payments regarding acting allowance, subsidized education and other allowances. Conduct an assessment of current remuneration policy. Review the reconciliation on payments made to third parties.

Business Area	Focus Area	Risk No. as per 2016 Risk Register SR= Strategic Risk OR= Operational Risk	Estimated Hours	Suggested Timelines	Preliminary Audit Scope
MARKETING	Marketing of all three Theatres	<p>SR 3 – Constraint in attracting internationally recognised productions</p> <p>SR 6 – Unaffordable ticket prices</p> <p>SR 7 – Poor attendance at theatre shows</p> <p>SR 8 – Inadequate public transport for evening shows</p> <p>OR 2 – Increased competition</p> <p>OR 4 – Limited parking space during the day (Roodepoort and Soweto theatres)</p> <p>OR 5 – Reputational damage to the theatre (Roodepoort theatre)</p> <p>OR 6 – Armed robbery (Roodepoort theatre)</p>	24	Q2	<p>Review the process of securing sponsorship for production.</p> <p>Review the marketing process to offer discounted tickets to youth and poor.</p> <p>Review the process of scheduling extra performances during the year.</p> <p>Review the process of co-ordination with the public transport (Rea Vaya, Metrobus, taxis, Metrorail, etc to enable the youth and poor to attend the shows.</p> <p>Review the process of advertising on bill boards.</p> <p>Review attendance figures at the three theatres</p> <p>Review CCTV cameras installed and security in place</p>

Business Area	Focus Area	Risk No. as per 2016 Risk Register SR= Strategic Risk OR= Operational Risk	Estimated Hours	Suggested Timelines	Preliminary Audit Scope
EXTERNAL ENVIRONMENT	Youth Development	SR 9 – Inadequate integration of Youth Development initiatives within the theatres OR 7 – Segregated audience (Soweto theatre)	24	Q2	Review the processes of Space.com initiatives focused on ward based Youth development. Review the adequacy and effectiveness of programmes to bring about socio-cohesion.
MAINTENANCE	Maintenance and Security	SR 4 – Obsolete and/or outdated stage machinery and equipment SR 5 – Power outages as a result of load shedding and lack of alternative power generation	24	Q2	Review the process of scheduled maintenance which keeps the equipment in working order (lighting, seating, electrical plumbing, etc.) Review the disaster management process (backups, generators tested frequently)
	Health and Safety	SR 4 – Obsolete and/or outdated stage machinery and equipment SR 10 – Non-compliance with applicable legislation	24	Q2	Review the preventative maintenance with regard to safety and security measures employed to ensure that patrons and staff are free from harm and other related occurrences. Review the applicable Health and Safety acts and regulations

Business Area	Focus Area	Risk No. as per 2016 Risk Register SR= Strategic Risk OR= Operational Risk	Estimated Hours	Suggested Timelines	Preliminary Audit Scope
PERFORMANCE INFORMATION	Performance Information.	Required by Municipal Systems Act SR 10 - Non-compliance with applicable legislation	24	Quarterly	Review the departmental performance information. Review alignment of municipality planning documents (IDP, Sector plans, SDBIP, Departmental Business Plan and departmental Scorecard), adherence to the SMART principle of KPI and performance targets. Review the effectiveness and accuracy of quarterly reporting.
INFORMATION TECHNOLOGY	IT Application Controls Review	OR 4 Without adequate controls around the administration of an application, all the other areas are more than likely inadequate and cannot assure that controls are in place and risks are mitigated.	20	Q3	Determine if software application are compliant to the following : •Data preparation •Data Input •Data Processing •Data Output •Data Storage •High level access management •Interface reconciliations
	IT General Controls Review	OR 4 • Inability to deliver on key deliverable priorities e.g. smart institutions. • Inadequate ICT governance and delivery (ICT risks).	20	Q3	Determine whether Application and General controls, Security, IT Assets, SAP Basis, DR, Project Management and monitoring of the ICT Framework and steering committees and action plans.

Business Area	Focus Area	Risk No. as per 2016 Risk Register SR= Strategic Risk OR= Operational Risk	Estimated Hours	Suggested Timelines	Preliminary Audit Scope
FINANCE	Quality Assurance on Annual Financial Preparation compliance with related legislation including compliance with related legislation	SR 10 - Non-compliance with applicable legislation (GRAP)	10	Q4 /Q1 next FY	Review the preparation of the financial statements, including disclosures and advising management of gaps identified
Compliance to Code of Conduct	Compliance to City's Code of conduct	OR 11 -- Collusion between employees and service providers OR 12 - Theft of company assets	10	Q2	Code of Ethics workshops. Reviewing the compliance to Code of Conduct.

