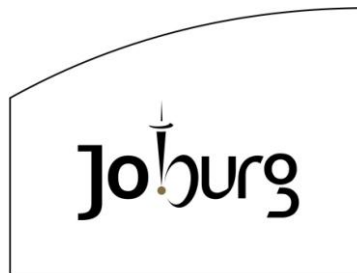


**the JOBURG**  
africa's premier home  
of live entertainment **THEATRE**  
**complex**

the re-branded Johannesburg Civic Theatre

**JOBURG THEATRE (PTY) LTD  
REPORT FOR THE FIRST QUARTER 2009-10  
JULY TO SEPTEMBER 2009**



**a world class african city**

**SUBMITTED TO THE SHAREHOLDER ON OCTOBER 07th 2009**

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# 1

## **EXECUTIVE SUMMARY REPORT FROM BERNARD JAY CHIEF EXECUTIVE OFFICER**

### 1.1

#### **Overall Economic Situation**

The first quarter's disappointing results reflect the ongoing major effect the economic recession is having on theatergoing.

The practice of theatergoing is supported by the availability of the leisure rand and recent market research has shown that theatre is probably one of the last choices made by South Africans for such expenditure - after cell phones, sporting events, dining out etc. In a period of economic recession such as currently being experienced, it is therefore anticipated that the operation of a theatre will also see a downturn.

The scarcity of the leisure rand in South Africa during the first quarter has affected the operation of the theatre in the following ways:

- Theatregoing is a luxury item that many individuals feel they cannot afford.
- Corporate group entertaining is virtually at a standstill as major companies are reluctant to be seen indulging in entertainment expenditure.
- Local producers and entrepreneurs do not look at producing in the theatre as a viable business option, thereby creating a lack of potential tenants to rent the stages.
- Without tenants and in accordance with the Board of Directors' mandate to keep the stages occupied throughout the year, the theatre needs to produce and/or co-produce shows, bringing the increased financial risk to the company of guaranteed actors' salaries and marketing expenses.

### 1.2

#### **The 2009/10 Budget**

The current variance in bottom-line operational shortfall against approved budget once again highlights the problems of 'signing-off' on a budget six to eighteen months ahead of the actual operational periods involved.

In the case of financial year 2009/10 at Joburg Theatre, an indicative allocation of subsidy of R18,464,000 was given to the company in order to prepare a 'nil surplus / nil shortfall' operating budget at the end of 2008 for approval by the Mayoral Committee in March 2009.

Subsequent to the approval of this budget in March 2009, the subsidy was then arbitrarily reduced by R1m to R17,464,000. The operating budget then had to be adjusted in order to meet the reduced subsidy allocation. As most of Joburg Theatre's overhead expenditure is standard from year-to-year (after taking into account inflationary adjustments), this "re-budgeting" - based on the same business presumptions as for the earlier budget - then results in forced increased projections of income (i.e., profits on productions), and/or unrealistic reductions in expenditure. This was the case for the theatre's adjusted operating budget dated April 17th 2009, against which actual results are now being compared on a month-to-month basis.

Since the original 2009/10 budget was prepared by management and presented to the COJ Budget Panel in 2008; then approved by the Mayoral Committee in March 2009; and then adjusted due to the reduction of subsidy allocation in April 2009, an unpredictable recession has negatively affected the theatre (see notes in 1.1 above).

In addition, eventual increases in fixed expenditure which are out of the company's control, such as utilities and human resources, have been considerably higher than those reasonably budgeted at the time.

The current operating shortfalls at Joburg Theatre, therefore, not only highlight the decreases in forecast attendance at the theatre due to the economy, but also the unrealistic level of subsidy currently being allocated to the company by its shareholder. Consequently, both the company's Mid-Year Adjusted Budget for 2009/10 and the Revised Budget for 2010/11 will be calculated on a presumption of considerably higher levels of subsidy than originally envisaged being made available by the shareholder.

### **1.3**

#### **The Mandela and The Fringe**

It is necessary to programme the schedule of shows at The Mandela very far in advance in order to guarantee stage product and achieve advance ticket sales. Programming is based on trends and instincts, which can prove contradictory when the economy and consequently the public's choice of committing to luxury expenditure such as theatergoing suddenly become unpredictable, such as in the first quarter of this financial year.

The quarter started with excellent attendance results in The Mandela from IMPERIAL RUSSIAN BALLET (99.82%) and then RIAAD MOOSA's FOR THE BARACKa (100%), due to the very limited runs of each presentation: only six performances for the ballet and just a single performance in The Mandela by comedian Riaad Moosa.



The in-house production of the hit Broadway and West End musical FOOTLOOSE should have been, according to precedent and market research, one of the greatest successes of the last ten years at Joburg Theatre. However, despite unanimous rave reviews for the production from the media and excellent word-of-mouth from those who saw the show at the beginning of the run, it quickly became apparent that the market related ticket price of R336.00 for a best Stalls seat was unrealistic during a recession. Management made an overnight decision to reduce the price of tickets to FOOTLOOSE to R161.00 for any seat in the theatre, resulting in an instant trebling of daily ticket sales at Computicket.

**UNDOUBTEDLY THE MOST ACCLAIMED SHOW OF THE YEAR!**

**"THE PRODUCTION IS A MASTERPIECE"**  
*Mkwanazi, Citizen*

**Footloose**  
 THE MUSICAL

**"UTTERLY CAPTIVATING... WINS FIVE-STAR PLAUDITS ALL ROUND"**  
*Jordan, Business Day*

**"EXCEPTIONAL CHOREOGRAPHY... ELECTRIFYING... LET YOUR YOUNGSTERS CUT LOOSE WITH FOOTLOOSE"**  
*Moncho, Star Tonight*

**"SHOWY HIGH VOLTAGE SONG AND DANCE"**  
*Sichel, Artslink*


**"THIS IS LOUD, COLOURFUL, SHEER, ROLLICKING GOOD FUN"**  
*de Klerk, Artslink*

**"IT'S JUST DAMN GOOD ENTERTAINMENT"**  
*Davie, Joburg City Web Site*

**"SUCH A JOY IT DESERVES TO GET UNDER YOUR SKIN ...THE SOUND QUALITY IS SO GOOD... IT'S SEXY AND EXCITING AND THERE'S NOT A STEP OUT OF PLACE AS THE CAST KEEPS PUMPING... YOU JUST WANT TO GET UP AND BOOGIE IN THE AISLE"**  
*Stones, The Weekender*

**THE GREAT NIGHT OUT YOU CAN AFFORD!**  
**ALL SEATS R150**  
 (exc booking fee) **Computicket**

**JOBURG** the mandela at  
**THEATRE**  
 the re-branded Johannesburg Civic Theatre



The musical eventually played to 27,607 people (including complimentary tickets issued), representing 53.8% of potential capacity. However, the essential drastic reduction in ticket prices in order to build attendances reduced the gross revenue, culminating in an achievement of only 24.14% of potential revenue; less than the 29% required to break-even on the production.

Similar problems have been seen with the South African Ballet Theatre’s production of GISELLE in August / September. GISELLE traditionally is one of the most popular of titles in the ballet company’s repertoire. And yet its gross income of R1,051,855 for the season does not compare with the R1,839,876 achieved from the company’s production of the ballet CINDERELLA for an even briefer season earlier in the year, before the recession ‘hit’ the theatre.



A last-minute change of programming on The Mandela stage created a welcome opportunity at the end of the quarter for Joburg Theatre to host a week of performances under the umbrella of ARTS ALIVE 2009. These performances included COMEDY 99, MICHAEL MASOTE’S SA MESSIAH and DOROTHY MASUKU & FRIENDS.

A highlight of the quarter was a spectacular “Dinner and Dance” presented by The South African Ballet Theatre as a fundraising event on the stage of The Mandela on Wednesday September 9th. Over two hundred patrons were in awe not only of the varied repertoire presented during the evening by the ballet company, but also of the technical magic of The Mandela stage.

The Fringe started the financial year with a true ‘blockbuster’ attraction, breaking all the records previously held at this venue. Comedian Riaad Moosa introduced his new one-man show FOR THE BARACKa to his very loyal audience, resulting in a joyous 25 performances over two weeks and 99.87% of potential capacity attendance.

The remainder of the quarter has seen The Fringe used very much for its new purpose: as a venue that gives young South African performers the opportunity to build their own audience bases. Comedy, dance and new South African plays have all been featured, resulting in continuous usage of The Fringe throughout the quarter.



## 1.4

### Community Development: space.com

Joburg Theatre's facility space.com continued to strive towards community development initiatives throughout the quarter with the following successful events.

#### Stand up comedy

space.com continues to host stand-up comedy workshops every Tuesday evening from 19h00 to 20h30. These interactive workshops are conducted by comedian Etienne Shardlow, who is assisted by a variety of professional stand-up comedians. These workshops provide an opportunity for up-and-coming comedians to meet and receive mentorship from established comedians in the entertainment industry, allowing comedians from a wide range of backgrounds to showcase their acts and material in a pressure-free environment. We have also introduced a new angle to the workshops: on the second Tuesday of each month, focus shifts from stand-up comedy to improvised comedy in the style of "Who's Line is it Anyway?"

#### Woman Director's Voices Festival

In August space.com presented a festival of theatre shows directed solely by female directors and titled 'Woman Director's Voices Festival'.

The festival's concept was to provide a platform for female directors who initiate their own projects; have the energy and commitment, enjoy taking risks as well as to host conversations about the role of female directors and the challenges they face.

The festival showcased six productions and was divided into two sections: the Developmental Platform and the Main Shows. The Developmental Platform consisted of four productions by new directors, while the Main Shows section consisted of two works by known directors.

Featured in the Developmental Platform were **PRETTY** directed by Dudu Yende, **IMBELEKO** directed by Lindiwe Mzolo, **BORN FREE** directed by Nunu Petunia Moloi and **PULLING STRINGS** by Lungile Lethola. These shows ran concurrently from the 1<sup>st</sup> to the 9<sup>th</sup> August 2009 and were well received by the public.

