

## **JOBURG CITY THEATRES:**

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### **JOBURG CITY THEATRES (JCT) 2023/24**

#### **THIRD QUARTER REPORT:**

#### **JANUARY TO MARCH 2024**

#### **1. STRATEGIC THRUST**

Well governed and managed City.

#### **2. OBJECTIVE**

##### **The objective of this report is:**

To seek approval and to provide the shareholder with the progress on performance made by Joburg City Theatres (JCT) for the Third quarter of the 2023/24 financial year against the approved Business Plan in compliance with Section 41 of the Municipal Systems Act 32 of 2000.

#### **3. BACKGROUND**

This report represents the three theatres operating as the Municipal Entity of the City of Joburg: Joburg City Theatres outlining the Third Quarter performance of the company for the 2023/24 financial year as per the approved 2023/24 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 Integrated Development Plan (IDP) and advising the Board of Directors and shareholder that these duties are being well managed.

The Performance Assessment Report is a tool for the Mayoral Committee and Council to monitor the performance of JCT through the Municipal Manager, and to monitor the performance of JCT in a specific financial year.

This enables the Executive Mayor and Municipal Manager to be proactive and take remedial steps in the event of poor performance. Performance Assessment Reports aim to ensure that JCT's senior managers are problem-solvers who routinely look out for unanticipated problems and resolve them as soon as possible.

#### **4. EXECUTIVE SUMMARY**

As contained in the Local Government: Municipal Finance Management Act No.56 of 2003, Chapter 8 on roles of municipal officials, section 72, the Accounting Officer must assess quarterly performance of the municipality and this is required to be submitted to the Mayor, National and Provincial Treasuries.

Therefore, JCT's Third Quarter performance assessment is compiled as determined in section 72 of the Municipal Finance Management Act. The assessment is for the period 01 January to 31 March 2024 where actual financial and non-financial performance of the municipality is monitored. Performance Assessment Report and supporting tables of Joburg City Theatres are prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

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JCT has a total of 28 KPIs on the Corporate Scorecard. However, for the period under review 25 KPIs were measured. The overall score for the Third Quarter is **96% achievement**; and **88% achievement** on capital expenditure budget against the target of 70%.

A balance of diverse programme offerings characterised the period under review - a mix of music, theatre, dance, educational programmes, and events were presented. New audiences have been attracted, while maintaining good relations with regular patrons.

The artistic programming at JCT between January to March 2024 was themed around black history month, International Women’s Day, Valentines Day and Human Rights Day.

In celebrating the month of love, Joel Zuma presented a tribute show to the late R&B icon **Luther Vandross: The So Amazing** at the Lesedi Theatre. Joburg Theatre presented a ground-breaking production of **For Colored Girls Who Contemplated Suicide When the Rainbow Is Enuf**, providing a powerful and thought-provoking celebration of International Black History Month. A Tribute to the **Iconic King of Pop, Michael Jackson was presented** on the Mandela stage. **The Gibson Annual Lecture** in celebration of the life and work Gibson Kente was presented at Soweto Theatre. A heart-warming celebration of the musical career of **Dr Victor and the Rasta Rebels Tribute** was held at the DON MATERA HALL in Eldorado Park. This was a partnership between the City of Joburg and JCT. **Youth and Community Development** programmes continued across all three theatres.

Strategic priorities set by the City of Johannesburg, as the sole shareholder of Joburg City Theatres, guide the planning of the company, and significant attention is 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 Integrated Development Plan (IDP) of the City of Johannesburg.

Below is the 2023/24 Third Quarter Performance of service delivery programmes and financial performance.

### ***Summary of scorecard performance for 2023/24***

KPI NO#	Description of KPI	1 <sup>st</sup> Quarter		Midyear		3rd Quarter	
		Target	Actual	Target	Actual	Target	Actual
1.	Percentage achievement of Service Level Standards (Non-Cumulative)	100%	100%	100%	100%	100%	100%
2.	Number of Arts and Culture programmes held (in-house and through partnerships)	12	14	20	35	25	45

