



**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**



**FIRST QUARTER  
PERFORMANCE REPORT  
2017/18**

JOBURG THEATRE  
SOC LIMITED

**COMPANY INFORMATION:**

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

**Registered Address** : **163 Civic Boulevard  
Braamfontein  
Johannesburg  
2017**

**Postal Address:** **P O Box 31900  
Braamfontein  
2017**

**Telephone number** : **(011) 877-6800**

**Fax number** : **(011) 877-6812**

**Website** : [www.joburgtheatre.com](http://www.joburgtheatre.com)  
[www.sowetothatre.com](http://www.sowetothatre.com)  
[www.roodepoorttheatre.com](http://www.roodepoorttheatre.com)  
[www.joburgcitytheatres.com](http://www.joburgcitytheatres.com)

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

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

**Approval**

<p><u>SOLOMON MPHAKATHI S. MPHAKATHI</u>                  Name &amp; Surname                  Chief Financial Officer</p> <p><u>[Signature]</u>                  Signature</p>	<p>Date of approval: 13/10/2017</p>
<p><u>Xoliswa Nduren</u>                  Name &amp; Surname                  Chief Executive Officer/MD</p> <p><u>[Signature]</u>                  Signature</p>	<p>Date of approval: 13/10/2017</p>
<p><u>MKOPANG MAPHIE</u>                  Name &amp; Surname                  Chairperson of the Board</p> <p><u>[Signature]</u>                  Signature</p>	<p>Date of approval: 13/10/2017</p>
<p><u>NONHLANHLE SIFUMBA</u>                  Name &amp; Surname                  MMC:</p> <p><u>[Signature]</u>                  Signature</p>	<p>Date of approval: 13/10/2017</p>

**Confirmation of Receipt:**

<p>_____                  Name &amp; Surname                  Cluster Champion                  Group Governance</p> <p>_____                  Signature</p>	<p>Date of Receipt:</p>
--	-------------------------

## Contents

ABBREVIATIONS.....	6
<b>CHAPTER ONE: INTRODUCTION AND CORPORATE PROFILE .....</b>	<b>7</b>
Section 1: Corporate Profile / Overview of the entity.....	7
Section 2: Strategic Objectives .....	9
Section 3: Salient Features.....	12
Section 4: High-Level Organisational Structure .....	13
Section 5: Chairperson's Foreword.....	14
Section 6: Chief Executive Officer's Report .....	15
Section 7: Chief Financial Officer's Report .....	18
<b>CHAPTER TWO: DIRECTOR'S REPORT AND GOVERNANCE.....</b>	<b>25</b>
Section 1: Board of directors .....	25
Section 2: Board Committees .....	26
Section 3: Director's & Prescribed Officers Remuneration.....	29
Section 4: Company Secretarial Function.....	32
Section 5: Risk Management and internal controls .....	32
Section 6: Sustainability Report.....	40
Section 7: Anticorruption and Fraud .....	42
Section 8: ICT Governance .....	42
Section 9: Compliance with Laws and Regulations.....	47
<b>CHAPTER THREE: SERVICE DELIVERY PERFORMANCE.....</b>	<b>73</b>
Section 1: Highlights and Achievements.....	73
Section 2: Service Delivery Challenges .....	104
Section 3: Performance against Service Standards .....	105
Section 4: Capital Projects & Expenditure .....	108
Section 5: Performance against Institutional SDBIP .....	110
Section 6: Supply Chain Management and Black Economic Empowerment.....	115
Section 7: Statement on Amounts Owed By and To Government Departments and Public Entities .....	127
<b>CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT.....</b>	<b>128</b>
Section 1: Human Resources Management.....	128
Section 2: Employee Remuneration .....	128
Section 3: Key Vacancies .....	129
Section 4: Employment Equity .....	133
Section 5: Skills Development and Training.....	136
Section 6: Performance Management.....	137
Section 7: Leave and Productivity Management .....	137
Section 8: Disciplinary Matters and Outcomes.....	141
Section 9: Employee Wellness .....	142
Section 10: Employee Benefits.....	142
Section 11: Occupational Health & Safety Programmes .....	143
<b>CHAPTER FIVE: FINANCIAL PERFORMANCE AND EXPOSURE.....</b>	<b>145</b>
Section 1: Statement of Financial Position.....	145
Section 2: Statement of Financial Performance .....	146
Section 3: Cash Flow Statement.....	147
Section 4: Ratio Analysis .....	154
Section 5: Report on Irregular, Fruitless and Wasteful Expenditure and Due Process .....	155
Section 6: Pending Litigations and Possible Liabilities .....	155
Section 7: Insurance Claims against/to MOE/Department .....	155



<b>CHAPTER SIX: INTERNAL &amp; EXTERNAL AUDIT FINDINGS</b> .....	<b>156</b>
Section 1: Results of Internal Audits .....	156
Section 2: Progress on Resolution of Internal Audit Findings for the current financial year (2017/18). .....	156
Section 3: Progress on Resolution of Auditor General Audit Findings for 2016/17 financial year. .	156
Section 4: Statement of Internal Control .....	157

## 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

#### Corporate Profile / Overview of the entity

The Mandate, Vision and Mission of JCT as presented in this report are aligned to the approved Business Plan for 2017/18.

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 Joburger’s to globally recognised world class entertainment;

- The hosting of quality performing arts and entertainment productions that are attractive to both traditional and regular theatre goers but also to new and diverse audiences;
- The promotion and development of local content and local markets through programmes that advance social cohesion and support the transformation of society;
- The in-house and/or co-production and staging of arts and entertainment productions in collaboration with local arts practitioners, entrepreneurs and enterprises;
- The acceleration of youth development through programmes that stimulate an interest in the arts as a viable career path and provide opportunities for future arts practitioners and entrepreneurs;
- To conceptualise, create, produce, market and disseminate content both through own facilities and by taking shows to communities;
- To generate revenue over and above the subsidy received from the city through the effective delivery of the above services.

The primary mandate of Joburg City Theatres is:

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

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

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

#### THE VISION OF JOBURG CITY THEATRES

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

In support of the City of Joburg's Vision:

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

#### THE MISSION OF JOBURG CITY THEATRES

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

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

In so doing, Joburg City Theatres' commits to:

- ***Conceptualise, manage, host and promote high quality performing arts and entertainment experiences and facilities;***

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

## Section 2: Strategic Objectives

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

JCT forms part of the City’s Human and Social Development Cluster, integrating the work of the City departments and entities that take the strategic and practical lead on the City’s constitutional mandate to promote the social development and upliftment of its residents. Though the cluster contributes to all four strategic outcomes as set out by the 2040 GDS, it is primarily organised around **outcome 3: Advance pro-poor development that provides meaningful redress and outcome 5: Build caring, safe and secure communities**

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

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

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

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

<b>JCT Strategic Objective (Towards achieving the mandate, mission and response to the Strategic Focus Areas)</b>	<b>Objective Description</b>	<b>CoJ Priority Alignment</b>
<b>1. Provision of opportunities for the youth, including future arts practitioners and entrepreneurs.</b>	<p>Support local content development and support for development in the Arts.</p> <p>Facilitate relationships and co-productions that widen the participation of local producing partners engaged with JCT.</p> <p>Facilitate production partnerships with theatres in South Africa and the African Diaspora for the development of productions from African stories.</p> <p>Implement structured opportunities for the development of the talents and skills of young people in the arts.</p> <p>Sound and consistent supply chain management processes that support preferential procurement, and enhance the contribution of JCT to enterprise development.</p>	<p>Promote economic development and investment activity.</p>

JCT Strategic Objective (Towards achieving the mandate, mission and response to the Strategic Focus Areas)	Objective Description	CoJ Priority Alignment
2. <b>High quality performing arts and entertainment experiences and facilities.</b>	<p>Excellence in delivery of the JCT core business, in support of the mission and mandate.</p> <p>Strengthening the acquiring and hosting of work.</p> <p>Supporting the development and creation of work.</p> <p>Ensuring facilities and infrastructure that is excellent.</p> <p>Encourage urban regeneration in Braamfontein / Newtown and Jabulani Cultural Precinct nodes, in order to stimulate economic growth in contribution to the 5%.</p> <p>Monitor and enhance customer satisfaction and the achievement of service standards.</p>	<p>Improve service delivery performance and service delivery culture (SD defined as core business).</p> <p>Enhance security in all open public spaces – parks, cemeteries, cities facilities, museums, etc.</p> <p>Encourage urban regeneration in key urban nodes.</p>
3. <b>Affordable access to and use of theatres by communities.</b>	<p>THEMATIC FOCUS OF PRODUCTIONS: Edu-tainment and productions that address issues.</p> <p>Engagement with arts practitioners, private sector and communities in bringing new audiences into contact with JCT programmes.</p> <p>Develop future audiences by providing discounted tickets to learners.</p> <p>Provide opportunities for development of local content and maximise accessibility.</p> <p>Mechanisms and approaches that assist to make theatre going practical for disadvantaged communities.</p> <p>Optimal use of allotments and related opportunities in the theatre precincts.</p>	<p>Create opportunities for affordable access and use of theatres by all communities.</p> <p>Implement social awareness programmes in these recreational sites.</p> <p>Encourage urban regeneration in key urban nodes.</p>
4. <b>Good governance, financial sustainability and sound management.</b>	<p>Balance the imperative for revenue generation with socio-economic development.</p> <p>Grow shareholder value by ensuring sound financial management, financial control and growth in revenue.</p> <p>Increase asset utilisation and leveraging investment.</p> <p>Cost efficiency across value-chain.</p> <p>Customer care improvement.</p> <p>Integrate the programming of the theatres and integrate the value chain of the theatres.</p> <p>Ensure efficient and effective internal business processes and systems.</p>	<p>Making local government responsive.</p> <p>Fiscal responsibility and resolve billing system problems.</p> <p>Improve service delivery performance and service delivery culture (Governance).</p>
5. <b>Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT.</b>	<p>Build JCT brand awareness and grow market share of JCT as a leading brand.</p> <p>Build JCT visibility through enhanced marketing, communication and stakeholder management.</p> <p>Leveraging of mutually beneficial partnering agreements and joint programmes.</p> <p>Sponsorships and donations.</p>	<p>Making local government responsive.</p> <p>Fiscal responsibility and resolve billing system problems.</p> <p>Improve service delivery performance and service delivery culture (Governance).</p>

### PRIORITY IMPLEMENTATION PLANS

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



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

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

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

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

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

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

**Outcomes**

- Commissioning of quality productions aligned to the vision and mission of JCT.
- Increased numbers of learners attending theatres annually developing new audiences for the future.
- Empowered learners and teachers.
- Improved perception of the role of JCT in Youth development.
- Engagement with communities bringing new audiences into contact with JCT Venues.
- Structured opportunities for in depth development of the talents and skills of young people opening up future opportunities for future employment.
- Foundations laid through pilots for three year relationships and co-productions widening the participation of local producing partners engaged with JCT.
- Improved operational efficiency, optimization of resources and performance

- Increased positive social contact and accessibility of theatre through management of the three City theatres
- Increased SMME support through procurement
- Support and optimize opportunities to promote creative industry
- Increased number of emerging young producers and artists

### Section 3: Salient Features

JCT recorded a trading surplus of **R7 708 048** YTD surplus contribution against a targeted surplus of R4 458 120 for the first quarter which is better than same period last year.

Hospitality and Catering contributed **R1.7m** which is **17.5%** net operating surplus margin.

JCT undertook implementation of projects on behalf of the shareholder: Arts Alive International Festival for the Department of Community Development and Entrepreneurial Symposium for the Department of Economic Development.

Achievement of 94.7% of the Scorecard targets.

JCT exceeded its target of 10% by 3%. An amount of R 362,269.52 is already committed to be spent in the next quarter. That is in line with JCT's plan to meet quarterly targets and spent 100% by the end of quarter 4.

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.

Cash and cash equivalents up by 47% year on year.

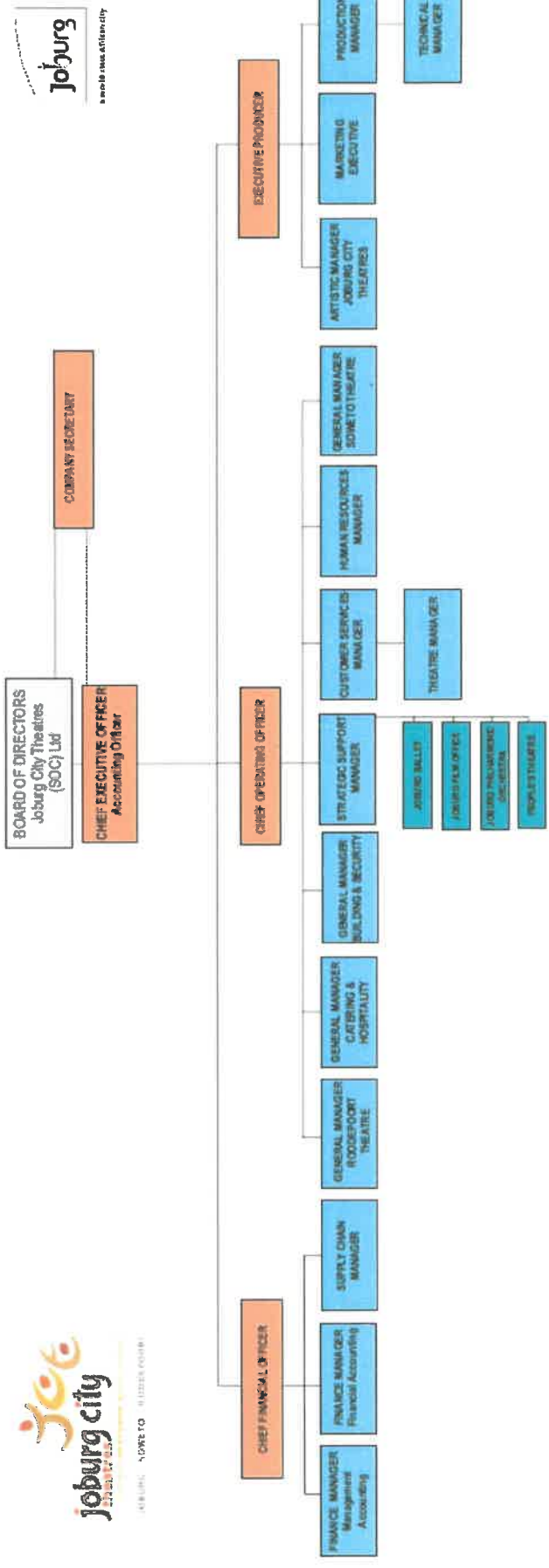
Liquidity ratio for the entity is up by 12% year on year from 1.10:1 to 1.24:1 still above the City's norm of 1:1, while the solvency ratio is up by 8% at 1.31:1 from the 1.21:1 same period last year which is lower than a norm of 2:1.

Current assets have gone up 22% year on year while current liabilities are up by 8%. Total assets went up 20% year on year while total liabilities went down by 11% year on year.

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



Section 4: High-Level Organisational Structure



**JOBURG CITY THEATRES**  
(SOC) Ltd  
Company Organogram  
June 2017

**LEGEND**

- BOARD OF DIRECTORS
- MANAGEMENT TEAM
- GENERAL MANAGEMENT
- OPERATIONAL SUPPORT

## Section 5: Chairperson's Foreword



This report represents the three theatres operating as the Municipal Entity of the City of Joburg: Joburg City Theatres outlining the performance of the company for the First Quarter of the financial year 2017/18 as per the approved 2017/17 Business Plan. Executive Management has overall supervision of 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) and advising the Board of Directors and shareholder that these duties are being well managed.

JCT continues to show great achievements as it recorded 94.74% on the company's Key Performance Indicators and 13% on capital expenditure budget which is above the set target.

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.

A handwritten signature in black ink, appearing to read 'Nkopane Maphiri', written over a white background.

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

## Section 6: Chief Executive Officer's Report



The first quarter of 2017/18 financial year results of Joburg City Theatres show continued efforts to meet and exceed the expectations of the shareholder as reflected in the service delivery objectives in our company scorecard.

The strategic priorities of the City of Johannesburg, as the sole shareholder of Joburg City Theatres, drive strategic plans of the company and significant attention is given to ensure that these priorities are implemented in the form of measurable targets and deliverables. The strategic priorities of the City of Johannesburg are contained in the Growth and Development Strategy (GDS) and in the Integrated Development Plan (IDP) of the City of Johannesburg.

WhatsOnStage UK recently published an article indicating that *"London theatre's have been booming for years, but record attendances and record receipts mask an interesting issue – namely, what do we do with the capital's biggest theatres."* JCT is not immune to this challenge. However we strive to provide good quality productions and has increased local storytelling to attract patrons. Despite challenges as stipulated in the industry, the company has proudly delivered an impressive 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 18KPIs out of 19KPIs, this constitutes 94.74% achievement. *2 are Annual KPIs which will be measured in the Second Quarter. 13% Capex budget was achieved against a target of 10%.*

JCT recorded a trading surplus of R7 708 048 YTD surplus contribution against a targeted surplus of R4 458 120 for the first quarter. It is 73% better than budget for the quarter. Arts Alive contributed about R2.7m with some expenditure still to be incurred, to trading surplus, while the catering services department contributed R1.7m which is 17.5% net operating surplus margin.

The City of Joburg's Arts Alive Festival has been managed through Joburg City Theatres (JCT) since 2015. September marks the annual Heritage month in South Africa when the nation celebrates its rich cultures of historical inheritance, language, dance, music and various forms of arts.



The Festival demonstrates the City's commitment to create an enabling environment for the citizens of Johannesburg for the conservation and celebration of artistic expression and heritage.

The Growth and Development Strategy 2040 adopted by Johannesburg provides for the creation of opportunities for the upliftment and advancement of communities through sports and recreation as well as library and information services. Arts Alive signals the start of the summer season for a City that will have a jam-packed programme of cultural, sporting and community festivals.

This year, the Festival celebrated its 25th year, and showcased an array of live performances, exhibits, and theatrical productions to cater to a wide range of audiences.

**Jazz on the Lake**, the first big Arts Alive event, took place on **Sunday 3 September** at Zoo Lake. It featured **Queen Cora (Cora C Coleman-Dunham)**, a former drummer for **Beyoncé** and **Prince**, who showcased her drum

mastery. Other performers included renowned pianist **Nduduzo Makhathini**, Idols contestant **Amanda Black**, Jamaican Dancehall/Reggae singer and actress **Alaine**, and legend of jazz and opera, **Sibongile Khumalo**.



**The 5th International Women Writers' Symposium** took place from **September 14th to 16th** at The Fringe Theatre, Joburg Theatre. The programme featured women from around the world with the aim to celebrate the achievements of women authors, and offer a platform to showcase their works.

Jamaican poet Laureate and guest writer Professor Lorna Goodison participated in the poetry reading and panel discussions and also ran a masterclass writing workshop.

**14 September – 3pm – Masterclass Workshop with Lorna Goodison**

**15 September – 3pm – Poetry Masterclass Workshop with Diana Ferrus and Koleka Putuma**

**15 September – 6.30pm – 3rd Nadine Gordimer in Memoriam Lecture delivered by Professor Lorna Goodison**

**15 September – 8pm – Poetry evening with Lorna Goodison, Belita Andre, Koleka Putuma, Diana Ferrus, Katleho Kano Shoro and more**

**16 September – 11am - panel discussion - the writer as thought leader: navigating blackness, women & workers in Africa.**



The **Soweto Heritage Festival** took place on **23 & 24 September** at Jabulani, Soweto Theatre. This Arts Alive Festival free event included a Traditional Dance Competition with well-known guest judges. The Festival concluded with a prize-giving.





### **ALEX CULTURAL DAY**

Initially scheduled to take place at the New Alex Mall in the Far East bank of Alexandra on Saturday 23 September, the Mall was deemed unsuitable for the nature of the event by the City of Joburg's Joint Operations Committee. The Arts Alive team is, however, pleased to announce that the sports facility in Alexandra, **3 Square Sports Grounds (4685 13th Ave, Alexandra)** have responded enthusiastically to hosting the concert on **Saturday 21 October**.

### **URBAN CLASH**

**Arts Alive Urban Clash** concert scheduled for Saturday 16 September was postponed to take place on **Saturday 28 October** at **Constitutional Hill**. The concert was initially moved from its original venue, SAPPI Park, to Soweto Theatre to accommodate the logistical and security needs in line with SAPS approval.

As we begin the new financial year, I would like to thank members of the Executive Committee and staff at large for their continuous commitment on responding to the company's its core mandate and delivering sterling outputs to reach the ultimate outcome as stipulated in the company's business pan. The team also appreciates oversight and strategic guidance as charged out by both board and independent audit committee members in order to manage the sustainability and governance of the company.

The company 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.

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 First Quarter Results



#### Revenue

JCT achieved good financial results in its statement of financial performance for the first 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 a growth of 3.3% GDP for the second quarter of 2017. This was a recovery from a contraction of 1.3% in the first quarter resulting in concerns over technical recession. 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 4.8% which is within the target range of 3-6%. However low growth levels still remain a concern.

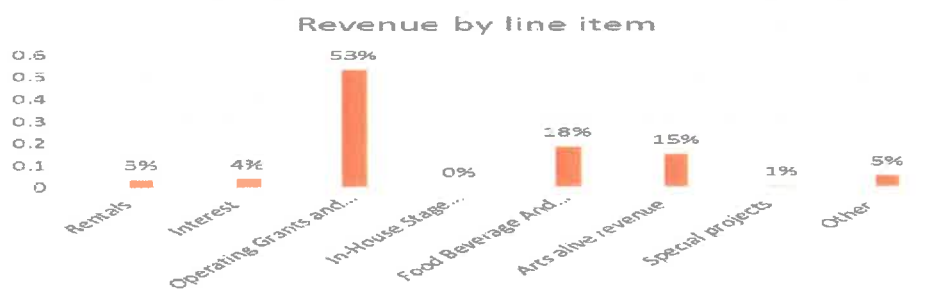
The industry remains engulfed with stiff competition while financially the consumers of our products and services remain squeezed by the lower disposable income. Inflation and the high interest rate continue to hit our consumers and ultimately impact on our revenue generation both from the buying of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

Despite all these aforementioned challenges Joburg City Theatres achieved good financial results. JCT achieved revenue of **R51.9m** for the quarter which is a **22%** improvement year on year. The total revenue for the quarter is **R51.9m** compared to a target of **R39.3m**. Earned revenue from normal operations for the quarter is sitting at **R14.0m** compared to a budget of **R11.8m**, which is 19% better than target. And this performance is attributable to the interest revenue, hospitality and catering and the management fees and the rental of facilities and equipment. 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:

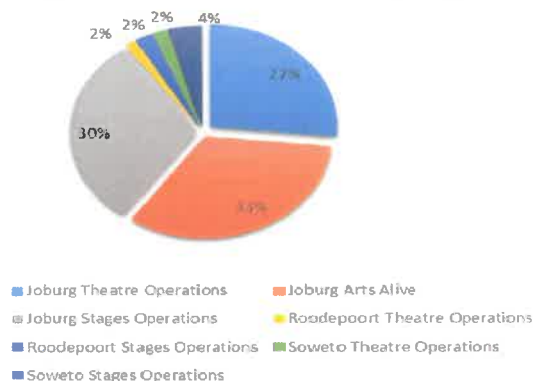
Sub AccountName	1st Quarter Actual (2017/2018)	1st Quarter Budget (2017/2018)	YTD Actual	YTD Budget	Prior Year Year To Date (2016/2017)	Actual to budget %	YTD actual to budget	Current to prior year actual %	Commentary
<b>INCOME</b>									
Rental Of Facilities & Equipment	51 854 298	39 348 904	51 854 298	39 348 904	42 733 844	32%	32%	21%	First quarter performance against target is 32% above target mainly due to Arts Alive revenue not budgeted for, DED SMME symposium undertaken by Hospitality and Catering and performance on rentals and interest on investments.
Interest Earned from Exteral Investments	1 759 967	1 209 918	1 759 967	1 209 918	1 168 684	45%	45%	51%	Rentals for first quarter are 45% above target and the projection is to achieve the target by year end. The current achievement is 51% better than last year.
Operating Grants and Subsidies	1 974 625	1 637 124	1 974 625	1 637 124	1 637 123	21%	21%	21%	Target achieved and exceeded due to better rates negotiated with the bank and increased grant subsidy year on year. Interest is 21% better than last year.
In-House Stage Productions	27 555 250	27 555 250	27 555 250	27 555 250	21 518 000	0%	0%	28%	The only inhouse productions for the quarter was Regina Brooks which did not perform well on tickets sales despite great reviews that the show enjoyed. Other major productions are in the 2nd and 3rd quarter.
Sponsorship	149 472	240 000	149 472	240 000	101 521	-38%	-38%	47%	
Food Beverage And Retail / Stages	0	0	0	0	0	0%	0%	0%	Target achieved for the first quarter. The performance is 68% better than plan and 111% better than the previous year. DED SMME symposium contributed to this performance.
Arts Alive Revenue	9 547 110	5 691 453	9 547 110	5 691 453	4 533 604	68%	68%	111%	Arts Alive programme ran on behalf of Comdev a department of COJ. Budget was reduced in the current to R10m excluding split between management fees and arts alive programme.
Special Projects and Other Income	7 775 555	0	7 775 555	0	11 843 333	0%	0%	-34%	
Other Revenue	365 986	600 011	365 986	600 011	302 900	-39%	-39%	21%	Management fee charged on New years eve countdown at 10% and ticketing fees on rented productions.
	2 726 333	2 415 148	2 726 333	2 415 148	1 628 679	13%	13%	67%	

The bar chart below better depicts the main revenue contributors for 1<sup>st</sup> Quarter:



### Revenue Analysis by Segment

Analysis of earned revenue by segments



Analysis of Earned Revenue by Segments				
Segments	Quarter 1 2017/2018	Quarter 1 2016/2017	% Up or Down	
Joburg Theatre Operations	6 214 339.47	4 297 692.40	45%	↑
Joburg Arts Alive	7 775 554.70	11 843 333.34	-34%	↓
Joburg Stages Operations	7 055 257.69	3 265 535.62	116%	↑
Roodepoort Theatre Operations	339 180.02	202 653.15	67%	↑
Roodepoort Stages Operations	555 883.86	454 742.86	22%	↑
Soweto Theatre Operations	422 863.44	338 561.24	25%	↑
Soweto Stages Operations	995 057.05	813 325.15	22%	↑
Zoo Stages Operations	292 946.30	-	0%	↑
<b>Total Earned Revenue</b>	<b>23 651 082.53</b>	<b>21 215 843.76</b>	<b>11%</b>	<b>↑</b>

Major difference in Arts Alive mainly due to budget reductions for this programme by the Department of Community Development.