**I DO...** by Kholo Kholophane, **LEJWE** by Napo Mashiane and **ORIGINAL SKIN** by Vanessa Cooke were the chosen three professional shows to be staged in the Main Shows section. Each of these shows ran for three days at space.com from August 14th to August 23rd to a paying audience.

## Words Unfolded

space.com in association with Arts Alive presented **Words Unfolded** - a project dedicated to Storytelling and Poetry and was hosted during the month of September, as part of the Arts Alive festival.

This interactive project, aimed at young people with an informative and self-empowering month-long program, was divided into two sections: workshops and performances. The workshops ran for 12 days with six days allocated to each form.

The Storytelling workshops ran from September 8th to September 13th, and were conducted by **ZANENDABA STORYTELLERS**.

The Poetry workshops were held from September 15th to September 19th, facilitated each day by a different poet discussing the art of poetry. **BUSHWOMEN POETS** conducted a 'special' workshop on the 20th and performed on the 25th at space.com.

For Heritage Day, space.com arranged a day-long program featuring poets from the workshops and three stage productions; **TASHA ON THE ROCKS**, **IMBALI** and **SNAPSHOTS OF A WEDDING**. Rounding off the project, world renowned storyteller and poet **GCINA MHLOPHE** performed on September 26th and September 27th. These workshops were open to and enjoyed by youngsters aged between 4-15 years, from the Joburg area.





## 1.5 FIFA World Cup 2010



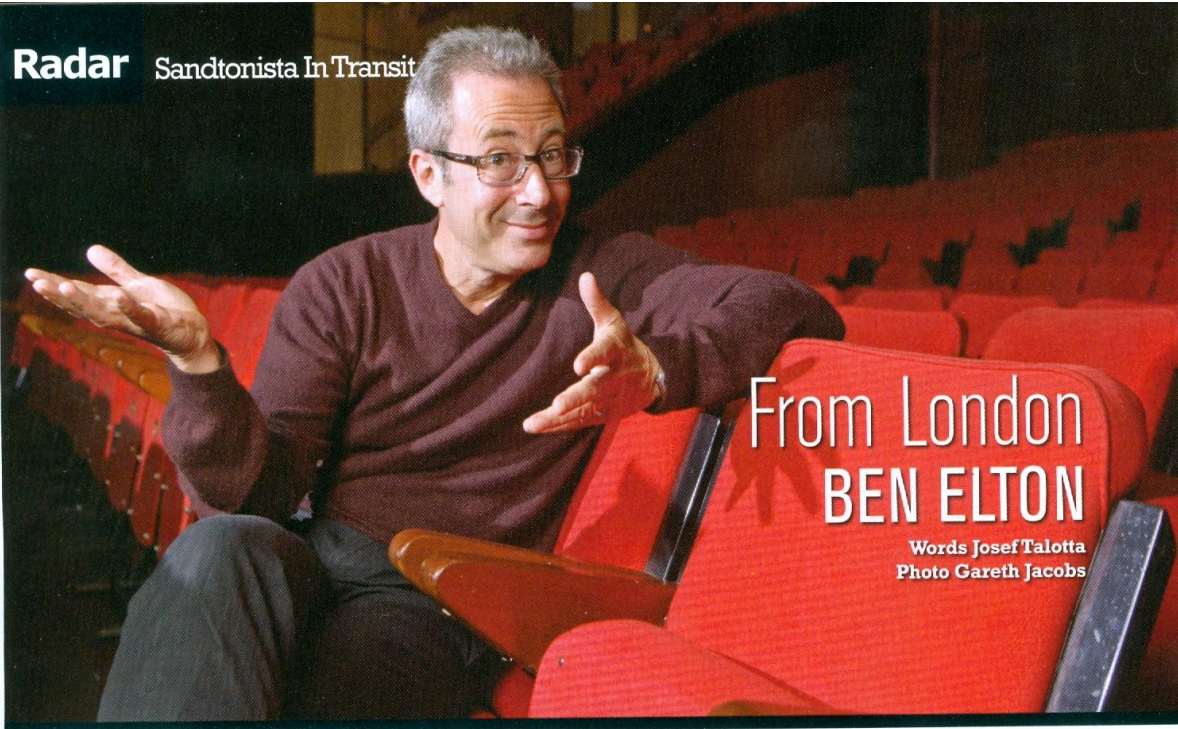
Plans for the theatre's production of the Andrew Lloyd Webber / Ben Elton musical THE BOYS IN THE PHOTOGRAPH as its core attraction for the FIFA World Cup 2010 continue to be on track.

Auditions for the South African company of actors for the musical took place at Joburg Theatre from May 25th to 29th, resulting in the casting of 25 of the 31 roles in the show, including all the leading actors. The final choices by the South African creative team had then to be approved on DVD by both writers of the musical in the UK: Approval for all nine choices came within five days.

Acclaimed book writer of THE BOYS IN THE PHOTOGRAPH, Ben Elton, joined the creative team in Joburg for two days of production meetings held on July 15th and 16th, bringing a considerable amount of publicity to the project (see article from Sandton Magazine on the following page). The television programme CARTE BLANCHE broadcast a second segment on THE BOYS IN THE PHOTOGRAPH, filmed during Ben Elton's visit.

The theatre has also concluded negotiations with Johnny Clegg to perform his show A SOUTH AFRICAN STORY exclusively on the stage of The Mandela at Joburg Theatre during the period of the World Cup 2010. JOHNNY CLEGG: A SOUTH AFRICAN STORY will share the stage with THE BOYS IN THE PHOTOGRAPH, thereby offering theatergoers and visitors a choice of core productions at various different times of the day and evening.

The theatre is currently in negotiation with legendary British soccer star GEOFF HURST to appear on The Mandela stage during the World Cup with South Africa's own SOCCER LEGENDS in an evening of talk and audience interaction about history's most famous moments in soccer.



## From London BEN ELTON

Words Josef Talotta  
Photo Gareth Jacobs

**T**his is the best theatre café I've ever eaten at anywhere before,' enthuses the London-based playwright, comedian, director and author, Ben Elton, as he tucks into a grilled-chicken salad at News Café at the Joburg Theatre. Elton is on a whirlwind prep visit ahead of next year's production of Andrew Lloyd Webber's musical, *The Boys in the Photograph*, for which Elton scripted the play as well as the lyrics.

He is enjoying his stay as he vibes with the show's local producer, Joburg Theatre CEO, Bernard Jay, and its director, Janice Honeyman. It's been a long time coming. 'Bernard first approached me and Andrew in London around four years ago, saying he wanted to stage a soccer musical to coincide with the [2010 FIFA] World Cup,' explains Elton.

As *The Beautiful Game*, the show's first run lasted for a year in London and ended in 2001. 'The *Sunday Times* in London described it as Andrew Lloyd Webber's best show, but we missed out on the human side,' says Elton. 'The Jo'burg production gives us the chance to perfect it.'

Now reworked as *The Boys in the Photograph* (which is being produced simultaneously in Canada), the production has been given a creative nip and tuck, with three new songs added and one old song cut. Set in Belfast between 1969 and 1972, the play is described as 'a joyous

celebration of the freedom that love can bring. Audiences rise to their feet, cheering, screaming and tearful, as the game of soccer is recreated on stage with some of the most originally exciting choreography ever seen in musical theatre'.

Elton describes the upcoming Johannesburg show as 'far bigger than the original London production'. 'They're pulling out all the stops,' he says. 'I've seen [set designer] Johan Engel's designs, which are on a very big scale.' This is largely due to the production taking full advantage of Joburg Theatre's large stage facilities. 'I've never seen backstage facilities like this anywhere else in the world before,' says Elton. 'Most theatres have space behind the stage or through the wings. The Joburg Theatre has space all around. It has an opera-level vastness to it that I've never seen before.'

He's certainly been around long enough to compare. London-born Elton first gained fame as a comic and scriptwriter in the 1980s, when he and Richard Curtis made up the creative force behind the hugely popular *Blackadder* series, which featured comedian Rowan Atkinson. In the mid '90s he wrote and produced another Atkinson vehicle, the comedy series titled *The Thin Blue Line*.

Elton is also the author of a dozen best-selling novels, with *Gridlock* (1991), *This Other Eden* (1993), *Popcorn* (1996) and *High Society* (2002) reaching the number-one spot on the British book charts.

Commuting between homes in London and Australia, and with his work being produced throughout the world, Elton is well versed in travelling without unravelling. And he endures the long-haul flights without the 'secret weapon' that many middle-class South Africans take for granted: domestic help at home. 'I cook, and my wife [Australian musician Sophie Gare] does the laundry. We don't have any help at home,' he shrugs. 'And kids are enormous work. But we get on with it. Your world becomes smaller as you get older. With time, 50 mates soon become 10. With kids and work, you just can't go out every night like you used to when you're younger.'

Their primary residence, London, still holds professional and social appeal, but Elton knows there's more to life than his career and air-kissing. 'We have 10-year-old twins and an eight-year-old. London's a big, dirty town, so we'll probably base ourselves in Fremantle for their adolescence. Our careers are in London, but with technology you can base yourself almost anywhere these days. And I've done lots of my writing work down there.'

Elton plans on returning to Jo'burg for the show's premiere. 'It looks set to be a wonderful production. It's my first time out to South Africa and, from the little I've seen (I've already discussed it with my wife), the opening will be a great excuse to bring the kids out here for a family holiday. The Cape, the bush... There's a lot to see.' ☎ **Details:** [www.showbusiness.co.za](http://www.showbusiness.co.za)

## 1.6

### Public Relations

Joburg Theatre has won the Leisure Options Readers Choice Best Theatre in Joburg Award for the thirteenth consecutive year.

## 2

### FINANCIAL SUMMARY

#### 2.1

##### Operations

The quarter resulted in a bottom-line operating shortfall of R2,808,643 as against a budgeted shortfall of R413,001. The reasons for the negative results from the first quarter have been analysed in items 1.1 and 1.2 above.