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KPI NO#	Description of KPI	1 <sup>st</sup> Quarter		Midyear		3rd Quarter	
		Target	Actual	Target	Actual	Target	Actual
3.	Number of youth and community development, and emerging voices, supported through partnerships.	15	15	30	30	45	47
4.	Number of Joburg Ballet seasons	1	1	2	3	3	4
5.	Number of Philharmonic Orchestra seasons	1	1	2	2	3	3
6.	Number of JCT productions touring nationally/ internationally	1	1	-	-	1	2
7.	Number of annual legends productions implemented	-	1	1	1	-	3
8.	Number of Expanded Public Works programmes (EPWP) work opportunities created at JCT	50	50	150	189	180	262
9.	Number of youths attending arts programmes	300	343	300	331	400	581
10.	Number of attendees	40, 000	45, 435	120,000	131, 770	140 000	161 278
11.	Number of school set work programmes implemented	1	1	-	-	2	2
12.	Number of city-wide integrated activations using the Mobile Theatre Truck	2	2	4	4	5	5
13.	Proportion of earned income against total revenue including subsidy	30% / 70% Earn revenue R16.961 million. Total revenue R56.345 million	25% / 75% Earn revenue R17,816 million. Total revenue R69,877 million	30% / 70% Earn revenue R34.125 million. Total revenue R112.693 million	32%/68% Earned Revenue R45 647 568 Total revenue R143 798 183.00	20%/80% Earned Revenue R36.232 million Total Revenue R177.300 million	21%/79% Earned Revenue R37, 442 million Total Revenue R181, 764 million
14.	Percentage spent on operating budget against approved operating budget	15%	24%	50%	53%	75%	71%
15.	Percentage spent on capital budget against approved capital budget	10%	49%	30%	74%	70%	88%
16.	Repairs and maintenance as a percentage of property, plants, and equipment (Carrying values)	3%	4%	5%	12%	8%	16%

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KPI NO#	Description of KPI	1 <sup>st</sup> Quarter		Midyear		3rd Quarter	
		Target	Actual	Target	Actual	Target	Actual
17.	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred	10%	100%	20%	100%	30%	100%
18.	Percentage of valid invoices paid within 30 days of invoice/statement date	100%	100%	100%	100%	100%	100%
19.	AGSA audit opinion	-	-	Unqualified with no material findings	Unqualified with no material findings	-	KPI Not Measured in this Quarter
20.	Percentage of resolution of AGSA findings	10%	100%	30%	83%	70%	100%
21.	Percentage of resolution of Internal Audit findings	10%	93%	30%	97%	70%	100%
22.	Percentage of the strategic risk management action plans implemented	10%	61%	30%	68%	70%	89%
23.	Percentage of predetermined objectives achieved	-	KPI not measured in this Quarter	85%	96%	-	KPI Not Measured in this Quarter
24.	Number of SMME's Supported	50	117	150	162	200	215
25.	Percentage of procurement spend on SMME's against total procurement expenditure	30%	69%	30%	67%	30%	75%
26.	Percentage of procurement spend on B-BBEE against total procurement expenditure	75%	88%	75%	86%	75%	82%
27.	Number of strategic partnerships created	5	9	15	16	20	20
28.	Percentage positive and neutral media coverage	≥80%	≥99.7%	≥80%	≥80%	≥80%	100%

**Summary**

<b>Total number of KPIs</b>	<b>28</b>
<b>Total number of KPIs Not Measured</b>	<b>3</b>
<b>Total number of KPIs Measured</b>	<b>25</b>
<b>Number of Quarterly KPIs Achieved</b>	<b>24</b>

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	<b>Number of Quarterly KPIs Not Achieved</b>	<b>1</b>
	<b>Total achieved constitutes</b>	<b>96%</b>

**REASONS FOR THE UNDER ACHIEVEMENT:**

KPI	Target	Actual	Reason for not meeting target	Mitigation measures
Percentage spent on operating budget against approved operating budget	75%	71%	The implementation of the cost containment policy resulted in cautionary spending.	The entity intends to spend 100% of its operational budget by the end of the financial year.