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 13th 2016. 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 31 March 2017 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

AUDITEE NAME:	Joburg City Theatres SOC LTD			ASSESSMENT PERFORMED ON:		April 2017-June 2017	
ASSESSMENT PERIOD COVERED: (Tick as appropriate)	PFMA	Apr – Jun'16	Jul – Sep'16	Oct – Dec'16	Jan – Mar'17	Apr'16 – Mar'17	
	MFMA	Jul – Sep'16	Oct – Dec'16	Jan – Mar'17	Apr – Jun'17	Jul'16 – Jun'17	

No.	DRIVERS	↑ Improved ↔ Unchanged ↓ Regressed	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 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 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	Good In progress Intervention required	ASSESSMENT		
					Financial	Performance	Compliance

LEADERSHIP						
Movement from previous assessment:		↔	↔	↓		
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						
Movement from previous assessment:		↔	↔	↓		
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						
Movement from previous assessment:		↔	↔	↔		
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.					

AUDITEE NAME:	Joburg City Theatres SOC LTD			ASSESSMENT PERFORMED ON:	April 2017- June 2017	
ASSESSMENT PERIOD COVERED: (Tick as appropriate)	PFMA	Apr – Jun'16	Jul – Sep'16	Oct – Dec'16	Jan – Mar'17	Apr'16 – Mar'17
	MFMA	Jul – Sep'16	Oct – Dec'16	Jan – Mar'17	Apr – Jun'17	Jul'16 – Jun'17

No.	DRIVERS	COMMITMENTS
LEADERSHIP		
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	The IT policy, the IT Steering Committee and the Terms of reference submitted to audit and risk committee and to board in July 2016. All IT related findings from internal audit to be addressed.
FINANCIAL AND PERFORMANCE MANAGEMENT		
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	Internal audit findings related to documents not submitted in the 2015/2016 audits resolved.
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	AOPO related findings to be addressed
2.d	Review and monitor compliance with applicable legislation	Compliance assessment tool has been developed and monitoring and reporting of compliance monthly and quarterly to be strengthened. Compliance Plan has been developed and implemented for 2016/2017.
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	IT related internal audit findings to be addressed.
GOVERNANCE		
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