The forecast shortfall for these three months was R413,001. The actual shortfall for the three months was R2,808,643, resulting in a shortfall to date for the quarter (i.e., the additional shortfall for July to September 2009 ) of R2,395,642.

This additional shortfall is explained by three factors:

- Under budget income of R1,346,568 on the production of FOOTLOOSE.
- Under budget income of R230,814 on interest from cash held at bank.
- Over budget expenditure of R410,528 on utilities.

Some detail on variances for the three month period follows:

### INCOME

#### Theatre Rentals, Hospitality, VIP Ticketing News Café and Bars & Retail Operations

All these figures reflect on the lack of anticipated ticket sales because of the current economic recession for both FOOTLOOSE and SABT's GISELLE. This matter is dealt with in more detail in the Executive Summary for the 1st Quarter Report July to September 2009.

#### Interest

The budget was prepared in November 2008 for approval by the Mayoral Committee in March 2009. At this time it could not be foreseen that the company would have to deplete its operational surplus funds held in the bank by R3.34m in order to cover operating losses for financial year 2008/09, nor that the interest rates paid on call accounts by the banks would reduce between January and July 2009 from over 10% per annum to about 7% per annum.

## **EXPENDITURE**

### Building & Safety

Over budget by 17% due to charges on resolving a serious flooding issue under the stage pit. This will be adjusted in future months through recovery of these charges from the insurance claim.

### Finance

Under budget by 56% due to monthly apportioning in the budget of estimated audit fees, but no fees having yet been paid.

### Human Resources

Over budget by 2% because SALGA salary negotiations resulted in larger annual salary increases than anticipated.

### Fees

Over budget by 25%, due to payment in August 2009 of the non-executive director retainer fees for 2008/09.

### Utilities

Over budget by 41%, way above the forecast increase in the budget of March 2009. The July, August and September utility costs have increased from R909,000 in 2008 to R1,400,528 in 2009: an increase of 46%. Analysis and research is currently being undertaken in an effort to reduce costs.

### Marketing

Over budget by 15% due to increased expenditure during the run of FOOTLOOSE in order to market the overnight reduction in seat prices.

### In-House Productions

Under budget by 11% due to reduced variable expenditure items (such as royalties) on FOOTLOOSE in proportion to reduced income.

See the following Management Accounts update for 2008-09:

**JOBURG THEATRE**

**Operating Budget for Financial Year 2009-2010**

WORKING BUDGET

Version prepared by: Bernard Jay

Prepared on April 17th 2009; latest update September 30th 2009

DETAILS	Actuals	Actuals	Actuals	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	TOTALS
	JULY 2009	AUG 2009	SEPT 2009	OCT 2009	NOV 2009	DEC 2009	JAN 2010	FEB 2010	MARCH 2010	APRIL 2010	MAY 2010	JUNE 2010	
<b>INCOME</b>	<b>2,110,516</b>	<b>3,156,293</b>	<b>1,063,295</b>	<b>1,255,000</b>	<b>5,065,000</b>	<b>7,395,000</b>	<b>745,000</b>	<b>752,000</b>	<b>1,295,000</b>	<b>765,000</b>	<b>5,825,000</b>	<b>8,495,000</b>	<b>37,922,104</b>
Theatre Rentals	530,664	494,484	453,098	800,000	500,000	600,000	400,000	400,000	400,000	400,000	400,000	700,000	6,078,246
Hospitality	110,322	83,900	86,015	150,000	100,000	40,000	80,000	90,000	90,000	70,000	100,000	300,000	1,300,237
News Cafe (accounted quarterly)	0	0	166,809	0	0	300,000	0	0	300,000	0	0	300,000	1,066,809
Bars & Retail (accounted quarterly)	0	0	129,412	0	0	250,000	0	0	250,000	0	0	250,000	879,412
VIP Ticketing	32,583	26,594	3,861	50,000	120,000	70,000	40,000	40,000	40,000	30,000	50,000	100,000	603,038
In-House Ticket Sales	1,313,281	2,340,151	0	0	4,100,000	5,900,000	0	0	0	0	1,000,000	4,600,000	19,253,432
Sponsorships	0	27,544	-10,000	0	0	0	0	0	0	0	4,000,000	2,000,000	6,017,544
Miscellaneous	400	1,800	0	15,000	15,000	15,000	15,000	15,000	15,000	75,000	95,000	95,000	357,200
Interest	123,266	181,820	234,100	240,000	230,000	220,000	210,000	207,000	200,000	190,000	180,000	150,000	2,366,186
<b>EXPENDITURE</b>	<b>5,014,740</b>	<b>5,732,378</b>	<b>2,757,629</b>	<b>3,298,000</b>	<b>6,558,000</b>	<b>6,718,000</b>	<b>2,798,000</b>	<b>2,698,000</b>	<b>2,658,000</b>	<b>2,698,000</b>	<b>7,598,000</b>	<b>9,253,000</b>	<b>57,781,747</b>
Stage	49,666	19,073	38,058	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	50,000	596,797
Building & Safety	217,389	292,068	242,964	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	215,000	2,687,421
Hospitality	26,673	21,072	21,885	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	294,630
Administration	51,897	70,044	78,225	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	1,010,166
Finance	28,572	26,842	33,657	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	701,071
Social Awareness Programmes	3,667	45,191	18,919	540,000	100,000	160,000	40,000	40,000	100,000	40,000	40,000	100,000	1,227,777
Human Resources	1,284,676	1,623,465	1,299,204	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	1,380,000	16,627,345
Fees	29,713	162,094	71,274	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	893,081
Utilities	511,916	555,275	333,338	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	4,370,529
Marketing	618,011	380,343	324,947	350,000	150,000	250,000	350,000	250,000	150,000	250,000	150,000	150,000	3,373,301
In-House Productions	2,000,000	2,343,860	102,107	0	3,900,000	3,900,000	0	0	0	0	5,000,000	6,600,000	23,845,967
Special Projects	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit/Loss on Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	192,560	193,051	193,051	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	2,153,662
<b>SURPLUS / (SHORTFALL)</b>	<b>-2,904,224</b>	<b>-2,576,085</b>	<b>-1,694,334</b>	<b>-2,043,000</b>	<b>-1,493,000</b>	<b>677,000</b>	<b>-2,053,000</b>	<b>-1,946,000</b>	<b>-1,363,000</b>	<b>-1,933,000</b>	<b>-1,773,000</b>	<b>-758,000</b>	<b>-19,859,643</b>
<b>SUBSIDY</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,333</b>	<b>1,455,337</b>	<b>17,464,000</b>
<b>PROFIT (LOSS)</b>	<b>-1,448,891</b>	<b>-1,120,752</b>	<b>-239,001</b>	<b>-587,667</b>	<b>-37,667</b>	<b>2,132,333</b>	<b>-597,667</b>	<b>-490,667</b>	<b>92,333</b>	<b>-477,667</b>	<b>-317,667</b>	<b>697,337</b>	<b>-2,395,643</b>
Notes:													
In-House Productions	July/August	The Mandela		FOOTLOOSE									
	November/December	The Mandela		PINOCCHIO									
	May/June	The Mandela		THE BOYS IN THE PHOTOGRAPH									

## 2.2

### Capital Expenditure

The company was allocated funds by its shareholder, the City of Joburg, for the following capex project in the financial year 2009/10:

2009-10	1	Purchase and upgrading of stage equipment	In order to maintain efficiency of operation and competitiveness within the South African theatre industry.	R1,000,000
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The company has spent a total of R392,419.92 of its Capex allocation during the first quarter. This was used to purchase a Grand MA 2 Full Size Lighting Board for The Mandela, replacing an outdated lighting board which is now being used efficiently in The Fringe.

The company intends to use 100% of its Capex allocation during the financial year.

## 3

### PERFORMANCE MONITORING

#### 3.1

##### Output Levels

The percentage attendance at The Mandela was 57.91% over the quarter, against a target set of 65%. The reason for not reaching target is the economic recession and its effects on the theatre (see 1.1 above). 48 368 patrons attended shows at The Mandela during the quarter.

The percentage attendance at The Fringe was 63.88% over the quarter, against a target set of 40%. 12 148 patrons attended shows at The Fringe during the quarter

#### 3.2

##### Economic Growth

The percentage increase in revenue from theatre rentals from 2008/09 to 2009/10 during the first quarter was 0% as against a target set of 5%. R1,478,245 was received, compared with R2,146,073 in the same quarter last year. The reason for not reaching target is the economic recession and its effects on the theatre (see 1.1 above) and the unprecedented success of the show LE GRAND CIRQUE in July 2008.

The proportion of earned income against revenue including subsidy allocation for the first quarter was 59.20%, against an annual target set of 59%. Earned income for the quarter was R6,330,104 of a total revenue (inclusive of proportionate subsidy) of R10,696,103. The reason for not reaching target is the economic recession and its effects on the theatre (see 1.1 above).

### 3.3

#### Community / Human Development

The number of community / youth / gender related projects developed by the theatre during the quarter was eight:

- The transfer to The Fringe of the play AWAITING TRIAL performed by Movers Theatre, from space.com's first project ACTION! STEP UP AND CLAIM THE STAGE;
- space.com's THE WOMEN DIRECTORS' VOICES FESTIVAL, WORDS UNFOLDED and STAND-UP COMEDY WORKSHOPS;
- the return to The Fringe of the TRIBHANGI DANCE THEATRE company;
- the participation of The Mandela in the ARTS ALIVE 2009 festival;
- and special school matinee performances of both FOOTLOOSE and SABB'S GISELLE.

The target set for the total number of projects for the financial year is 12.

The number of youth introduced to theatre via sponsored tickets is 1,827, for visits to the shows FOOTLOOSE, SABB'S GISELLE, ARTS ALIVE 2009, AWAITING TRIAL and TRIBHANGI DANCE THEATRE. The annual target set for this KPI is 3,500.

The percentage of HDIs within the company's permanent employee base is recorded at 84% for the quarter ended September 30th 2009, against a target set for the year of 86%.