Revenue generated by JCT is mainly generated from Braamfontein with 57% of total revenue generated from this source. The biggest contributor at 27% are the Braamfontein theatre operations, Joburg stages operations at 30% and Arts Alive 33%. The other operations from other regions combined makeup 10% 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 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 generated revenue amounting to R0.293m for the first quarter of 2017/2018 financial year.



**Summary of Zoo Financial Information Quarter 1**

<b>Item</b>	<b>Amounts in Rs</b>
Operating income	292 946.00
Cost of Sales	176 227.00
Administration Expense	185 561.00
Other Expense	-
<b>Profit/Loss</b>	<b>-68 842.00</b>

**Expenditure**

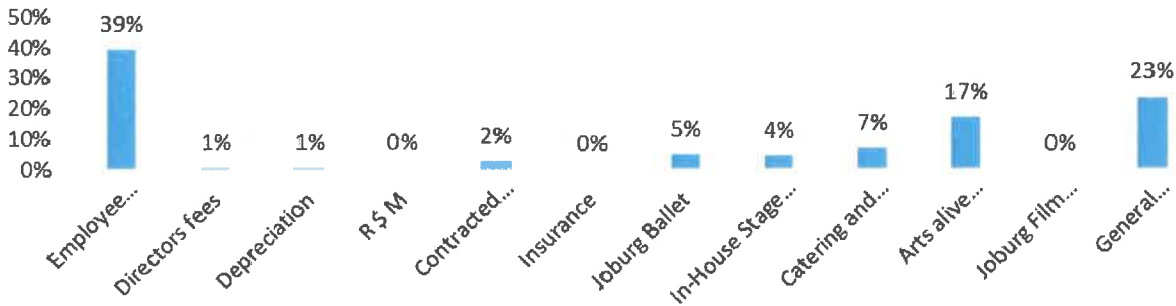
JCT continues to employ its utmost financial discipline when it comes to expenditure management. Total Expenditure for the 1<sup>st</sup> quarter results of 2017/2018 27% above target, primarily due to arts alive festival expenditure which was not budgeted for. The expenditure is covered by the revenue billed to the Department of Community Development and the budget will be regularised during adjustment budget. 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 1<sup>st</sup> Quarter:

Sub AccountName	1st Quarter Actual (2017/2018)	1st Quarter Budget (2017/2018)	YTD Actual	YTD Budget	Prior Year Year To Date (2016/2017)	Actual to budget %	YTD actual to budget	Current to prior year actual %	Commentary
Expenditure	44 146 250	34 890 783	44 146 250	34 890 783	40 332 581	27%	27%	9%	There is an overexpenditure of 27% for the first quarter due to expenditure on arts alive not budgeted for.
Employee Related Costs	17 259 749	16 401 582	17 259 749	16 401 582	12 936 533	5%	5%	33%	However the expenditure is 9% higher than last years Employee related costs are 5% above than target due to the parity exercise which will be corrected during adjustment budget process. However this line is 33% above last year.
Directors and Committee Members	252 088	479 802	252 088	479 802	150 660	-47%	-47%	67%	Reduction in asset base is the reason for the savings on depreciation.
Depreciation & Asset Impairment	332 292	400 948	332 292	400 948	277 427	-17%	-17%	20%	Repairs and maintenance in the in the first quarter reflect a saving of 64% and however the spending on repairs will improve going forward.
Repairs and Maintenance	201 019	558 071	201 019	558 071	299 352	-64%	-64%	-33%	There is a 16% saving on this line for the first quarter
Contracted Services	1 089 331	1 290 327	1 089 331	1 290 327	1 184 340	-16%	-16%	-8%	
Insurance	68 500	78 250	68 500	78 250	462 000	-12%	-12%	-65%	
Joburg Ballet	2 124 000	2 124 000	2 124 000	2 124 000	0	0%	0%	0%	
In-House Stage Productions	1 909 768	2 200 668	1 909 768	2 200 668	2 152 872	-13%	-13%	-11%	There has been a saving of 13% on in house stage production expenditure.
Catering and Hospitality	3 061 018	2 201 619	3 061 018	2 201 619	4 355 635	39%	39%	-30%	The overspending on hospitality and catering is in line with the level of activity in revenue.
Arts Alive Expenditure	7 486 198	0	7 486 198	0	11 700 000	100%	100%	-36%	
Special Projects and Other Expenditure	30 172	0	30 172	0	141 703	100%	100%	-79%	
General Expenses	10 332 116	9 155 515	10 332 116	9 155 515	6 672 069	13%	13%	55%	There has been a saving of 13% on other expenditure.
<b>TRADING SURPLUS ( / SHORTFALL)</b>	<b>7 708 049</b>	<b>4 458 121</b>	<b>7 708 049</b>	<b>4 458 121</b>	<b>2 401 263</b>	<b>73%</b>	<b>73%</b>	<b>221%</b>	

The bar chart below depicts the expenditure contribution for 1<sup>st</sup> Quarter:

Expenditure by line item



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

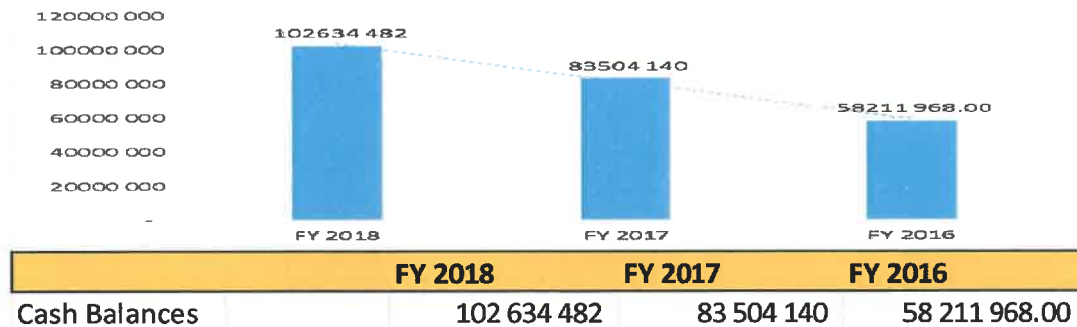
### Trading Surplus/Deficit

JCT recorded a trading surplus of R7 708 048 YTD surplus contribution against a targeted surplus of R4 458 120 for the first quarter. It is 73% better than budget for the quarter. Arts Alive contributed about **R2.7m** with some expenditure still to be incurred, to trading surplus, while the catering services department contributed **R1.7m** which is 17.5% net operating surplus margin.

### Statement of Financial Position 1<sup>st</sup> Quarter 2017/2018

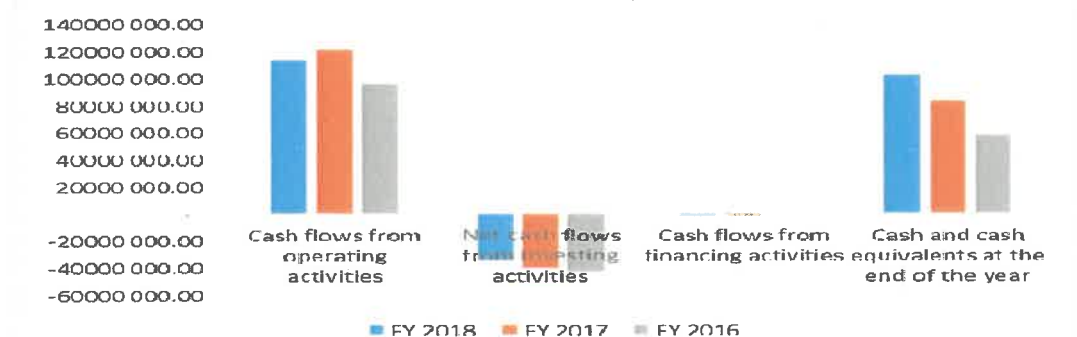
Cash and cash equivalents up by 47% year on year. Liquidity ratio for the entity is up by 12% year on year from 1.10:1 to 1.24:1 still above the City's norm of 1:1, while the solvency ratio is up by 8% at 1.31:1 from the 1.21:1 same period last year which is lower than a norm of 2:1. Current assets have gone up 22% year on year while current liabilities are up by 8%. Total assets went up 20% year on year while total liabilities went down by 11% year on year.

Cash balances for the last 3 years



Cash flow results for 1<sup>st</sup> Quarter 2017/2018 Financial Year

Cashflow analysis



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

#### Audit Opinion Trends

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

<b>Audit Opinion trends</b>					
	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 in the first quarter, the whole management team and staff at Joburg City Theatres for their sterling contribution during the first quarter of the year.



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

## CHAPTER TWO: DIRECTOR'S REPORT AND GOVERNANCE

### Section 1: Board of directors

The entity has a unitary board, which consists of two executive, being the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) as well as ten (10) non-executive directors. Since March 2017, the Board is chaired by a non-executive director, Mr. Nkopane Maphiri.

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

A Service Delivery Agreement (SDA) concluded in accordance with the provisions of the MSA governs the entity's relationship with the City of Johannesburg. The Board provides Quarterly, Bi-Annually and Annual Reports on its performance and service delivery to the parent municipality as prescribed in the SDA, the MFMA and the MSA.

The positions of CEO and Chairman are separate and the Chairperson does not have any executive functions.

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

The Company Secretary acts as an advisor to the Board and its committees on matters including compliance with Company Rules and Procedures, statutory regulations and best corporate practices. The Board or any of its members may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. An annual Board evaluation is undertaken.

During the period under review, the Board of Directors of Joburg Theatre SOC Ltd convened a meeting on 17 July to consider inter alia, the following:

- The 2016/17 fourth quarter report;
- Organisational Performance Management System
- A review of policies, i.e. the Delegations of Authority and Supply Chain Management policy; and
- Discussion of other institutional arrangements such as the Remuneration, Social and Ethics (REMSEC) work plan.

The Board consists of the following members:

Mr. Nkopane Maphiri– Non-executive Director/ Chairperson  
Ms. Stella Baloyi– Non-executive Director  
Ms. Ashley Hayden – Non-executive Director  
Ms. Amanda Forsythe - Non-executive Director  
Ms. Mpho Lecoge-Non-Executive Director  
Ms. Makhosazana Mbatha - Non-executive Director  
Mr. Mpumelelo Mkhabela-Non-Executive Director  
Dr. Theophilus Mukhuba-Non-Executive Director  
Mr. Thabo Moitsheki – Non-executive Director  
Mr. Junior Ramovha-Non-Executive Director

## 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, ARC convened a meeting on 14 July 2017 and 20 August 2017 to consider the following:

- The 2016/17 fourth quarter report;
- Municipal Standard Chart of Accounts (mSCOA) compliance presentation;
- Review of the Audit and Risk Committee Charter;
- Consideration of the 2016/17 draft Annual Financial Statements; and
- Consideration of the 2016/17 performance information.

The ARC consists of the following members:

Mr Mpumelelo Mkhabela – Non-executive Director/ Chairperson

Ms Chrystal Cape – Independent Member

Ms Tshidi Molala – Independent Member

### **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 period under review, RemSEC convened a meeting on 14 July 2017.

REMSEC considered the following matters:

- Consideration of the REMSEC Charter;
- Human Resources Management 4<sup>th</sup> quarter report;
- REMSEC Work plan for 2017;
- Recruitment and Selection Policy; and

- The organisational performance management system.

The RemSEC consist of the following non-executive directors:

Ms. Mpho Lecoge - Chairperson  
Ms. Stella Baloyi – Non-executive Director  
Mr. Junior Ramovha – Non-executive Director

#### **Artistic Committee**

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

The Artistic Committee (AC) convened a meeting on 15 June 2017:

The AC consists of the following non-executive directors:

Dr. Theophilus Mukhuba - Chairperson  
Ms. Makhosazana Mbatha – Non-executive Director  
Mr. Thabo Moitsheki – Non-executive Director

The table below outlines year to date remuneration and attendances at Board meetings and its subcommittees for the quarter:



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

NAME	REMUNERATION, SOCIAL AND ETHICS COMMITTEE		AUDIT AND RISK COMMITTEE		BOARD MEETING		SPECIAL AUDIT AND RISK COMMITTEE		GROUP AUDIT COMMITTEE		SPECIAL GROUP AUDIT COMMITTEE	
	DATE OF MEETINGS	14/07/2017	14/07/2017	14/07/2017	17/07/2017	25/08/2017	28/08/2017	28/09/2017	28/08/2017	28/09/2017	28/08/2017	28/09/2017
Nkopane Maphiri		-	-	-	16 000.00							16 000.00
Ashely Hayden		-	-	-	12 000.00							12 000.00
M pho Lecoge		9 125.00	-	-	12 000.00							21 125.00
Stella Ba loyi		6 084.00	-	-	12 000.00							18 084.00
Theophilus Mukhuba		-	-	-	12 000.00							12 000.00
Amanda Forsythe		-	7 605.00	-	12 000.00	7 605.00						27 210.00
Thabo Moitsheki		-	-	-	12 000.00							12 000.00
Makosazana Mbatha		-	-	-	12 000.00							12 000.00
Mpumelelo Mkhabela		-	16 000.00	-	12 000.00	16 000.00	7 605.00					59 210.00
Junior Ramovha		6 084.00	-	-	12 000.00							18 084.00
Tshidi Molala		-	7 605.00	-		7 605.00						15 210.00
Chrystal Cape		-	7 605.00	-		7 605.00						15 210.00
Manana Moroka		-	7 605.00	-								7 605.00
		<b>21 293.00</b>	<b>46 420.00</b>	<b>124 000.00</b>	<b>38 815.00</b>	<b>7 605.00</b>	<b>7 605.00</b>	<b>7 605.00</b>	<b>191 713.00</b>	<b>191 713.00</b>	<b>245 738.00</b>	<b>245 738.00</b>
<b>TOTAL SEPTEMBER 2017</b>												

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 MEETING	ARTISTIC COMMITTEE	STRATEGIC PLANNING SESSION	RISK ASSESSMENT WORKSHOP	SHAREHOLDER COMPACT & NED/IAC INDUCTION	ATTENDANCE FOR RETAINER FEES 2014/15	TOTAL
<b>Number of Meetings</b>														
	1	0	1	0	0	1	1	0	0	1	0	0	1	5
Nkopane Maphiri	1													1
Ashely Hayden	1											2		3
Mpho Lecoge	1						1					2		4
Stella Baloyi	1						1					2		4
Theophilus Mukhuba	1											1		2
Amanda Forsythe	1					1						2		4
Thabo Moitsheki												2		2
Makhosazana Mbatha	1											2		3
Mpumelelo Mkhabela	1		1			1						2		5
Junior Ramotha	1						1					2		4
Tshidi Molala (IAC)						1		-		-				1.00
Chrystal Cape (IAC)						1		-		-				1.00
Manana Moroka (IAC)*						-		-		-				-

The table below discloses the 2017/18 remuneration of executive management:

<b>SENIOR MANAGEMENT REMUNERATION: (JULY TO SEPTEMBER 2017)</b>						
<b>No.</b>	<b>Name</b>	<b>DETAILS</b>				<b>TOTAL</b>
		<b>Basic Salary</b>	<b>Allowances &amp; Contributions</b>	<b>Other</b>	<b>Bonus / Fees</b>	
1	X. Nduneni-Ngema (Chief Executive Officer)	418 227	125 919	-	-	544 146
2	B. Mashika (Chief Operations Officer)	292 242	87 741	-	-	379 983
3	S. Mphakathi (Chief Financial Officer)	334 071	92 001	-	-	426 072
4	P. Maduka (Company Secretary)	167 302	1 688	-	-	168 990
5	C. Pacariz (Executive Producer)	256 053	68 331	-	-	324 384
	<b>TOTAL</b>	<b>1 467 895</b>	<b>375 680</b>	<b>-</b>	<b>-</b>	<b>1 843 575</b>

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

The company secretary is responsible for the general administration, more specifically to ensure compliance to good corporate governance practices and to provide guidance to the directors on corporate governance principles and applicable legislation.

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.

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

Monitoring compliance with applicable legislation falls under the company secretarial function.

For the quarter under review, there have been no activities of the company that fell outside the prescriptions of the MFMA and MSA. Reporting deadlines as indicated in the Acts have been met.

#### **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 for the 2017/18 financial year, including risk control measures:

No	ME Objectives	Risk Description	Root Causes/ Background to the risk	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Risk Owner	Actions to improve management of the risk	Action Owners	Action Deadline
1	The provision of opportunities for the youth, including future arts practitioners and entrepreneurs	Inadequate funding to support youth development programmes	1. The theatre is unable to pay the market rate for facilitators. This results in less youth trained.	Moderate	3 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
2		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	3 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
3	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	4 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 November 2017, quarterly
4		Aged, obsolete and outdated stage machinery and equipment, resulting in cancelled productions/ inability to attract new productions	1. Old stage machinery becomes no longer usable. Stage machinery has reached its end of life and needs urgent replacement. 2. Insufficient capex to replace machinery and equipment. 3. The current machinery can affect staging of productions and attracting new ones.	Catastrophic	5 Almost Certain	5 Very High	1. Fair maintenance of stage machinery. 2. Limited budget has been allocated for 2018/17 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 calendar to ensure that there are no disruptions in the scheduled performances.	CFO	Specifications: 30 October 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 Owners	Action Deadline
5	Affordable access to and use of theatres by communities	Poor attendance at theatre shows due to unaffordable ticket prices	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.	Major	4 Likely	High	1. Different pricing structures based on product and venue. 2. Offering a limited number of discounted and/or free tickets to the youth and senior citizens communities. 3. 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
6	Good governance, financial sustainability and sound management	Non-compliance with applicable legislation	1. Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. 2. Shifting of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. 3. There is a new requirement to comply with MSCOA	Major	4 Possible	High	1. Regulatory compliance register/ assessment tool monitored by the Company Secretary. 2. Compliance policy and framework developed and implemented. 3. All pre-registration processes concluded by management. 4. Quarterly reporting to oversight committees on compliance.	Fair	Moderate	CEO	1. Continuous monitoring reporting on compliance. 2. Present to the BOD the impact and progress on MSCOA compliance.	Company Secretary CFO	1. Quarterly 2. 17 July 2018
7		Theft, fraud and corruption resulting in financial and non-financial loss	1. Conflict of interest 2. Inadequate segregation of duties / Inadequate or no supervision 3. Weak internal control environment - cash handling / administrative procedures 4. Lack of accountability 5. Poor work ethics 6. Greed, collusion, bribery 7. Inadequate IT access controls 8. Inadequate physical security controls	Major	4 Likely	High	1. Anti fraud and anti corruption policy in place. 2. Fraud prevention plan 3. Code of conduct 4. Segregation of duties 5. Declaration of interests 6. Gift register in place 7. Remuneration, Social and Ethics Committee	Fair	Moderate	CEO	Conduct anti-fraud and corruption awareness campaigns.	Company Secretary, Artistic Manager	Bi-annually (December 2017, June 2018)
8	The mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT	Lack of brand architecture (continuous and consistent message management)	1. Bad reputation 2. Poor/ bad media reviews 3. Inadequate marketing budget	Major	4 Likely	High	1. Strategic partnerships 2. Media launch of JCT brand 3. Media community management	Fair	Moderate	CEO	1. Continuous brand awareness campaigns. 2. Review of the marketing and communication strategy.	Marketing Executive	1. Quarterly basis 2. December 2018

No.	Department/ MOC Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effective	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale
<b>JOBURG THEATRE</b>														
1.	To allow business continuity	Process	Business interruptions	Possibility of network failure, industrial action or a natural disaster. Load shedding No disaster recovery centre	Unavailability of network services and poor service delivery. Loss of revenue	Catastrophic 5	Possible 3	High	a) Business continuity policy is in place. b) Backup restore testing done on a annual basis and the respective proof filed. c) Daily automated backups are now being done to hard disk drives and off site via online backup services d) Postal network servers have been migrated to virtualised servers. e) Replication server in place in case of failover Servers, Finance and Ticketing departments are on UPS devices in the event of load shedding.	Fair	Customer Services Manager	To mitigate for the disaster centre and/or recovery site	Customer Services Manager	31 March 2018
2.	To protect the company data/ assets	Physical	Inadequate physical security and inappropriate environment. Uncontrolled physical access by suppliers and visitors.	Access to server hardware, network, software, data and documentation. Protection from theft and damage. Unauthorised use, disclosure, modification or destruction of systems or data. Unauthorised removal of computer equipment and data files containing proprietary information. Inefficient environmental controls in case of disaster (fire, flood, heat etc).	Loss or destruction of network hardware as well as institutional information.	Major 4	Possible 3	High	Access to server rooms strictly controlled by IT Manager. All visitors or suppliers requiring access to server room, must sign the visitor's access register All removals of IT equipment must be authorised by HOD Fire proof safe available for storage purposes Server rooms situated in an access controlled environment	Fair	Customer Services Manager	The current controls look adequate to manage the risk The controls will be monitored for any improvements	Customer Services Manager	Ongoing
3	Oversee the general maintenance of the theatre building and machinery and its assets to best accepted standards at all times	People	Fire to the building	short circuit, gas fire in the restaurant, open flames on stage during demonstration and arson	loss of lives, loss of revenue	Catastrophic 5	Possible 3	High	Fire system (Fire detectors, fire extinguishers, smoke detectors, etc.)	Fair	GM: Building and security	The fire and building management system has been upgraded and is tested quarterly	GM: Building and security	Review quarterly



No.	Department/ MTE Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale	
<b>RODEPOORT THEATRE</b>															
4	Financial sustainability	Health & Safety	Fire at the restaurant	The restaurant kitchen may catch fire through gas and open flames	Loss of lives Financial loss	Major	4 Possible	High	a) Fire blankets b) CO2 and chemical powder Fire extinguishers c) Training for chefs and restaurant staff on fire fighting done	Fair	Moderns GM	The current controls look adequate to manage the risk The controls will be monitored for any improvements	GM	Review monthly	
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	Very High	a) Fair maintenance of stage machinery b) Increased maintenance training through in-house resources c) Limited budget has been allocated for 2017/18 for maintenance of equipment only d) Budget allocation for stage machinery has been approved.	Fair	GM	a) Lobby shareholder to increase CAPEX allocation to replace machinery in order for theatre to remain competitive.	GM	Review quarterly until June 2018	
6	To ensure a safe environment in accordance with the Occupational Health and Safety Act Standards	Regulatory	Litigation against RT	Some people may try to sue the theatre for any injuries incurred in the premises or any lost items	Financial loss Bad reputation	Major	3 Possible	High	a) Health and safety policies and procedures in place b) Disclaimer boards are visible in the public areas c) House rules included in rental contract d) Evacuation plans in place	Fair	Moderns GM	The risk will need constant monitoring	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
<b>SHOWED THEATRE</b>															
7	All objectives	External Environment	Infrastructure development around the building	Road construction could cause road closures thereby delaying patrons Power, water and communication could be affected	Loss of revenue Cancellation of shows Reputational damage Financial loss	Major	4 Possible	3 High	a) Signages are put to direct patrons b) SMS's, emails and social media, sent to patrons and clients notifying them about delays	Fair	Moderate	General Manager	To set up a meeting with JDA and address the development issues	General Manager	30 November 2017
8	All objectives	Security	Lack of secured parking for company cars, patrons and staff	Company cars are parked outside and exposed to theft and vandalism No secured parking space for staff cars Parking space for patrons is not sufficient	Loss of revenue property damage Reputational damage	Major	4 Almost Certain	5 Very High	Good relations with SUPS, community policing forum and there is security on site	Fair	Moderate	General Manager	To motivate for the construction of shelter in the nearby parking space	Building manager	30 November 2017
9	All objectives	External Environment	Insufficient storage facilities	The available storage is not enough to store our current equipments/assets	Damage to assets, loss of assets	Major	4 Likely	4 High	There is a good relationship with the suppliers.	Fair	Moderate	General Manager	a) To identify extra spaces to be used as a storage b) To motivate for containers c) To optimise the available storage	Building manager	30 November 2017



No.	Department/ MOE Objectives	Risk Category	Risk Description	Causes/ Background to the risk	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale
<b>FRAUD RISKS</b>														
10	Good governance, financial and sound management	Fraud	Possibility of Fraud and Corruption	Collusion, greediness, dishonesty, lack of integrity, etc. Personal relationship with the suppliers	Litigation Reputational damage Inflated prices	Major	3 Possible	High	Workshops and training of employees involved in SCM processes SCM Policy developed and implemented Establishment of committees dealing with SCM processes Declaration of interest Anti-fraud and corruption hotline managed by the City	Fair	Moderate	Workshops and training of employees involved in SCM processes	Supply Chain Manager	On going
11	Good governance, financial and sound management	Fraud	Presentation of fictitious invoices for payment	Finance department has been receiving emails with invoices from foreign suppliers demanding payments. These emails are submitted to the bookkeeper as if they are coming from the CEO's email address and through company's internal controls on payments they are detected immediately.	Loss of income Irregular payments	Major	5 Almost Certain	Very High	a) All payments are checked for compliance by SCM Manager before they are paid. b) All invoices are accompanied by purchase orders before they can be paid. c) Invoices are signed off by the HOD's of the user departments before they are paid.	Fair	Moderate	To report to the internal Audit department and IT department to investigate.	N/A	As and when it happens
12	Good governance, financial and sound management	Fraud	Misrepresentation of information	1. Submission of fictitious qualifications 2. False information in CoS 3. False information during interviews	Reputational damage	Major	5 Almost Certain	Very High	1. Qualification verification internally and by external providers 2. Reference checks 3. Criminal checks 4. Credit checks	Fair	Moderate	Internal controls are deemed adequate to manage the risk identified	N/A	N/A

## **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:**

#### **Upgrading of Stage Machinery at Joburg Theatre (long term project 2017 – 2020)**

Some of the stage machinery equipment is obsolete and below current technological standards.



The drives for the lower machinery were upgraded last year (2016) to the latest digital drives available, but the controls for these drives are still the original PLC (Programmable Logic Controller) equipment that was installed twenty seven years ago.

The first upgrades to the machinery are to upgrade the back stage wagon and revolve, where the linear motors will be replaced with more efficient AC motors. A PLC will have to be on the wagon itself to handle the control of these motors and also to give the turn tables a more accurate stop-and-start capability. The back stage wagon soft limits - the ability to stop anywhere on the stage at a click of a button – will also be programmed.