INCOME STATEMENT

Main Account	Current Mth		YEAR TO DATE		YTD Var%	ANNUAL BUDGET		Budget Spent %	FORECAST		FORECAST % ANNUAL BUDGET
	Actual	Budget	Actual	Budget		Full Year	Remaining		Actual	Remaining	
INCOME											
Rental Of Facilities & Equipment	15 271 757	9 277 154	5 994 603	64.62%	134 967 152	-4 061 074	134 967 152	97%	130 300 118	0	97%
Interest Earned from External Investments	907 724	150 000	157 752	105.17%	4 000 000	-101 362	4 000 000	96%	4 208 638	0	96%
Operating Grants and Subsidies	151 578	0	151 578	0.00%	3 300 000	1 122 029	3 300 000	133%	4 622 039	0	132%
Joburg Film Office	5 280 081	5 280 081	0		71 360 970	0	71 360 970	100%	71 360 970	0	100%
Other Revenue	5 687 018	469 446	5 217 572	113.14%	7 050 000	0	7 050 000	100%	7 050 000	0	100%
In-House Stage Productions	3 845 328	3 877 627	467 701	15.85%	38 366 225	-5 135 088	38 366 225	87%	38 171 139	0	87%
In-House Music Programme	40 992	0	40 992	0.00%	9 000 000	-2 801 225	9 000 000	69%	6 198 775	0	69%
Sponsorships	0	0	0		5 300 000	-5 376 550	5 300 000	2%	129 450	0	2%
Food Beverage And Retail /Stages	2 096 930	1 027 210	1 069 720	104.34%	1 689 077	-858 059	1 689 077	49%	851 018	0	49%
Ticketing Services	116 931	38 375	80 576	221.52%	14 576 011	2 477 175	14 576 011	117%	17 053 186	0	117%
Management Fees	1 056 140	2 142 621	-1 086 481	-50.71%	4 305 599	345 690	4 305 599	100%	4 651 230	0	100%
Special Projects and Other Income	594 015	171 421	363 484	212.05%	2 024 338	1 395 159	2 024 338	165%	3 419 497	0	165%
Expense											
Employee Related Costs	9 959 368	8 941 179	-938 190	-11.16%	130 720 416	8 181 978	130 720 416	94%	122 538 438	0	94%
Directors and Committee Members	4 599 693	3 478 057	-1 121 636	-25.25%	41 700 313	-1 517 109	41 700 313	104%	43 217 422	0	104%
Depreciation & Asset Impairment	-8 251	0	8 251	0.00%	1 036 326	463 074	1 500 000	69%	1 056 526	0	69%
Repairs And Maintenance	42 051	64 623	22 371	34.95%	778 667	306 862	778 667	63%	471 005	0	63%
Contracted Services	397 037	72 525	-324 312	-46.44%	952 246	907 420	1 862 666	52%	985 246	0	52%
Insurance	255 817	188 178	-66 640	-35.23%	2 817 213	2 654 959	2 654 959	100%	2 817 213	0	100%
Joburg Ballet	148 316	8 583	-139 733	-1569.71%	508 000	-122 900	508 000	124%	625 900	0	124%
Joburg Film Office	1 322 287	1 797 882	475 595	26.83%	9 804 386	7 117 928	9 804 386	27%	2 886 458	0	27%
Arts Alive	-789 637	0	789 637		10 910 363	-1 160 363	9 750 000	1	10 910 363	0	1
General Expenses	3 977 054	3 529 951	-447 103	-19.43%	51 767 106	2 349 279	54 136 385	96%	51 787 106	0	96%
Consumables	-63 684	95 431	159 115	186.78%	2 172 947	1 935 554	1 935 554	112%	2 172 947	0	112%
Utilities	716 035	599 499	-116 535	-19.44%	8 140 000	-1 036 633	8 140 000	113%	9 176 633	0	113%
Audit Fees	139 000	57 508	-81 492	-37.81%	800 000	218 736	800 000	76%	681 244	0	76%
Telecommunication	44 840	88 690	38 849	46.42%	530 878	300 610	300 610	45%	230 267	0	45%
Business Travel	81 356	0	-81 356	0.00%	314 790	-188 141	126 649	246%	314 790	0	246%
Entertainment	78 570	53 212	-25 357	-47.65%	278 073	362 474	638 547	43%	276 073	0	43%
Transportation	132 631	30 880	-101 751	-35.01%	1 110 529	-138 390	1 110 529	112%	1 246 709	0	112%
Youth Development	-146 150	601	146 751	246.051%	448 212	373 152	821 364	54%	446 212	0	54%
Special and Social Awareness Projects	18 667	13 754	-4 913	-31.58%	149 959	55 015	55 015	175%	149 959	0	175%
Advertising, Publicity and Marketing	235 382	120 058	-115 323	-112.88%	2 854 105	-324 165	2 300 000	14%	2 854 105	0	14%
In-House Stage Productions	-555 031	0	555 031	0.00%	16 000 000	9 235 088	16 000 000	42%	6 764 912	0	42%
In-House Music Programs	-148 222	1 000 000	1 148 222	134.32%	3 181 686	3 181 314	3 500 000	91%	3 181 686	0	91%
Contributions to Tenant Productions	738 382.46	0	-738 382	0.00%	2 415 117	-759 647	1 655 470	146%	2 415 117	0	146%
Ticketing	642 520	34 852	-607 668	-1743.18%	942 520	278 430	915 950	70%	642 520	0	70%
Miscellaneous	367 347	228 467	-138 880	-51.95%	2 345 595	43 908	2 345 595	98%	2 321 687	0	98%
Catering and Hospitality	1 488 741	802 767	-685 974	-45.45%	11 400 851	-8 821 183	11 400 851	142%	16 222 034	0	142%
Mobile Theatre Truck	21 610	47 663	26 053	54.66%	572 000	434 079	572 000	74%	309 717	0	74%
COVIDA	-75 893	34 000	89 893	642.81%	378 184	68 467	378 184	62%	-137 921	0	62%
EPWP	240 894	142 588	-98 305	-40.04%	729 959	-1 755	729 959	100%	731 734	0	100%
New Years Eve	0	0	0		1 715 860	0	1 715 860	0%	1 715 860	0	0%
Finance Costs	0	5 000	5 000	100.00%	60 000	65 061	60 000	-8%	-5 061	0	-8%
Other	0	0	0		0	0	0		0	0	
TRADING SURPLUS / (SHORTFALL)	5 332 389	535 975	4 996 413	1467.14%	7 767 630	4 120 904	3 646 726	215%	7 767 630	0	215%