**3.1. SERVICE DELIVERY**

The quarter under review saw a variety of mixed programming. Joburg Theatre presented **The Isandlwana Lecture** by Mbuso Khoza and iJadu le Afrika. This was a remarkable performance that contributed significantly to the ongoing conversation about the cultural and historical significance of the Battle of Isandlwana. Mbuso Khoza's artistic talent was on full display, and the production enlightened the audience about the reflective spiritual and sociocultural repercussions of this battle on the Zulu nation. The Musical was an immersive experience that took the audience on a journey through time, providing a historical lens through which the events surrounding the Battle of Isandlwana could be understood. The show was sold out, a testament to the creative genius of Mbuso Khoza and the artistic ability of iJadu le Afrika. This production was a cornerstone in the ongoing narrative of South African heritage.

The National School of the Arts held its annual choreographic showcase, Dance Celebration PROJECT 24, which showcased a new generation of emerging choreographers. This highly anticipated event was a great success and has become integral to the school's performance calendar. Throughout PROJECT 24, the learners displayed their exceptional talent and creativity by shaping and expressing abstract concepts and ideas. Their performances provided a unique perspective and an insight into the creative minds of young South Africans. Their contributions have undoubtedly enriched the cultural landscape of our community and left a lasting impact on all who had the pleasure of witnessing their performances. Seeing such young talent flourishing and adding value to our society is inspiring.

Disney's My Son Pinocchio started its run, enchanting audiences with one of the finest fairytale classics ever. The story, brimming with magic, suspense, fun, and excitement, captivated the audience as they followed the journey of Pinocchio, a little wooden puppet brought to life by the Blue Fairy. Throughout a series of adventures, Pinocchio faced challenges that tested his bravery, honesty, and selflessness. His quest to prove these qualities and earn the right to become a real boy resonated deeply with audiences. The production brought to life the beloved characters and iconic moments from the timeless tale, leaving a lasting impression on all who experienced its magic and charm.

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January concluded on a high note with the monthly **Seven Colours Sunday** event, marking the year's inaugural celebration and setting the stage for an exhilarating 2024 ahead. Renowned for its stellar music, vibrant ambiance, mouth-watering culinary delights, and an array of eclectic craft stalls, the event attracted an enthusiastic crowd. Seven Colour Sundays has solidified its position

as Soweto's premier food, arts and craft market, a recurring highlight occurring every last Sunday of the month. Attendees revelled in a delightful fusion of melodious tunes, tempting aromas wafting from the food stalls, and the camaraderie shared among fellow participants, making it an unforgettable gathering for all involved.

**Indigenous Gospel Music**, also known as Clap 'n Tap and AmaZion, provided a unique offering that was initially an acapella-style music genre, and it has evolved into a symbol of religious and cultural expression. The production collaborated with the 31st Johannesburg Arts Alive International Festival programme and showcased various genres, including AmaZion, AMapostolo, Clap 'n Tap, and Brass Bands. It welcomed Indigenous Choirs from both local and international backgrounds. A total of 11 choirs, consisting of one headliner and 10 choirs per category.

Soweto Theatre has established a valuable partnership with the Gauteng Sport, Arts, Culture, and Heritage Department in collaboration with the Gauteng Department of Education. This partnership has brought about a School Dramatic Arts Programme that aims to provide learners with a platform of opportunities. The programme aligns with the curriculum and enhances the academic value of learners' participation. Instead of focusing solely on competition, the programme prioritizes creative expression and fosters essential skills such as teamwork, collaboration, resilience, adaptability, and exposure among students. By emphasising these qualities, the programme seeks to contribute to the holistic development of learners, enabling them to engage with the arts and cultivate important life skills that are valuable beyond the realm of performance. The School Dramatic Arts Programme is a fantastic initiative that promotes creativity, teamwork, and personal growth among learners, and we are grateful for the efforts of the Soweto Theatre and its partners.

Roodepoort Theatre has been actively engaging with its audience through various initiatives, such as social media campaigns, community outreach programs, and special events. As a result, the theatre has seen a significant increase in audience attendance and received positive feedback from its patrons regarding the quality of its productions and customer service.

The Rand Symphony Orchestra resumed rehearsals in January after a well-deserved break. They were preparing to perform their concert titled "**Mozart and More**" in March, which featured Camelia Onea as a soloist performing the Mozart Violin Concerto no. 5. Camelia is a renowned violinist in South Africa and a graduate of the George Enesco Academy in Bucharest. She is currently the Concert Master of the Johannesburg Festival Orchestra and regularly performs as a soloist, chamber musician, and recording artist. The concert program also included the Rosamunde Overture by Schubert and Symphony no. 8 by Antonín Dvořák. The orchestra was under the baton of the resident conductor and Musical Director, Carel Henn.