In the upgrade planned for the lower machinery and upper machinery, the PLCs are the biggest feature of the upgrades. Although the obsolete PLCs still run on MS-DOS, the features which they possess are revolutionary, even in today's terms. The laptops used for these PLCs are extremely fragile. They are handled with the outmost care, as they are the only computers in the building compatible to run the programme.

There have been attempts to use newer laptops with simulation software, but these give endless problems as the machines do not cater for serial and parallel ports anymore, and the cable connection between the PLC and the computers has become obsolete (New laptops do not have serial and parallel ports). Because of these factors, the old DOS –compatible machines are still in use.

In order to resolve these problems, the new PLCs that will be installed are Mitsubishi PLCs with the latest software. This will mean that the theatre will be able to use any new laptop with Windows 7, 8 or 10 installed, with USB 2 or USB 3 ports.

Another current problem is the POS Cards in use. These are the cards which process the calculations needed for the speed and targets of the wagons and battens. The POS cards need a special device to enter the parameters to these cards. This device is called a DBK and is totally obsolete. The one in use still works, but the segments needed to read the parameters are damaged. Methods have been formulated to work around the problem, but with the upgrade, this problem will also be a thing of the past.

Finally the A010 AEG PLC used in the one air-conditioning plant, to control the shutting down of the air handling unit in the case of fire, must also be also replaced when the upgrade is done to the lower and upper machinery.

The JCT IT Manager participates in all the meetings of the Steering Committee for the Upgrade of Stage Machinery. It must be noted that the IT component is part and parcel of stage engineering. The IT component cannot be upgraded without upgrading the machinery which forms part of stage equipment. The IT manager sits in on the meetings as a permanent invited guest.

### **Planned Upgrading Breakdown**

#### **2017 / 2018 Financial Year**

- Upgrade of Backstage Wagon and Revolve.
- Removal of all Linear Motors, and the inner and outer revolve to be replace with their respective AC motors
- The horizontal drive of the Backstage Wagon and Bogie will also be incorporated into the PLC controls
- Control cables to be replaced with a Mitsubishi PLC, rewiring and re-cabing of the wagon and bogie will be concluded
- Replacing of the AEG A500 main control PLC with a Mitsubishi PLC and communication between the wagon and bogie respectively will be commissioned
- Upgrading of the control system on the fly floor with new touch screen system for side stage and backstage wagons

### **2018 / 2019 Financial Year**

- Upgrading of Lower Machinery
- Replacement of all AEG PLCs for the Side Stage Wagons and Lifts.
- Replacing of the AEG A500 main control PLC with a Mitsubishi PLC for the Lifts and Side Stage Wagons will be commissioned
- Replacing of POS cards and integration with the digital drives
- Removing of all old equipment from control panels and re-cabling to be done
- Upgrading of the fault report system
- Upgrading of the Control Panel on the Fly Floor

### **2019 / 2020 Financial Year**

- Upgrading of Upper Machinery
- Replacement of all PLC's for the all the Battens, Curtains, Lighting Bridges, Fire Curtain and Sound Barrier.
- Installations and modifications to be done in all the panels
- Replacing of all PLCs on the Fly Floor and the upgrading of all the height indicators
- Replacing of the AEG A500 main control PLC with a Mitsubishi PLC for the Battens, Curtains, Lighting Bridges, Fire Curtain and Sound Barrier.
- Replacing of POS cards and integration with the digital drives
- Removing of all old equipment from control panels and re-cabling to be done
- Upgrading of the fault report system
- Upgrading of the monitoring system and controls on the fly floor (Still an OLD 386 DOS computer) to be replaced with a new computer

The timing of these upgrades is very critical with regard to the staging of productions. A Planning Committee has been convened in order to establish a time table to work around the shows that have been scheduled to perform on the Mandela Stage.

### **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.

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.

The current IT Governance Framework is being reviewed with regards both King IV and best practise, in conjunction with new IT Consultants, Praxis Computing. Any recommended changes will be presented to ARC for review in the second quarter of 2017 -2018.

### **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 it's own staff where knowledge is lacking. The first knowledge centre to be identified is VM back-up and replication certification.

This quarter focused on the Top IT Operational Risks:

#### **1. Protection of Company Data – inappropriate access permissions**

Background: Users on network may have inadequate / unauthorised access to network data and programs. As a result, sensitive information may be accessed and/or disclosed to unauthorised personnel.

Current controls: User access permissions are granted based on job descriptions. User access request forms are approved by the COO before user access is granted. There are bi-annual user access reviews on the PASTEL and PAYROLL and TICKETING systems to ensure that staff have the correct access to function effectively.

Action to improve management of Risk: The current controls look adequate

#### **2. Business Continuity – Malicious damage to property**

Background: Anti-virus software could not be updated as required or renewed timeously or possible failure to install virus detection software on equipment. As a result, business systems may become dysfunctional resulting in revenue losses, or the destruction of critical business data.

Current Controls: Anti-virus software is installed on all IT equipment and updated in real-time. The Anti-virus software has tamper protection. The Network anti-virus software is managed through control centre software on server. Quarterly checks are undertaken on physical network computers to ensure that anti-virus software installed and up to date.

Action to improve management of Risk: The current controls look adequate

#### **3. Business Continuity – Business interruptions**

Background: Possibility of network failure, industrial action or a natural disaster, possibility of load shedding. Although data is backed up continuously, there is no disaster recovery centre i.e. Information would not be lost, but staff could not go and work on their systems at an alternative venue. As a result, there is a possibility of the unavailability of network services and poor service delivery, as well as loss of revenue.

Current controls: There is a general business continuity policy in place. Backup restore testing done on an annual basis and the respective proof filed. Daily automated backups are processed to both to hard disk drives, and off site via online backup services. Pastel network servers have been migrated to Virtualised servers.

A replication server is in place in case of the need to failover. Servers for the Finance and Ticketing departments are on UPS devices in the event of load shedding

Action to improve management of Risk: To motivate for the disaster centre and/or recovery site. At present Joburg, Roodepoort & Soweto Theatres operate as individual silos, with separate servers at each site. This means that a user at Joburg Theatre cannot switch on a machine at Soweto or Roodepoort, and log into their Joburg Theatre system. Both recent risk assessments and the IT Steering Committee have identified this as problematic. The IT Steering Committee has mandated to go forward with a Request for Proposals (RFP) to test the market and see what options are available to link all 3 sites, as one unit, with built-in redundancies across the sites.

This is a large exercise, as the theatres are dealing with legacy systems, and have not been connected since the 3 theatres merged into JCT. The IT department is currently researching various options to become better informed as to what is available. Research has been completed this quarter, and the IT department is in an informed position to recommend solutions going forward.

#### **4 There is a challenge across all department objectives of Ageing infrastructure and an expanding workforce.**

Background: There is a lack of budget to support core systems. Some systems are so outdated that they do not have technical support available. Some systems have reached end of life. Old software may be incompatible with latest technology and business trends, and there are employees without workstations. As a result, Business systems may become dysfunctional, there are potential revenue losses, and there is a possible impact on service delivery and Loss of productivity

Action to improve management of Risk: Annual software and hardware maintenance is undertaken to make sure that systems are in working condition for as long as possible. There is an even distribution of server resources. The XP systems currently in use will be phased out by the end of December 2017. The available Capex budget will cover some software upgrade. Operational budget has been made available to purchase workstations for 4 interns currently without their own system.

### **Business and technology strategies**

#### **1. Upgrading of the PABX system at JCT**

The upgrade of all the PABXs across JCT has been very successful. All minor issues from the installation have been resolved, and the company has seen large cost cutting around telecommunications thanks to the upgrade in technology.

#### **2. Phasing out and upgrading of all XP systems**

Capex made available for software upgrades has allowed for the upgrade of all XP systems.

#### **3. New lease agreements for Multi Function Printers**

Several lease agreements for multi function printers (MFP) come to an end this quarter. It was decided to upgrade the MFPs across the entire JCT group from Quarter 2. The expected advantages for the new leases include:

- Faster machines for bulk printing
- Cheaper costs on both colour and black and prints
- Biometric access for legitimate staff members, cutting down on abuse
- Bringing to an end a "minimal usage" cost that had been inherited as part of a legacy agreement

## **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.

#### **Corporate Ethics and Organisational Integrity**

##### **Code of Ethics**

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



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

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

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

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

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

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

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

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

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

No assets as contained in Section 115 were disposed.

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

The 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 4<sup>th</sup> quarter of the 2017/18 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 2017/18 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 4<sup>th</sup> 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 previous 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 –First Quarter 2017/18


	<b>LOW</b>
	<b>MODERATE</b>
	<b>HIGH</b>

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
'Aged, obsolete and outdated stage machinery and equipment, resulting in cancelled productions/inability to attract new productions	Old stage machinery becomes no longer useable. Insufficient financing to upgrade machinery and equipment. Inability to attract state of the art shows.	↕ High				No	
Inadequate funding to 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				Yes	

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
Inability to secure attractive productions	Some productions might not appeal to certain audiences, hence tickets will not sell. Competition from casino based theatres that are able to pay for production.	 <div style="background-color: yellow; border: 1px solid black; padding: 2px; text-align: center;">Moderate</div>				Yes	
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.	 <div style="background-color: yellow; border: 1px solid black; padding: 2px; text-align: center;">Moderate</div>				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	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 countries downgraded economic status.	↕ Moderate				Yes	
Non-compliance with applicable legislation	Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure. There is a new requirement to comply with MSCOA.	↕ Moderate				Yes	
Theft, fraud and corruption resulting in financial and non-financial loss	Conflict of interest, Inadequate segregation of duties / Inadequate or no supervision, Weak internal control environment - cash handling / administrative procedures, Lack of accountability, Poor work ethics, Greed, collusion, bribery, Inadequate IT access controls and Inadequate physical security controls	↕				Yes	

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
		Moderate					
Lack of brand architecture (continuous and consistent message management)	Bad reputation, Poor/ bad media reviews and Inadequate marketing budget.	↕				Yes	
		Moderate					

**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 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Presentation of fictitious invoices by suppliers for payment	Finance department has been receiving emails with invoices from foreign suppliers demanding payments.  These emails are submitted to the bookkeeper as if they are coming from the CFO's email address.	Loss of income and Irregular payments	a) All payments are checked for compliance by SCM Manager before they are paid. b) All invoices are accompanied by purchase orders before they can be paid. c) Invoices are signed off by the HOD's of the user departments before they are paid.				



**Conclusion on the emerging risks:**

These incidents are reported to the Internal Audit department and IT department to investigate.

**Major projects and contracts risk profiles**

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


ICT risk governance & ICT risk management



Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Business interruptions	Possibility of network failure, industrial action or a natural disaster. Load shedding No disaster recovery centre	Unavailability of network services and poor service delivery. Loss of revenue	a) Business continuity policy is in place. b) Backup restores testing done on an annual basis and the respective proof filed. c) Daily automated backups are now being done to hard disk drives and off site via online backup services d) Pastel network servers have been migrated to Virtualised servers. e) Replication server in place in case of failover Servers, Finance and Ticketing departments are on UPS devices in the event of load shedding.				
Inadequate physical security and inappropriate environment. Uncontrolled physical access by suppliers and visitors.	Access to server hardware, network, software, data and documentation. Protection from theft and damage. Unauthorised use, disclosure, modification or destruction of systems or data.	Loss or destruction of network hardware as well as institutional information.	Access to Server room strictly controlled by IT Manager. All visitors or suppliers requiring access to server room, must sign the visitor's access register All removals of IT equipment must be authorised by HOD Fire proof safe available for storage purposes Server room situated in an access controlled				

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
	Unauthorised removal of computer equipment and data files containing proprietary information. Inefficient environmental controls in case of disaster (fire, flood, heat etc.)		environment				

**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 2017/18 financial year the following fraud risk exposure has been identified:

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
Misrepresentation of information	<ul style="list-style-type: none"> <li>1. Submission of fictitious qualifications</li> <li>2. False information in CVs</li> <li>3. False information during interviews</li> </ul>	Reputational damage	<ul style="list-style-type: none"> <li>a) Qualification verification internally and by external providers</li> <li>b) Reference checks</li> <li>c) Criminal checks</li> <li>d) Credit checks</li> </ul>				
Collusion between	JCT staff could collude	Loss of income / poor	a) Every show, free or not				

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
employees and service providers to commit acts of corruption	with suppliers wherein the stock value does not match the invoice delivered. Box office employees could collude with patrons for cash purchased tickets	service delivery	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				
Theft of company assets	Laptops, stationery, stage equipment, cash, stock could be stolen	Misappropriation of asset	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 e) Code of conduct signed by all employees f) Asset Management Policy in place and adhered to. g) 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, followed up was made with the insurance broker on outcome and awaiting feedback.

## **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 quarter, regular reporting requirements to Council as prescribed by the MSA were fulfilled.

## **Priority Legislation**

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

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

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

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

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

The Compliance Universe was updated with the following legislative changes:

- None

#### **Circular 68**

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

No incidents of fruitless and wasteful expenditure were identified.

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

The Entity identified the following instances of unauthorised expenditure:

No incidents of unauthorised expenditure were identified.

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

The Entity identified the following instances of irregular expenditure:

No incidents of irregular expenditure were identified.

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

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

No incidents of payments exceeding 30 days were identified.

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

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

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

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

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

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

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

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

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

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

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

The consolidation of assurance outcomes is based on the work done as at end Quarter 1 of 2017/18 and are summarised herein. The report therefore covers the following:

- strategic risks and residual risk profile for Quarter 1 of 2017/18;
- Strategic and operational risk monitoring;
- Strategic risk mapping to the Priorities.

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

The 3<sup>rd</sup> 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:**

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

**Progress on implementation per action plan** - The entity has negotiated lower rates with facilitators and the use of volunteers in the industry is another way the entity has used in the interim i.e. a high calibre facilitator (Duma Ndhlovu) was secured and other industries professionals ( Velile Bangani- Director of Skeem Saam, Tony Kgoroge- Renowned Actor, Director and film-maker). Other source of funding identified for youth programmes is Expanded Public Works Programme (EPWP).

- **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).

- **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 countries downgraded economic status.

**Progress on implementation per action plan** - Different pricing structures based on product and venue. Offering a limited number of discounted and/or free tickets to the youth and senior citizens communities. Mobile theatre truck used to access targeted communities.

- **Non-compliance with applicable legislation**

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

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

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

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

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

- **Lack of brand architecture (continuous and consistent message management**

Bad reputation, Poor/ bad media reviews and Inadequate marketing budget.

**Progress on implementation per action plan** - Strategic partnerships, Media launch of JCT brand and Media community management, Continuous brand awareness campaigns and Review of the marketing and communication strategy.

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

- **Group Risk Services**



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

Ref	Risk Description	Mitigating actions	Progress on implementation per action plan
1	<b>Obsolete and outdated stage machinery and equipment</b>	<ul style="list-style-type: none"> <li>a) The Council has allocated R20m &amp; R30m in budget year 2018/19 and 19/20 respectively</li> <li>b) Fair maintenance of stage machinery</li> <li>c) Limited budget has been allocated for 2017/18 for maintenance of equipment only</li> </ul>	<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	<b>Inadequate funding to produce in-house productions</b>	<ul style="list-style-type: none"> <li>a) Secure marketing deals (barter transactions) and private sector sponsorship for productions</li> <li>b) Portion of Subsidy from the Shareholder allocated to in-house productions</li> <li>c) Identified and obtained external sponsorships from DAC (dept of arts &amp; culture), Gauteng provincial govt and City dpt.</li> </ul>	<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	<b>Poor attendance at theatre shows</b>	<ul style="list-style-type: none"> <li>a) Basic marketing effort on various media eg MNET, Jozi FM, Khaya FM, social media</li> <li>b) A Marketing Executive appointed</li> <li>c) Limited daytime performances during the year</li> <li>d) developed and approved the group marketing and communication strategy for JCT</li> <li>e) West Side Story and Bony Tyler productions had sold out performances in Qtr 3 of the financial year</li> </ul>	<p>a) The group marketing and communication strategy for JCT is in the implementation stage. The effectiveness of the strategy is currently evaluated against the revenue targets.</p> <p>b) Strategic marketing efforts on various media are carried out.</p>
4	<b>Unaffordable ticket prices</b>	<ul style="list-style-type: none"> <li>a) Different pricing structures based on product and venue</li> <li>b) Offering a limited number of discounted and/or free tickets to the youth, senior citizens and deprived communities.</li> <li>c) Mobile theatre truck used to access targeted communities</li> <li>d) Developed and approved a policy to guide subsidised tickets for various communities.</li> </ul>	<p>a) Negotiations with Nedbank are ongoing re-CSI programmes to bring a child to theatre</p>
5	<b>Constraints in attracting internationally recognised productions</b>	<ul style="list-style-type: none"> <li>a) Negotiating terms on productions, including cost-sharing models.</li> <li>b) Carefully and consistently evaluating standards of tenant productions.</li> </ul>	<ul style="list-style-type: none"> <li>a) The entity is continuing to negotiate terms on productions with various producers.</li> <li>b) The Artistic committee consistently evaluating the standards of the tenant productions</li> </ul>









TABLE 1: SUMMARY ASSURANCE OUTCOMES – QUARTER 1 OF 2017/18


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

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management	Level 2 - SUMMARY ASSURANCE OUTCOMES – Q1 2017/18	Level 3 – EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
1	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.	Q1 Residual Risk  Risk Movement  	Internal Audit Risk Advisory Services Level 2 – integrated assurance	Auditor General  No rating	Combined Assurance  

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management	Level 2 - SUMMARY ASSURANCE OUTCOMES - Q1 2017/18			Level 3 - EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
			Q1 Residual Risk	Risk Advisory Services	Level 2 - integrated assurance	Auditor General	Combined Assurance	
1			Risk Movement	Internal Audit	Moderate	No rating	Moderate	
2	Theft, fraud and corruption resulting in financial and non-financial loss	<ul style="list-style-type: none"> <li>1. Conflict of interest</li> <li>2. Inadequate segregation of duties / Inadequate or no supervision</li> <li>3. Weak internal control environment - cash handling / administrative procedures</li> <li>4. Lack of accountability</li> <li>5. Poor work ethics</li> <li>6. Greed, collusion, bribery</li> <li>7. Inadequate IT access controls</li> <li>8. Inadequate physical security controls</li> </ul>	Moderate	Moderate	Moderate	No rating	Moderate	

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management	Level 2 - SUMMARY ASSURANCE OUTCOMES - Q1 2017/18			Level 3 - EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
				Internal Audit	Risk Advisory Services	Level 2 - integrated assurance	Auditor General	Combined Assurance
3	Inability to secure attractive productions	<p>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.</p>	<p>Q1 Residual Risk</p> <p>Risk Movement</p>	Moderate	Moderate	Moderate	No rating	Moderate

Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management	Level 2 - SUMMARY ASSURANCE OUTCOMES - Q1 2017/18			Level 3 - EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
			Q1 Residual Risk	Risk Advisory Services	Level 2 - integrated assurance	Auditor General	Combined Assurance	
4	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"> <li>a) less appealing content to some audiences</li> <li>b) inadequate marketing</li> <li>c) limited disposable income</li> <li>d) External environment (e.g. safety &amp; security, transport, etc.)</li> </ul>	<p>Low</p>  <p>Risk Movement</p> 	<p>Low</p> 	<p>Low</p> 	<p>Low</p> 	No rating	<p>Low</p> 












Risk Rank	Risk Landscape / Risk Name	Risk Description	Level 1 - Management	Level 2 - SUMMARY ASSURANCE OUTCOMES - Q1 2017/18	Level 3 - EXTERNAL ASSURANCE	Level 1,2 and 3 COMBINED ASSURANCE
5	Non-compliance with applicable legislation	<p>1. Various and dynamic legislative requirements to be complied with. Non-compliance could be detrimental to the company.</p> <p>2. Shelving of RCT has been hanging for some time. This poses a challenge of wasteful expenditure.</p> <p>3. There is a new requirement to comply with MSCOA</p>	<p>Q1 Residual Risk</p> <p>Risk Movement</p> <p>Moderate</p> 	<p>Internal Audit</p> <p>Risk Advisory Services</p> <p>Level 2 - integrated assurance</p> <p>Moderate</p> <p>Moderate</p>	<p>Auditor General</p> <p>No rating</p>	<p>Combined Assurance</p> <p>Moderate</p>

## 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	Q1 Residual Risk	Movement
Business interruptions	Moderate	
Inadequate physical security and inappropriate environment. Uncontrolled physical access by suppliers and visitors.	Moderate	
Fire to the building	Moderate	
Fire at the restaurant	Moderate	
The stage machinery needs to be upgraded.	High	
Litigation against RT	Moderate	
Infrastructure development around the building	Moderate	
Lack of secured parking for company cars, patrons' and staff	Moderate	
Insufficient storage facilities	Moderate	
Possibility of Fraud and Corruption	Moderate	
Presentation of fictitious invoices for payment	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 1st Quarter of 2017/18, at Joburg City Theatres (JCT), marks the beginning of a programming year that promises an excellent selection of South African inspired content. In this quarter alone the variety of work includes old classics such as *King Kong*, to the premiering of completely new work such as *Gone Native*. Through the strengthening of productions partnerships, the creation of new content, and refining of development processes JCT aims to ensure that the performing arts continue to inspire our communities to be more creative, imaginative, and effective.

Legendary South African stories was the theme for this quarter – original musicals such as **Calling Me Home** to **Gone Native: The Life and Times of Regina Brooks** at Soweto Theatre.

**King Kong – The Musical** was a highlight at Joburg Theatre – perfect timing as September marks the annual Heritage month in South Africa when the nation celebrates its rich cultures of historical inheritance, language, dance, music and various forms of arts. **King Kong** first premiered at the Wits University Great Hall in Johannesburg 56 years ago, and Eric Abraham and The Fugard Theatre brought this legendary and iconic musical ‘home’ to Johannesburg, following a five star review run in Cape Town.

Roodepoort Theatre had a lot of activity of which most were rentals which is always exciting. The biggest attraction this quarter was the **Roodepoort Dance Festival** which opened with a bang and maintained momentum.

## JOBURG THEATRE

With the diversity of programming, it is a clear indication that Joburg Theatre is moving towards the right direction with regards to transforming audiences.

The financial year opened with proudly South African stories and musicals.

Gauteng Opera presented **La Bohème**; one of the most romantic and all-time favourite operas on the regular opera performance circuit and was accompanied by the Gauteng Opera Orchestra.

The production brought in just over 2,200 patrons. Gauteng Opera is a facilitator of the development of young promising singers who want to make opera their career choice.



**Beautiful voices by the Gauteng Opera**

Joburg Ballet collaborated with two other leading South African dance companies for their July season; Vuyani Dance Theatre (VDT) and Moving into Dance Mophatong (MIDM) – to present a new piece called **Big City, Big Dreams**.

The original showcase, directed by Fiona Ramsay, was a collaboration between three dance companies. Over forty professional dancers adorned the stage as classical ballet infused with contemporary and street dance.

The cast exhibited an enormous amount of courage, taking on the choreography and owning it with no fear, while the audience was left in awe of the amazing collaboration with entwined bodies and showing off of the City of Gold.



*Dancers from Joburg Ballet, VDT and MIDM in Big City Big Dreams*

An original musical, **Calling Me Home**, premiered on The Mandela stage in August. First time producers, Shy Music, most certainly achieved the rarely achievable in South Africa which is creating a production from scratch and premiering it on one of the biggest stages in Joburg.

This brand new musical was South African from inception through to finished product, showcasing some wonderful home-grown creativity and talent and it's wonderful to learn that as part of the process the #callingastar competition was instrumental in identifying and boosting promising young South African performers.

The complete 33-strong Southern African cast consisted of some of the country's most celebrated stage performers, well-known personalities and some up-and-coming young stars; Lynelle Kenned (*West Side Story*), Samantha Peo (*Cabaret*), Anthony Downing (*Phantom of the Opera*), Michael McMeeking (*Joseph and the Amazing Technicolor Dreamcoat*) as well as Zolani Mahola from *Freshly Ground* who made her professional debut.

South Africans, and in particular Joburgers, are very brand conscious, and will buy into something that is recognisable or trusted. In the tough economy of today people are very hesitant to spend money on something they do not know.

Having said that, the producers were not concerned with the lack of tickets sales as much as they were in using the run as a "developmental" period. The goal being to tour the show, not for South African audiences but for those abroad, who might believe and buy into the context and themes of the show.



***Well known South African artists performed in Calling Me Home***

The quarter ended with the iconic musical **King Kong**.

**King Kong** is a seminal piece of South African cultural heritage. It first premiered at the Wits University Great Hall in Johannesburg 56 years ago, and Eric Abraham and The Fugard Theatre have brought this legendary and iconic musical 'home' to Johannesburg, following a five star review run in Cape Town.

It tells the story of heavyweight fifties boxing champion Ezekiel Dlamini whose self-appointed ring name was "King Kong" to the wildly exhilarating music of Todd Matshikiza and Pat Williams.

The production launched the international careers of Miriam Makeba, as well as boosting the progress of Manhattan Brother Nathan Mdledle, Hugh Masekela, Thandi Klaasen and Kippie Moeketsi, among others.



***Andile Gumbi as King Kong***



***Nondumiso Tembe in the role of Joyce***

The show has thus far received rave reviews from theatre critics to ordinary audience members. Some of the reviews were:

*"The extraordinary cast and creative team ... have knocked my socks off."*

**Debbie Hathway, City Press**

*"And hey if they haven't pulled all of this off, with immense style! King Kong 2017 is a beautifully staged, impeccably performed piece of work, bubbling with vitality and sparkling with talent."*

**Karen Rutter, Weekend Special**

The Fringe at Joburg Theatre hosted a varied mix of stage productions during the first quarter of the financial year – from the launch of the KZN Heritage Ensemble to contemporary dance, musicals, the annual Shakespeare Schools Festival, as well as many one-day bookings for CD/DVD launches and corporate events.

Vuyani Dance Theatre (VDT) and Steptext dance project delved into the nuances of power in a bi-continental (Africa and Europe) dance collaboration, **Out of Joint**.

Multi-award winning and internationally celebrated choreographer Gregory Maqoma created this work, together with industry colleague, German-Austrian choreographer, Helge Lentonja. With political turmoil going on in South Africa at the moment, **Out of Joint** aimed to bridge the gap of misunderstanding between cultures as it was created as a response to the experiences of human indignity all over the world.