INCOME STATEMENT

Main Account Sub Account Name

Main Account Sub Account Name	Actual	Current Mth		Var	Var%	YEAR TO DATE		YTD Var	YTD Var%	ANNUAL BUDGET		Spent %	FORECAST		FORECAST %	
		Budget	Var			Budget YTD	Actual YTD			Full Year	Remaining		Annual	Remaining		
INCOME																
Rental Of Facilities & Equipment	924 897	1 258 842	-333 945	-26.50%	31 851 397	11 083 106	-20 778 291	-6%	11 851 397	-768 231	94%	11 083 106	0	94%		
Interest Earned from External Investments	58 581	104 128	-45 549	-43.74%	1 300 001	1 187 967	-112 034	8%	1 300 001	87 866	108%	1 187 967	0	108%		
Operating Grants and Subsidies	649 713	0	0	-	7 796 560	7 796 560	0	-	7 796 560	0	100%	7 796 560	0	100%		
Joburg Film Office	216 683	506 500	-289 817	-57.07%	2 954 776	2 954 776	0	-29%	2 954 776	-656 197	71%	2 954 776	0	71%		
Other Revenue	0	500 000	-500 000	-100.00%	1 000 000	1 000 000	0	-96%	1 000 000	-956 368	4%	49 632	0	4%		
In-House Stage Productions	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
In House Music Programme	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Sponsorships	194 169	0	194 169	0.00%	1 803 776	1 803 776	1 803 609	6%	1 803 776	101 609	106%	1 803 776	0	106%		
Food Beverage And Retail /Stages	32 440	0	32 440	0.00%	97 000	145 562	48 562	50%	97 000	48 562	159%	145 562	0	159%		
Ticketing Services	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Management Fees	0	4 500	-4 500	-100.00%	54 000	4 000	-50 000	-9%	54 000	-50 000	7%	4 000	0	7%		
Special Projects and Other Income	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Expense																
Employee Related Costs	1 014 927	1 043 969	29 022	2.78%	12 146 361	9 298 430	-2 847 931	23%	12 146 361	2 847 931	77%	9 298 430	0	77%		
Directors and Committee Members	447 664	341 321	-106 343	-23.76%	4 079 687	4 204 427	124 739	8%	4 079 687	-124 739	103%	4 204 427	0	103%		
Depreciation & Asset Impairment	19 704	27 204	7 500	37.99%	345 657	234 528	-111 129	32%	345 657	111 129	68%	234 528	0	68%		
Repairs And Maintenance	80 569	48 141	-32 428	-40.25%	248 000	151 316	-96 684	39%	248 000	96 684	61%	151 316	0	61%		
Contracted Services	75 509	87 525	12 017	15.90%	1 170 007	1 001 207	-168 720	14%	1 170 007	168 720	86%	1 001 207	0	86%		
Insurance	0	6 983	6 983	100.00%	79 000	69 893	-9 107	17%	79 000	13 167	63%	65 833	0	63%		
Joburg Ballet	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Joburg Film Office	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Arts Alive	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
General Expenses	390 844	532 574	141 730	36.27%	6 224 000	3 641 159	-2 582 841	41%	6 224 000	2 582 841	59%	3 641 159	0	59%		
Consumables	65 441	33 060	-32 381	-49.48%	486 052	383 646	-92 406	23%	486 052	112 406	77%	383 646	0	77%		
Utilities	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Audit Fees	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Telecommunication	7 931	9 666	1 735	21.87%	107 548	104 944	-2 604	47%	107 548	92 604	59%	104 944	0	59%		
Business Travel	0	31 250	31 250	100.00%	123 000	118 183	-4 817	95%	123 000	118 183	96%	118 183	0	96%		
Entertainment	0	4 167	4 167	100.00%	50 000	28 945	-21 055	47%	50 000	28 945	58%	28 945	0	58%		
Transportation	24 366	40 769	16 403	67.35%	274 595	222 282	-52 313	81%	274 595	222 282	81%	222 282	0	81%		
Youth Development	0	0	0	-	12 686	12 686	0	3%	12 686	12 686	100%	12 686	0	100%		
Special and Social Awareness Projects	0	910	910	100.00%	30 000	30 000	0	100%	30 000	30 000	100%	30 000	0	100%		
Advertising, Publicity and Marketing	21 250	21 258	8	0.04%	250 000	368 774	118 774	-18%	250 000	-138 774	156%	368 774	0	156%		
In-House Stage Productions	123 942	0	-123 942	-100.00%	1 500 000	523 277	-976 723	65%	1 500 000	976 723	35%	523 277	0	35%		
In-House Music Programs	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Contributions to Tenant Productions	2 600 000	8 983	5 783	0.22%	100 000	77 046	-22 954	23%	100 000	22 954	77%	77 046	0	77%		
Ticketing	0	16 667	16 667	100.00%	200 000	200 000	0	100%	200 000	200 000	100%	200 000	0	100%		
Miscellaneous	39 638	11 069	-28 569	-72.08%	530 025	864 626	334 601	-4%	530 025	-14 601	104%	864 626	0	104%		
Catering and Hospitality	102 127	346 926	244 799	239.63%	2 000 781	1 603 008	-397 773	20%	2 000 781	397 773	80%	1 603 008	0	80%		
Mobile Theatre Truck	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
COVIDA	0	4 000	4 000	100.00%	48 000	48 000	0	17%	48 000	8 000	85%	48 000	0	85%		
EPWP	4 590	4 500	-90	-2.00%	54 000	55 080	1 080	-2%	54 000	-1 080	102%	55 080	0	102%		
New Years Eve	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
Finance Costs	0	4 000	4 000	100.00%	48 000	2 598	-45 402	95%	48 000	45 402	5%	2 598	0	5%		
Other	0	0	0	-	0	0	0	-	0	0	-	0	0	-		
TRADING SURPLUS / (SHORTFALL)																
	-85 839	214 993	-304 423	-141.60%	2 079 700	1 784 676	-295 024	-705%	2 079 700	2 079 700	-605%	1 784 676	0	-605%		

