



ANNUAL REPORT

01 APRIL 2008 – 31 MARCH 2009

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1. SUBMISSION TO THE MINISTER

It is our pleasure to submit, in terms of the Public Finance Management Act 1999 (Act 1 of 1999), the Annual Report of The Playhouse Company for the financial year ended 31 March 2009.

2. APPLICABLE ACTS AND MANDATES

In terms of section 8(5) of the Cultural Institutions Act 119 of 1998 the role of The Playhouse Company as a cultural institution is defined as an institution to advance, promote and preserve the performing arts in South Africa.

The Playhouse Company operates under various legal mandates, including among others:

- The Constitution of the Republic of South Africa
- The Public Finance Management Act, 1999 (Act No. 1 of 1999)
- The Cultural Institutions Act, 1998 (Act No. 119 of 1998)
- The Treasury Regulations and Division of Revenue Act, 2001
- The Basic Conditions of Employment Act, 1997 (Act No. 75 of 1977)
- The Labour Relations Act, 1995 (Act No. 66 of 1995)
- The Cultural Promotions Act, 1983 (Act No. 35 of 1983)
- The Occupational Health & Safety Act, 1993 (Act No. 85 of 1993)
- General Administration Regulations Act, 1983 (Act No. 6 of 1983).

Mission Statement

The Playhouse Company's mission as an African premier theatre of excellence is to present, promote, preserve the performing arts and to empower all South Africans.

Vision

Commitment to artistic integrity and excellence, catering for multi-cultural and diverse audiences and their ever-changing needs.

The Playhouse Company has defined its critical success factors as follows:

UNIQUE ARTISTIC WORKS

- Making the arts accessible to all communities, including rural areas.

- To commission and produce artistic works which reflect the diversity and the varied heritage of South Africa.
- To promote theatre as a place of wonder that also educates and provokes critical thinking.
- To promote a sense of inter-cultural awareness, tolerance and unity through the arts.

POSITIVE PROFILE

- To become South Africa's premier theatre destination.
- To strategically position the institution to relevant stakeholders as a theatre of choice.
- To sustain successful audience development campaigns which appeal to a wide variety of audiences.

ENGENDER A SENSE OF BELONGING OR WELCOME

- To be a place where stakeholders feel they belong.
- To engender an environment that is home away from home for the people who work at The Playhouse Company; an environment of trust and empowerment, accountability and openness.

PROMOTE EXCELLENCE

- To present works of a diverse nature which are of the highest standard.
- To promote excellence in The Playhouse Company's delivery of all its functions and appearance.
- Professionalism should be the key factor in all aspects of our work.
- To be a hallmark of success for an artist.
- To be a leading theatre, optimising use of our performance venues by producing and presenting art forms of high quality which meet the needs of various audiences.

CREATE A HEALTHY ORGANISATION

- To create open and free communication, encompassing team spirit.
- To sustain a system of pay/reward that is linked to staff development and training and boosting staff morale.
- Transparency, to create an open, adaptable attitude that will encourage trust, earn respect, empowerment and development of staff.

COMPLIANCE

- To ensure compliance with all relevant statutes and regulations.
- To promote best practices in financial controls within the company.
- To ensure appropriate maintenance of physical buildings and equipment.



3. Introduction by the

Head of the Institution



During the period under review, The Playhouse Company continued to fulfill its mandate to promote and produce high quality productions that are representative of South Africa's artistic and cultural diversity, thus catering to audiences representative of our entire demographic spectrum. To this end the institution presented a comprehensive arts plan structured to achieve an equitable balance in its programming, keeping within budgetary limits. High priority was given to the institution's Education and Development Programme, drawing in record numbers of school audiences.

Another high priority remained the nurturing of new talent, an ongoing initiative which received focused attention through the medium of our New Stages Programme. Test Driving the Arts continued to provide a platform for entry level artists. These lunch-hour concerts feature artists from various townships and peri-urban areas.