***Out of Joint cast with choreographers***

The **Shared History Festival** in September presented a variety of music, theatre and dance performances to Joburg audiences. This year marked the 70th anniversary of India's Independence from Britain. Having completed a decade of cultural exchange between India and South Africa, the 11th edition of this popular festival showcased iconic Indian cultural performances. Shared History, the festival of India in South Africa, evokes the common in our history and heritage and our close socio-political and economic ties.



***Performers from the Srjan Dance Company***



***Dr L. Subramaniam, India's finest violinist***



In celebration and memory of some of South Africa’s most original acapella voices of imbube and isicathamiya, comes the modern version of this vocal harmonious talent, giving rise to hip young bands such as award-winning band **The Soil, Complete,** and Danish collaborators **The Baobab Sisters.** These three sensational groups presented a night of unique harmonies on Saturday 16 September. The Fringe was full to capacity and as the saying goes “the roof was on fire”. These acapella groups had the audience on their feet from beginning to the end with their coordinated moves and harmonies.



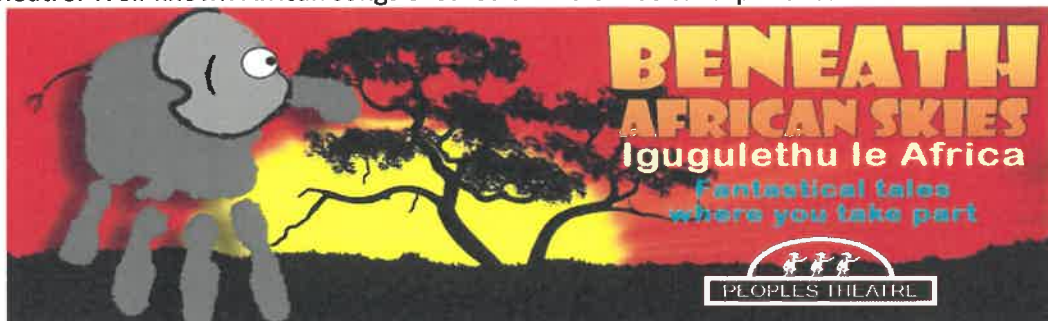
**The Voices of Acapella**



As South Africa is full of stories to tell, The Peoples Theatre presented an ensemble of great African stories, **Beneath African Skies.**

Directors Jill Girard and Keith Smith carefully crafted this production to entertain and educate young minds into a greater understanding of the wonderful stories and the rich heritage that exists in the country. Beautiful hand-crafted masks and puppets allowed the actors to transform into the many different animals that inhabit the land.

A soundtrack of extraordinary effects underscored all the action and interaction of this moving piece of children’s theatre. Well-known African songs ensured a whole musical experience which children loved.





**Beneath African Skies** has been well received by schools and public alike.

The show has so far been attended by 36 schools (as of 4<sup>th</sup> September 2017), paying a maximum of R70 per learner.

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

- Snow White: The Ballet (Joburg Theatre)
- She Is King (Joburg Theatre)
- Mzansi Youth Choir (Joburg Theatre)
- Pinocchio (Joburg Theatre)
- Shrek: The Musical JR (Joburg Theatre)



Soweto Theatre aims to be the hub for the performance arts, not only in Soweto but in Johannesburg as a whole. Soweto provides a unique opportunity to build new communities and neighbourhoods fuelled by creativity through the arts. The theatre's location allows the theatre to think big, think outside of the box and imagine a future that is attainable. Soweto Theatre must ensure that it provides great service consistently, to all clients.

The ongoing roadworks have affected operations, however the theatre still strives to start all shows on time and to maintain the existing service standards if not improve on them. Attendance is constantly increasing and new partnerships continue to draw new and diverse audiences.

The relationship with Soweto Art and Craft Fair remains sturdy and continues to sustain regular business for stall vendors for both the ***Soweto Art and Craft Market***, and ***Seven Colours Sunday***.

***Soweto Art and Craft Fair*** provides opportunities for different stalls of artwork, from paintings to designer clothes including different kinds of Kasi food stalls. Upcoming artists are given an opportunity to represent themselves for an hour of open MIC performances.



**Seven Colour Sundays** is an event that takes place every last Sunday of the month at the Forecourt, giving local caterers an opportunity to come and showcase. This event also gives different kinds of patrons an opportunity to come and experience a day filled with good food and good music.



Soweto Theatre celebrated **Mandela Day** with five Early Childhood Development centres from around Soweto. The day started with Nalibali, Soweto Theatre staff and volunteers playing indigenous games with the children. After an exhilarating energetic first portion of the morning, the children were then ushered to the Red theatre and it was story telling time. Soweto Theatre General Manager Nomsa Mazwai, Jefferson from J BOBS live and volunteers read to the kids. The Nalibali team also entertained the children with an additional performance.

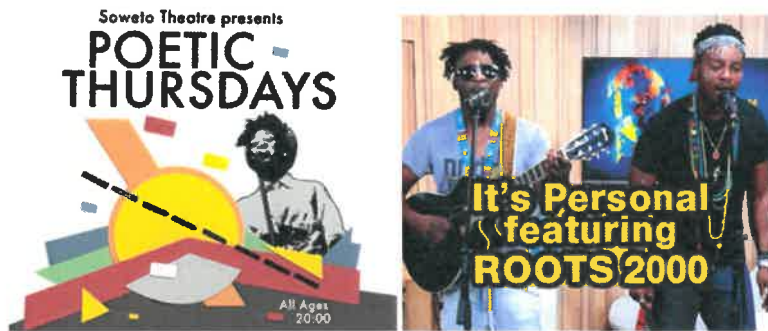
After the Nalibali session, the Soweto Theatre team headed to Hola Hamonate Day care to paint two classrooms, the schools premises were also cleaned by the team. 17 volunteers from White City Jabavu Youth club as well as two volunteers who responded to whatsapp communication joined the Soweto Theatre team.



**Mandela Day at Soweto Theatre**

The standard in-house program at Soweto Theatre continues to expand.

- The theatre has established a new partnership with a poetry offering called **Poetic Thursdays** who will be hosting poetry sessions at the theatre.



The partnership with His and Hers called Sound of Soweto is replaced by a new love music performance platform called *'It's Personal'*. The target audience is males and females aged from 15 to 34 from all LSM 1 - 10 groups who have satellite TV in the household. The evening integrates live bands performing with a DJ playing in the forecourt, attracting younger audiences to the theatre to enjoy new and diverse music. The intention is to create an Mtv Unplugged South Africa.

In July Soweto Theatre and Soweto Arts and Crafts Fair partnered with Jozi FM and e.TV, in an annual celebration of *Soweto Day Festival*. This was an all-day family event aimed at celebrating the heritage and history of Soweto through arts and culture. The celebrations started with the Soweto Day lecture on Thursday, 20 July and ended with the Soweto Day Festival on Saturday, 22 July. The festival was held at Soweto Theatre and admission to the festival was free. The festival featured the best of Soweto's talent including performances, DJs, arts and crafts, movie screenings, a fashion show and an art gallery.



Another partnership is with *GHETTO LAUGHS Comedy Show* which takes place every last Thursdays of the month, at the Blue Theatre where audiences find chuckles, giggles and outright bursts of convulsive laughter as the most celebrated comedians gather to deliver the hilarious narratives and punchlines.

*'An evening with'* is a growing platform, as artists who utilise the platform have their own audiences and the artists are encouraged to maximise ticket sales. *An Evening with* is an exclusive series of one night only music performances which is steadily gaining a community following, with an average of 43% audience attendance over the period. The highlights for the quarter were Sabelo Mthembu, the African time Jazz experience featuring Herbie Tsoaeli Lindiwe, Maxolo and Nathi Bantu.



For *Women's Month* commemoration Soweto Theatre was proud to present a riveting tale of a living love-activist *Gone Native – The Life and Times of Regina Brooks*. A new musical about a phenomenal South African woman, Regina Brooks, who was charged and acquitted of the Immorality Act in the 1950s.





**Ms Regina Brooks with family (left) and on stage with the cast after the final performance (right)**

The story is about one of the most controversial figures of South African history, a woman who defied apartheid government laws and what was deemed a norm, Regina Brooks. A white woman who had several relationships with black men at a time where interracial relationships were deemed immoral. Like many preposterous laws of the apartheid regime, working against humanity, Regina was the embodiment of both bravery and rebellion.

In 1955 she wanted to be re-classified as coloured so she could continue living with black people and keep her child Thandi, whom she had with one of the few black men in her life. While living with Sergeant Richard Khumalo, she got arrested and that is what sparked the appeal for reclassification.

During the Soweto Uprisings of 1976, Regina moved to Eldorado Park, a then mostly coloured area. She recalls the area to have been as discriminatory of black people as the white areas she came from, especially because she housed and hid black students during those times.

A story of love, bravery and courage, Regina defied what was normal and chased her hearts' desires. She found love and lost it, had beautiful children, lived happily and tasted melancholy all at once. A story not so unique to South Africa, Regina escaped an abusive relationship and became a loving, devoted mother to her children.

Playing Regina Brooks was the talented Marietjie Bothma whose life is not so different from that of the protagonist. *"She was the perfect Regina,"* said Makhaola Ndebele, writer and director of the musical. *"It was important for the female lead to be fully bilingual, and to be able to sing in Zulu."*



**Marietjie (Zulugirl) who played the role of Regina with Ms Regina Brooks**

This proudly South African stage play was internally produced, directed by JCT's Artistic Director Makhaola Ndebele and Jazz Great Dr Hugh Masekela as the music Director, starring a phenomenally talented South African cast.

***Be on the lookout for the next episode at Joburg Theatre in April 2018.***

The City of Johannesburg's Office of the Speaker conducted a Women's Day Conference on 17 August, to honour the women in Gauteng. Programme director for this event was MMC for Community Development, Cllr Nonhlanhla Sifumba; Speakers of the day were Mr. Teddy Makhetha, Chair of Chairs, Cllr. Alex Christians and Advocate Victoria Rammala for property hijacking investigations.



***Programme Director: MMC for Community Development, Cllr Nonhlanhla Sifumba***

Soweto Theatre had a very busy ***Heritage Month*** which featured the National Flag Festival, Gospel concert, the Kasi Food and Drink Festival, Kota Festival, Soweto Heritage Festival and month-end programmes.

***South African National Flag Festival*** was a festival that gathered South Africans to celebrate being South Africans. The celebration comprised of different performances with South African Traditional Music and Dance.



***National Flag Festival Performances***

Moshito Afro World Night Concert was one of the Arts Alive International Festival performances that took place at the Red Theatre, dazzling audiences with live music performances. This event had a very hot line up from the golden oldies to the current sounds of Africa. Performances of the day were: Amampondo featuring Dizu Plaatjies, Bekezela, Azah featuring Phillip Tabane, Mario Lucio featuring Wanda Baloyi and Judith Siphuma, Sibongile Khumalo and others.



***Moshito Conference Performances***





The first ever Kasi Food 'n Drink Festival was launched at Soweto Theatre and was well received and well attended. It is a South African Food, Drink, Culture and Lifestyle Festival, celebrating all things South African, for the people in the Kasi by people from the Kasi. The festival attracted more than 2000 people who came to experience authentic Kasi music, food and drinks.

The festival made for the perfect place for people to come together and enjoy the alchemy of culture and culinary delight. Family and friends, the young and old came together to celebrate a culinary experience like no other. It hosted a variety of stalls bursting with life and flavour making this one of the best food festivals one has ever been to. Furthermore, it was not just about the food, although that was a big part of it, it was also about uplifting the community.



***Kasi Food 'n Drink Festival***

A first of its kind festival, **Kota Festival** took place at Soweto Theatre on both 16 and 17 September occupying the forecourt and the grass area with +/- 2000 attendees each day for the two days. Patrons who attended were given an opportunity to come together and embrace and enjoy a 'Golden Oldie' in the cuisine of Soweto, iKota.

For each day there were 20 to 25 stalls selling different kinds of Kota's. From the original Kota to the Kota wrap, nothing was beyond the imaginations of the Kota creators. There was a kid's corner, where kids enjoyed a tin ride, face painting and jumping castles. For entertainment there was a stage where there were different dancing performances and different DJ's. If you missed it this year, make sure not to miss it next year! It is a must in terms of authentic Sowetan experiences.



Member of the Mayoral Committee for Community Development, Nonhlanhla Sifumba told The Star that she was happy with the turnout. *"It shows that people love their food. The kota being celebrated ensures that social cohesion is enhanced because people are together in one space enjoying good music and great food"*- **The Star Newspaper 18.09.2017.**



Hosted by Soweto Theatre, in partnership with Jozi FM and Soweto TV, the **Soweto Heritage Festival** Celebration took place on the 23 and 24 September at the Jabulani, Soweto Theatre.



This Arts Alive Festival FREE event included a Traditional Dance Competition with well-known guest judges. Hundreds of Sowetans came out dressed in proudly South African traditional garb to an event that celebrates all cultures in the most colourful ways. There was also Sepata and Kgabosereto dancing, singing, drumming, supporting music genres like Marabi, Mbaqanga and Isicathamiya.

Audiences and traditional groups within Soweto were invited together with artists from outside of Joburg, including celebrity judges from the traditional music world. There was a craft market, beer garden as well as the 7 Colours Soweto Food market. A special kids’ zone area will also be provided.



The first day had Traditional Music and Dance competition where only eight groups were selected to go through to the finals. Artists that entertained were Ma Ausi, Maroy, Mjaheni and Mfezi. Hosts of the day were Vusi Langa and Mangethe from Jozi FM.

Finals of the Traditional Music and Dance competition were on the second day. Winners received prizes as follows: first place R30 000.00 (Dinaledi Entertainment), second place R15 000.00 (Tswelopele) and third place R5 000.00 (Bomme Ba Makhosi). MMC Nonhlanhla Sifumba and Artistic Director Makhaola Ndebele presented the prizes to the winners on stage.



Artists that entertained were Shwi Nomunt'ekhala, Maroy, Mjaheni and Mfezi. Hosts of the day were Sakhiwo Sokhela and Queen T Tshabalala from Jozi FM.



**Soweto Heritage Festival 23 – 24 September**



The quarter closed with a tribute to the late kwaito star Simphiwe "Brown Dash" Mpamile. Some of the artists that performed were: Mdu Masilela, Mshoza, General, Sbu, Trompies and many more. The aim of the event was to celebrate Dash's talent and the contribution he made to the showbiz industry.

**#RememberBrownDash**

**Upcoming productions / highlights at Soweto Theatre for the second quarter of 2017/2018 include:**

- Soweto Fashion Week (Soweto Theatre)
- Zibanjwa Zisemaphuphu (Soweto Theatre)
- Miss Soweto (Soweto Theatre)
- Poetic Thursdays (Soweto Theatre)
- Ghetto Laughs (Soweto Theatre)
- Soweto Arts and Craft Fair (Soweto Theatre)
- Abantu Book Festival (Soweto Theatre)



The productions staged in the first quarter were mainly on a rental basis and community engagements structure, which attracted a new and growing theatre audience.

Dance took up a big chunk of the first quarter; August saw the prominent annual **ATKV Tienertoneel**, a national drama competition/festival aimed at enhancing the love for theatre in learners.

This was followed by the Association of International Dance Teachers (**AIDT**) in its Solo Performers Examination with disciplines ranging from modern to tap and hip hop dancing; AIDT aims to provide young dancers with performing opportunities.

The prestigious annual **Roodepoort Dance Festival**, the highlight of the Westrand dance calendar as well as the theatre's, took place in September attracting full houses for each public performance.







***The prestigious Roodepoort Dance Festival***

**AKTV Tienertoneel** was another sold out production at the theatre – a vibrant buzz of ballet lovers filled the theatres’ corridors. The ATKV-Toneelslypskool is a youth theatre workshop aimed to develop yearly participants of the ATKV-Tienertoneel Competition. It covers acting, directing and technical aspects.

Ovation Youth Dance company presented **Tinker Bell** in July. They represented the best dance schools in Region C. The audience were part of Tinker Bells magical journey, portrayed through ballet, modern, tap and contemporary dances to celebrate the most loved fairy in this adventure for the entire family.



***Tinker Bell performed by the Ovation Youth Dance Company***

RLT Productions teamed up with the Franklin Players and the Edenvale Acting and Drama Society (EADS) to present three original and exciting one-act plays. EADS’ “Midlife Rendezvous”, was a visual treat of mime and music that took a unique look at the pleasures and pitfalls of dating for the over-forties. “For the Love of Cheesecake” took a humorous, but telling, look at the age-old question “Is love worth it.

RLT’s “One Last Time with Feeling!” was not so much a play-within-a-play as a play about actors in a play. Set in the “star” dressing room of a rundown theatre, it introduced the audience to the fears and foibles, tensions and traumas of an acting company shortly before curtain-up on the opening night of the show where everyone hopes they will make their fortunes but which seems destined to end in disaster.



Drama Buzz presented **Annie Jr.** in August with full houses.



*Drama Buzz performers in Annie Jr.*



Roodepoort Theatre celebrated women in theatre by hosting **The Divas Complete show** on August 18<sup>th</sup>. The show was a celebration of local female artists – the divas that were celebrated included Brenda Fassie, Adele, Sharon Phillips, Christina Aguilera, Betty Wright, Chaka Khan, Donna Summer, Diana Ross, Miriam Makeba, Whitney Houston, Mariah Carey, Whitney Houston, to name but a few.

The quarter ended with the Roodepoort Dance Festival. Last year 15 dance studios entered in the festival with over 2,000 entries, this year saw 23 dance studios and over 3,300 entries flocked the theatre in order to partake in this annual flagship programme. The festival continues to grow and flourish in Region C.

A Family Fun Day in celebration of Mandela Day was arranged on July 15<sup>th</sup>, which incorporated Wellness Centers where communities from underprivileged backgrounds were bussed to Roodepoort Theatre and partook in the Wellness Testing provided by the Region C Department of Health. The testing stations included Diabetes, Cholesterol, BMI, HIV as well as pre and post counseling.

The day activities included music performance, live radio show broad cast on Kofifi Fm and Kofifi Sophia TV. There were children’s art and crafts initiative which aimed to offer the community recreational spaces to help reduce alienation, loneliness, and anti-social behaviors amongst the youth, ultimately promoting ethnic and cultural centricity and harmony. The recreational activities planned for the day were set to build strong relations among people from different backgrounds and assisted in building the foundation of a stronger society. Over 400 kids attended as well as 100 senior citizens.



Roodepoort Theatre has become synonymous with classical music and the lyric arts. Throughout its 32 year history many singers, musicians and artists have made their professional debuts at the theatre – some of whom are still professionally involved in the performing arts, locally and abroad.



In order to improve the profitability of the theatre, and become more relevant to the community it serves, the strategic positioning of the organization was reviewed, resulting in a stronger focus on the receiving house aspects of the theatre, and a more concerted effort to attract independent producers to the venue.

As such, the theatre has made major progress in terms of the diversification of its production and marketing mix, which consequently had a significant impact on the diversification of audiences. In addition, the theatre plays a significant developmental role by means of providing a venue for community theatre initiatives in the area, as well as hosting new and upcoming productions that provide opportunity in instrumental, vocal, dance and drama for students from disadvantaged backgrounds.

About to arrive in the second quarter:

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

- Ballet Magnificent: Deliver Us! (Roodepoort Theatre)
- Meokgo Ya Lesego (Roodepoort Theatre)
- National Eistedfor Academy (Roodepoort Theatre))
- Quiz Night (Roodepoort Theatre)
- Russian School of Ballet (Roodepoort Theatre)
- Foot on the Grave (Roodepoort Theatre)
- Gauteng Cecchetti Performance Awards (Roodepoort Theatre)
- Helen O'Grady (Roodepoort Theatre)

## YOUTH AND COMMUNITY DEVELOPMENT

### Joburg Theatre

Applied Performing Arts and Arts Management (APAAM) Short Course and started lessons on the 9<sup>th</sup> of September 2018. The under 18 year old groups are preparing for the end of year showcase, scheduled to take place on the 10<sup>th</sup> of December 2017.

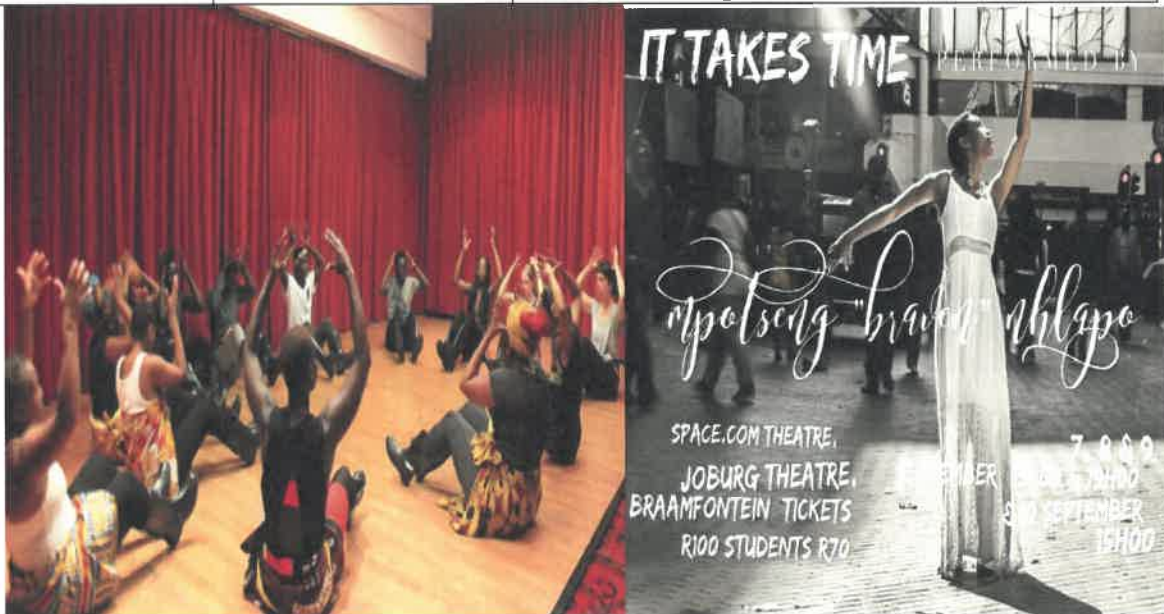
Community and Youth development at Joburg theatre programmes are developed in line with Strategic Objectives of Annual Targets to promote arts education and the development of youth in the arts sphere.

Space.com is a youth development venue that assists emerging artists to advance in the formation of economic opportunities.

Production	Region	Artist Background
Shef and The Kitchen	G - Orange Farm	<p>Youth Unplugged a Music Development Programme in Partnership with 76 Media working with Gurulogic as Musical director and Nothende as creative director / voice coach workshopped 20 young musicians in 2015. Shef and the Kitchen is part young musicians that come through Youth Unplugged music programme, the group has tirelessly worked to release an album following their participation in Youth Unplugged 2015. The grouped hosted a listening session of their new album, that is produced by Kunle Ayo, one of Africa's most celebrated guitarists, whom has earned several musical accolades and comparisons with giants of the contemporary school like George Benson, Earl Klugh and locally based Jimmy Dluclu.</p> <p>Kabomo Simphiwe Vilakazi, South African musician, producer wrote a song for the group and offered free song writing workshops.</p>



African Goombay	F – Southdale	Africa Goombay offers a dance narrative and experience of different African dance styles, from traditional elements to modern influences.  The class is an open class to the general public that offers learning about African dance culture, refreshing the mind and developing a healthy body in a staging setting.
The Magic Pot	A – Ivory Park	Inspired by the crisis of the plight of the rhino, The Magic Pot tells a story of a young boy Sabela, who travels to the heart of the village to find a magic pot that, has a recipe on how to save Nondaba, the last rhino calf in the village. His grandfather, who is the last elder in the village, passes on the knowledge and wisdom of his people and how the importance of rhinos. Nhlanhla Kunene a DNA's Actor's workshop graduate class of 2016, used physical theatre to as a narrative for the play.
It Takes Time	D - Pimville	Mpotseng "Braven" Nhlapo is a young female performer and choreographer, whom has utilised the Space.com to produce a Contemporary dance show that embodies her personal journey of losing her child. Through access to the Venue and putting up her work she generated an income of R3825.28 through ticket sales



Space.com com further hosted productions Vuselela, produced by Wits Dramatic Arts graduates, Ghost Money produced by a young writer from Daveton, The Crucifixion of Amaqwirha produced by The Movement RSA, a theatre collaborative formed in 2015 by young graduates whom produces fresh work, encourages art in education and runs corporate workshops.



**Shakespeare Schools Festival** is Educape’s flagship project in partnership with Joburg Theatre Youth Development that introduces school children to the performing arts at a professional stage in a non-competitive environment.

The programme is aimed at improving language and social skills through young people getting involved in all the different disciplines in the theatre and uses Shakespeare’s plays as a tool. Joburg Theatre adopted 3 schools and had 47 scholars that participated in the programme from the adopted schools



School Region	Region
<ul style="list-style-type: none"> <li>African School for Excellence (Macbeth)</li> <li>Leap Maths and Science School (Othello)</li> <li>Sekano Ntoane High School (King Lear)</li> <li>Sandriham High School (Macbeth)</li> </ul>	D – Joburg Theatre adopted school F – Educape Adopted school
<ul style="list-style-type: none"> <li>PLG Hartebeesport Academy (Macbeth)</li> <li>Rising Star Academy (The Tempest)</li> <li>Zakarriya Park High School (Julius Caesar)</li> <li>Nova Pioneer School (Othello)</li> </ul>	G – Joburg Theatre adopted school
<ul style="list-style-type: none"> <li>The Kings College (Much Ado About Nothing)</li> <li>The Kings College (Macbeth)</li> <li>Lalela Center of the Arts (Midsummers)</li> <li>Bosmont Primary (Twelfth Night)</li> </ul>	F - Educape adopted school
<ul style="list-style-type: none"> <li>Bryanston Primary School (Romeo and Juliet)</li> <li>Zakarriya Park Primary (The Tempest)</li> <li>Laerskool Dalmondeor (Much ado About Nothing)</li> <li>Methodz Acting Academy (Shakespeare Scenes)</li> </ul>	G – Joburg Theatre adopted school
<ul style="list-style-type: none"> <li>Parktown Girls (Much Ado About Nothing)</li> <li>Mondeor High School (Taming of the Shrew)</li> <li>King Edward VII School (KEZ) (The Tempest)</li> <li>Riverlea Secondary School (Hamlet)</li> </ul>	B - Educape Adopted school



**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. The course teaches community theatre groups skills in order for them to become mindful, reflective practitioners in the performing arts and in community-based theatre. The programme has accepted 50 students on the programme for the intake of 2017 to 2019.