### 3.4

#### Effective and Compliant Financial Management

The percentage of affirmative procurement spend against total procurement expenditure for the quarter was 52.75%, i.e. R1,531,807 of a total spend of R2,903,984, against a target of 60%.

Gender Procurement (i.e., female based ownership / management of companies) accounts for 18% of total expenditure. Youth Procurement accounts for 15.26% of total expenditure.

Percentage of capital budget spent in the financial year is 39.24% to date.

Attainment of 'clean audit report' from the Auditor-General is not yet applicable as the audit was not completed during the first quarter.

See the following scorecard for year-to-date figures.

**JOBURG THEATRE  
SCORECARD  
FINANCIAL YEAR 2009-10**

**Approved by COJ Community Development and Board of Directors**

KEY PERFORMANCE AREA	KEY PERFORMANCE INDICATOR	ACTUAL 2008-09	TARGET 2009-10	1st QTR	TO DATE	MEANS OF VERIFICATION
Output levels	Percentage attendance at the Nelson Mandela Theatre	64%	65%	57.91%	57.91%	Computicket reports
	Percentage attendance at the Tesson Theatre	49%	40%	63.88%	63.88%	Computicket reports
Economic growth	Percentage increase in revenue from theatre rentals	2%	5%	0.00%	0.00%	Accounting records
	Proportion of earned income against revenue including subsidy	59%	59%	59.20%	59.20%	Accounting records
Community development	Number of community related projects developed by the theatre	12	12	8	8	Quarterly Report documentation
	Number of youth introduced to theatre via sponsored tickets	New KPI	3500	1,827	1,827	Computicket reports
	Percentage of HDIs within permanent employee base	85%	86%	84%	84%	Employment Equity reports
Effective and Compliant Financial Management	Percentage of affirmative procurement spend against total procurement expenditure	57%	60%	52.75%	52.00%	Procurement statistics
	Percentage of capital budget spent	0%	100%	39.24%	39.24%	Accounting records
	Attainment of "clean audit report" from Auditor General	100%	100%	N/A	N/A	Audit reports



## HUMAN RESOURCES

### 4.1 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 employed a total of 85 full time staff members as at June 30th 2009. 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 have been submitted to the Media Advertising-Publishing-Printing-Packaging (MAPPP) SETA and the Department of Labour. The company receives SETA rebates on a regular, fully monitored basis. The Chief Executive Officer, together with the Human Resources Practitioner, is responsible for the monitoring of the implementation of the employment equity plan.

The table below outlines the employment equity report for the period under review.

Employment Equity – by race as at September 30th 2009

Categories	Male				Female				Total	HDI Total	HDI %
	A	C	I	W	A	C	I	W			
Theatre Management	3	0	0	3	2	0	0	3	11	8	73
Support Management	7	0	0	5	2	1	0	1	16	11	69
Theatre Team	33	0	1	5	17	1	0	2	59	53	90
<b>TOTALS</b>	43	0	1	13	21	2	0	6	86	72	84

There were two recruitments during the quarter: Patience Mthembu (Customer Services) and Zakhele Mpungose (Senior Accountant). There was one retirement: Glynnis Davies (Client Services Manager) and one dismissal: James Maditse (Lighting Technician)

Promotions were awarded to:

Happiness Mnyandu - Customer Services  
 Mogapi Mokgautsi - Theatre Officer  
 Bertha Mogale - Deputy Theatre Officer  
 Justin Lipson - Communications Officer  
 Natasha Groenewald - Communications Manager  
 Bridget Mashika - Corporate Officer  
 Ntobeko Magxwalisa - Resident Stage Technician

## **4.2**

### **Training**

Joburg Theatre 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 specifically assist in enhancing the skills of previously disadvantaged individuals. The policy also intends to include 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 turnover analysis.

The company's skills development programmes are in line with the requirements of the Skills Development Act and the Workplace Skills Plan (WSP) is aligned to the business plan. Focus is placed on occupational specific programmes, management development and legally required training.

During the quarter ended June 30th 2009, the following training programmes were undertaken by employees:

- Certificate in Marketing and Sales Management – Lyceum College  
Natasha Groenewald – VIP Ticketing Assistant
- Computer training – The Learning Organisation  
MS Word 2003:  
Irvin Sigubudu – Theatre Security  
Abraham Hlangu – Theatre Security  
Lesley Khambule – Theatre Security  
Winston Manganye – Theatre Security  
Glorius Mgetyengana – Theatre Security  
Bafana Jiyane – Theatre Security

## **4.3**

### **Employee Retention Scheme**

On May 30th 2007 the Board of Directors approved the implementation of an Employee Retention Scheme, to which six critically-skilled members of the senior management team were signed. The company initially set aside R4,000,000.00 and then in September 2008 an additional R2,000,000.00 from prior years' surplus operational funds in order to meet obligations from the Scheme. The estimated pay-out on maturity on July 1st 2010 is R3,167,003.00. It is therefore hoped to widen the membership base of the Scheme on a self-sustainable basis in future years.

#### **4.4**

##### **Relationship with SAMWU**

Twenty-nine of the theatre's employees are registered with the South African Municipal Workers Union. The union approached management with respect to entering into a recognition agreement in 2008. A meeting was scheduled for 17th February 2009, which was postponed to 14th April 2009, due to the busy schedule of the union officials. The union representative failed to attend the postponed meeting. To date, no further communication has been received from SAMWU.

#### **5**

##### **HIV/AIDS**

Joburg Theatre has aligned itself with the Arts & Culture Trust's initiative ACT NOW! AGAINST AIDS, a fundraising framework for partnerships between the Arts & Culture Trust (ACT) and the South African theatre industry. Loosely based on the US Broadway Cares / Equity Fights AIDS model, funds raised will be used to support arts and culture projects run by people living with HIV/AIDS or whose beneficiaries are living with or affected by HIV/AIDS. Projects selected for support will be subject to ACT's standard monitoring and evaluation criteria.

The theatre started its association with ACT NOW! AGAINST AIDS by donating R143,693 from the ticketing sales of a performance of the pantomime SNOW WHITE. The theatre's participation in ACT NOW! AGAINST AIDS will be ongoing.

An average of 237 free condoms per month was distributed backstage at the theatre.

#### **6**

##### **OCCUPATIONAL HEALTH AND SAFETY**

As per the requirements of the Occupational Health and Safety Act and Joburg Theatre policies, the company has signed a service level agreement with the City of Joburg OHASA Department to ensure that the company complies with the legislative requirements.

Safety talks were given to all actors and companies visiting the theatre during the quarter under review.

In association with COJ risk services, the theatre is in the process of re-compiling its evacuation procedures in order to update the document in accordance with current legislation and still in the first phase, of restructuring the evacuation plan.

## 7

### PERFORMANCE MANAGEMENT

The company has a performance management system in place, which is applicable to Heads of Departments as well as other employees. In terms of the system, the employee's performance evaluation is based on the employee's job description relevant at the time of evaluation. This would assist in determining the level of output as well as behaviours such as initiative, optimism, service orientation, leadership, flexibility, integrity and passion.

Additionally, the Chief Executive Officer and the Head of Department analyse the employee's performance evaluation and create dialogue on issues that may need addressing, thereby providing opportunities together to assess expectation, set realistic goals and manage performance on a continuous basis.

## 8

### EXTENDED PUBLIC WORKS PROGRAMME

The company continues to actively participate in EPWP initiatives such as the using of additional part-time staff that perform such duties as theatre attendants, dressers, spotlight operators, etc. Some of these are students who have never before been exposed to the working environment and all such vacancies are filled by historically disadvantaged individuals.

The recent establishment of space.com as a mechanism to interweave the operation of our professional theatre with those of community theatres now allows and encourages the use and skills training of youth from historically disadvantaged communities.

## 9

### COMMUNITY DEVELOPMENT AND SOCIAL AWARENESS

The company's Chief Executive Officer is allocated a discretionary Social Awareness Programmes budget each year. For the financial year ended June 30th 2010, the budget is R1 340 000.

R67,777 has been disbursed as follows:

SA Federation for Mental Health (Casual Day Stickers)	450.00
Mayoral Road Show	4,134.00
Avusa Media – SABT Outreach Projects	5,702.00
Community Development – space.com	57,491.00
<b>TOTAL</b>	<b>67,777.00</b>

Joburg Theatre’s social awareness programme also concentrates on providing subsidised visits to shows in both The Mandela and The Fringe for learners from all communities, underprivileged children, youth from previously disadvantaged communities, the elderly and physically challenged in our local communities and those who regularly offer support to the operation of the theatre, such as employees of the City of Joburg and families of the members of SAPS and JMPD.

The beneficiaries receive either complimentary tickets or tickets at much reduced prices to visit the theatre.

**10  
PROCUREMENT**

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 developed a supplier database in order to afford all prospective suppliers or service providers’ equal and simultaneous access to requests for quotations. Although preference will be given to suppliers registered on the database, this does not necessarily mean that suppliers not registered as yet will be excluded. 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 recently amended Supply Chain Management Policy and applicable legislations.