**Andile B**, a former member of Joyous Celebration and Spirit of Praise 2, two of the biggest gospel groups in Southern Africa, recorded a live DVD, fulfilling a long-held dream. Andile B has 12 gospel albums under his belt and is known for his captivating performances.

The theatre has also collaborated with local schools and organisations to provide educational programs and workshops for aspiring artists and outreach programs for schools to encourage a passion for the arts. Roodepoort Theatre offers youth development programs through workshops,

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classes, and performance opportunities to help young performers build their skills and confidence. These programs create a supportive and encouraging environment for young artists to explore their passion for the arts and develop their talent to the fullest. The theatre is committed to providing a

vibrant and inclusive cultural experience and looks forward to collaborating with more organisations to continue its growth and evolution.

**Summary of the 2023/24 Third Quarter Productions**

<b>IN-HOUSE / CO-PRODUCTIONS HELD</b>			
	<b>QUARTER 1</b>	<b>QUARTER 2</b>	<b>QUARTER 3</b>
<b>JOBURG THEATRE</b>	Joburg Ballet’s Romeo and Juliet Seussical JR Pride Without Prejudice Basadi in Music Awards TOSCA Saturday Night at the Palace Bolingo Gospel Concert Golden Buzzer The Johannesburg International Comedy Festival The Greatest Love of All The "Everything is Ximatsatsa The Mzansi Traditional & Cultural Music Awards Shakespeare Schools Festival South Africa (SSFSA), SEPTEMBER SUITE The Suit Concer-tized	Gregory Maqoma 50 Don Quixote Peter Pan pantomime Spotlight Jozi Peoples Theatre – Storybook Theatre Peoples Theatre = Shrek Festival of Lights at the Joburg Zoo	Michael Jackson Battle of Isandlwana the Musical Lecture For Colored Girls Who Have Considered Suicide When The Rainbow Is Enuf The National School OF Arts – Dance Celebration 24 and Pop Jazz Ensemble The So Amazing- A Tribute to Luther Vandros by Joel Zuma My Son Pinocchio Double Bills by Dumisani Masilela Arts And Culture Fest
<b>ROODEPOORT THEATRE</b>	Dinner for One/ Soper vir een Liewe Heksie Mandela Day Russian School of Ballet Petite Performers Spectacular Singin’ in the Rain,” Roodepoort Hybrid Dance Festival Association of International Dance Teachers (AIDT World Lyrical Dance Federation WLDFA	Westside Comedy B-sharp music academy	African Dreams
<b>SOWETO THEATRE</b>	Tribute to Babsy Mlangeni 5th Intimate Worship Series Woman in Chronicle Lament Songs of Imbokodo Mrs Soweto	MTP end-of –year showcase Litsomong end-of-year showcase Soweto Fashion week Kasi worship	Seven Colors Sunday Love Lives On – An Intimate Evening with Langa Mavuso

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	<p>Seven colour sunday                  Omama Besxaxa Foundation                  presented Legendary Artist                  Music Tour-                  Akili za Kuchochea                  Chester Koch &amp; Chester                  Miising Baggage                  Childhood Cancer Awareness                  Walk.                  Joburg City Theatres' Wellness                  Day</p>	<p>Basadi ka Dituku                  Soweto in Colour (NYE)</p>	<p>Clap n Tap Indigenous                  Gospel Music                  Mzanzi Jazz: Season                  Opener                  Catch A fire Reggae                  Festival                  KekeLingo                  Mmino wa Clap n Tap                  Easter Picnic                  Unbreakable                  Schools Dramatic Arts                  Salungano Salungano                  (Take A Child to Theatre)</p>
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**3.2. INFORMAL ECONOMY AND SMME SUPPORT**

JCT through its budget supports SMMSs, BBBEEs, Youth and Women owned companies. The Creative Entrepreneurship Programme at Joburg City Theatres provides 80/20 door deal partnerships to the performing arts community in order to generate income through space.com and Joburg Theatre, The Basement at Roodepoort Theatre and Blue Theatre at Soweto Theatre as a venue for artistic expression by the youth and broader Johannesburg community.