5 groups were selected from the audition process, there is a huge interest for the programme, there were applicants received from Mphumalanga, Kwazulu Natal, Mogale City and Ekurhuleni

PONGA Projects	Region F – Hillbrow
L'tshomong and Perfect Storm	Region D – Jabulani and Protea South
Grace of Destiny	Region A – Ivory Park
Youth in Action	Region E – Alexander

**DNA actor's workshops** is a tutorial programme that serves as a bridging course between those who graduate from institutions of drama and the performing arts industry.

Duma Ndlovu, having been in this industry for more than 35 years, has garnered enough information and knowledge to be able to equip those who are coming into the industry and prepare them for their individual journey(s). The workshops grow and blossom self-confident thespians who have skills to allow them to succeed in their chosen career path.

The programme took a bigger group of students, as it is meant for artists that are looking for work. Consistent attendance has gone down from 56 when the programme started in January to between 40 and 30 student attending on a weekly basis.

**Roodepoort Theatre**

**The Nelson Mandela Day & Wellness and Children Fun Day**

On Saturday, 14 July 2017 Roodepoort Theatre hosted activities to show love and to honor the life's work of Nelson Mandela to change the world for the better.

The Mandela Day was in the form of a Children's Wellness Fun day. Communities from underprivileged backgrounds were bussed in to the Theatre and to partake in various wellness tests. The test checks for Diabetes, Cholesterol, BMI, and HIV (incl. counselling) were conducted. SANBS was invited to afford for voluntary, non-remunerated blood donations... The day activities included children's art and crafts initiatives to promote community recreational spaces as places to help reduce alienation, loneliness, and anti-social behaviour amongst the youth. The recreational activities planned, for the day, were set to build strong relations among people from different backgrounds and to assist to build the foundation of a stronger society.

**Soweto Theatre**

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

In the first quarter, the Soweto Theatre ran three **successful workshops to 221 learners** at the following schools; Vuwani Secondary School, with 75 learners, Morris Isaacson Secondary School, with 46 learners, and Naledi High School, with 100 learners . The workshop at Naledi High School was facilitated by the SATMA award winner and internationally acclaimed musician Nathi Bantu.





A feeder school that will assist with providing lessons for MTP learners, to prepare them for the **UNISA accredited exams** for 2018 has been identified. The name of the school is Structuring Society through Music Centre (SSMC). A Memorandum of Agreement between the school and Soweto Theatre has been signed by both parties.

The Music Tutorial Programme received another grant to the amount of **R25 000** from the **SAMRO foundation**, this will cover the first month's costs for the music lessons that will be provided by the

feeder school, Structuring Society through Music Centre.

### Music Tutorial Programme - Schools Music Outreach Campaign



The new facilitators have been appointed and began work on the 4<sup>th</sup> of August. A curriculum is being developed, and will be ready for implementation in January 2018.

The 18 – 21 year olds group auditioned successfully for

### Mandela Day and Storytelling programme with Nalibali

On Mandela Day Soweto Theatre hosted two events in commemoration of Nelson Mandela. The first event was at Hola Ha Monate crèche; Soweto theatre, in partnership with The Builders Box, organised paint make-over for Hola Ha Monate's Learning Centre. The Builders Box sponsored paint, and a 5% discount on all painting material used for the project. The Principal of Hola Ha Monate, and her staff, were very happy with the make-over. They expressed gratitude and appreciation to the team for giving back to the community, in the spirit of Madiba.



The second event was a storytelling event, hosted in partnership with Nal'ibali – Story Power Campaign. The Theatre hosted 202 children from various Early Childhood Development Centre's from Soweto. Soweto

Theatre staff, and volunteers from Nal'ibali, read stories and played games with the children. Nal'ibali also organised a surprise acapella group and stilt walker to read and perform for the children. Stages restaurant sponsored snack packs for the children on the day. The event received good media coverage from Kaya FM, SAFM and Massiv Metro Station.



Nalibali also hosted a media launch on the 31<sup>st</sup> August for their "Story Bosso" competition. Children from lower and higher primary schools on our database were treated to a reading and storytelling created and presented by **Gcina Mhlophe**. Celebrity actor and comedian **Mark Lottering** was amongst the invited guests, who entertained the children with funny stories and some words of motivation. The total number of learners who attended the launch was **87**.





### Shakespeare Schools Festival

The theatre hosted the Shakespeare Schools Festival, for a 2<sup>nd</sup> time, on the 20<sup>th</sup> – 22<sup>nd</sup> of September. The festival is an initiative by EduCape, to foster the love and appreciation of Shakespeare and theatre in schools. Schools prepare short vignettes of Shakespeare productions and perform them at the festival. Young directors are allocated to different schools, and work with the students over a period of eight weeks leading up to the festival. Prizes were awarded to the best performing school.

This year 6 schools that took part in the festival, they are: Naledi High School with learners taking part; Freedom Park Secondary (28 learners); Beyers Naude Secondary School – with 28 learners), Methodz Acting Academy, (35 learners); Adelaide Tambo School with (14 learners) SG Mafaesa Secondary School (15 learners).

The total number of audiences for the duration of the festival was **150. 12**

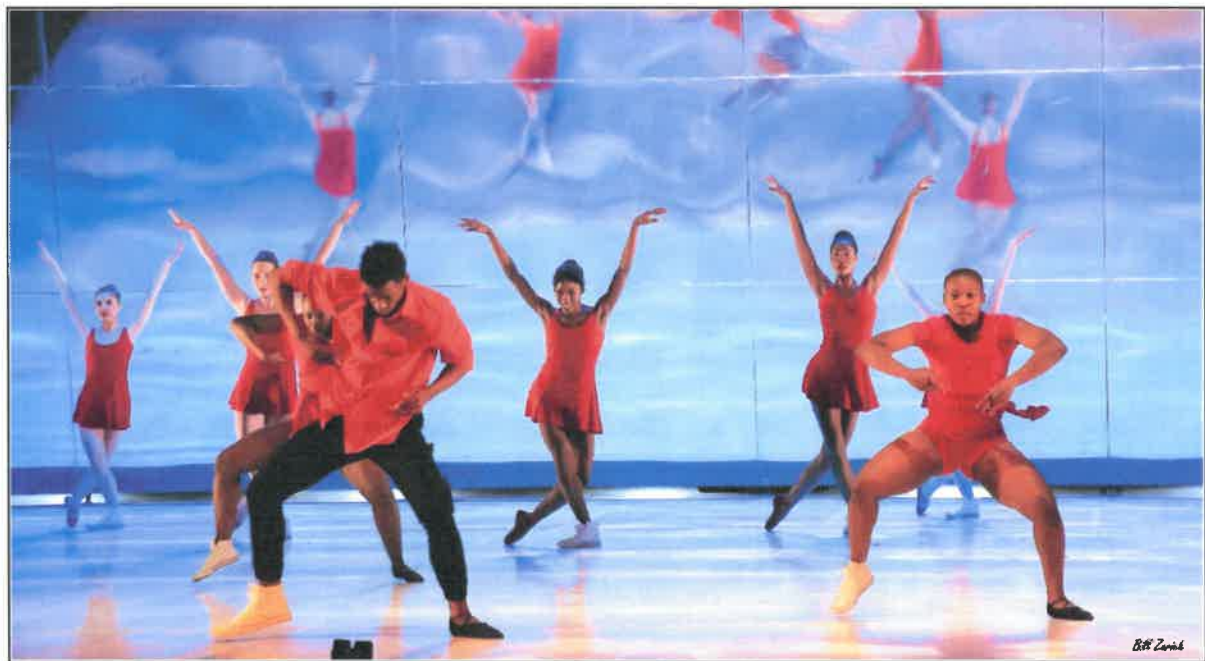




During this period Joburg Ballet collaborated with two other leading South African dance companies – Moving Into Dance Mophatong and Vuyani Dance Theatre – on a major new production when *Big City, Big Dreams* had its world premiere at Joburg Theatre from Friday 28 July to Sunday 6 August 2017

Celebrated actress and director Fiona Ramsay worked with a creative team drawn from the three companies to develop a ballet inspired by the dynamic energy and pulse of Johannesburg – big dreams set against the backdrop of South Africa’s biggest city. It was teamwork all the way in the creative process for *Big City, Big Dreams*, with director Ramsay and choreographers Shannon Glover, Lulu Mlangeni and Sonnyboy Motau telling the story of a young man who steps confidently on to the first steps of the Joburg corporate ladder, only to discover an unexpected and fascinating new window into the world of dance opening before him.

Unfolding in scenes that showcase the exhilaration of South African dance, *Big City, Big Dreams* fused styles from classical ballet to pantsula and combined high-powered dance techniques with vibrant emotion, winning critical and public acclaim.





Also, in this period two Joburg Ballet dancers, Shannon Glover and Revil Yon, accompanied by company CEO Esther Nasser, visited China to take part in the BRICS Cultural Festival in the city of Xiamen. Joining other performing artists from South Africa as well as from Brazil, Russia, India and China, Miss Glover and Mr Yon did South Africa, Johannesburg and Joburg Ballet proud with their acclaimed performance of a pas de deux from the ballet *Romeo and Juliet*.



**JOBURG BALLET SCHOOL**  
**REPORT: JULY – SEPTEMBER 2017**

The third school term has seen a light decrease in the number of students in the Joburg Ballet School. This was largely due to behavioural problems as well as the inability to work well with the teaching staff and other learners by some learners. Therefore, we now have a total of 184 students.

After the successful pianist rehearsal for the upcoming examinations with the Cecchetti Society, the selected learners will perform their final dress rehearsal for the exams in early October. The examinations will take place over two days during mid-October.

The Member of the Mayoral Committee (MMC) Ms Nonhlanhla Sifumba visited the Joburg Ballet studios and spent some time with the children in the Accelerated Program. She was thrilled with the work done by the children and expressed her excitement to see them in their productions and other platforms in the future.

Three of the 4 teachers (Ms Joanne Wyngaard, Ms Tshego Masoabi and Mr Keke Chele) were examined for the Intermediate Level examination by Cape Town-based Ms Veronica Louw who was the chief examiner for the Greater Johannesburg region. Mr Thabang Mabaso suffered an injury and could not participate in the exam. The Cecchetti Board has agreed that Mr Mabaso may enter the special exams in October 2017. The entire complement of teachers will soon begin their next level of training in the Advanced 1 Cecchetti syllabus from October 2017.

The children in the Accelerated Program performed a new work, “Without You” at the Heritage Day Event in collaboration with the Department of Sport, Arts, Culture and Recreation. The new work, choreographed by JB School coordinator Keke Chele, was accompanied by the Johannesburg Philharmonic Orchestra under the baton of Mr Kutlwano Masote, son of the legendary musician, composer and conductor, Mr Michael Masote. The collaboration was made possible by the independent music institution Web Maestro, headed by Mr Kutlwano Masote. This performance was attended by more than 1000 learners from various schools in the Johannesburg West District.

Internal assessments for all the learners will take place so that all teaching staff can ensure that children who are still kept in the program will be up to standard for the year end concert as well as the examinations. Six children of the Accelerated Program have been cast in the upcoming production of Snow White, choreographed by Joburg Ballet’s Artistic Director Iain MacDonald. The children will perform on the opening night of this brand new production at the Joburg Theatre.

The learners in the JB Satellite School – Soweto have been invited to participate in an event organised by the Mzansi Art Support Upliftment Project (MASUP) which will be held at Uncle Tom’s Hall in Soweto where the learners have their classes. This relationship with MASUP was initiated by Mr Nathi Mashinini who was instrumental in the ANC Youth League’s division that assisted the Joburg Ballet 40 Schools Initiative.

The learners of the Accelerated Program were featured in an insert on SABC 1’s Mzansi insider with coordinator Keke Chele. They will now prepare for the Joburg Ballet Fundraising Gala in mid-October and the year-end concert.





## MARKETING, PUBLICITY AND PUBLIC RELATIONS REPORT 21 JUNE - 27 SEPTEMBER 2017 INCLUSIVE

In the 98-day period under review the office generated an Advertising Value Equivalent (AVE) of R 8 462 139.03, amounting to 228 media clips.

Broadcast:	R 2 208 528.36 (56 clips)
Online:	R 2 362 230.49 (89 clips)
Print:	R 3 891 380.18 (83 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.

Increased visibility and awareness through social media platforms (Facebook, Twitter, Instagram) was generated by sharing everyday material – pictures, videos, etc – from the dancers' own timelines on the Joburg Ballet platforms, alongside the more formal postings – press coverage and interviews, details about events and so on. This strategy helps give fans/readers added insight into the lives of individual dancers.

<b>Facebook:</b>	10,002 followers (up from 9679)
<b>Twitter:</b>	5056 followers (up from 4906)
<b>Instagram:</b>	3139 followers (up from 2780)

In the period under review Joburg Ballet ran two outdoor, motorway, Gautrain and shopping mall advertising campaigns for the productions of *Big City*, *Big Dreams* and *Snow White - The Ballet*.

## JOBURG BALLET SCHEDULE OF EVENTS AND ACTIVITIES JOBURG BALLET SCHOOL INTERACTIONS

Joburg Ballet will mark Heritage Day with a special performance in Soweto on Thursday, 28 September 2017. In partnership with the Johannesburg West District of Gauteng Department of Education, the Gauteng Department of Sport, Arts, Culture & Recreation, and members of the Johannesburg Philharmonic Orchestra, the company will be joined by nine schools and three community based groups at Mokone Maroping Primary School.

### List of schools performing

- Mokone Maroping primary school
- Molemo primary school
- Onkgipotse Tiro primary school
- Tshepisong primary school



- Tshumbedzo primary school
- Margareth Gwele primary school
- Totomeng primary school
- Sivelile primary school
- Rishile primary school
- Joburg Ballet School

### Community based groups

- Zigi Creatives
- Fezela Community group
- Dinaledi tsa Soweto Cultural group

We have invited schools principals from JHB West District to support the event. Our aim is to celebrate our diversity and cultures.



### **HOSPITALITY AND CATERING**

According to research firm Stats SA publication dated 18 September 2017, Country wide restaurants and coffee shops revenue grew by 3.9% and Catering services reduced by 5.9% year on year. Stats SA also published a drastic decline in bar revenue by and astounding 37.6% year on year. Stages Joburg Theatre has however been fortunate in seeing an increased number of feet through with the main contributor being the breakfast trade due to the breakfast special namely *“Quick Change: Order any two breakfasts and pay 50% for the cheapest breakfast”*

JCT Hospitality and Catering hosted a few noteworthy events in this quarter, the COJ Department of Economic Development (DED) Entrepreneurship Programme symposium for the entire month of September in all 7 regions.



The Social Development Anti- Drug Campaign was held on the 21<sup>st</sup> September and received great reviews from all in attendance. These unexpected events greatly assisted Hospitality and Catering in achieving the quarterly targets.



The Johannesburg Zoo second phase is almost complete as depicted in the pictures below, the menus are approved and ready for implementation printing is currently underway.



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

On Sunday 17 September the Executive Mayor of the City of Johannesburg Councillor Herman Mashaba hosted stakeholders and the ambassador of China during the King Kong opening night performance.



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

The Hospitality and Catering business is subject to seasonal fluctuations and once again the first quarter has delivered as being one of the strongest revenue quarters largely due to popularity of dining out during the spring months. Consequently, results for any one quarter are not necessarily indicative of results to be expected for any other quarter.

## **Section 2: Service Delivery Challenges**

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

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



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

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

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

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

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

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

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

A customer satisfaction survey consistently runs across all 3 websites – [www.joburgtheatre.com](http://www.joburgtheatre.com) / [www.sowetothetre.com](http://www.sowetothetre.com) / [www.roodepoorttheatre.com](http://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](http://www.tripadvisor.com), which is a new development. Joburg Theatre has 90 reviews: 42 excellent, 40 very good, 4 average, 2 poor and 1 terrible. The venue is rated no1 for things to do in Braamfontein. TripAdvisor has awarded the theatre a Certificate of Excellence as an attraction that consistently earns great reviews from travellers.

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

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

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

## JCT SERVICE STANDARDS

CORE BUSINESS	SERVICE STANDARD	ACHIEVEMENT	PROGRESS / COMMENTS
<ul style="list-style-type: none"> <li>Creation of theatres accessible to people living with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>100% accessibility</li> </ul>	100%	<p>Joburg City Theatres continues to provide access to our patrons living with disabilities. Joburg Theatre is gaining a reputation as a theatre destination that is welcoming to, and accommodating of, disabled patrons.</p> <p>Joburg Theatre is welcoming towards guide dogs and other service animals, as well as particularly sensitive to those patrons who may be affected by strobe lighting. Information on the use of strobe lighting is always indicated on the show information on the website, when relevant</p> <p>A customer satisfaction survey consistently runs across all 3 websites – <a href="http://www.joburgtheatre.com">www.joburgtheatre.com</a> / <a href="http://www.sowetothatre.com">www.sowetothatre.com</a> / <a href="http://www.roodepoorttheatre.com">www.roodepoorttheatre.com</a> . Customer satisfaction remains stable.</p>
<ul style="list-style-type: none"> <li>Customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>90 - 100% satisfaction</li> </ul>	90%	<p>Joburg Theatre continues to be well rated <a href="http://www.tripadvisor.com">www.tripadvisor.com</a>. Joburg Theatre has 103 reviews: 47 excellent, 46 very good, 5 average, 2 poor and 1 terrible. The venue is still 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.</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"> <li>Access to information</li> </ul>	<ul style="list-style-type: none"> <li>JCT app must be developed</li> </ul>	100%	<p>The app will be officially launched to the public in Q2 of the new financial year. Snag list being resolved before public launch</p>
<ul style="list-style-type: none"> <li>Query resolution</li> </ul>	<ul style="list-style-type: none"> <li>Within 24 hours of logged call</li> </ul>	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> <p>Email queries are preferred following a telephone query, so that there is a written trail of progress and resolution.</p> <p>The log book is updated on a regular basis, and is available for inspection from the Customer Services manager.</p>



<ul style="list-style-type: none"> <li>Prompt start times</li> </ul>	<ul style="list-style-type: none"> <li>Ensure all shows start on time</li> </ul>	<p>98.1%</p>	<p>7 performances were delayed this quarter, out of a total of 367 performances (1.9%)</p> <ul style="list-style-type: none"> <li>Ayo Solanke 1 July, Perceptions CD launch 9 July; Judith Sephuma 21 July and Tshedi Moholo 25 August; all started late due to late arrival of guests</li> <li>Milked Voice 9 August started late because of the Women's Day Marathon that was run through Braamfontein, and guests were delayed arriving due to road closures</li> <li>King Kong and Divas of Kofifi were delayed on 28 September because the internet went off line 15 minutes before the shows started. Fortunately this was quickly resolved, and the performances were not further affected.</li> </ul>
<ul style="list-style-type: none"> <li>Cancellation of productions</li> </ul>	<ul style="list-style-type: none"> <li>98 -100% showing of scheduled productions</li> </ul>	<p>98.36%</p>	<p>6 shows were cancelled out of 367 performances (1.64%)</p> <ul style="list-style-type: none"> <li>2 performances of A Passage to Bollywood were cancelled (5 &amp; 7 July)</li> <li>1 performance of Breath was cancelled (16 July)</li> <li>3 performances of Calling Me Home were cancelled (25, 30 &amp; 31 July)</li> </ul> <p>All 6 performances were cancelled due to lack of ticket sales.</p>
<ul style="list-style-type: none"> <li>Safety of patrons</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance to health and safety legislation</li> </ul>	<p>100%</p>	<p>On 27 August a patron was shot and killed at the Hillbrow Theatre. Although the incident did not take place at any of the Joburg City Theatre sites, many of the initial reports stated that the incident had taken place at a Johannesburg Theatre, prompting fear and queries from patrons. The incident has forced JCT to take a very strong look at it's safety and security processes, policies &amp; procedures. A report from an independent expert will be delivered to management in Quarter 2.</p> <p>Despite the best efforts of on-site first aid, nurses from the COJ clinic, and advanced life-support paramedics from both COJ Emergency Services and Netcare 911, 1 visitor to the theatre passed away after collapsing at the Joburg Theatre on 8 September. CEO and OH&amp;S were on site to assist the family, and colleagues of the deceased. Counselling was arranged.</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:

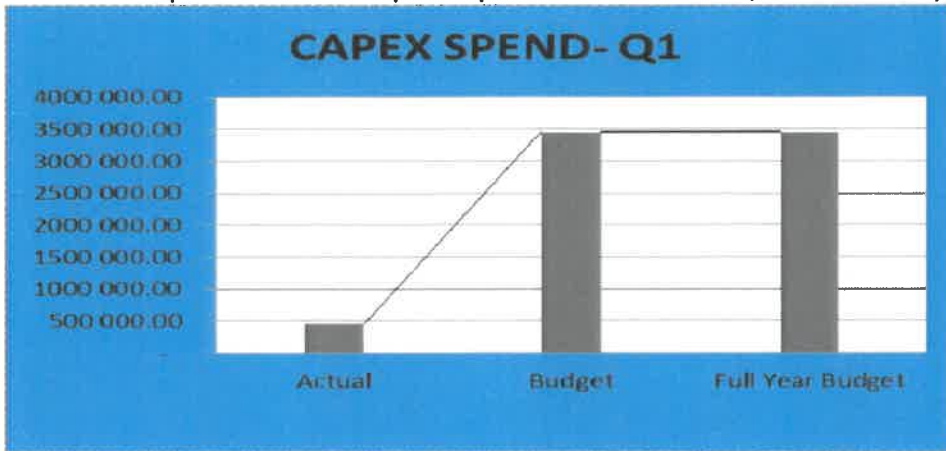
Value	What it means in practice for Joburg City Theatres
Service With Pride	We will display a results orientation and a commitment to perform and deliver on the priorities of the organisation. We will place customer service excellence at the centre of everything we do. We will do so in a competent, timely,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

#### Section 4: Capital Projects & Expenditure

The Capex expenditure budget for 2017/18 is R 3,446,000. The capital expenditure for JCT in quarter 1 is 13%. JCT exceeded its target of 10% by 3%. An amount of R 362,269.52 is already committed to be spent in the next quarter. That is in line with JCT's plan to meet quarterly targets and spent 100% by the end of quarter 4.

JOBURG CITY THEATRE'S CAPEX				
PROJECT	DETAIL	EXPENDITURE (VAT EXCL)	BUDGET	AVAILABLE BALANCES
<b>JOBURG THEATRE</b>				
BUILDING	BUILDING RENOVATIONS AND UPGRADES	121 275.47	750 278.00	629 002.53
UPGRADE OF STAGE MACHINERY	UPGRADE OF STAGE MACHINERY , RENEWAL PLANT & EQUIPMENT	74 320.00	225 000.00	150 680.00
TECHNICAL EQUIPMENT	TECHNICAL EQUIPMENT NEW OPERATIONAL	-	665 000.00	665 000.00
INFORMATION TECHNOLOGY NEW	INFORMATION TECHNOLOGY	106 762.37	425 000.00	318 237.63
TOTAL - JOBURG THEATRE		302 357.84	2 065 278.00	1 762 920.16
<b>ROODEPOORT THEATRE</b>				
BUILDING	BUILDING RENOVATIONS	98 118.62	425 000.00	326 881.38
	STAGE EQUIPMENTS UPGRADES	49 500.00	115 512.00	66 012.00
TOTAL - ROODEPOORT		147 618.62	540 512.00	392 893.38
<b>SOWETO THEATRE</b>				
BUILDING	BUILDING RENOVATIONS	-	154 043.00	154 043.00
	STAGE EQUIPMENTS UPGRADES	-	297 500.00	297 500.00
TOTAL- SOWETO		-	451 543.00	451 543.00
<b>HOSPITALITY AND CATERING</b>				
BUILDING	HOSPITALITY & CATERING	-	389 000.00	389 000.00
TOTAL HOSPITALITY AND CATERING		-	389 000.00	
TOTAL CAPEX JCT 2017/18		449 976.46	3 446 000.00	2 996 023.54

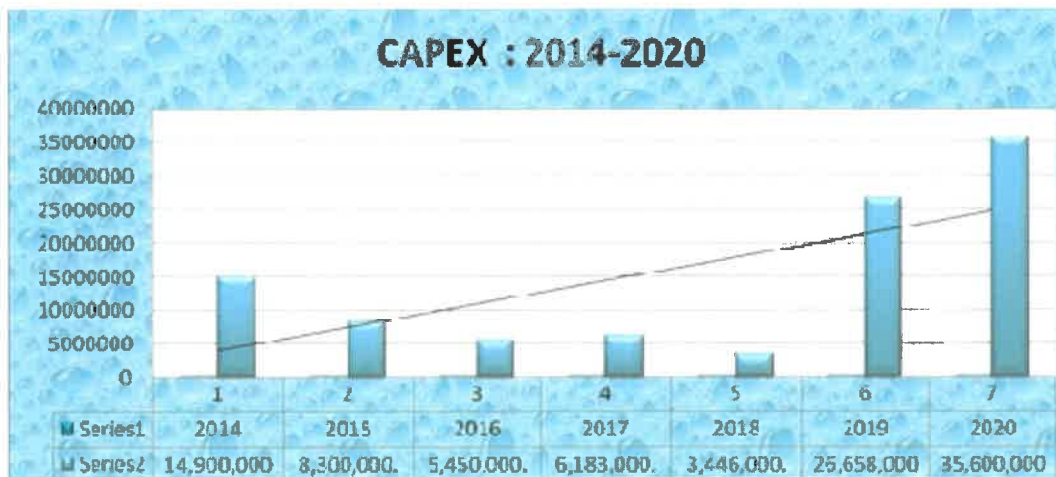
The diagram below better depicts the overall capital expenditure for the 2017/2018 financial year:



The table below better depicts the overall quarterly movement for the 2017/2018 financial year

Quarters	Percentage	Cumulative		Actual	Actual	Your reporting should be	Our scorecard reporting
		Original budget	Movement	Cumulative	Movement		
1	10%	344 600	344 600	449 976	449 976	131%	13%
2	30%	1 033 800	689 200			0%	0%
3	70%	2 412 200	1 378 400		-	0%	0%
4	100%	3 446 000	1 033 800		-	0%	0.0%
		<b>3 446 000</b>	<b>3 446 000</b>	<b>6 149 338</b>	<b>449 976</b>		

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, Catering & Hospitality 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.