Affirmative Procurement spend for the Quarter ended June 30th 2009 is recorded as follows:

TOTAL SPEND	BEE SPEND	NON BEE SPEND	NO INFORMATION PROVIDED	WOMAN OWNED	YOUTH
-2,903,984.03	-1,531,806.66	-1,272,286.10	-99,891.27	-516,476.94	-435,469.28
	52.75%	43.81%	3.44%	18.00%	15.26%

Details of the above are provided on the following page:

**JOBURG THEATRE SPEND REPORT**

	SUPPLIER	TOTAL	BEE STATUS	BEE CO. (BE)	NON BEE SPEND (NBE)	NO INFORMATION PROVIDED (NIP)	WOMAN OWNED	YOUTH
1	BIDSERV T/A G. FOX & COMPANY	-13,195.04	B	-13,195.04			-13,195.04	-13,195.04
2	CANON	-8,149.37	B	-8,149.37			-8,149.37	
3	DOT OFFICE SUPPLIES	-32,637.48	B	-32,637.48				
4	LEADING EDGE COMPUTERS	-4,273.86	B	-4,273.86			-4,273.86	-4,273.86
5	EGOLI GAS (PTY) LTD	-125,599.19	BE	-125,599.19				
6	ESPEAK	-4,600.00	BE	-4,600.00			-4,600.00	
7	FIRST TECHNOLOGIES	-47,779.74	BE	-47,779.74			-47,779.74	
8	G4S CASH SERVICES	-8,396.25	BE	-8,396.25			-8,396.25	
9	IMVULA QUALITY PROTECTION	-79,762.50	BE	-79,762.50			-79,762.50	
10	INM OUTDOOR	-606,521.88	BE	-606,521.88				
11	MA BAKER FOODS	-966.97	BE	-966.97				
12	MAXI TAXI DRIVERS ASSOCIATION	-49,500.00	BE	-49,500.00				
13	MILLIONAIRE PRINTERS	-91,450.74	BE	-91,450.74			-91,450.74	
14	MORENA PROPLANT	-8,599.59	BE	-8,599.59				
15	NOMSA MOKGAUTSI'S BAKERY & CATERING	-882.50	BE	-882.50			-882.50	
16	PONS DISTRIBUTERS	-3,476.43	BE	-3,476.43				
17	PRIMEDIA OUTDOOR	-77,199.66	BE	-77,199.66				
18	REBOLD DIST. SERV. T/A STAMFORD SALES	-36,345.75	BE	-36,345.75				
19	SCENTSATIONAL MARKETING	-684.00	BE	-684.00				
20	SIYAYA CLEANING	-173,908.12	BE	-173,908.12			-173,908.12	
21	THE KIT GROUP	-5,878.07	BE	-5,878.07				
22	WINTEK COMPUTER SERVICE	-2,898.00	BE	-2,898.00			-2,898.00	
23	LEARNING ORGANISATION	-8,892.00	BE	-8,892.00			-8,892.00	
24	JO'BURGS MACHINERY, TOOLS & HARDWARE	-14,339.05	BE			-14,339.05		
25	SENNHEISER ELECTRONIC	-10,781.21	BE			-10,781.21		
26	TEDKAYE	-4,350.24	BE	-4,350.24				
27	CLEANCOR A DIVISION OF SERVERST	-135,859.28	BE	-135,859.28				
28	BODY STRESS RELEASE	-2,660.00	NBE		-2,660.00		-2,660.00	
29	CAMQUIP TRADING	-3,255.84	NBE		-3,255.84			
30	CHEFFETTES	-23,881.14	NBE		-23,881.14		-23,881.14	
31	COMS TEL CC	-319.00	NBE		-319.00			
32	DWR DISTRIBUTION	-417,379.08	NBE		-417,379.08			-417,379.08
33	ELECTROSONIC SA	-9,035.99	NBE		-9,035.99			
34	HAIR ST CLAIRE	-11,565.00	NBE		-11,565.00		-11,565.00	
35	INVENTORY SERVICES	-1,567.50	NBE		-1,567.50			
36	JACKS PAINT	-3,345.00	NBE		-3,345.00			
37	MED MEDICAL SUPPLIES	-889.88	NBE		-889.88		-889.88	
38	MZ SECURITY	-2,097.60	NBE		-2,097.60		-2,097.60	
39	NAIRNE SANDERSON	-2,857.45	NBE		-2,857.45			
40	OFFICE D'LUXE	-9,961.32	NBE		-9,961.32			
41	ROODEPOORT METAL EXCHANGE CC	-1,492.54	NBE		-1,492.54			
42	SCHINDLER LIFTS	-126,814.50	NBE		-126,814.50			
43	SHOWADS	-346,321.58	NBE		-346,321.58			
44	SIGN-A-RAMA RANDBURG	-51,246.42	NBE		-51,246.42			
45	SIGNS AND GRAPHICS	-16,681.05	NBE		-16,681.05			
46	SMART ASH	-4,324.38	NBE		-4,324.38			
47	SPECIALISED DISPENSARY	-6,999.50	NBE		-6,999.50			
48	STARCODED SOLUTIONS	-58,050.62	NBE		-58,050.62			
49	SYM TRADING	-2,736.00	NBE		-2,736.00			
50	TECHMACH ELECTRICAL	-81,014.59	NBE		-81,014.59			
51	THE LAMPHOUSE	-9,506.52	NBE		-9,506.52			
52	TOBI SUTTER	-621.30	NBE		-621.30			-621.30
53	WASTE GIANT	-23,529.27	NBE		-23,529.27			
54	SOFTLINE VIP PAYROLL	-5,584.18	NBE		-5,584.18	0.00		
55	FINWARE CONSULTING	-1,938.00	NBE		-1,938.00	0.00		
56	VIDEO AFRICA	-205.20	NBE		-205.20		-205.20	
57	BRIDGIT FIRE	-10,499.40	NBE		-10,499.40			
58	ALPHACEL	-4,916.25	NBE		-4,916.25			
59	S MORTON T/A SILC PUBLICATIONS	-30,990.00	NBE		-30,990.00		-30,990.00	
60	BP BRAAMFONTEIN	-5,554.64	NIP			-5,554.64		
61	CARTER AGENCY	-8,784.16	NIP			-8,784.16		
62	CIRO	-6,333.93	NIP			-6,333.93		
63	FEDEX EXPRESS	-525.63	NIP			-525.63		
64	FLEET STREET PUBLICATIONS	-669.07	NIP			-669.07		
65	HERBERT EVANS PAINT	-791.67	NIP			-791.67		
66	L & B INDUSTRIAL PO	-40,310.40	NIP			-40,310.40		
67	LIQUOR LOONEY CC	-17,342.10	NIP			-17,342.10		
68	MAKRO MASSTORES	-2,266.80	NIP			-2,266.80		
69	RUPHIN COUDZER	-1,325.00	NIP			-1,325.00		
70	TADCO AUDIO DISTRIBUTION	-1,778.40	NIP			-1,778.40		
71	THE KIT GROUP	-5,878.07	NIP			-5,878.07		
72	TIMBERCITY	-9,256.92	NIP			-9,256.92		
73	WASTE VISION	-7,843.09	NIP			-7,843.09		
74	THE PAINT PLACE	-1,127.00	NIP			-1,127.00		
75	EASTRAND CATER EQUIPMENT	-2,111.85	NIP			-2,111.85		
76	MELROSE HOTEL	41,177.00	NIP			41,177.00		
77	MR PLASTIC	-3,000.48	NIP			-3,000.48		
78	ALLMED MEDICAL SUPPLIERS	-250.80	NIP			-250.80		
79	ROTO ROOTER	-798.00	NIP			-798.00		
				-1,531,806.66	-1,272,286.10	-99,891.27	-516,476.94	-435,469.28
	<b>TOTALS</b>	<b>-2,903,984.03</b>		<b>52.75%</b>	<b>43.81%</b>	<b>3.44%</b>	<b>17.79%</b>	<b>15.00%</b>

## **11 GOVERNANCE**

### **11.1 Legislative Compliance**

The company has a unitary board, which consists of one-executive and nine non-executive directors. Non-Executive directors are sufficiently independent of management and have no relationship that could materially interfere with the execution of their independent judgment.

During the quarter under review, the Board of Directors convened once - on September 02nd 2009 - for the purpose of (amongst others): Appointment of Company Secretary; discussions with Shareholder on Repatriation of Theatre Funds; consideration of the Annual Financial Statements for 2009/10; reviewing the Business Risk Register; reviewing the Management Accounts for April, May and June 2009; and approving the Updated Delegations of Authority for Senior Management.

At this meeting, management submitted to the Board of Directors information that was critical to the Directors' discharge of their fiduciary duties. There were no material concerns indicated and the general sense remains that no material business governance issues were being breached by the company and that it is accordingly compliant with the vast majority of compliance issues and legal protocols applicable to the City of Joburg's Municipal Entities.

Non-executive Director Mr Lebo Morake was unable to attend this Meeting.

### **11.2 Audit Committee**

During the quarter under review, the Board of Directors' Audit Committee convened once: on August 26th 2009.

At the Meeting: A report was presented and discussed from Joburg Risk and Audit Services as internal audit supplier to the company; the Draft Internal Audit Coverage Plan was approved; Annual Financial Statements for 2008/09 were approved for submission to AG on August 31st; a report on the meeting with the COJ finance office held on August 18th was presented; presentation by JRAS on the Risk Workshop held with Theatre Management on July 23rd was discussed and Management Accounts were reviewed for the months April, May and June 2009.

### **11.3 Human Resources Committee**

During the quarter under review, the Board of Directors' Human Resources Committee was not required to meet.

#### **11.4**

##### **Internal Audit**

The internal audit function of the company has been outsourced pursuant to section 165(3) of the MFMA to the Joburg Risk and Audit Services (JRAS).

#### **11.5**

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

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

#### **11.6**

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

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

#### **11.7**

##### **Financial Irregularities**

There has been no financial irregularity brought to the attention of the Accounting Officer and the Company Secretary during the quarter in review.

#### **11.8**

##### **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 first quarter.

#### **11.9**

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

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

#### **11.10**

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

Directors of the company have been instructed to declare any material 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.



### 11.11

#### Report on the prohibition of disposal of assets contained in Section 228 of the Companies Act

No assets were disposed in the first quarter.

### 11.12

#### Report on movements of Directors (resignations, new appointments, dismissals)

There has been no movement of Directors during the first quarter. However, Tobi Suttner was resigned as Company Secretary and Bridget Mashika's appointment as Company Secretary was ratified at the Board Meeting of September 02nd.