The programme has had a large impact in creating theatre accessibility and audience engagement.

**3.3. SOCIAL COHESION, COMMUNITY BUILDING AND ENGAGED CITIZENRY**

In alignment with the City’s Social Cohesion and Transformation Agenda, JCT promotes and develops local content and local markets through programmes that advance social cohesion and support the transformation of society.

Youth programmes and development initiatives are a cornerstone of the JCT transformation agenda aimed at a future that presents significantly improved human and social development realities. It relates to issues of social cohesion and inclusivity and improved quality of life, supported by the establishment of development-driven resilience, and particularly resonates with the work of Joburg City Theatres. JCT continues to host developed and staged world class productions that tells the story – and promote civic pride / social cohesion which includes community dialogues and education sessions.

**3.3.1. YOUTH DEVELOPMENT & COMMUNITY OUTREACH**

Youth and community development programs are significant contributors to JCT's strategy. They focus on providing opportunities for young people, developing future arts practitioners and entrepreneurs through structured programs that emphasise education, support, and community participation.

For the third quarter, Joburg Theatre partnered with POPART, a theatre collective that showcases works by young directors producing innovative theatre. The three-year program travels nationwide, connecting JT with venues showcasing POPART and centres with similar values. This partnership aims to mentor the next generation of storytellers.



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Litsomong Youth Program resumed its weekend classes at the Soweto Theatre. These classes are designed to provide young people with a fantastic opportunity to access the theatre and develop their creative skills. This program is an excellent way for young people to build their confidence, learn new skills, and have fun while doing it!

Soweto Theatre participated in the International Take a Child to Theatre month and partnered with the Gauteng Province Department of Sports, Arts, Culture, and Recreation and the Department of

Education for the inaugural Drama and Arts festival. The festival was a huge success, attracting a diverse audience.

Space.com provides a black box theatre for theatre practitioners to showcase their work at Joburg Theatre. It also offers administrative support and marketing assistance to performing arts practitioners. This venue is often the first professional stage for many creatives and artists, and it has been a hub for exploring and developing new work at JCT. The space provides a supportive and insular environment for real-world experience in the process of creating work.

Space.com productions were scheduled in line with the thematic framing each month so that the theatre program is aligned with the broader social calendar. Whilst focused on work produced in partnership, the space continued to offer space and production support to productions looking to rent the space and try their hand at the business of theatre.

### **3.4. REPOSITIONING JOBURG IN THE GLOBAL ARENA**

#### **Joburg Ballet (JB)**

Joburg Ballet's presentation of Scar/city was a remarkable showcase, with its four pieces delving into themes of scarcity, absence, and loss. The show featured two global debuts and one South African premiere, providing a fascinating and thought-provoking experience to the viewers. Hannah Ma, the German-born choreographer, explored the idea of scarcity in Scar/city, notably through her piece, The Void, which shed light on the realities of urban settings in South Africa.

Dada Masilo, a renowned South African choreographer, created Salome, her debut piece for Joburg Ballet, which dealt with issues of dignity and bereavement in a captivating manner.

The event also included the South African premiere of Azul, a choreography work by Jorge Pérez Martínez, a Dutch choreographer, who brought a unique perspective to the examination of loss and shortage. Scar/city was a captivating performance that featured stirring choreography and outstanding performances, leaving the audience with a memorable experience.

**Joburg Ballet Schools-** Despite poor attendance in the first month of the quarter, Students attended classes as normal at all centres (Alexandra at San Kopano Resource Centre, UJ Kingsway Campus (Braamfontein), Soweto at Uncle Toms Community).

**School Interactions-** Hoerskool Vanderbijlpark and National School of the Arts attended the SCARCITY rehearsal show were Choreographer's Craig Pedro, Dada Masilo, Jorge Martinez and Hanna Ma, interacted with the learners and took them through their production journeys of their pieces.

#### **Joburg Philharmonic Orchestra (JPO)**

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**Education & Community Engagement** - The Johannesburg Philharmonic Orchestra is passionate about its comprehensive community engagements programmes, which see music through the lens of arts exposure, skills transfer and performance opportunities. Exposing young learners to the Orchestra in the intimate setting of a school hall awakens a whole new level of possibility. For many,

this precipitates or follows classroom time involving discussions around the orchestra, its instruments, and the various elements of music.