## Section 5: Performance against Institutional SDBIP

IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	2017/18 Performance Targets				Comment	
						Reporting Period	Q1	Q2	Q3		Q4
						Jul - Sep 2017	Oct - Dec 2017	Jan - Mar 2017	Apr - Jun 2017		
<b>Strategic Objective 1: Provision of opportunities for the youth, including future arts practitioners and entrepreneurs</b>											
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty	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 <b>53%</b>	30% of procurement spend on SMMEs quarterly against total procurement expenditure	30% of procurement spend on SMMEs quarterly against total procurement expenditure	30% of procurement spend on SMMEs quarterly against total procurement expenditure	Target for First Quarter was Achieved
		Percentage of procurement spend on BBEE quarterly against total procurement expenditure	Business Support to BBEEs	Financial statements Procurement reports	CFO	Quarterly	75% of procurement spend on BBEE quarterly against total procurement expenditure <b>97%</b>	75% of procurement spend on BBEE quarterly against total procurement expenditure	75% of procurement spend on BBEE quarterly against total procurement expenditure	75% of procurement spend on BBEE quarterly against total procurement expenditure	Target for First Quarter was Achieved
		Percentage of procurement spend on youth owned quarterly against total procurement expenditure	Business support to youths	Financial statements Procurement reports	CFO	Quarterly	30% of procurement spend on youth owned against total procurement expenditure <b>2.5%</b>	30% of procurement spend on youth owned against total procurement expenditure	30% of procurement spend on youth owned against total procurement expenditure	30% of procurement spend on youth owned against total procurement expenditure	Target for First Quarter was Not Achieved
		Percentage of procurement spend on women owned quarterly against total procurement expenditure	Business support to women	Financial statements Procurement reports	CFO	Quarterly	30% of procurement spend on women owned against total procurement expenditure <b>97%</b>	30% of procurement spend on women owned against total procurement expenditure	30% of procurement spend on women owned against total procurement expenditure	30% of procurement spend on women owned against total procurement expenditure	Target for First Quarter was Achieved
		Number of youths attending music tuition programme	Youth development in the art sphere	Attendance registers Tutor reports on programme content Programme summary	Executive Producer, Artistic Manager	Quarterly	200 youths attending music tuition programme per annum <b>200</b>	200 youths attending music tuition programme per annum	220 youths attending music tuition programme per annum	220 youths attending music tuition programme per annum	220 youths attending music tuition programme per annum
Number of youths attending drama tuition programme	Youth development in the art sphere	Attendance registers Tutor reports on programme content Programme summary	Executive Producer, Artistic Manager	Quarterly	250 youths attending drama tuition programme per annum <b>250</b>	250 youths attending drama tuition programme per annum	250 youths attending drama tuition programme per annum	280 youths attending drama tuition programme per annum	280 youths attending drama tuition programme per annum	Target for First Quarter was Achieved	



IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	2017/18 Performance Targets				Comment	
						Reporting Period	Q1 Jul - Sep 2017	Q2 Oct - Dec 2017	Q3 Jan - Mar 2017		Q4 Apr - Jun 2017
<b>Strategic Objective 2: High quality performing arts and entertainment experiences and facilities</b>											
Enhance quality of life by improving services and taking care of the environment	Driving the "Service with Pride and Dignity" campaign	% achievement on service level standards	Service standards turnaround time improvement	Ticket reports	COO	Quarterly	90% achievement service level standards  97%	90% achievement service level standards	90% achievement service level standards	90% achievement service level standards	Target for First Quarter was Achieved
	Improved audience development and accessibility to venues	Promote positive social local content	Number of Arts and Culture festivals and themed productions held / in-house production	To make venues more accessible Promotion of positive social local content	COO	Quarterly	4 Arts and Culture festivals held / in-house productions held  6	12 Arts and Culture festivals held / in-house productions held	15 Arts and Culture festivals held / in-house productions held	Target for First Quarter was Achieved	
	Number of Ballet seasons at JCT	Image building of the CoJ by Joburg Ballet	Improved access to professional concerts of classical and choral music	Quarterly report Contracts and marketing material	Executive Producer	Quarterly	2 ballet seasons  2	4 ballet seasons	6 ballet seasons	Target for First Quarter was Achieved	
	Number of Philharmonic Orchestra seasons at JCT	Improved access to professional concerts of classical and choral music	Quarterly report Contracts and marketing material	Executive Producer	Quarterly	1 Philharmonic Orchestra seasons  2	2 Philharmonic Orchestra seasons	3 Philharmonic Orchestra seasons	4 Philharmonic Orchestra seasons	Target for First Quarter was Achieved	

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 implemented/operational Within 24 hours of logged call
Query resolution	Ensure all shows start on time
Promit start times	98 – 100% showing of scheduled productions
Cancellation of production	100% compliance to health and safety legislation
Safety of patrons	



IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	2017/18 Performance Targets				Comment	
						Reporting Period	Q1 Jul - Sep 2017	Q2 Oct - Dec 2017	Q3 Jan - Mar 2017		Q4 Apr - Jun 2017
Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress	Improved audience development and accessibility to venues	Number of discounted tickets issued to school learners	Affordable tickets, public access to theatres	Ticket reports	COO	Quarterly	8,500 discounted tickets issued to school learners 8 557	20,000 discounted tickets issued to school learners	25,000 discounted tickets issued to school learners	30,000 discounted tickets issued to school learners	Target for First Quarter was Achieved
						Quarterly	2,000 free tickets issued to various communities 3 628	5,500 free tickets issued to various communities	7,500 free tickets issued to various communities	10,000 free tickets issued to various communities	Target for First Quarter was Achieved
						Quarterly	2,000 discounted tickets issued to senior citizens 2 049	3,000 discounted tickets issued to senior citizens	3,500 discounted tickets issued to senior citizens	4,500 discounted tickets issued to senior citizens	Target for First Quarter was Achieved
						Quarterly	45,000 attendees to theatres 56 454	120,000 attendees to theatres	150,000 attendees to theatres	215,000 attendees to theatres	Target for First Quarter was Achieved

IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	2017/18 Performance Targets				Comment
						Q1 Jul - Sep 2017	Q2 Oct - Dec 2017	Q3 Jan - Mar 2017	Q4 Apr - Jun 2017	
<b>Strategic Objective 4: Good governance, financial sustainability and sound management</b>										
Preserve our resources for future generations	Improved financial planning and project management	100% CAPEX budget spent	Capital project programme	CAPEX expenditure report Financial statements	CFO	Quarterly	R 1,033m 30% CAPEX budget spent	R2,410m 70% CAPEX budget spent	R3,443m 100% CAPEX budget spent	Target for First Quarter was Achieved
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty	Improved sound financial management	Proportion of earned income against total revenue including subsidy	Financial sustainability Improved and sound financial management	Financial statements Income reports	CFO	Annually	R 1,033m 45% / 55% Earned revenue R44,814m Total revenue R98,289m	R2,410m 36% / 64% Earned revenue R58,714m Total revenue R138,305m	R3,443m 36% / 64% Earned revenue R58,714m Total revenue R160,439m	Target for First Quarter was Achieved
Institute an honest, responsive and productive government	Internal control improvement process Audit mitigation initiatives Improved strategic planning and implementation	Unqualified audit opinion % of predetermined objectives achieved	Clean audit outcome Strategy improvement plans	External audit opinion and report Annual financial statement Quarter reports / evidence files	CFO	Annually	Unqualified audit opinion with zero audit report findings 85% of pre-determined objectives achieved	-	-	Target for First Quarter was not measured
	Improved code of conduct	% delivery on reported cases of corruption	Lawful and ethical conduct in the workplace	Financial statements Procurement reports	CFO	Quarterly	100% delivery on reported cases of corruption	100% delivery on reported cases of corruption	100% delivery on reported cases of corruption	Target for First Quarter was Achieved

IDP Programme	Outcome	Key Performance Indicator	Key Intervention	Means of Verification	Unit Responsible for Reporting	2017/18 Performance Targets				Comment	
						Reporting Period	Q1 Jul - Sep 2017	Q2 Oct - Dec 2017	Q3 Jan - Mar 2017		Q4 Apr - Jun 2017
<b>Strategic Objective 5: Mobilisation of resources to support the mandate, and improved brand recognition and awareness of JCT</b>											
Institute an honest, responsive and productive government	Improved perceptions of JCT	Number of monthly media monitoring reports	Monitoring perceptions and media reporting	Monthly media monitoring reports	Executive Marketing Manager	Monthly	3 media monitoring reports <b>6</b>	6 media monitoring reports	9 media monitoring reports	12 media monitoring reports	Target for First Quarter was Achieved
Enhance quality of life by improving services and taking care of the environment	Improved stakeholder mobilisation	Number of strategic partnerships created	Partnerships / Collaborations / programmes / events	Signed MoA / MoU / contract	Executive Producer	Quarterly	4 strategic partnerships created <b>6</b>	10 strategic partnerships created	13 strategic partnerships created	18 strategic partnerships created	Target for First Quarter was Achieved

### Summary

<b>Quarterly KPIs</b>	<b>19</b>
<b>Annual KPIs</b>	<b>02</b>
<b>Total number of KPIs</b>	<b>21</b>
<b>Number of Quarterly KPIs Achieved</b>	<b>18</b>
<b>Total achieved constitutes</b>	<b>94.74%</b>

## **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.

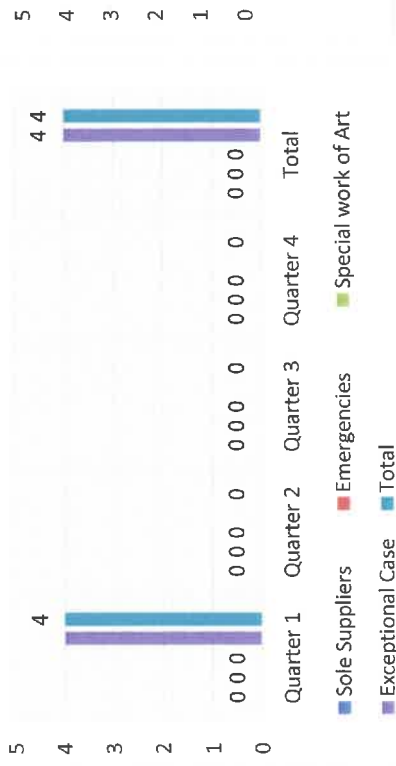
The Bid Adjudication Committees were established in terms of the provisions of Local Government Municipal Finance Management Act (MFMA). This Committee consist of officials with delegated authority to recommend bids in accordance with their terms of reference. The Bid Adjudication Committee considers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

### **PROCUREMENT FROM RELATED PARTIES**

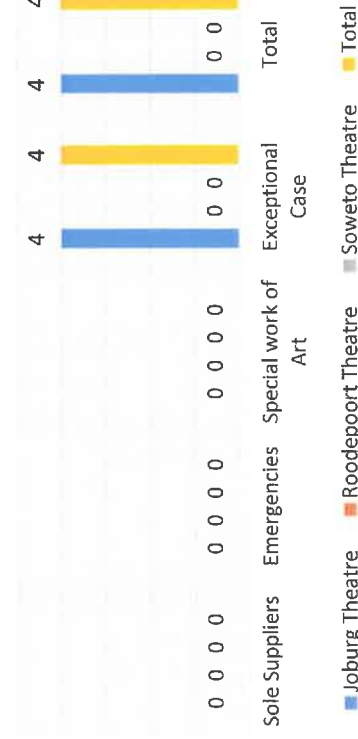
During the period under review, there were no payments processed on procurement from related parties.

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	0	0	0	0	0
Emergencies	0	0	0	0	0
Special work of Art	0	0	0	0	0
Exceptional Case	4	0	0	0	4
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

Category	Joburg Theatre	Roodepoort Theatre	Soweto Theatre	Total
Sole Suppliers	0	0	0	0
Emergencies	0	0	0	0
Special work of Art	0	0	0	0
Exceptional Case	4	0	0	4
<b>Total</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>

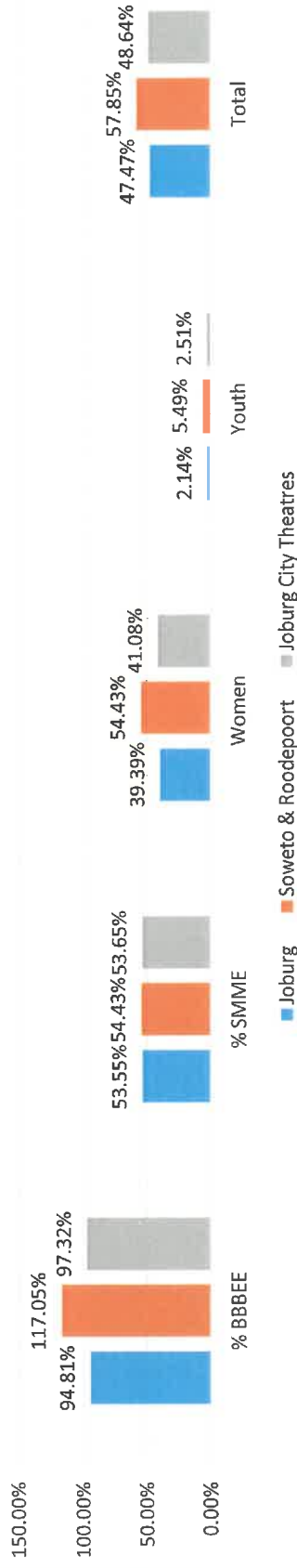
Joburg City Theatres had a total of 4 deviations for the 1<sup>st</sup> Quarter of 2017/2018 financial year. Out of total deviations, 01 of these were used as Special work of Arts accounting for 90%. Special works of arts 01 deviation which is about 10%.



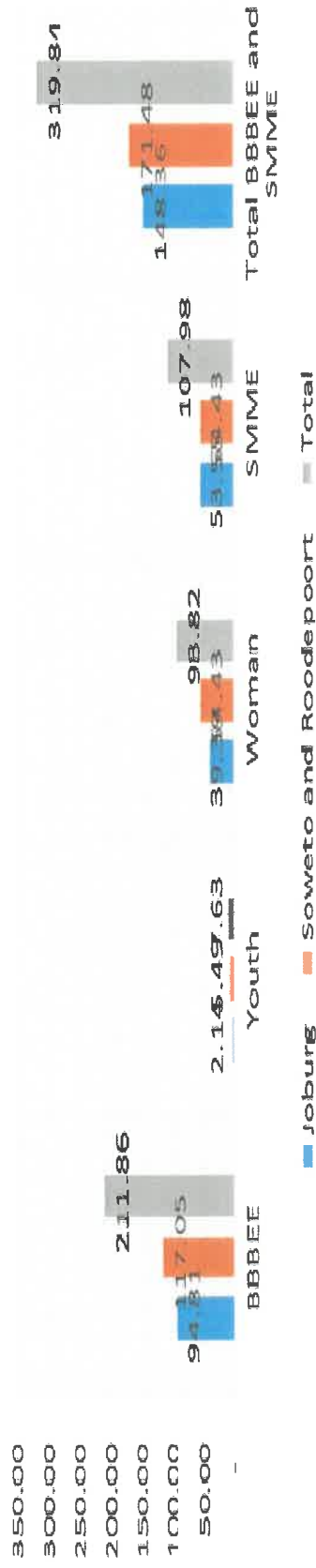
## Tenders and RFQs AWARDED AND THE CONTRIBUTION TO BBBEE AND SMIMES

Joburg City Theatres awarded RFQs and tenders amounting to R5 264 610.81m 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 97.32% which is 18.77% better than the scorecard target while spend on SMMEs averages at 53.65% and this is 39.81% 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.

### Analysis of BBBEE & SMME Spend by Percentage



### Analysis of BBBEE and SMME SPEND



Theatres	% BBBEE	% SMME	Women	Youth
Joburg	94.81%	53.55%	39.39%	2.14%
Soweto & Roodepoort	117.05%	54.43%	54.43%	5.49%
Joburg City Theatres	97.32%	53.65%	41.08%	2.51%

#### DEVIATION FROM SCM POLICY FOR THE 4TH QUARTER ENDING 30 SEPTEMBER 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 1 of the 2017/18 financial year Joburg City Theatres had a total of 4 deviations, reported to the Board of Directors. The total value of the deviations during Quarter 1 is R 32 514 857.04 but does not necessarily mean that the total amount has been spent.
- 7.4 The deviation for Joburg City Theatres for Quarter 1 is as follows:

**CATEGORY: SPECIAL WORK OF ART**

**JOBURG THEATRE**

<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Joburg City Theatres Productions 2017/18	R 22 515 053.04	25 July 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.
Marketing Partners / Special Barter Arrangements	R 3 862 279.00	17 August 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 or impossible to follow the normal procurement processes, the Chief Executive Officer, in terms of Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 20(2)(a) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes i.r.o the acquisition of services from marketing partners / special barter arrangements.
Arts Alive Festival in Sept 2017 (Project Manager)	R 6 000 000.00	23 August 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, i.t.o Regulation (36)(1)(a) of the Municipal Supply Chain Management Regulations, and Section 21(2)(a)(iii) of the company's Supply Chain Management Policy, approves the dispensing with the normal procurement processes i.r.o professional service fees.

<b>CATEGORY: EXCEPTIONAL CASE</b>			
<b>JOBURG THEATRE</b>			
<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Date Approved by Chief Accounting Officer</u>	<u>Reasons</u>
Entrepreneurship Symposium	R 137 525.00	10 August 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)(iv) of the policy, approves the dispensing with the normal procurement processes in respect of Stage Technical Equipment

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

<u>Description</u>	<u>Value of the Project (Incl Vat)</u>	<u>Reasons</u>
Slo Jo - Supply of Slo Jo syrups and powders -Joburg City Theatres	<b>R 19 581.17</b>	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	<b>R 61 589.34</b>	Slush Puppy is the Sole Supplier of the Slush Puppy Syrups. Sole supplier letter has been received.
The Flavor Lab	<b>R 24 050.12</b>	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.

### BIDS (Tender) ADVERTISED

During the period of July – September 2017 the following tenders was advertised.

Department	Contract No.	Description	Contracted Service Provider(s)	Period	BBBEE LEVEL	Reasons	Value of the project (Vat Inc)
Hospitality and Catering	00089/17	Content Management, Provision of Speakers, Facilitation, Data Capture and report for the COJ Entrepreneurship Regional Summits (8) and City-Wide Symposium	ZAZEN Consulting (PTY) LTD	Once off	Level 4	Evaluated in accordance with the PPPFA and Regulations	R 1 348 484.00
Hospitality and Catering	00092/17	Supply of Hospitality and Equipment and Decor for JCT on an "As And When "Needs Basis	Eventquip Hiring	12 Months	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 269 160.69
Building Security	00094/17	Events Safety, Security & Risk Management for Joburg City Theatres on an "As and when" Needs Basis.	Luticraft Special Projects and Alliance Safety Management	12 Months	Level 2	Evaluated in accordance with the PPPFA and Regulations	R 1 177 914.76



Department	Contract No.	Description	Contracted Service Provider(s)	Period	BBBEE LEVEL	Reasons	Value of the project (Vat Inc)	
Hospitality Catering	00095/17	Provision of Catering Services & Venue Bookings, Security Services (Car Guards), Cleaning Services, Hiring Of Equipment, Audio and Visual Equipment for the Entrepreneurship Symposium in the following Regions A, B, D, E & G in the City of Johannesburg.	For Region A (2)					
			Big 5 Innovation (PTY) LTD	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R113 530.73	
			Sound Stylists (PTY) LTD	Once off	Level 3	Evaluated in accordance with the PPPFA and Regulations	R 57 578.66	
			For Region B (1)					
			EventQuip Hiring & Distribution	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 196 518.74	
			For Region B (4)					
			Brace Security Group (PTY) LTD	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 2800.00	
			Mahlubandile AZZ Catering and Events *2	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 41 000.00	
			Simunye Brothers CC	Once off	Level 2	Evaluated in accordance with the PPPFA and Regulations	R 23 000.00	
			Wozekhaya catering	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 118 500.00	
			For Region E (1)					
			- Striving Mind Trading	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 180 380.00	
			For Region G (2)					
Cherry Apple Media	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 89 209.37				
Impatho Projects & Suppliers	Once off	Level 1	Evaluated in accordance with the PPPFA and Regulations	R 54 600.00				

## REQUEST FOR QUOTATIONS

Department	Contract No.	Description	Contracted Service Provider	Period	BBBE LEVEL	Reasons	Value of the project (Vat Inc)
MARKETING			Mageba Moving Brands & Designs	12 months	1	Evaluated in accordance with the PPPFA and Regulations	R 3000.00 per show
MARKETING	00491/17	VIDEOGRAPHY SERVICES FOR JOBURG CITY THEATRES	Lauge Sorensen Photography	12 months	None	Evaluated in accordance with the PPPFA and Regulations	R 4000.00 per show
HOSPITALITY & CATERING	00492/17	SUPPLY & INSTALLATION OF POINT OF SALES FOR RESTAURANTS AT THE JOBURG ZOO	FalconSoft CC	Once Off	None	Evaluated in accordance with the PPPFA and Regulations	R 171 306.66
HUMAN RESOURCES	00493/17	JOB SPECIFICATIONS FOR GRADING OF POSITIONS USING THE TASK JOB EVALUATION SYSTEM	Deloitte Consulting (PTY) LTD	Once off	2	Evaluated in accordance with the PPPFA and Regulations	R 105 450.00
CUSTOMER SERVICES	00494/17	SUPPLY AND DELIVERY OF IT HARDWARE	Vukani Technologies (Pty) Ltd	Once off	1	Evaluated in accordance with the PPPFA and Regulations	R 10 713.59
CUSTOMER SERVICES	00495/17	SUPPLY AND DELIVERY OF LAPTOPS ON A "AS AND WHEN" BASIS	Ikando (Pty) Ltd	Once off	2	Evaluated in accordance with the PPPFA and Regulations	R 12 674.12

Department	Contract No.	Description	Contracted Service Provider	Period	BBBE LEVEL	Reasons	Value of the project (Vat Inc)
CUSTOMER SERVICES	00496/17	SUPPLY AND DELIVERY OF MICROSOFT OFFICE LICENSES	Redefine IT Solution	12 months	2	Evaluated in accordance with the PPPFA and Regulations	R 6 859.38
BUILDING AND SECURITY	00497/17	UPGRADE OF STAGE MACHINERY (SUPPLY AND DELIVERY)	Mocon Systems CC	Once off	4	Evaluated in accordance with the PPPFA and Regulations	R 56 644.80
BUILDING AND SECURITY	00498/17	BATHROOM RENOVATIONS	Riatakala Trading and Projects	Once off	1	Evaluated in accordance with the PPPFA and Regulations	R 74 088.60
BUILDING AND SECURITY	00499/17	UPGRADING OF STAGE TOWER	Dreco Manufacturing CC	Once off	1	Evaluated in accordance with the PPPFA and Regulations	R 111 131.16
BUILDING AND SECURITY	00500/17	UPGRADE OF AUDITORIUM	CR Max Project	Once off	1	Evaluated in accordance with the PPPFA and Regulations	R 142 272 .00
STAGE	00501/17	SUPPLY AND DELIVERY OF CYCLORAMA	EES Milinery (Pty) Ltd	12 months	4	Evaluated in accordance with the PPPFA and Regulations	R 56 430.00
BUILDING AND SECURITY	00502/17	INDOOR PARKING FOR TRUCK (LOCKABLE)	Azaz Auto CC	12 months	4	Evaluated in accordance with the PPPFA and Regulations	R 125 856.00pa/ R10 488pm
HOSPITALITY & CATERING	00503/17	SUPPLY AND DELIVERY FOR KITCHEN EQUIPMENTS	Fanel Caterware	Once off	2	Evaluated in accordance with the PPPFA and Regulations	R 185 531.49
HOSPITALITY & CATERING	00504/17	SUPPLY AND DELIVERY OF HOSPITALITY SMALLS TO STAGES RESTAURANT – JOBURG ZOO	Fanel Caterware	Once off	2	Evaluated in accordance with the PPPFA and Regulations	R 120 642 32
HOSPITALITY & CATERING	00505/17	SUPPLY, DELIVERY AND INSTALLATION OF THE BUILDING WORKS FOR THE OLD CAFE FINO AT JOBURG - ZOO	Hillness Trading	Once off	1	Evaluated in accordance with the PPPFA and Regulations	R 57 317.97

Department	Contract No.	Description	Contracted Service Provider	Period	BBBEE LEVEL	Reasons	Value of the project (Vat Inc)
BUILDING AND SECURITY	00506/17	SUPPLY AND DELIVERY OF TISSUE PAPER	Bidvest Steiner (Pty) Ltd	12 months	1	Evaluated in accordance with the PPPFA and Regulations	R 27 177.60 / R271.77 (per 48)
HOSPITALITY AND CATERING	00507/17	SUPPLY AND DELIVERY OF RESTAURANT FURNITURE FOR THE JOBURG ZOO RESTAURANT	MGB Construction	Once off	None	Evaluated in accordance with the PPPFA and Regulations	R 62 600.00
BUILDING AND SECURITY	00508/17	SUPPLY AND INSTALLATION OF FIRE RETARDANT CURTAINS	Ees Milinery (Pty) Ltd	Once off	4	Evaluated in accordance with the PPPFA and Regulations	R 90 593.52
BUILDING AND SECURITY	00509/17	NIGHT TRANSPORTATION FOR STAFF – JOBURG THEATRE	NTKL Trading (PTY) LTD	06 months	1	Evaluated in accordance with the PPPFA and Regulations	R 26 800.00
SOWETO THEATRE	00510/17	SUPPLY AND INSTALLATION OF BULLET-PROOFING (AUDIO SERVICE WIDOW) FOR THE BOX OFFICE – SOWETO THEATRE	MGB Construction and Projects (PTY) LTD	Once off	None	Evaluated in accordance with the PPPFA and Regulations	R 45 886.00
CUSTOMER SERVICES	00511/17	SUPPLY AND INSTALL UNIFI WI-FI ACCESS POINTS WITH LAN CABLING	Fibre Flow (PTY) LTD	Once off	4	Evaluated in accordance with the PPPFA and Regulations	R 29 984.28
SOWETO THEATRE	00514/17	SUPPLY, DELIVERY AND INSTALLATION OF CURTAIN DROPS IN THE RED THEATRE AT SOWETO THEATRE	MM & Associates (PTY) LTD	Once off	1	Evaluated in accordance with the PPPFA and Regulations	R64 965.35

## SPENT REPORT

The percentage of BBEE and SMME companies respectively, supported during the first quarter are as follow:

<b>JOBURG THEATRE</b>					
<b>TOTAL SPEND</b>	<b>BBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>
R 18 295 138.46	R 17 345 385.80 94.81%	R 949 752.66 5.48%	R 9 797 370.32 53.55%	R 7 205 777.75 39.39%	R 390 864.22 2.14%
<b>ROODEPOORT &amp; SOWETO THEATRE</b>					
<b>TOTAL SPEND</b>	<b>BBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>
R 2 324 527.09	R 2 720 938.97 117.05%	-R 396 411.88 -14.57%	R 1 265 310.79 54.43%	R 1 265 310.79 54.43%	R 127 599.96 5.49%
<b>JOBURG CITY THEATRES</b>					
<b>TOTAL SPEND</b>	<b>BBEE CONTRIBUTORS</b>	<b>NON COMPLIANT CONTRIBUTORS</b>	<b>SMME CONTRIBUTIONS</b>	<b>WOMEN CONTRIBUTION</b>	<b>YOUTH CONTRIBUTION</b>
R 20 619 665.55	R 20 066 324.77 97.32%	R 553 340.78 2.76%	R 11 062 681.11 53.65%	R 8 471 088.54 41.08%	R 518 464.18 2.51%

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



### 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, 71% is sitting under current; 5% is sitting under 30 days and 24% 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, 71% is sitting under current; 5% is sitting under 30 days and 24% 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	R 828,549.83	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 (October 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 3 Months ended 30 September 2017

#### Notes to the Financial Statements

Figures in Rand

	2017	2017
<b>16. EMPLOYEE RELATED COSTS</b>		
Salaries and Wages	17,259,789	53,590,694
Employee costs included in other expenses	252,088	1,233,746
	<b>17,511,877</b>	<b>54,824,439</b>
<b>Chief Executive Officer</b>		
Annual Remuneration	418,227	1,558,224
Performance Bonuses	-	211,877
Contributions to UIF, Medical and Pension Funds	125,919	470,063
Other	-	298,242
	<b>544,146</b>	<b>2,538,506</b>
<b>Chief Operating Officer</b>		
Annual Remuneration	292,242	1,088,832
Performance Bonuses	-	148,122
Contributions to UIF, Medical and Pension Funds	87,741	330,232
Other	-	45,368
	<b>379,983</b>	<b>1,612,554</b>
<b>Chief Financial Officer</b>		
Annual Remuneration	334,071	1,335,705
Performance bonus	-	182,067
Contributions to UIF, Medical and Pension Funds	92,001	347,031
Other	-	55,764
	<b>426,072</b>	<b>1,920,567</b>
<b>Executive Producer - current</b>		
Annual Remuneration	256,053	954,000
Performance Bonuses	-	77,250
Contributions to UIF, Medical and Pension Funds	68,331	267,487
	<b>324,384</b>	<b>1,298,737</b>

Draft

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

### Notes to the Financial Statements

Figures in Rand

2017

2017

#### 16. EMPLOYEE RELATED COSTS (continued)

##### Company Secretary

Annual Remuneration	167,302	935,000
Contributions to UIF, Medical and Pension Funds	1,688	21,961
Other	-	38,958
	<b>168,990</b>	<b>995,919</b>

### 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	2
Finance and SCM	13	13	0	0	3
Building and Security	30	30	0	0	1
Customer Services	11	11	0	30	2
Client Services (Programming)	9	7	2	0	1
Catering and Hospitality	31	19	12	81	4
Soweto Theatre	17	17	0	13	5
Roodepoort Theatre	14	13	1	14	0
<b>Total</b>	<b>162</b>	<b>145</b>	<b>17</b>	<b>138</b>	<b>20</b>
<b>Vacancy Occupancy %</b>		<b>90%</b>	<b>10%</b>		

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

The vacancy rate increased as a result of the Hospitality and Catering department being awarded a tender to operate the hospitality business at the Joburg Zoo. This new venture created 12 new vacancies, which will be filled in the 2nd quarter of 2017/2018 financial year.