### 11.13

#### Report on the remuneration of non-executive directors and company executives

The table below discloses the remuneration of senior management and non-executive directors for the period under review and the year-to-date:

SENIOR MANAGEMENT REMUNERATION								
No.	Name	Current Quarter			YTD			TOTAL
		Basic Salary	Allowances & Contributions	TOTAL	Basic Salary	Allowances + Contributions	Bonus	
1	B. Jay (Chief Executive Officer)	301,486	271,881	573,366	301,486	59,671	212,210	573,366
2	V. Milcevic (Finance Officer)	137,670	25,220	162,890	137,670	25,220		162,890
3	S. James (Technical Officer)	117,759	16,258	134,017	117,759	16,258		134,017
4	P.Pretorius (Building & Safety Officer)	99,053	61,032	160,085	99,053	61,032		160,085
5	J. Lipson (Client Services Officer)	69,500	12,165	81,665	69,500	12,165		81,665
6	C. Pacariz (Planning Officer)	76,412	17,762	94,174	76,412	17,762		94,174
7	E. Ramoroko (Stage Officer)	72,372	20,134	92,506	72,372	20,134		92,506
8	B. Mashika (Corporate Officer) **	31,200	4,152	35,352	31,200	4,152		35,352
9	M Mokgautsi (Theatre Officer) *	31,000	5,132	36,132	31,000	5,132		36,132
<b>TOTAL</b>		<b>936,452</b>	<b>433,736</b>	<b>1,370,189</b>	<b>936,452</b>	<b>221,526</b>	<b>212,210</b>	<b>1,370,189</b>

\* M Mokgautsi effective 1/8/2009

\*\* B Mashika effective 1/9/2009

NON EXECUTIVE DIRECTORS REMUNERATION								
No.	Name	Current Quarter			YTD			TOTAL
		Meeting Fee	Other	TOTAL	Meeting Fee	Other	Retainer	
1	C. Coovadia (Chairman)	8,625	-	8,625	8,625	-	34,500	43,125
2	B. Lombard (Director)	8,626	-	8,626	8,626	-	15,000	23,626
3	Suri. Pillay (Director)	8,626	-	8,626	8,626	-	16,000	24,626
4	A.M Hadebe (Director)	4,313	-	4,313	4,313	-	17,250	21,563
5	P Segakweng ( Director)	4,313	-	4,313	4,313	-	7,500	11,813
6	B Mokhobo ( Director)	4,313	-	4,313	4,313	-	7,500	11,813
7	W Msomi ( Director)	4,313	-	4,313	4,313	-	4,000	8,313
8	Y Mhinga ( Director)	4,313	-	4,313	4,313	-	4,000	8,313
9	Z. Samsam (Independent Audit Committee Member)	17,251	-	17,251	17,251	-	-	17,251
10	J Froneman (Independent Audit Committee Member)	4,313	-	4,313	4,313	-	-	4,313
<b>TOTAL</b>		<b>69,006</b>	<b>-</b>	<b>69,006</b>	<b>69,006</b>	<b>-</b>	<b>105,750</b>	<b>174,756</b>

#### **11.14**

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

The Board of Directors is guided by the Company Secretary in regard to legislative compliance requirements. There have been no activities of the Board that fall outside of the requirements of the MFMA and the MSA (as amended). Reporting deadlines as indicated in the Acts have been met.

#### **12**

##### **STAKEHOLDERS REPORT**

The theatre continues to be an active member of PANSAs, the Performing Arts Network of South Africa.

The theatre continues to receive very positive media reports from its operational activities and recent awards achieved. See item 1.6 of this Report for further information in this regard.

The company's CEO is a member of the Institute of Directors in Southern Africa.

#### **13**

##### **RISKS REGISTER**

The management of risks is the responsibility of the Chief Executive Officer who carries out this duty with the theatre's management team.

Updates of the company's Risks Register are presented to and discussed at each meeting of the Board of Directors and the Audit and Risk Committee.

The table on the following page spells out the areas of risks identified by the company as at July 23rd 2009, including risk control measures:

City of Johannesburg  
Risk Services  
Joburg Theatre  
Risk register as at: 23 July 2009

	Objectives	Risk Description	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	Time scale	
1	All objectives	Inadequate funding by the shareholder	Reduction of shareholder subsidy to below a viable operations level Shareholder could decide to reduce or terminate subsidy due to lack of support for a city theatre or lack of available funds	Catastrophic	5	Possible	3	Red	Build surplus operating funds in order to avoid a financial crisis.  Increase earned income as much as possible.  Persuade shareholders to increase level of subsidy	Poor	Red	Board of Directors & CEO	1. Pursue external funding from private sector	Theatre Liaison Officer	1. December 2009
2	Output levels	Cancellation of performances	City Power outages or break-downs create loss of power to operate the theatre	Moderate	3	Possible	3	Amber	Good relationship with City Power to access information and to resolve problems were possible	Good	Green	CEO	Maintain current controls	OH&S Manager	June 2010
3	Output levels Economic Growth	Closure of the theatre complex	Public emergency or disaster	Catastrophic	5	Unlikely	2	Red	Disaster Management Plan Train employees to manage sudden emergencies	Good	Green	CEO & OH&S Manager	1. Review Disaster Management Plan with JRAS	Building and Safety Officer and OH&S Manager	1. December 2009
4	Output levels and Economic Growth	Ageing of stage machinery	The age of the stage machinery in The Mandela brings about obsolescence Inability to attract quality tenants and producers to the theatre Unavailability of spare parts Limited skills available to repair machinery	Major	4	Possible	3	Red	Train employees in the maintenance of stage machinery in order to reduce dependance on contractors.  Gradually use available capex to replace parts where possible.	Good	Green	Production Officer & Building & Safety Officer	Maintain current controls	Production Officer and Building and Safety Officer	June 2010
5	Output levels, Economic Growth Community Development	No shows on stage	Unavailability of tenants due to recession and/or competition from other theatres Insufficient operational funds to produce or co-produce shows	Major	4	Possible	3	Red	Build potential sponsorship base for future projects	Poor	Red	CEO, Finance Officer & Board of Directors	1. Pursue external funding in order to produce shows 2. Persuade government to subsidise performing arts companies to enable them to rent the theatre	1. Theatre Liaison Officer 2. CEO	1-2. June 2010

**Joburg Theatre (Pty) Ltd**  
**FINANCIAL REPORTING SCHEDULES**

**ENTITY**

Joburg Theatre (Pty) Ltd

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Provides a detailed narrative report on business activities, highlights, and/or areas of concern within that quarter incorporating a narrative on the exec summary as attached.

Provides a narrative overview on the variances as reflected in the ensuing schedules

In addition to template to be completed, provide a narrative on description of projects, impact on the community, number of new jobs created through engagement of contractors and communities, and an explanation of variances

**Joburg Theatre (Pty) Ltd  
EXECUTIVE SUMMARY**

R millions

Notes	Current Quarter			Year to date			Projected to June year end		
	Actual	Budget	Variance	Actual	Budget	Variance	Revised Projection	Original Budget	Variance
<b>A) Financial headlines</b>									
Revenue	10	12	-2	10	12	-2	0	0	0
Subsidies	0	0	0	0	0	0	0	0	0
External Income	10	12	-2	10	12	-2	0	0	0
Profit before interest and taxes	-3	-1	-2	-3	-1	-2	0	0	0
<b>Movements - Current Qtr</b>									
Net cash/(overdraft)	12	12	0	29	29	0	0	0	0
Total assets	30	30	0	64	64	0	0	0	0
Total shareholders funds	0	0	0	8	8	0	0	0	0
Repayment to COJ (Dividends,int,cap repay.)	1	1	-0	0	0	0	0	0	0
(Transfer)/ Subsidy requirements	0	0	0	0	0	0	0	0	0
Unused available credit lines & facilities			0			0			0

**B) Key financial ratios**

Operating margin (%)	-33%	-10%	-23%	-33%	-10%	-23%	#DIV/0!	#DIV/0!	#DIV/0!
Earnings before interest and tax %	-27%	-5%	-22%	-27%	-5%	-22%	#DIV/0!	#DIV/0!	#DIV/0!
Return on investment (%)	-10%	-1%	-8%	-6%	-1%	-5%	#DIV/0!	#DIV/0!	#DIV/0!
Break-even (%)	128%	103%	24%	128%	103%	24%	#DIV/0!	#DIV/0!	#DIV/0!
Personnel cost / Total income (%)	33%	28%	-5%	33%	28%	-5%	#DIV/0!	#DIV/0!	#DIV/0!
External interest / Operating expenditure (%)	-8%	-11%	-3%	-8%	-11%	-3%	#DIV/0!	#DIV/0!	#DIV/0!
Total Debt/Total Income %	78%	64%	-14%	77%	63%	-14%	#DIV/0!	#DIV/0!	#DIV/0!
Projected repayments/(needs) % of budgets									

<b>Current Quarter</b>									
Gearing (%)	104%	104%	0%	103%	103%	0%	#DIV/0!	#DIV/0!	#DIV/0!
Creditor days	-	-	-	-	-	-	#DIV/0!	#DIV/0!	#DIV/0!
Forward cash cover - months	15	15	0	26	26	0	#DIV/0!	#DIV/0!	#DIV/0!
Quick ratio (%)	328%	328%	0%	160%	160%	0%	#DIV/0!	#DIV/0!	#DIV/0!