INCOME STATEMENT

Main Account	Sub Account Name	Current Mth		Var	Var%	YEAR TO DATE			YTD Var%	ANNUAL BUDGET		Budget Spent %	FORECAST		FORECAST VS ANNUAL BUDGET	
		Actual	Budget			Actual	YTD	Budget		YTD	YTD Var		Ftd Year	Remaining		Annual
	INCOME															
	Rental Of Facilities & Equipment	1 589 524	1 982 663	-393 139	-19.83%	20 472 235	20 700 471	-228 236	-1%	20 700 471	-228 236	59%	20 472 235	0	95%	
	Interest Earned From External Investments	114 750	100 578	14 171	14.09%	1 651 413	1 499 999	151 414	10%	1 499 999	151 414	110%	1 651 413	0	110%	
	Operating Grants and Subsidies	1 242 975	1 242 975	0	0%	14 914 472	14 914 472	0	0%	14 914 472	0	100%	14 914 472	0	100%	
	Joburg Film Office	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	Other Revenue	231 901	689 211	-457 310	-63.72%	3 906 350	4 286 000	-379 650	-9%	4 286 000	-379 650	91%	3 906 350	0	91%	
	In-House Stage Productions	0	0	0	0%	177 739	0	177 739	0%	0	177 739	0%	177 739	0	0%	
	In House Music Programme	0	300 000	-300 000	-100.00%	1 000 000	1 000 000	-829 202	-82%	1 000 000	-829 202	16%	160 798	0	16%	
	Sponsorships	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	Food Beverage And Retail /Stages	221 585	917 920	-696 337	-30.30%	3 386 317	3 000 000	386 317	11%	3 000 000	386 317	111%	3 386 317	0	111%	
	Ticketing Services	4 518	791	3 727	470.51%	50 000	50 000	37 426	75%	50 000	37 426	175%	87 426	0	175%	
	Management Fees	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	Special Projects and Other Income	5 800	20 500	-14 700	-71.71%	144 070	216 000	-71 930	-33%	216 000	-71 930	61%	144 070	0	61%	
	Expense															
	Employee Related Costs	1 884 432	1 940 446	56 014	2.89%	17 835 541	14 952 225	2 883 316	26%	14 952 225	2 883 316	74%	17 835 541	0	74%	
	Directors and Committee Members	822 204	600 951	221 253	-85.89%	7 182 999	7 200 000	17 001	0%	7 200 000	17 001	100%	7 182 999	0	100%	
	Depreciation & Asset Impairment	17 845	56 908	39 063	33.56%	376 519	653 666	277 147	42%	653 666	277 147	58%	376 519	0	58%	
	Repairs And Maintenance	40 876	145 200	104 324	72.04%	268 929	359 334	90 405	23%	359 334	90 405	75%	268 929	0	75%	
	Contracted Services	125 031	93 329	31 702	-33.97%	1 683 971	1 505 953	177 978	-12%	1 505 953	177 978	112%	1 683 971	0	112%	
	Insurance	0	6 583	6 583	100.00%	79 000	79 000	13 167	17%	79 000	13 167	83%	65 833	0	83%	
	Joburg Ballet	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	Joburg Film Office	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	Arts Alive	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	General Expenses	858 476	1 027 846	179 370	17.23%	8 257 290	10 254 232	1 996 942	42%	10 254 232	1 996 942	58%	8 257 290	0	58%	