As at September 2017, JCT had 283 employees. The workforce profile is presented as follows: 145 of staff are permanent employees and 138 are temporary fixed term employees. Temporary employees consist of ushers and employees contracted to work in the Hospitality and Catering department.

Ushers are ad hocs who are not full time employees. They are contracted and required to work and/or called per show and are paid an hourly rate.

The second largest group of temporary employees is found in the Hospitality and Catering department. The total number stands at 81. These groups of employees consist of waiters, scullers, bartenders, commie chefs, kitchen staff, banqueting staff and general assistants, etc. The Department currently utilises Fixed Term Contract due to the business requirements for the following reasons –

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

The number of temporary

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

## 1.1 WORKFORCE PROFILE PER THEATRE

### 1.2.1. Joburg Theatre

**Table 2: Workforce 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	0	2	10	1	-	-	1	2	12
Professionally Qualified / Middle Management	8	0	0	5	13	7	1	0	0	8	21
Skilled Technically and Academically Qualified	15	2	1	4	22	7	0	0	0	7	29
Semi-Skilled	19	0	0	0	19	6	0	0	0	6	25
Unskilled	1	0	0	0	1	4	0	0	0	4	5
<b>Total</b>	<b>51</b>	<b>3</b>	<b>1</b>	<b>11</b>	<b>66</b>	<b>28</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>31</b>	<b>97</b>
<b>% of Gender Representation</b>	<b>53%</b>	<b>3%</b>	<b>1%</b>	<b>11%</b>	<b>68%</b>	<b>29%</b>	<b>1%</b>	<b>0%</b>	<b>2%</b>	<b>32%</b>	

### 1.2.2. Soweto Theatre

Table 3: Workforce Profile

Occupational Level	Male					Female					Grand
	A	C	I	W	Total	A	C	I	W	Total	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	1	0	0	0	1	1
Professionally Qualified / Middle Management	1	1	0	0	2	2	0	0	0	2	4
Skilled Technically and Academically Qualified	3	0	0	0	3	2	0	0	0	2	5
Semi-Skilled	4	0	0	0	4	1	0	0	0	1	5
Unskilled	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>15</b>
% of Gender Representation	53%	7%	0%	0%	60%	40%	0%	0%	0%	40%	

### 1.2.3. Roodepoort Theatre

Table 4: Workforce Profile

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



#### 1.2.4. Hospitality and Catering Department

**Table 5: Workforce Profile**

Occupational Level	Male					Female					Grand Total
	A	C	I	W	Total	A	C	I	W	Total	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	1	0	1	0	0	0	0	0	1
Professionally Qualified / Middle Management	0	0	0	1	1	0	0	0	0	0	1
Skilled Technically and Academically Qualified	1	0	0	0	1	1	0	0	0	1	2
Semi-Skilled	6	0	0	1	7	1	0	0	0	1	8
Unskilled	3	0	0	0	3	4	0	0	0	4	7
<b>Total</b>	<b>10</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>13</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>19</b>
<b>% of Gender Representation</b>	<b>50%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>50%</b>	<b>43%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>	<b>50%</b>	

**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	Interviews have been complete. Appointment is being finalized.
	Lighting Technician	1	Internal and external	Shortlisting was completed. Interview process to commence 1 <sup>st</sup> week of October.
Soweto Theatre	Finance Clerk	1	Internal and external	Recruitment has been completed. Candidate commences work on 2 October.
Hospitality & Catering	Junior Sous Chef	2	Internal and external	Recruitment has been completed. Employees commence work on 2 October.
	Hospitality Manager	1	Internal and external	Interviews have been completed. Appointment to be made 2 <sup>nd</sup> week of October.

During the quarter under review there Three (3) new appointments were made as depicted in the table below. Both the three new employees appointed on permanent positions were part of the 2016/17 internship programme as depicted in the table below:

**Table 3: New appointments**

Department	Position	Effective Date	Positions
Roodepoort Theatre	Marketing Assistant	01 July 2017	1
Customer Services	Marketing Assistant	1 July 2017	1
	Youth Development Administrator	1 July 2017	1
<b>Total Number of Appointments</b>			<b>3</b>

**Table 4: Staff turnover as at 30 June 2017**

Department	Position	Reason for termination	Years in service	Effective date	Positions
Stage	Laundry Mistress	Retirement		31 July 2017	1
Soweto Theatre	Marketing Manager	Resignation	2 years	10 August 2017	1
	Finance Clerk	Resignation	3 months	30 June 2017	1
<b>Total Number of Terminations</b>					<b>3</b>

Two exit interviews were conducted during the 4<sup>th</sup> 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	0	0	0
26-35	39	27%	20	19	35	3	1	0
36-45	57	39%	38	19	48	1	1	7
46-55	35	24%	28	7	29	0	1	5
56-65	14	10%	11	3	9	1	0	4
<b>Total</b>	<b>145</b>	<b>100%</b>	<b>97</b>	<b>48</b>	<b>121</b>	<b>5</b>	<b>3</b>	<b>16</b>

The majority of JCT employees are aged between 26-45 years of age, which represents 66% 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 10%.

#### 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, JCT seeks to create an institution that reflects the diversity of South African society, which contributes to maximising the human resource potential of its entire people. JCT is committed to appointing a fair representation of employees in terms of race and gender in order to comply with its employment equity plan. The tables and graphs below are based on the formats prescribed by the Employment Equity Act, 55 of 1998 and the Department of Labour. The numbers reflected in the tables below relate to the number of employees who were in the employ of JCT as at 30 September 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	0	0	0	1	3	0	0	1	4	5
Senior Management	7	1	2	2	12	2	0	0	1	3	15
Professionally Qualified / Middle Management	9	1	0	6	16	11	2	0	0	13	29
Skilled Technically and Academically Qualified	24	2	1	4	31	10	0	0	0	10	41
Semi-Skilled	31	0	0	1	32	10	0	0	0	10	42
Unskilled	4	0	0	0	4	9	0	0	0	9	13
<b>Total</b>	<b>76</b>	<b>4</b>	<b>3</b>	<b>13</b>	<b>96</b>	<b>45</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>49</b>	<b>145</b>
<b>% of Gender Representation</b>	<b>52%</b>	<b>3%</b>	<b>2%</b>	<b>9%</b>	<b>66%</b>	<b>31%</b>	<b>1.4%</b>	<b>0%</b>	<b>1.4%</b>	<b>34%</b>	

**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	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1</b>	-	<b>1</b>	-	<b>1</b>	-	<b>1</b>	<b>4</b>

**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	96	50%	66%	+16%
Female	49	50%	34%	-16%

**Table 9: Gender representation**

Gender	African		Coloured		Indian		White		TOTAL	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Male	39%	52%	1.5%	3%	1.5%	2%	8%	9%	50%	66%
Female	39%	31%	1.5%	1.4%	1.5%	0%	8%	1.4%	50%	34%
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 66% of the staff profile and are over represented while women in general are underrepresented at 34%.

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 2.8%.

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

Occupational Levels	Training Intervention	Training Institution	Purpose of Training	Total number of Staff
Top Management	Municipal Finance Programme	Wits University	To address skills gap in order to meet the minimum competency level in terms of qualifications and experience as required by the National Treasury.	2
Senior Management	Municipal Finance Programme	Wits University	To address skills gap in order to meet the minimum competency level in terms of qualifications and experience as required by the National Treasury.	5
Professionally Qualified / Middle Management	B Com Accounting	UNISA	To establish a pool of suitable candidates in order to support, inter alia, the Succession Planning Policy - linking skills development to career paths, career development and promoting sustainable employment and in-work progression.	3
Skilled Technically and Academically Qualified	-	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-



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 per annum to be taken at a time convenient to JCT and agreed upon by line management. 30/36 sick leave days in a three (3) year cycle are also provided. The section below provides a detailed overall leave management and analysis per department.

**Table 12: Overall Company Leave Analysis as at 30 September 2017**

Type of Leave	Q1 (Jul-Sep)	Q2 (Oct-Dec)	Q3 (Jan-Mar)	Q4 (April-Jun)	Total Leave Days Taken	% Leave days taken
Annual Leave	278				278	64%
Sick Leave	111				111	26%
Family Responsibility Leave	8				8	1.8%
Study Leave	33				33	8%
Unauthorised Leave	3				3	0.7%
Maternity Leave	0				0	0%
<b>Total</b>	<b>431</b>				<b>433</b>	<b>100%</b>

As at 30 September 2017, a combined total of 431 leave days were taken by employees. Annual leave was the most taken during the month of August; however this did not affect business operations.



Figure 1: Leave Analysis

Annual leave was the most leave taken by employees as per figure 1 above by 64%, Sick Leave at 26%, then Study leave at 8%, and Family Responsibility was the least Leave taken at 1.80%.

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

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

Table 17: Governance

Number of staff	Type of Leave	July	August	September	Total Days Taken
Three (6)	Annual Leave	2	0		2
	Sick Leave	4	7		11
	Family Responsibility Leave	0	0		0
	Study Leave	6	9		15
	Unauthorised Leave	0	0		0
	Maternity leave	0	0		0
	<b>Total</b>		<b>12</b>	<b>16</b>	

Table 18: Building and Security

Number of staff	Type of Leave	July	August	September	Total Days Taken
Thirty (30)	Annual Leave	57	43		100
	Sick Leave	6	3		9
	Family Responsibility Leave	5	0		5
	Study Leave	0	0		0
	Unauthorised Leave	0	0		0
	Maternity leave	0	0		0
	<b>Total</b>		<b>68</b>	<b>46</b>	

**Table 19: Client Services**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Nine (9)</b>	Annual Leave	20	2		<b>22</b>
	Sick Leave	1	3		<b>4</b>
	Family Responsibility Leave	1	0		<b>1</b>
	Study Leave	3	8		<b>11</b>
	Unauthorized Leave	0	0		<b>0</b>
	Maternity Leave	0	0		<b>0</b>
	<b>Total</b>		<b>25</b>	<b>13</b>	

**Table 20: Human Resources**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Three (3)</b>	Annual Leave	2	1		<b>3</b>
	Sick Leave	2	12		<b>14</b>
	Family Responsibility Leave	0	0		<b>0</b>
	Study Leave	1	0		<b>1</b>
	Unauthorised Leave	0	0		<b>0</b>
	Maternity leave	0	0		<b>0</b>
	<b>Total</b>		<b>5</b>	<b>13</b>	

**Table 21: Customer Services**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Eleven (11)</b>	Annual Leave	23	1		<b>24</b>
	Sick Leave	1	0		<b>1</b>
	Family Responsibility Leave	0	0		<b>0</b>
	Study Leave	0	0		<b>0</b>
	Unauthorised Leave	0	0		<b>0</b>
	Maternity leave	0	0		<b>0</b>
	<b>Total</b>		<b>24</b>	<b>1</b>	

**Table 22: Stage**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Twenty Five (25)</b>	Annual Leave	7	32		<b>39</b>
	Sick Leave	6	8		<b>14</b>
	Family Responsibility Leave	0	0		<b>0</b>
	Study Leave	0	0		<b>0</b>
	Unauthorised Leave	0	0		<b>0</b>
	Maternity leave	0	0		<b>0</b>
	<b>Total</b>		<b>13</b>	<b>40</b>	

**Table 23: Finance and Supply Chain**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Twenty-nine (13)</b>	Annual Leave	2	9		<b>11</b>
	Sick Leave	8	11		<b>19</b>
	Family Responsibility Leave	0	2		<b>2</b>
	Study Leave	3	3		<b>6</b>
	Unauthorised Leave	0	0		<b>0</b>
	Maternity leave	0	0		<b>0</b>
	<b>Total</b>		<b>13</b>	<b>25</b>	

**Table 24: Hospitality and Catering**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Nineteen (19)</b>	Annual Leave	33	6		<b>39</b>
	Sick Leave	5	3		<b>8</b>
	Family Responsibility Leave	0	0		<b>0</b>
	Study Leave	0	0		<b>0</b>
	Unauthorised Leave	0	0		<b>0</b>
	Maternity leave	0	0		<b>0</b>
	<b>Total</b>		<b>38</b>	<b>9</b>	

**Table 25: Soweto Theatre**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Fifteen (15)</b>	Annual Leave	8	17		<b>25</b>
	Sick Leave	16	9		<b>25</b>
	Family Responsibility Leave	0	0		<b>0</b>
	Study Leave	0	0		<b>0</b>
	Unauthorised Leave	0	0		<b>0</b>
	Maternity leave	0	0		<b>0</b>
	<b>Total</b>		<b>24</b>	<b>26</b>	

**Table 26: Roodepoort Theatre**

Number of staff	Type of Leave	July	August	September	Total Days Taken
<b>Fourteen (14)</b>	Annual Leave	13	0		<b>13</b>
	Sick Leave	1	5		<b>6</b>
	Family Responsibility Leave	0	0		<b>0</b>
	Study Leave	0	0		<b>0</b>
	Unauthorised Leave	0	3		<b>3</b>
	Maternity leave	0	0		<b>0</b>
	<b>Total</b>		<b>14</b>	<b>8</b>	

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

**Section 8: Disciplinary Matters and Outcomes**

JCT 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 first quarter.

Table 11: Labour Relations Cases

Department	Nature	Outcome	Effective date
<b>Roodepoort Theatre</b>	Unauthorized leave (i.e. Absent from work without permission)	Written Warning plus 3 days unpaid leave	28.07.2017
<b>Joburg Theatre</b>	Negligence – failure to submit sick leave form on time	Verbally Warning	26.07.2017

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

Cases	No. Of Cases	Comments
Death and memorial service.	0	The company did not experience any death of its employee
Bereavement support intervention	0	There was no bereavement support intervention
Study	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
<b>GRAND TOTAL</b>	<b>1</b>	



## Section 9: Employee Wellness

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

JCT in partnership with Discovery Health conducts or holds Wellness Day annually. However as part of the organizations strategy for employee wellness and internal communications:

- Employees are continuously participating in the internal gym.
- The company hosts aerobics sessions three times a week for an hour.
- These classes are good for exercising and promoting staff engagement
- The aerobics class also partake in the external walks/runs and wellness activities.

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 10: Employee Benefits

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

### Defined Benefit Funds

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

- Johannesburg Municipal Pension Fund (NMG) has 16 employees.
- E-Joburg Pension Fund has 109 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 61 employees, of which 38 receives 50% company contributions, while 22 receives 75% and the other 1 receive 60%.
- 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 11: Occupational Health & Safety Programmes**

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

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

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

The City Manager is the section 16(1) responsible person for the COJ and the MD's/CEO's are the section 16(1) responsible persons for the Municipal Entities. The Act makes provision for the CEO's / MD's to appoint person's under their control to assist them in the duties in relation to the provisions of the Act. Joburg City Theatres has appointed Lieb Venter as the Liaison with the COJ Group SHE Directorate as the company's current Occupational Health and Safety Manager. The General Managers of both Soweto Theatre and Roodepoort Theatre were also appointed as the Health and Safety Coordinators at their respective theatres. The Health and Safety committee is functional and meetings are convened regularly as required. Inspections are undertaken and all Health and Safety equipment is up-to-date.

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

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

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

JCT has adopted the following core principles as a basis for its HIV/AIDS policy:

- Continuously assess the risks posed by HIV/AIDS on the business;
- Limit the number of new infections among employees. In order to ensure that all employees are made aware of the problem and - in the process – hope to reduce the rate of HIV/AIDS, JT supplies free condoms in all washroom areas back stage.
- Distribute pamphlets internally to employees relating to HIV/AIDS and participate in the Voluntary Counselling and Testing in support of World AIDS Day.
- Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected.

- Provide care and support to employees living with HIV/AIDS within current legislative parameter

## CHAPTER FIVE: FINANCIAL PERFORMANCE AND EXPOSURE

### Section 1: Statement of Financial Position

#### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

#### Statement of Financial Position as at 30 September 2017

Figures in Rand	Note(s)	2017	2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	2	1,639,699	1,427,696
Receivables from exchange transactions	3	7,782,739	3,055,799
VAT receivable	4	1,126,094	1,595,017
Cash and cash equivalents	5	102,634,482	23,283,903
		<b>113,183,014</b>	<b>29,362,415</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	11,138,869	11,218,409
Intangible assets	7	207,768	104,509
Heritage assets	8	1,592,700	1,592,700
		<b>12,939,337</b>	<b>12,915,618</b>
<b>Total Assets</b>		<b>126,122,351</b>	<b>42,278,033</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	9	87,434,730	13,180,261
Provisions	10	4,100,914	2,219,115
		<b>91,535,644</b>	<b>15,399,376</b>
<b>Non-Current Liabilities</b>			
Deferred tax	12	4,421,340	4,421,340
<b>Total Liabilities</b>		<b>95,956,984</b>	<b>19,820,716</b>
<b>NET ASSETS</b>		<b>30,165,367</b>	<b>22,457,317</b>
<b>NET ASSETS</b>			
Share capital	29	10	10
Investment from Shareholder		1,784,049	1,784,049
Accumulated surplus		28,381,308	20,673,258
<b>TOTAL NET ASSETS</b>		<b>30,165,367</b>	<b>22,457,317</b>

Draft

## Section 2: Statement of Financial Performance

### Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

### Statement of Financial Performance

Figures in Rand	Note(s)	3 Months	12 Months
		30 September	30 June
		2017	2017
<b>Revenue</b>			
Ticketing Services	13	241,333	1,138,001
Catering Services	13	9,605,254	21,918,801
Rental facilities and equipment	13	1,744,967	7,487,882
Arts Alive Festival	13	7,775,555	13,143,333
Sponsorship	13	-	831,018
In-house Ticket Sales	13	149,472	6,878,741
Other income	14	2,807,841	12,124,911
Interest received - investment	15	1,974,625	4,622,039
Subsidy		27,555,250	94,072,000
<b>Total revenue</b>		<b>51,854,297</b>	<b>162,216,726</b>
<b>Expenditure</b>			
Salaries and Wages	16	(17,511,877)	(54,824,439)
Depreciation and amortisation	17	(332,292)	(1,118,509)
Finance costs	18	-	(832)
Debt Impairment		-	(8,937)
Transfers and Subsidies	19	(2,124,000)	(8,000,000)
General Expenses	20	(24,178,079)	(88,520,729)
<b>Total expenditure</b>		<b>(44,146,248)</b>	<b>(152,473,446)</b>
<b>Operating surplus</b>		<b>7,708,049</b>	<b>9,743,280</b>
<b>Surplus before taxation</b>		<b>7,708,049</b>	<b>9,743,280</b>
Less Taxation	21	-	2,728,118
<b>Surplus</b>		<b>7,708,049</b>	<b>7,015,162</b>

Draft



### Section 3: Cash Flow Statement

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

### Cash Flow Statement

		3 Months 30 September	12 Months 30 June
Figures in Rand	Note(s)	2017	2017
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		10,478,678	72,042,760
Grants		101,725,000	94,072,000
Interest income		1,974,625	4,622,039
		<u>114,178,303</u>	<u>170,736,799</u>
<b>Payments</b>			
Employee costs		(15,436,090)	(53,440,910)
Suppliers		(19,035,621)	(94,313,809)
		<u>(34,471,711)</u>	<u>(147,754,719)</u>
<b>Net cash flows from operating activities</b>	22	<u><b>79,706,592</b></u>	<u><b>22,982,080</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(249,286)	(1,588,971)
Purchase of other intangible assets	7	(106,727)	-
<b>Net cash flows from investing activities</b>		<u><b>(356,013)</b></u>	<u><b>(1,588,971)</b></u>
<b>Cash flows from financing activities</b>			
Finance lease payments		-	(175,304)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>79,350,579</b></u>	<u><b>21,217,805</b></u>
Cash and cash equivalents at the beginning of the year		23,283,903	2,066,098
<b>Cash and cash equivalents at the end of the year</b>	5	<u><b>102,634,482</b></u>	<u><b>23,283,903</b></u>

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

### Notes to the Financial Statements

Figures in Rand

	2017	2017
<b>2. INVENTORIES</b>		
Work in progress	541,157	529,361
Consumable stores	564,934	237,231
Trading Stock - Food and Beverage	533,608	661,104
	<b>1,639,699</b>	<b>1,427,696</b>
<b>Work In Progress</b>		
Opening Balance	529,361	396,597
Prior year WIP Transferred	-	(396,597)
Current year WIP	11,790	529,361
	<b>541,157</b>	<b>529,361</b>
<b>Consumable Stock</b>		
Opening Balance	237,231	171,169
Stock Movement for the year	327,703	66,062
	<b>564,934</b>	<b>237,231</b>
<b>Trading Stock</b>		
Opening Balance	661,104	647,246
Stock Movement for the year	(127,496)	13,859
	<b>533,608</b>	<b>661,104</b>

Joburg City Theatres operate as a both receiving and production house. The expenditure on show productions prior to maturity is treated as Work in Progress (WIP).

Consumable stores contain amongst others cleaning materials, grocery items, lighting, tapes, paints and stationery. These items are consumed by the company in the daily business operations. The amount consumed is recognised as an expense when the consumables are requisitioned from the stores Inventories held for consumption at no charge are measured at the lower of cost and current replacement cost and are fairly valued.

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

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

### 3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	5,003,059	685,663
Related Party Debtors	2,779,680	2,370,138
	<b>7,782,739</b>	<b>3,055,799</b>

#### 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. Included in the related party receivables is the youth month activities (R1.3 million), EPWP (R510 460) and CAPEX (R145 376). Joburg City Theatres does not charge interest on related party debtors.

Debtors are measured at fair value.

### 4. VAT RECEIVABLE

VAT	1,126,094	1,595,017
-----	-----------	-----------

The company accounts for VAT on an accrual basis.

### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

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

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

### Notes to the Financial Statements

Figures in Rand

	2017	2017
<b>5. CASH AND CASH EQUIVALENTS (continued)</b>		
Cash on hand	47,366	78,932
Nedbank current account balance	2,087,229	2,461,968
Nedbank and Investec Investment Accounts	100,499,887	20,743,003
	<b>102,634,482</b>	<b>23,283,903</b>
Current assets	102,634,482	23,283,903
Current liabilities	-	-
	<b>102,634,482</b>	<b>23,283,903</b>

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 8.9%.

**Notes to the Financial Statements**

Figures in Rand

**7. INTANGIBLE ASSETS**

	2017		2017	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Cost / Valuation	Accumulated amortisation and accumulated impairment
Computer software	267,558	(59,790)	160,831	(56,322)
		207,768		104,509

**Reconciliation of intangible assets - 2017**

	Opening balance	Additions	Amortisation	Total
Computer software	104,509	106,727	(3,468)	207,768

**Intangible Assets Written Off 2017**

	Cost	Accumulated Amortisation	Total
Software	27,485	(27,485)	-

**Reconciliation of intangible assets - 2017**

	Opening balance	Amortisation	Total
Computer software	113,191	(8,682)	104,509

**Other information**

**Intangible Assets Written Off - 2016**

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

# Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

## Notes to the Financial Statements

Figures in Rand

	2017	2017
<b>9. PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade payables	3,665,554	1,759,668
Deferred Income	77,384,178	1,837,025
Accrued Leave	2,024,500	2,024,500
Sundry creditors	2,077,124	2,015,215
Accrued 13th Cheque	626,455	734,467
Year end accruals	409,908	3,837,902
Related Party	945,011	1,171,464
	<b>87,434,730</b>	<b>13,180,261</b>

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 OHASA and Utilities.