**C) Capital expenditure**

Total Capex originally budgeted for 2009/10  
less : Capex incurred & drawn to date  
less : Capex commitments to date

Total All Sources
R '000
1,000
392
608
<b>0</b>

Original Capex not incurred nor committed to date ( should be nil)

**Joburg Theatre (Pty) Ltd**  
**INCOME STATEMENT**

Notes	Current Quarter			Year to date			4th qtr	4th qtr	3rd qtr	3rd qtr	2nd qtr	2nd qtr	1st qtr	1st qtr	YTD - 4th Qtr	
	Actual	Budget	Variance	Actual	Revised Budget	Variance	Actual	Budget	Actual	Budget	Actual	Actual	Actual	Actual	Actual	Budget
<b>R '000's</b>	<b>10,157</b>	<b>12,371</b>	<b>-2,214</b>	<b>10,157</b>	<b>12,371</b>	<b>-2,214</b>										
<b>Revenues (+ve)</b>																
Property Rates	0	0	0	0	0	0										
Plus Penalties imposed	0	0	0	0	0	0										
User Charges for Services	0	0	0	0	0	0										
Regional Services Levies - Turnover	0	0	0	0	0	0										
Regional Services Levies - Remuneration	0	0	0	0	0	0										
Rent of Facilities and Equipment	0	0	0	0	0	0										
Dividends Received -External Entities	0	0	0	0	0	0										
Fines	0	0	0	0	0	0										
Licenses & Permits	0	0	0	0	0	0										
Income from Agency Services	0	0	0	0	0	0										
Consumer service charges / turnover	0	0	0	0	0	0										
COJ subsidies and grants	0	0	0	0	0	0										
Other operating Grants & Subsidies	4,366	4,366	0	4,366	4,366	0										
Other Income	5,791	8,005	-2,214	5,791	8,005	-2,214										
Surplus on Sale of Assets	0	0	0	0	0	0										
<b>Cost of Sales (trading entities only -ve)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>										
Bulk Purchases -Electricity	0	0	0	0	0	0										
Bulk Purchases -Water	0	0	0	0	0	0										
Other COJ purchases	0	0	0	0	0	0										
<b>Gross margin</b>	<b>10,157</b>	<b>12,371</b>	<b>-2,214</b>	<b>10,157</b>	<b>12,371</b>	<b>-2,214</b>										
<b>Gross Profit margin %</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Expenditure (-ve)</b>	<b>-13,504</b>	<b>-13,554</b>	<b>50</b>	<b>-13,504</b>	<b>-13,554</b>	<b>50</b>										
Employee Related Costs -Wages & Salaries	-3,350	-3,453	133	-3,350	-3,453	133										
Employee Related Costs -Social Contributions	-657	-657	200	-657	-657	-200										
Less Employee Costs Capitalised	0	0	0	0	0	0										
Less Employee Costs allocated to other operat	0	0	0	0	0	0										
Collection Costs	0	0	0	0	0	0										
Contracted Services	-263	-210	-53	-263	-210	-53										
Consultancy Fees	0	0	0	0	0	0										
Gen.expenses - Other	-7,596	-7,869	273	-7,596	-7,869	273										
Repairs & Maintenance	-859	-810	-49	-859	-810	-49										
Depreciation	-579	-525	-54	-579	-525	-54										
Amortisation	0	0	0	0	0	0										
Grants & Subsidies Paid	0	0	0	0	0	0										
Deficit on Sale of Assets	0	0	0	0	0	0										
Contributions: Bad debts	0	0	0	0	0	0										
Contributions: Stock obsolescence	0	0	0	0	0	0										
Contributions: Other	0	0	0	0	0	0										
Contributions: Other	0	0	0	0	0	0										
Contributions: Other	0	0	0	0	0	0										
<b>Operating overheads</b>	<b>50</b>	<b>-13,504</b>	<b>-13,554</b>	<b>50</b>	<b>-13,504</b>	<b>-13,554</b>										
Personnel costs	-67	-4,207	-4,140	-67	-4,140	-4,140										
Marketing & distribution	-1,323	-1,150	-173	-1,323	-1,150	-173										
Operations	-7,106	-7,265	159	-7,106	-7,265	159										
Finance and administration	-289	-474	185	-289	-474	185										
Depreciation & amortisations	-579	-525	-54	-579	-525	-54										
<b>Profit/(Loss) before interest &amp; taxes</b>	<b>-3,347</b>	<b>-1,183</b>	<b>-2,164</b>	<b>-3,347</b>	<b>-1,183</b>	<b>-2,164</b>										
<b>Net interest &amp; sundry items</b>	<b>539</b>	<b>770</b>	<b>-231</b>	<b>539</b>	<b>770</b>	<b>-231</b>										
Interest income -Internal (COJ)	0	0	0	0	0	0										
Interest income -External	0	0	0	0	0	0										
Interest (expense in -ve) -Internal (COJ)	0	0	0	0	0	0										
Interest (expense in -ve) -External	0	0	0	0	0	0										
Interest earned - External investments	539	770	-231	539	770	-231										
Interest income -Outstanding debtors	0	0	0	0	0	0										
Interest on COJ shareholder loans (-ve)	0	0	0	0	0	0										
Interest on Minor conduit loans (-ve)	0	0	0	0	0	0										
State and parastatal interest payable (-ve)	0	0	0	0	0	0										
Commercial interest payable (-ve)	0	0	0	0	0	0										
Sundry income / (expenses in -ve)	0	0	0	0	0	0										
<b>Profit/(Loss) after finance costs and before fair value</b>	<b>-2,808</b>	<b>-413</b>	<b>-2,395</b>	<b>-2,808</b>	<b>-413</b>	<b>-2,395</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Fair Value adjustment on derivative financial instrum	0	0	0	0	0	0										
<b>Profit/(Loss) before taxes</b>	<b>-2,808</b>	<b>-413</b>	<b>-2,395</b>	<b>-2,808</b>	<b>-413</b>	<b>-2,395</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Taxation payable (-ve)	0	0	0	0	0	0										
<b>Net Income/(Loss) for the year</b>	<b>-2,808</b>	<b>-413</b>	<b>-2,395</b>	<b>-2,808</b>	<b>-413</b>	<b>-2,395</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(Dividends Paid)	0	0	0	0	0	0										
Transfer (into)/from NDR	0	0	0	0	0	0										
Effect of adopting AC 133 valuation of embedded deriva	0	0	0	0	0	0										
Correction of fundamental error	0	0	0	0	0	0										
Change in accounting policy	0	0	0	0	0	0										
Prior year adjustments	2,189	-5,736	7,925	2,189	-5,736	7,925										
<b>Retained income for the period</b>	<b>-619</b>	<b>-6,149</b>	<b>5,530</b>	<b>-619</b>	<b>-6,149</b>	<b>5,530</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Retained income at beginning of period	8,206	13,736	-5,530	8,206	13,736	-5,530	8,206	13,736	8,206	13,736	8,206	13,736	8,206	13,736	8,206	13,736
<b>Retained income at end of period</b>	<b>7,587</b>	<b>7,587</b>	<b>0</b>	<b>7,587</b>	<b>7,587</b>	<b>0</b>	<b>8,206</b>	<b>13,736</b>	<b>8,206</b>	<b>13,736</b>	<b>8,206</b>	<b>13,736</b>	<b>8,206</b>	<b>13,736</b>	<b>8,206</b>	<b>13,736</b>

X Check - expenses s/be nil

**Notes**

**Joburg Theatre (Pty) Ltd  
BALANCE SHEET**

R '000's	Notes	Opening	Opening	Last Quarter		Year to date		3rd Quarter	3rd Quarter	2nd Quarter	2nd Quarter	1st Quarter	1st Quarter
		Audited B/S at 30 June '09	Budgeted Base B/S 01 July '09	Actual	Budget	Variance	Actual	Revised Budget	Variance	Actual	Budget	Actual	Budget
<b>ASSETS</b>													
<b>NON-CURRENT ASSETS</b>													
<b>Fixed assets (net book values)</b>													
Land and buildings		11,959	11,955	11,955	11,955	0	11,436	11,436	0	-	-	-	-
Plant & equipment		11,933	11,933	11,933	11,933	0	11,418	11,418	0	-	-	-	-
Motor vehicles -Specialised						0							
Motor vehicles -Other		7,742	7,739	7,739	7,739	0	7,361	7,361	0				
Furniture and fittings						0							
Office Equipment		204	206	206	206	0	193	193	0				
Other fixed assets		1,576	1,576	1,576	1,576	0	1,495	1,495	0				
		395	396	396	396	0	353	353	0				
		2,016	2,016	2,016	2,016	0	2,016	2,016	0				
<b>Intangible assets</b>													
Brands & trademarks		26	22	22	22	0	18	18	0	0	0	0	0
Long term concessions and rights						0							
Premium on acquisition/corporatisation						0							
Goodwill						0							
<b>Investments (subsidiaries, associates)</b>													
				0	0	0		0	0				
<b>Other non-current assets</b>													
Other long term assets		0	0	0	0	0	0	0	0	0	0	0	0
Derivative financial assets				0	0	0							
Employee benefit investment				0	0	0							
Deferred tax asset				0	0	0							
<b>CURRENT ASSETS</b>													
Service Debtors		20,249	23,212	17,063	17,063	0	32,667	32,667	0	0	0	0	0
Less -Provision for Doubtful Debts (-ve)		302	302	302	302	0	3,590	3,590	0				
Sundry Debtors		71	151	151	151	0	66	66	0				
Inventory / Projects in progress		140	145	145	145	0	150	150	0				
Derivative financial assets						0							
Cash & cash equivalents		19,736	22,614	16,465	16,465	0	28,861	28,861	0	-	-	-	-
COJ (incl. Shareholders liability for post-retirement benefit obligation)				0	0	0							
Other UAC's of COJ				0	0	0							
Other current assets				0	0	0							
Deferred expenditure (prepayments)				0	0	0							
<b>TOTAL ASSETS</b>													
		32,208	35,167	29,018	29,018	-	44,103	44,103	-	-	-	-	-
<b>EQUITY AND LIABILITIES</b>													
<b>Shareholder Funds</b>													
Share capital & premium		10,396	13,736	7,587	7,587	0	7,587	7,587	-	-	-	-	-
Retained income / (Accumulated loss)		8,206	13,736	7,587	7,587	0	7,587	7,587	0				
COJ Subordinated shareholder loans		2,190	0	0	0	0	0	0	0				
<b>Non Distributable Reserve</b>													
NDR on corporatisation & revaluation		8,374	8,374	8,374	8,374	0	8,374	8,374	0	0	0	0	0
<b>Government Grants</b>													
Grants (Conditional Grants)		0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-current liabilities</b>													
Mirror Conduct/ External loans		7,791	7,894	7,894	7,894	0	7,791	7,791	0	0	0	0	0
COJ Shareholder Loans						0							
Other External loans						0							
Other parastatal & govt. loans						0							
Other Non-current liabilities						0							
Deferred revenue						0							
Deferred tax liability		7,726	7,829	7,829	7,829	0	7,726	7,726	0				
Provision for post retirement benefits						0							
Property Mortgage Bonds						0							
Finance leases & instalment sales		65	65	65	65	0	65	65	0				
<b>Current liabilities</b>													
Trade creditors		5,647	5,163	5,163	5,163	0	20,351	20,351	0	-	-	-	-
Accruals and provisions		924	1,311	1,311	1,311	0	1,880	1,880	0				
Consumer Deposits - Services		742	783	783	783	0	1,241	1,241	0				
Overdraft & other short term debt						0							
VAT		-436	-353	-353	-353	0	-350	-350	0				
Taxation						0							
COJ						0							
Other UAC's of COJ						0							
Short term portion of long term liabilities		96	96	96	96	0	96	96	0				
Other current liabilities		4,321	3,326	3,326	3,326	0	17,484	17,484	0				
<b>TOTAL EQUITY AND LIABILITIES</b>													
		32,208	35,167	29,018	29,018	-	44,103	44,103	-	-	-	-	-