Our partnership with St Matthew’s School in Soweto continues, offering individual teaching for the Thabang Ka Mmino Music and Culture Project (TKM) — a project based at the school which provides extra-mural activities and constructive social outlets for the children of the community. Specifically, TKM has a dynamic music programme, now almost two decades old, which provides music education to learners.

**School Concerts** - The Johannesburg Philharmonic Orchestra has earned a special place in the hearts of schools throughout the province, exposing learners to the magnitude of the Orchestra, and the possibilities that exist in life because of it. The beauty and necessity of starting to think creatively, and of experiencing life through inspired eyes, brings a much-needed aspect to the learning experiences of the children.

At each Education and Community Engagement concert, the Orchestra performs as a unit, and each section of the entity is explained. Learners are able to hear each instrument individually, while also experiencing the collective power of the whole orchestra. For many, this precipitates or follows classroom time involving discussions around the orchestra, its instruments, and the various elements of music.

**Education Audience Reach**

JANUARY - 2750 Audience Members Reached			
Date	School	Area	Attendance
24 January	Mayibuye Primary, c/o Zakhele dr and Langa str,	Thulani	1000
26 January	Margeret Gwele Primary, 14 Matomela st, Dobsonville	Soweto	850
29 January	Obed Mosisane Primary, 5329 road, 1101, Thulani, Dobsonville	Soweto	650
31 January	Moses Kotane Primary, Freedom dr, Braamfischer	Roodeport	250

**Education Audience Reach 2750**

**Teaching Project-** The partnership with St Matthew’s Catholic School in Soweto continued. Each week musicians from the Johannesburg Philharmonic assisted with lessons for violin, viola, cello, flute, clarinet, trumpet. An additional musician is providing music theory tuition to the children. This brought much needed relief to overly full classes.

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**Total Number of Lessons during this reporting period: 350**

**Performance Highlights**

For the quarter under review, JPO presented the UNISA International Piano Competition 2024 at the ZK Matthews Hall in Pretoria. This was followed by a Valentines Gala Concert at the Linder Auditorium, hosted by JPO’s very own board member, radio personality extraordinaire, and arts

philanthropist, Carolyn Steyn. Lastly The World Symphony Series Summer Season 2024 was presented.

**3.5. ECONOMIC GROWTH, JOB CREATION, INVESTMENT ATTRACTION AND POVERTY REDUCTION**

**3.5.1 INCOME PERFORMANCE**

Total revenue has increased by 5% compared to the previous year. This performance is attributed to the R8m additional subsidy received from the City of Johannesburg during the budget adjustment process. In as much as JCT is reporting a deficit of R1, 1m in the period under review (Quarter 3), there is an improvement compared to the R4.3million reported in the same period in previous financial year.

**Table and Graph below is a summary of main revenue line items for the Third Quarter:**

Item Description	Actual_Qtr 3 2023/24 R'000	Budget_Qtr 3 2023/24 R'000	Actual_Qtr 3 2022/23 R'000	Actual to Budget %	Current to Prior %
<b>Income</b>	<b>56,907</b>	<b>54,041</b>	<b>54,235</b>	<b>5%</b>	<b>5%</b>
Rental Of Facilities & Equipment	1,198	710	774	69%	55%
Interest Earned from External Investments	1,398	944	985	48%	42%
Operating Grants and Subsidies	46,172	46,172	41,834	0%	10%
Arts Alive	5,310	4,121	8,436	29%	0%
In-House Stage Productions	1,830	1,592	2,668	15%	-31%
Ticketing Services	658	300	212	119%	210%
Management Fee	0	167	-	-100%	100%
Other Income	342	36	255	856%	-234%

**Revenue for the past 5 years**

The revenue for the entity has been increasing for the past 5 years from R32.2m to R56.9m which translate to an average increase of 15.3% per annum while expenditure has been increasing at an average rate of 14.9 %

The table below depicts quarter 3 revenue trends over the past five years:

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Revenue category	Quarter 3 Actuals R'000				
	2024	2023	2022	2021	2020
Subsidy	46,172	41,834	38,576	38,133	29,000
Earned Income	10,735	12,401	2,296	674	3,262
	<b>56,907</b>	<b>54,235</b>	<b>40,873</b>	<b>38,807</b>	<b>32,262</b>
<b>Net Surplus/Shortfall from Trading Accou</b>	<b>1,436</b>	<b>2,271</b>	<b>2,335</b>	<b>-684</b>	<b>1,555</b>
Consolidated Quarter 3 Expenditure JCT					
Expenditure category	Quarter 3 Actuals R'000				
	2024	2023	2022	2021	2020
Salaries and wages	32,826	24,112	23,553	21,615	19,788
Grants and subsidies paid	4,934	2,648	2,648	2,648	2,371
General expenses	21,746	25,359	14,702	9,943	12,336
	<b>59,507</b>	<b>52,118</b>	<b>40,903</b>	<b>34,206</b>	<b>34,495</b>
<b>Surplus for the period</b>	<b>-1,164</b>	<b>4,388</b>	<b>2,306</b>	<b>3,917</b>	<b>-678</b>

## Revenue Highlights

### Explanation of major variances between budget and actual

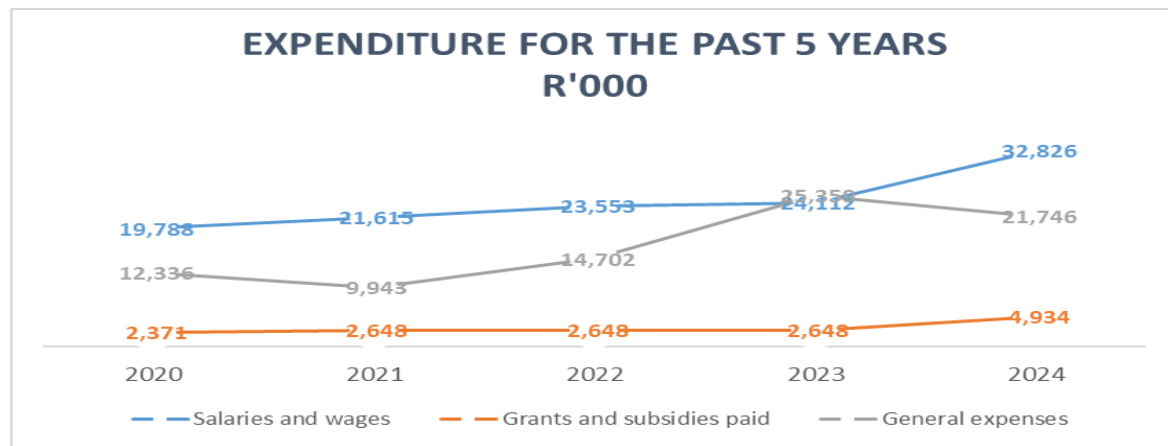
- A) Rental of Facilities & Equipment (69%)** -. This favourable variance is largely attributable to the income earned from the auditoriums as these facilities hosted well-known shows like Michael Jackson, Catch Fire Reggae, and Joburg Ballet just to mention the few which accumulated significant revenue for the Theatre.
- B) Interest earned from external investments (48%)** – The favourable variance is due to better rates that varies from 7.5%-10.10% negotiated with the banks on both long term and short-term investments.
- C) In-House Stage Production (15%)** - The good performance is largely attributable to the revenue from the shows such as For Coloured Girls and Festival of Lights just to mention the few.
- D) Other Income (657%)** – The high favourable variance is attributable to other revenue such as the hiring of LED screen, ballets mats, projectors, and the world sound concert sponsorship by Joburg Tourism.