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

## 10. PROVISIONS

### Reconciliation of provisions - 2017

	Opening Balance	Additions	Total
Performance Bonus	2,219,115	1,881,799	4,100,914

### Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Performance Bonus	2,099,063	3,072,032	(2,951,980)	2,219,115

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

## 11. OTHER FINANCIAL LIABILITIES

## 12. DEFERRED TAX

### Deferred tax liability

Property, plant and equipment	(284,579)	(284,579)
Allowance for future expenditure section 24c	(5,988,991)	(5,988,991)
<b>Total deferred tax liability</b>	<b>(6,273,570)</b>	<b>(6,273,570)</b>
Deferred tax liability	(6,273,570)	(6,273,570)
Deferred tax asset	1,852,230	1,852,230
<b>Total net deferred tax liability</b>	<b>(4,421,340)</b>	<b>(4,421,340)</b>



# Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

## Notes to the Financial Statements

Figures in Rand

	2017	2017
<b>16. EMPLOYEE RELATED COSTS</b>		
Salaries and Wages	17,259,789	53,590,694
Employee costs included in other expenses	252,088	1,233,745
	<b>17,511,877</b>	<b>54,824,439</b>
<b>Chief Executive Officer</b>		
Annual Remuneration	418,227	1,558,224
Performance Bonuses	-	211,977
Contributions to UIF, Medical and Pension Funds	125,919	470,063
Other	-	298,242
	<b>544,146</b>	<b>2,538,506</b>
<b>Chief Operating Officer</b>		
Annual Remuneration	292,242	1,088,832
Performance Bonuses	-	148,122
Contributions to UIF, Medical and Pension Funds	87,741	330,232
Other	-	45,368
	<b>379,983</b>	<b>1,612,554</b>
<b>Chief Financial Officer</b>		
Annual Remuneration	334,071	1,335,705
Performance bonus	-	182,067
Contributions to UIF, Medical and Pension Funds	92,001	347,031
Other	-	55,764
	<b>426,072</b>	<b>1,920,567</b>
<b>Executive Producer - current</b>		
Annual Remuneration	256,053	954,000
Performance Bonuses	-	77,250
Contributions to UIF, Medical and Pension Funds	66,331	267,487
	<b>324,384</b>	<b>1,298,737</b>
<b>16. EMPLOYEE RELATED COSTS (continued)</b>		
<b>Company Secretary</b>		
Annual Remuneration	187,302	935,000
Contributions to UIF, Medical and Pension Funds	1,688	21,961
Other	-	38,958
	<b>188,990</b>	<b>995,919</b>

## Joburg Theatre (SOC) Limited

(Registration number 2000/013032/07)

Financial Statements for the 3 Months ended 30 September 2017

### Notes to the Financial Statements

Figures in Rand

	2017	2017
<b>20. GENERAL EXPENSES</b>		
Auditors remuneration	-	673,876
Bank charges	150,328	480,250
Cleaning	470,808	2,758,173
Computer expenses	8,000	-
Consulting and professional fees	22,565	474,811
Consumables	583,539	3,014,127
Community Development	425,790	2,333,264
Entertainment	330,816	338,996
Building signage, framing and printing	7,765,188	1,195,633
Insurance	141,298	947,284
Employee Uniforms	13,368	216,857
IT expenses	186,967	709,498
Marketing and show contributions	2,050,525	7,931,087
Ticketing	164,530	842,520
Motor vehicle expenses	415,634	1,366,021
Licences	42,979	1,009,933
Productions	1,571,724	16,815,042
Printing and Stationery	216,440	792,266
Security	515,418	1,819,433
Subscriptions and membership fees	24,583	468,927
Business travel	-	551,595
Electricity	2,523,740	8,894,731
Gas	264,869	410,375
Sewerage and waste disposal	284,289	1,196,601
Assessment Rates	-	14,283
Employee Wellness & Training	18,845	816,694
Arts Alive and Special Projects	-	10,910,363
Write offs	-	145,928
Other hospitality and catering expenses	16,853	12,079,691
Repairs and Maintenance	178,881	1,454,089
Cost of Sales	5,789,884	8,060,582
	<b>24,178,079</b>	<b>88,520,729</b>
<b>21. TAXATION</b>		
<b>Major components of the tax expense</b>		
<b>Deferred</b>		
Movement in temporary differences	-	2,728,118
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting surplus and tax expense.		
Accounting surplus	7,708,049	9,743,280
Tax at the applicable tax rate of 28% (2017: 28%)	-	2,728,118
<b>22. CASH GENERATED FROM OPERATIONS</b>		
Surplus	7,708,049	7,016,162
<b>Adjustments for:</b>		
Depreciation and amortisation	332,292	1,118,509
Finance costs - Finance leases	-	832
Debt impairment	-	8,937
Movements in provisions	1,881,799	120,052
Other non-cash items	1	114,497
<b>Changes in working capital:</b>		
Inventories	(212,003)	(212,684)
Receivables from exchange transactions	(4,726,938)	18,434,201
Bad debts	-	(8,937)
Tax	-	2,758,715
Payables from exchange transactions	74,254,469	(2,080,756)
VAT	468,923	(4,286,448)
	<b>79,706,592</b>	<b>22,982,980</b>

#### Section 4: Ratio Analysis

Financial Ratios	30-Jun-17	30-Jun-16	Target	Norm	Interpretation
Current Ratio	1.24	1.10	> 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	1.31	1.21	> 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	7%	9%	< 45%	45%	The ratio is on target and does not pose any challenge. The entity needs to maintain the ratio going forward.
Remuneration	40%	32%	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	3%	4%	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 Expenditure	15%	6%	At least 15%	= or > 0%	The entity is sitting at a position of 0% which is on par with the norm.
Cost Coverage Ratio	9 Months	9 Months	> 45 Days	1 - 3 Months	The entity is above the norm of 1 - 3 months, but 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**

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

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

## **Section 7: Insurance Claims against/to MOE/Department**

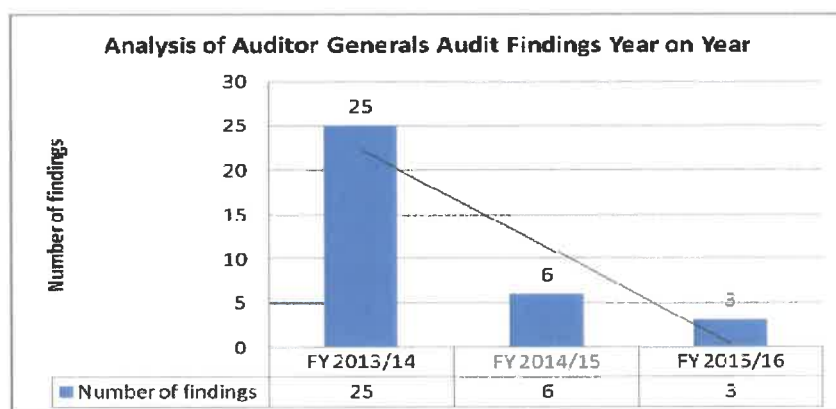
During the quarter under review, there were no insurance claims against/to MOE/Department.

## CHAPTER SIX: INTERNAL & EXTERNAL AUDIT FINDINGS

### Section 1: Results of Internal Audits

The purpose of this report is to provide status on the internal and external audit findings raised by Group Risk Assurance Services (Internal Auditors) and Auditor General (External Auditors) and progress status of the current financial year (2017/18) coverage plan.

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%.



### 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.

Internal Audit is scheduled to be conducted in the Second Quarter of 2017/18 financial year.

### 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 (2017/18).

Audit of the 2017/18 financial year is scheduled to begin in the second quarter.

### Section 3: Progress on Resolution of Auditor General Audit Findings for 2016/17 financial year.

The 2016/17 external audit has commenced however there were no audit findings for the 1<sup>st</sup> quarter raised by Auditor General of SA. The audit is still in progress and will only be finalised on 30 November 2017.

The audit findings relating to 2015/16 financial year were resolved by management and verified by the internal auditors. Auditor General of SA raised 3 audit findings in the 2015/16 financial year.

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



#### **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 13<sup>th</sup> 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 30 September 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

<b>AUDITEE NAME:</b>	Joburg City Theatres SOC LTD			<b>ASSESSMENT PERFORMED ON:</b>			July – Sep 2017	
<b>ASSESSMENT PERIOD COVERED:</b> (Tick as appropriate)	PFMA	July – 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	<p>↑ Improved</p> <p>↔ Unchanged</p> <p>↓ Regressed</p>	<p>Required controls that are able to prevent, or detect and correct misstatements / control deviations / instances of non-compliance in a timely manner, are currently in place; care is required to maintain the situation for changes in conditions</p> <p>Good </p> <p>Progress in the implementation of controls that are able to prevent, or detect and correct, misstatements / control deviations / instances of non-compliance in a timely manner is noted, but improvement is still required</p> <p>In progress </p> <p>Required controls that are able to prevent, or detect and correct, misstatements / control deviations / instances of non-compliance in a timely manner, are not in place; intervention is required to design and implement appropriate controls</p> <p>Intervention required </p>	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.			

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

No.	DRIVERS	COMMITMENTS
<b>LEADERSHIP</b>		
1.a	Provide effective leadership based on a culture of honesty, ethical business practices and good governance, protecting and enhancing the best interests of the entity	Maintain the performance through-out.
1.b	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	Maintain the performance through-out
1.c	Implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	Maintain the performance through-out
1.d	Establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes and responsibilities	Maintain the performance through-out
1.e	Develop and monitor the implementation of action plans to address internal control deficiencies	Maintain the performance-through-out
1.f	Establish an IT governance framework that supports and enables the business, delivers value and improves performance	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.
<b>FINANCIAL AND PERFORMANCE MANAGEMENT</b>		
2.a	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	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.
<b>GOVERNANCE</b>		
3.a	Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored	Maintain the performance through-out
3.b	Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively	Maintain the performance through-out
3.c	Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with legislation.	Maintain the performance through-out

**ANNEXURE A: Management Accounts**

**Joburg Theatre (SOC) Ltd**  
**REPORTING PERIOD:SEPTEMBER 2017**  
**BranchName:JHB', 'RCT', 'SWT', 'Zoo'**



Main Account Sub AccountName	July- 17		August- 17		September- 17		YEAR TO DATE			
	Actual		Actual		Actual		Actual_YTD	Budget_YTD	YTD Var	YTD Var%
<b>INCOME STATEMENT</b>										
<b>INCOME</b>										
Rental Of Facilities & Equipment	11 247 367		12 275 634		28 331 298		51 854 298	39 348 904	12 505 394	32%
Interest Earned from External Investments	561 091		452 427		746 449		1 759 967	1 209 918	550 049	45%
Operating Grants and Subsidies	454 067		839 295		681 264		1 974 625	1 637 124	337 501	21%
Arts Alive	8 477 083		8 477 083		10 601 083		27 555 250	27 555 250	0	-
Joburg Film Office	0		0		7 775 555		7 775 555	0	7 775 555	0
Other Revenue	0		0		0		0	0	0	-
In-House Stage Productions	1 755 126		2 506 828		8 526 947		12 788 901	8 946 612	3 842 289	43%
In House Music Programme	0		112 152		0		112 152	0	112 152	0%
Sponsorships	21 938		15 382		0		37 320	240 000	-202 680	-84%
Food Beverage And Retail /Stages	0		0		0		0	0	0	-
Ticketing Services	1 591 252		2 236 304		5 719 554		9 547 110	5 691 453	3 855 657	68%
Management Fees	118 982		28 733		78 618		226 333	415 148	-188 815	-45%
Special Projects and Other Income	0		0		2 500 000		2 500 000	2 000 000	500 000	25%
	22 954		114 258		228 775		365 986	600 011	-234 025	-39%
<b>Expense</b>										
Employee Related Costs	9 176 540		11 177 301		23 792 409		44 146 250	34 890 783	-9 255 466	-27%
Directors and Committee Members	5 668 872		5 686 621		5 904 256		17 259 749	16 401 582	-858 167	-5%
Depreciation & Asset Impairment	56 180		195 909		0		252 088	479 802	227 714	47%
Repairs And Maintenance	99 598		116 347		116 347		332 292	400 948	68 656	17%
Contracted Services	32 294		33 371		135 354		201 019	558 071	357 052	64%
Insurance	342 538		289 826		456 966		1 089 331	1 290 327	200 996	16%
Joburg Ballet	22 833		22 833		22 833		68 500	78 250	9 750	12%
Joburg Film Office	0		0		2 124 000		2 124 000	2 124 000	0	-
Arts Alive	0		0		0		0	0	0	-
General Expenses	0		0		7 486 198		7 486 198	0	-7 486 198	0%
	2 954 225		4 832 393		7 546 455		15 333 073	13 557 802	-1 775 271	-13%
<b>TRADING SURPLUS /( SHORTFALL)</b>	<b>2 070 827</b>		<b>1 098 333</b>		<b>4 538 889</b>		<b>7 708 048</b>	<b>4 458 120</b>	<b>3 249 928</b>	<b>73%</b>

**Joburg Theatre (SOC) Ltd**  
**REPORTING PERIOD: SEPTEMBER 2017**  
 BranchName: JHB'



Main Account	Sub AccountName	2017			YEAR TO DATE			YTD Var	YTD Var%
		July-17	August-17	September-17	Actual_YTD	Budget_YTD	YTD Var		
<b>INCOME</b>									
	Rental Of Facilities & Equipment	8 603 653	9 446 886	25 460 424	43 510 963	31 485 091	12 025 872	38%	
	Interest Earned from External Investments	428 328	303 126	445 217	1 176 671	649 999	526 671	81%	
	Operating Grants and Subsidies	454 067	839 295	681 264	1 974 625	1 637 124	337 501	21%	
	Arts Alive	6 780 604	6 780 604	8 904 604	22 465 811	22 465 811	0	-	
	Joburg Film Office	0	0	7 775 555	7 775 555	0	7 775 555	0	
	Other Revenue	940 655	1 523 861	7 653 785	10 118 301	6 732 157	3 386 144	50%	
	In-House Stage Productions	0	0	0	0	0	0	-	
	In House Music Programme	0	0	0	0	0	0	-	
	Sponsorships	0	0	0	0	0	0	-	
	Food Beverage And Retail /Stages	807 834	1 382 971	4 864 453	7 055 258	3 900 388	3 154 870	81%	
	Ticketing Services	113 867	26 633	61 230	201 730	326 258	-124 528	-38%	
	Management Fees	0	0	2 500 000	2 500 000	2 000 000	500 000	25%	
	Special Projects and Other Income	18 954	114 258	228 102	361 313	505 511	-144 198	-29%	
<b>Expense</b>									
	Employee Related Costs	6 932 137	7 743 841	20 868 280	35 544 258	27 372 334	-8 171 924	-30%	
	Directors and Committee Members	4 437 698	4 377 575	4 657 149	13 472 422	12 987 982	-484 441	-4%	
	Depreciation & Asset Impairment	56 180	195 909	0	252 088	479 802	227 714	47%	
	Repairs And Maintenance	42 051	60 223	60 223	162 497	150 167	-12 331	-8%	
	Contracted Services	24 472	25 065	93 831	143 367	420 969	277 602	66%	
	Insurance	127 360	120 884	186 381	434 625	663 271	228 646	34%	
	Joburg Ballet	9 667	9 667	9 667	29 000	38 750	9 750	25%	
	Joburg Film Office	0	0	2 124 000	2 124 000	2 124 000	0	-	
	Arts Alive	0	0	0	0	0	0	-	
	General Expenses	2 234 710	2 954 519	6 250 832	11 440 061	10 507 393	-932 668	-9%	
<b>TRADING SURPLUS / ( SHORTFALL)</b>		<b>1 671 516</b>	<b>1 703 045</b>	<b>4 592 144</b>	<b>7 966 705</b>	<b>4 112 757</b>	<b>3 853 947</b>	<b>94%</b>	



**Joburg Theatre (SOC) Ltd**

REPORTING PERIOD: SEPTEMBER 2017

BranchName: RCT

COVER SHEET

INCOME STATEMENT		July- 17	August- 17	September- 17	YEAR TO DATE		
Main Account	Sub AccountName	Actual	Actual	Actual	Budget_YTD	YTD Var	YTD Var%
<b>INCOME</b>							
	Rental Of Facilities & Equipment	727 692	779 565	982 288	2 489 545	7 594	0%
	Interest Earned from External Investments	41 227	105 883	187 278	334 388	37 433	13%
	Operating Grants and Subsidies	531 494	531 494	531 494	1 594 481	0	-
	Arts Alive	0	0	0	0	0	0
	Joburg Film Office	0	0	0	0	0	-
	Other Revenue	154 971	142 188	263 516	590 515	-29 839	-5%
	In-House Stage Productions	0	0	0	0	0	-
	In House Music Programme	0	0	0	0	0	-
	Sponsorships	0	0	0	0	0	-
	Food Beverage And Retail /Stages	152 171	140 196	263 516	555 884	71 416	15%
	Ticketing Services	2 800	1 992	0	4 792	-71 555	-94%
	Management Fees	0	0	0	0	0	-
	Special Projects and Other Income	0	0	0	0	-29 700	-100%
<b>Expense</b>							
	Employee Related Costs	750 740	785 753	820 903	2 357 396	-49 864	-2%
	Directors and Committee Members	424 587	500 428	450 772	1 375 788	-289 121	-27%
	Depreciation & Asset Imparment	19 701	18 583	18 583	56 868	35 823	39%
	Repairs And Maintenance	2 592	0	22 832	25 424	55 498	69%
	Contracted Services	107 088	88 732	83 296	279 117	-20 502	-8%
	Insurance	6 583	6 583	6 583	19 750	0	-
	Joburg Ballet	0	0	0	0	0	-
	Joburg Film Office	0	0	0	0	0	-
	Arts Alive	0	0	0	0	0	0%
	General Expenses	190 188	171 426	238 836	600 449	168 438	22%
<b>TRADING SURPLUS (/ (SHORTFALL))</b>		<b>-23 048</b>	<b>-6 188</b>	<b>161 385</b>	<b>132 149</b>	<b>-42 270</b>	<b>-24%</b>

**Joburg Theatre (SOC) Ltd**

REPORTING PERIOD: SEPTEMBER 2017

BranchName: 'SWT'



**INCOME STATEMENT**

Main Account	Sub AccountName	July- 17		August- 17		September- 17		YEAR TO DATE		YTD Var	YTD Var%
		Actual		Actual		Actual		Budget_YTD	Actual_YTD		
<b>INCOME</b>		1 587 819		1 729 420		1 595 639		4 912 878	4 828 366	84 512	2%
	Rental Of Facilities & Equipment	91 536		43 418		113 954		248 908	262 963	-14 055	-5%
	Interest Earned from External Investments	0		0		0		0	0	0	-
	Operating Grants and Subsidies	1 164 986		1 164 986		1 164 986		3 494 958	3 494 958	0	-
	Arts Alive	0		0		0		0	0	0	0
	Joburg Film Office	0		0		0		0	0	0	-
	<b>Other Revenue</b>	331 297		521 017		316 699		1 169 012	1 070 445	98 567	9%
	In-House Stage Productions	0		112 152		0		112 152	0	112 152	0%
	In House Music Programme	21 938		15 382		0		37 320	240 000	-202 680	-84%
	Sponsorships	0		0		0		0	0	0	-
	Food Beverage And Retail /Stages	303 044		393 375		298 639		995 057	753 103	241 954	32%
	Ticketing Services	2 315		108		17 388		19 811	12 542	7 269	58%
	Management Fees	0		0		0		0	0	0	-
	Special Projects and Other Income	4 000		0		673		4 673	64 800	-60 127	-93%
<b>Expense</b>		1 134 372		2 349 162		1 741 437		5 224 972	4 603 848	-621 124	-13%
	Employee Related Costs	694 784		693 260		673 630		2 061 675	2 012 144	-49 531	-2%
	Directors and Committee Members	0		0		0		0	0	0	-
	Depreciation & Asset Impairment	37 845		37 541		37 541		112 927	158 090	45 164	29%
	Repairs And Maintenance	3 931		8 306		18 691		30 929	55 655	24 726	44%
	Contracted Services	108 051		79 148		187 289		374 489	368 441	-6 048	-2%
	Insurance	6 583		6 583		6 583		19 750	19 750	0	-
	Joburg Ballet	0		0		0		0	0	0	-
	Joburg Film Office	0		0		0		0	0	0	-
	Arts Alive	0		0		0		0	0	0	0%
	<b>General Expenses</b>	283 177		1 524 323		817 703		2 625 203	1 989 768	-635 435	-32%
	<b>TRADING SURPLUS /( SHORTFALL)</b>	453 446		-619 742		-145 798		-312 093	224 518	-536 612	-239%

**Joburg Theatre (SOC) Ltd**

REPORTING PERIOD: SEPTEMBER 2017

BranchName: JHB', 'RCT', 'SWT', 'Zoo'

**INCOME STATEMENT**



Main Account Sub AccountName	July-17	August-17	September-17	YEAR TO DATE			YTD Var%
	Actual	Actual	Actual	Actual_YTD	Budget_YTD	YTD Var	
<b>INCOME</b>							
Rental Of Facilities & Equipment	1 616 384	2 263 113	5 779 302	9 658 799	5 788 319	3 870 480	67%
Interest Earned from External Investments	0	0	0	0	0	0	-
Operating Grants and Subsidies	6 191	1 643	1 603	9 437	0	9 437	0%
Arts Alive	0	0	0	0	0	0	-
Joburg Film Office	0	0	0	0	0	0	0
<b>Other Revenue</b>	1 610 193	2 261 471	5 777 698	9 649 362	5 788 319	3 861 043	67%
In-House Stage Productions	0	0	0	0	0	0	-
In House Music Programme	0	0	0	0	0	0	-
Sponsorships	0	0	0	0	0	0	-
Food Beverage And Retail /Stages	1 591 252	2 236 304	5 719 554	9 547 110	5 691 453	3 855 657	68%
Ticketing Services	0	0	0	0	0	0	-
Management Fees	0	0	0	0	0	0	-
Special Projects and Other Income	18 940	25 167	58 144	102 251	96 866	5 385	6%
<b>Expense</b>							
Employee Related Costs	1 699 425	1 709 852	4 556 717	7 965 994	4 847 719	-3 118 276	-64%
Directors and Committee Members	703 041	756 882	861 413	2 321 336	2 017 803	-303 533	-15%
Depreciation & Asset Impairment	0	0	0	0	0	0	-
Repairs And Maintenance	15 170	27 365	27 365	54 729	0	-54 729	0%
Contracted Services	39	3 756	15 190	34 115	33 523	-592	-2%
Insurance	0	1 061	2 886	3 986	25 553	21 566	84%
Joburg Ballet	0	0	0	0	0	0	-
Joburg Film Office	0	0	0	0	0	0	-
Arts Alive	0	0	0	0	0	0	-
General Expenses	981 175	920 789	3 649 863	5 551 827	2 770 840	-2 780 987	-100%
<b>TRADING SURPLUS / ( SHORTFALL)</b>	<b>-83 041</b>	<b>553 261</b>	<b>1 222 584</b>	<b>1 692 805</b>	<b>940 601</b>	<b>752 204</b>	<b>80%</b>

**Joburg Theatre (SOC) Ltd**

REPORTING PERIOD: SEPTEMBER 2017

BranchName: Zoo'



**INCOME STATEMENT**

Main Account	Sub AccountName	July- 17			August- 17			September- 17			YEAR TO DATE		
		Budget	Actual_YTD	Budget_YTD	Budget	Actual_YTD	Budget_YTD	Budget	Actual_YTD	Budget_YTD	YTD Var	YTD Var%	
<b>INCOME</b>		183 625	940 912	553 495	185 112	940 912	184 757	940 912	184 757	387 417	387 417	70%	
Rental Of Facilities & Equipment		0	0	0	0	0	0	0	0	0	0	-	
Interest Earned from External Investments		0	0	0	0	0	0	0	0	0	0	-	
Operating Grants and Subsidies		0	0	0	0	0	0	0	0	0	0	-	
Arts Alive		0	0	0	0	0	0	0	0	0	0	0	
Joburg Film Office		0	0	0	0	0	0	0	0	0	0	-	
<b>Other Revenue</b>		183 625	940 912	553 495	185 112	940 912	184 757	940 912	184 757	387 417	387 417	70%	
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		0	0	0	0	0	0	0	0	0	0	-	
Food Beverage And Retail /Stages		183 625	940 912	553 495	185 112	940 912	184 757	940 912	184 757	387 417	387 417	70%	
Ticketing Services		0	0	0	0	0	0	0	0	0	0	-	
Management Fees		0	0	0	0	0	0	0	0	0	0	-	
Special Projects and Other Income		0	0	0	0	0	0	0	0	0	0	-	
<b>Expense</b>		239 351	1 019 624	607 070	197 976	1 019 624	217 768	1 019 624	217 768	-412 555	-412 555	-68%	
Employee Related Costs		92 997	349 863	314 789	97 771	349 863	124 021	349 863	124 021	-35 074	-35 074	-11%	
Directors and Committee Members		0	0	0	0	0	0	0	0	0	0	-	
Depreciation & Asset Imparment		0	0	0	0	0	0	0	0	0	0	-	
Repairs And Maintenance		138	1 300	526	215	1 300	173	1 300	173	-774	-774	-147%	
Contracted Services		0	1 100	0	0	1 100	0	1 100	0	-1 100	-1 100	0%	
Insurance		0	0	0	0	0	0	0	0	0	0	-	
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	-	
<b>General Expenses</b>		146 215	667 361	291 754	99 990	667 361	93 574	667 361	93 574	-375 606	-375 606	-129%	
<b>TRADING SURPLUS /( SHORTFALL)</b>		<b>-55 725</b>	<b>-78 712</b>	<b>-53 575</b>	<b>-12 864</b>	<b>-78 712</b>	<b>-33 011</b>	<b>-78 712</b>	<b>-33 011</b>	<b>-25 137</b>	<b>-25 137</b>	<b>47%</b>	