x-check

Note 1

**Joburg Theatre (Pty) Ltd**  
**CASH FLOW STATEMENT**

R '000's	<u>Current Quarter</u>			<u>Year to date</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Profit Before Interest and Taxes	-3,347	-1,183	-2,164	-3,347	-1,183	-2,164
Add: Depreciation and amortisations	579	525	54	579	525	54
Less: Taxation	-	-	-	-	-	-
Less: Dividends	-	-	-	-	-	-
Less/Add: Interest received /(paid)	539	770	-231	539	770	-231
Less: Profit / (Add:Loss) on sales of assets	-	-	-	-	-	-
Less(profit)/Add Loss: Prior year adjustments	-	-	-	-	-	-
Transfers to NDR	2,189	-5,736	7,925	2,189	-5,736	7,925
<b>Cash generated from operations</b>	<b>-40</b>	<b>-5,624</b>	<b>5,584</b>	<b>-40</b>	<b>-5,624</b>	<b>5,584</b>
Increase in net current assets	11,980	11,980	-	11,411	11,980	-569
Less : Increase in stock	-5	-5	-	-10	-5	-5
Increase in debtors	-3,288	-3,288	-	-3,288	-3,288	-
Increase in intercompany debtors	-	-	-	-	-	-
Increase in other current assets	85	85	-	5	85	-80
Add: Increase in creditors	569	569	-	956	569	387
Increase in accruals and provisions	458	458	-	499	458	41
Increase in short term portion of LTL	-	-	-	-	-	-
Increase in consumer deposits	-	-	-	-	-	-
Increase in intercompany creditors	-	-	-	-	-	-
Increase in other current liabilities	14,161	14,161	-	13,249	14,161	-912
<b>Net cash generated from / (absorbed by) operations</b>	<b>11,940</b>	<b>6,356</b>	<b>5,584</b>	<b>11,371</b>	<b>6,356</b>	<b>5,015</b>
<b>Cash impact from investing activities</b>	<b>60</b>	<b>6</b>	<b>54</b>	<b>56</b>	<b>6</b>	<b>50</b>
Less: Increase in intangible assets	-4	-4	-	-8	-4	-4
Increase/ (proceeds) in fixed assets	64	10	54	64	10	54
Increase in investments	-	-	-	-	-	-
<b>Cash impact from financing activities</b>	<b>103</b>	<b>103</b>	<b>-</b>	<b>2,190</b>	<b>103</b>	<b>2,087</b>
Add: (Increase) in shareholder loans	-	-	-	2,190	-	2,190
Adjustment to share premium	-	-	-	-	-	-
(Proceeds) Government Grants	-	-	-	-	-	-
(Increase) in NDR	-	-	-	-	-	-
(Increase) in long term liabilities	103	103	-	-	103	-103
Net movement in cash position	11,777	6,247	5,530	9,125	6,247	2,878
Add: Opening favourable cash position	17,084	22,614	-5,530	19,736	22,614	-2,878
<b>Closing net cash position</b>	<b>28,861</b>	<b>28,861</b>	<b>-</b>	<b>28,861</b>	<b>28,861</b>	<b>-</b>
Bank balance per balance sheet	28,861	28,861	-	28,861	28,861	-
<i>x-check</i>	-	-	-	-	-	-



**Joburg Theatre (Pty) Ltd**

**INCOME STATEMENT - Detailed Description of Other Income**

**Other income (+ve)**

R '000's	<u>Current Quarter</u>			<u>Notes</u>	<u>Year to date</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Revised Budget</u>	<u>Variance</u>
List description below	<b>5,791</b>	<b>8,005</b>	<b>-2,214</b>		<b>5,791</b>	<b>8,005</b>	<b>-2,214</b>
Theatre Rentals	1,478	1,900	-422		1,478	1,900	-422
Hospitality	280	350	-70		280	350	-70
News Café	167	300	-133		167	300	-133
Bars & Retail Operations	130	250	-120		130	250	-120
VIP Ticketing	63	160	-97		63	160	-97
In-House Ticket Sales	3,653	5,000	-1,347		3,653	5,000	-1,347
Miscellaneous	2	45	-43		2	45	-43
Sponsorship	18	-	18		18		18
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
	-	-	-				-
<b>TOTAL</b>	<b>5,791</b>	<b>8,005</b>	<b>-2,214</b>		<b>5,791</b>	<b>8,005</b>	<b>-2,214</b>

**N.B. The totals above must equal to row 20 in the Income Statement  
x check**

Notes





**Joburg Theatre (Pty) Ltd**  
**KEY FINANCIAL RATIOS**

R '000's	Measure	Note	Current Quarter			Year to date			Projected to June year end			
			Actual	Budget	Variance	Actual	Budget	Variance	Revised Projection	Original Budget	Variance	
<b>Income ratios</b>												
	Gross margin %	1	100%	100%	0%	100%	100%	0%	#DIV/0!	#DIV/0!	#DIV/0!	
	Operating margin %		-33%	-10%	-23%	-33%	-10%	-23%	#DIV/0!	#DIV/0!	#DIV/0!	
	Earnings before interest and tax %		-27%	-5%	-22%	-27%	-5%	-22%	#DIV/0!	#DIV/0!	#DIV/0!	
	Return on investment %		-10%	-1%	-8%	-6%	-1%	-5%	#DIV/0!	#DIV/0!	#DIV/0!	
	Return on equity %		-37%	-5%	-32%	-37%	-5%	-32%	#DIV/0!	#DIV/0!	#DIV/0!	
	Interest cover (times)		6.21	1.54	4.67	6.21	1.54	4.67	#DIV/0!	#DIV/0!	#DIV/0!	
	Operations Break-even %age		128%	103%	24%	128%	103%	24%	#DIV/0!	#DIV/0!	#DIV/0!	
<b>Balance sheet - funding ratios</b>												
	Shareholders funds/Total funding		26%	26%	0%	17%	17%	0%	#DIV/0!	#DIV/0!	#DIV/0!	
	Gearing		104%	104%	0%	103%	103%	0%	#DIV/0!	#DIV/0!	#DIV/0!	
	External funding/COJ funding		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
	Current ratio		330%	330%	0%	161%	161%	0%	#DIV/0!	#DIV/0!	#DIV/0!	
	Quick ratio		328%	328%	0%	160%	160%	0%	#DIV/0!	#DIV/0!	#DIV/0!	
	Bad debts - provision as % of Book		0%	0%	0%	0%	0%	0%	#DIV/0!	#DIV/0!	#DIV/0!	
	Stock obsolescence-provision % of Book				0%			0%			0%	
<b>Cash flow ratios</b>												
	Forward cash cover	months	2	14.6	14.6	0.1	25.6	25.6	0.1	#DIV/0!	#DIV/0!	#DIV/0!
	Peak Funding in next 12 months	R'000	3			0			0			0
	Interest and ST repmts / avg cash generated	times cover				0			0			0
	Projected repayments/(needs) % of budgets	%				0%			0%			0%
	Debtors days	days		11	9	2	129	106	23	#DIV/0!	#DIV/0!	#DIV/0!
	Future stockholding	days				0			0			0
	Creditor days	days		-	-	0	-	-	0	#DIV/0!	#DIV/0!	#DIV/0!
	Free cash flows	R'000	4	11,777	6,247	5530	9,125	6,247	2,878	-11,530	-8,878	-2652
	Projected dividend % of free cash flows	%				0%			0%			0%

**Note**

- 1) Only applicable to trading entities
- 2) No. of months over which current cash holding can cover expenditure
- 3) Lowest cash level anticipated
- 4) Remaining cash after deducting commitments and obligations from current cash holding

**Joburg Theatre (Pty) Ltd**

N.B Please list all capital projects that you would like to capitalise per annum provided that its within the capacity of the UAC.  
All major capex must be listed in detail  
All capex that cover computers, office equip, furniture and are below R500k must be classified together

ITEM NO.	REGION	NAME OF PROJECT EG K111.G'zina Manzi	DETAILS AND QTY EG Gravel roads - 300km	TYPE OF PROJECT	Current Financial Year 2008/2009						% actual paid	Source of Finance								ACTUAL				X check s/be nil						
					Budget			Actual				External Financing Funds (CoJ)	Asset Financing Reserve (Bank)	Own Funding Cash Surpluses	Public Contributions Bulk Service Contributions	Grant/Subsidies				Qtr 1	Qtr 2	Qtr 3	Qtr 4							
					New	Replacement	Total	New	Replacement	Total						Provincial	State Grant	Donations	CMP/IMG											
																									R 000	R 000	R 000	R 000	R 000	R 000
<b>Capex drawn</b>																														
1							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
1		Stage Lighting					1	000		1	000				100%		1	000												
2															#DIV/0!															
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TOTALS							1,000	0	1,000	0	1,000	1,000		100%		1,000	0	0	0	0	0	0	0	0	0	0	392	608	0	0
<b>Capex committed</b>																														
															#DIV/0!															
TOTALS							0	0	0	0	0	0		#DIV/0!	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grand Total							1,000	0	1,000	0	1,000	1,000		100%	1,000	0	0	0	0	0	0	0	0	0	0	0	392	608	0	0