### 3.5.2. EXPENDITURE PERFORMANCE

The table below depicts expenditure performance against target for the Third Quarter 2023/24:

**JOBURG CITY THEATRES:**

Item Description	Actual_Qtr 3 2023/24 R'000	Budget_Qtr 3 2023/24 R'000	Actual_Qtr 3 2022/23 R'000	Actual to Budget %	Current to Prior %
<b>Expenditure</b>	<b>59 507</b>	<b>55 570</b>	<b>58 500</b>	<b>-7%</b>	<b>-2%</b>
Employee Related Costs	32 612	29 619	20 756	-10%	-36%
Directors and Committee Members	214	977	154	78%	-28%
Depreciation & Asset Imparment	408	560	399	27%	-2%
Repairs And Maintenance	934	983	1 405	5%	50%
Contracted Services	575	474	379	-21%	-34%
Insurance	93	93	93	0%	0%
Joburg Ballet	4 934	4 934	2 648	0%	-46%
Arts Alive	4 597	4 907	8 294	0%	0%
General Expenses	15 141	13 023	24 372	-16%	61%



**Explanation of Variances:**

- Employee Related Costs:** (-10%) The unfavourable variance on this line item was caused by activities in the core business of the theatre, furthermore, the City of Johannesburg metro has implemented more allowances to be paid to insourced employees and that includes amongst others night shift allowance, Sunday shift allowance and danger allowance. Another major contributor to the variance is the leave accruals credits of which employees are encouraged to take leave.
- Contracted Service:** (-21%) The unfavourable variance is attributable to the services such as cleaning hygiene service, recruitment services and other HR services which were conducted in the period under review.
- General Expenses:** (-10%) The unfavourable variance is attributable to the line items such as transportation (Fleet), consumables and other variable expenditure.

**3.5.3. STATEMENT OF FINANCIAL POSITION THIRD QUARTER 2023/24**

Cash and cash equivalents increased by 18% this current quarter compared to the same period last financial year. Current ratio for the entity has decreased by 7% year on year from 1.23:1 to 1.15:1, and above the City’s norm of 1:1, The solvency ratio is 5% lower than the same period last year at 1.36:1 from the 1.29:1 but is below the norm of 2:1, however this does not pose a challenge for the entity as the asset base does not grow because a lot of asset improvements are funded by the

## **JOBURG CITY THEATRES:**

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shareholder and more than 64% of the payables is deferred income from the subsidy that the entity expected to spend in the current year. Current assets have improved by 30% as compared to the same period last year and current liabilities increased by 40%. Total assets increased by 31% as compared to the same period last year while total liabilities also gone up by 38%.

### **3.5.4. TRADING SURPLUS**

JCT recorded a trading deficit of R1.1m for the quarter against the budgeted deficit of R2.2m and achieved a trading surplus of R2.8m on year to date.

### **3.5.5. CAPEX**

The entity's capital allocation has been adjusted to R21,572 during adjustment budget.

The entity has achieved 88% spent on Capex related projects which includes amongst others a continuation of stage upgrade; acquisition of digital stage screens replacing the normal sets on the stage and PA systems for the auditoriums.

## **4. POLICY IMPLICATIONS**

- Group Risk Management Policy;
- Group Risk Management Framework;

## **5. LEGAL AND CONSTITUTIONAL IMPLICATIONS**

- Compliance with Municipal Finance Management Act, section 95; and
- Compliance with the Companies Act

## **6. FINANCIAL IMPLICATIONS**

- None as a result of this report.

## **7. ECONOMIC IMPLICATIONS**

Balance the imperative for revenue generation with socio-economic development and provide opportunities for future arts practitioners and entrepreneurs.

## **8. COMMUNICATION IMPLICATIONS**

- Audit and Risk Committee
- JCT Internal Departments
- COJ Gras
- JCT Board of Directors

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- Group Audit Committee
- Group Risk and Compliance Management Committee

**9. OTHER DEPARTMENTS/BODIES CONSULTED**

- COJ –GRAS
- JCT Internal Departments

**10. RECOMMENDATION**

**It is recommended that the progress Report on the 2023/24 Third Quarter performance made by Joburg City Theatres be approved by the Mayoral Committee.**

**Compiled by: Wendy Adams**

**JOBURG CITY THEATRES:**

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RECOMMENDED BY:



MR VUKANI MAGUBANE  
Chief Financial Officer

DATE: 25/04/2024



MS XOLISWA NDUNENI-NGEMA  
Chief Executive Officer

DATE: 26/04/2024

APPROVED / NOT APPROVED BY:



MR GODFREY KATSANA  
Chairperson of the Board  
Joburg City Theatres

DATE: 26/04/2024



Cllr LUBABALO MAGWENTSHU  
Member of the Mayoral Committee  
Community Development  
City of Johannesburg

DATE: 26/04/2024