	Consumables	45 263	56 376	11 113	19.71%	371 393	486 339	114 946	18%	486 339	114 946	65%	371 393	0	65%	
	Utilities	181 825	130 000	51 825	-59.87%	1 284 691	1 560 000	275 309	18%	1 560 000	275 309	82%	1 284 691	0	82%	
	Audit Fees	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	Telecommunication	14 987	10 954	4 033	-84.82%	192 753	160 000	32 753	-25%	160 000	32 753	132%	192 753	0	132%	
	Business Travel	0	74 750	74 750	100.00%	29 736	299 000	269 264	90%	299 000	269 264	10%	29 736	0	10%	
	Entertainment	2 882	854	1 937	-202.97%	9 014	11 453	2 439	21%	11 453	2 439	79%	9 014	0	79%	
	Transportation	23 170	28 498	5 328	18.70%	49 277	277 332	227 915	82%	277 332	227 915	18%	49 277	0	18%	
	Youth Development	38 469	0	38 469	0.00%	407 557	700 000	292 443	42%	700 000	292 443	50%	407 557	0	50%	
	Special and Social Awareness Projects	0	2 273	2 273	100.00%	0	50 000	50 000	100%	50 000	50 000	0%	0	0	0%	
	Advertising , Publicity and Marketing	37 346	68 025	30 749	45.18%	74 819	800 000	720 181	90%	800 000	720 181	10%	74 819	0	10%	
	In-House Stage Productions	219 304	525 000	305 696	54.23%	1 547 154	2 300 000	752 846	37%	2 300 000	752 846	63%	1 547 154	0	63%	
	In-House Music Programs	83 975	0	83 975	0.00%	1 289 975	1 500 000	210 025	9%	1 500 000	210 025	6%	1 289 975	0	6%	
	Contributions to Tenant Productions	18 355.39	0	18 355.39	0.00%	251 711	150 000	101 711	-68%	150 000	101 711	168%	251 711	0	168%	
	Ticketing	0	8 180	8 180	100.00%	112 675	112 675	0	100%	112 675	0	0%	112 675	0	0%	
	Miscellaneous	7 764	9 629	1 865	21.01%	118 781	203 091	84 309	42%	203 091	84 309	58%	118 781	0	58%	
	Catering and Hospitality	171 526	96 273	75 253	-77.96%	2 312 232	1 500 000	812 232	-54%	1 500 000	812 232	154%	2 312 232	0	154%	
	Mobile Theatre Truck	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	COIDA	0	4 000	4 000	100.00%	40 000	48 000	8 000	17%	48 000	8 000	83%	40 000	0	83%	
	EPWP	13 770	18 000	4 230	23.50%	211 140	216 000	4 860	2%	216 000	4 860	98%	211 140	0	98%	
	New Years Eve	0	0	0	0%	1 175 731	3 132 663	2 016 932	63%	3 132 663	2 016 932	37%	1 175 731	0	37%	
	Finance Costs	0	4 000	4 000	100.00%	3 295	48 000	44 705	93%	48 000	44 705	7%	3 295	0	7%	
	Other	0	0	0	0%	0	0	0	0%	0	0	0%	0	0	0%	
	TRADING SURPLUS / (SHORTFALL)															
		-294 909	42 217	-337 126	-798.55%	2 656 684	-3 351 734	5 988 468	-173%	-3 351 734	5 988 468	-75%	2 656 684	0	-75%	