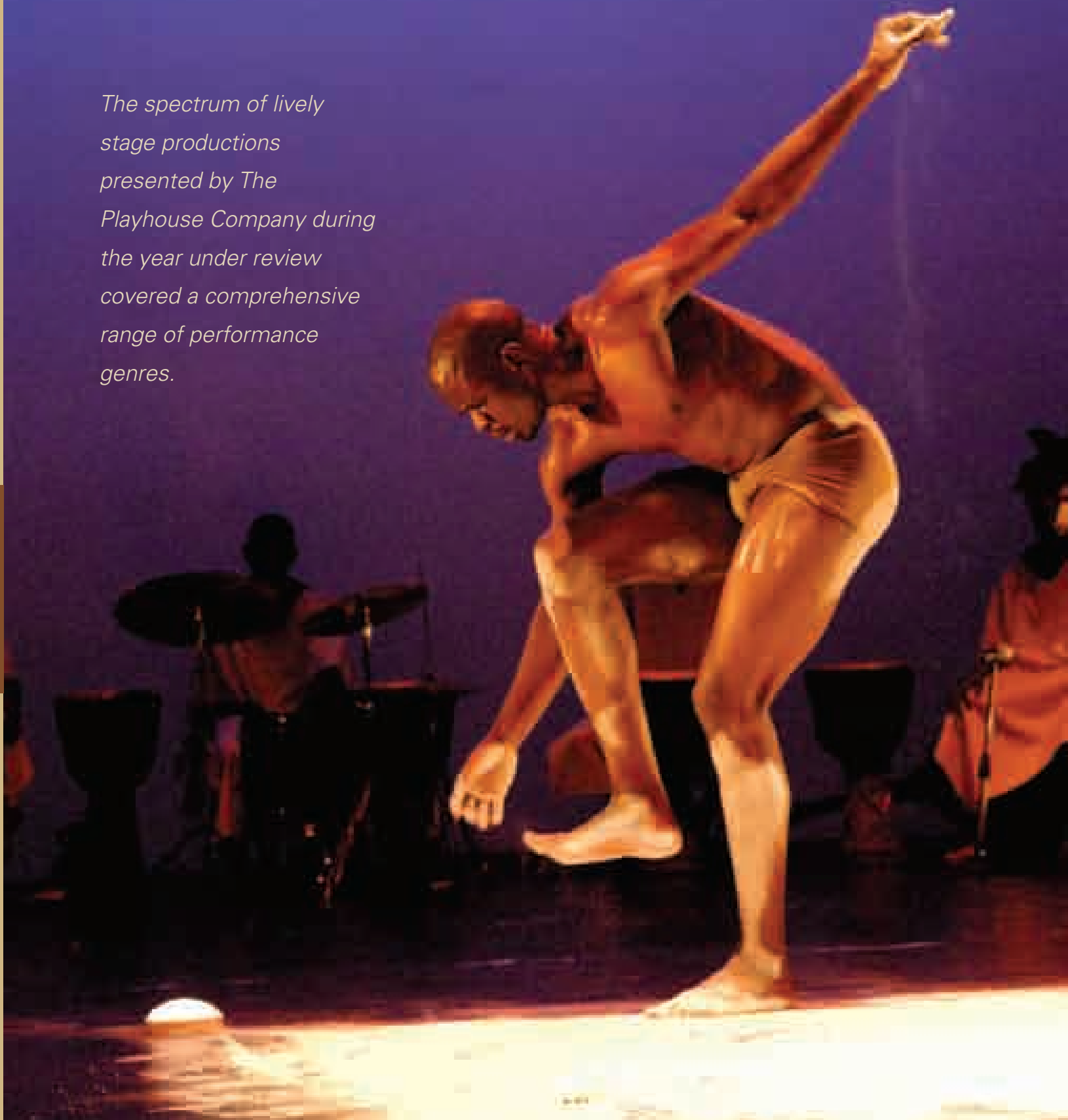
Mainstage productions presented at The Playhouse Company during the year at a fully professional level included a number of nationally acclaimed dramas as well as a wide range of dance, music and musical theatre productions.

Concerted efforts were made to encourage cross-cultural collaborations on our stages. A notable example of this was seen early in the year in a commissioned *New Classics* dance piece, in which classically trained dancers performed alongside one of KwaZulu-Natal's Isigekle traditional dance groups, Omama Boxolo.

Another ground-breaking initiative presented during the year was a semi-staged production of Handel's classical oratorio *Messiah*, which introduced strong visual elements into its presentation, and attracted varied audiences.

A high point of the year was the first ever International Society for the Performing Arts (ISPA) Conference to be held in Africa, which took place in June, hosted with more than 50 arts companies from 18 countries. The membership of ISPA, the largest global

The spectrum of lively stage productions presented by The Playhouse Company during the year under review covered a comprehensive range of performance genres.

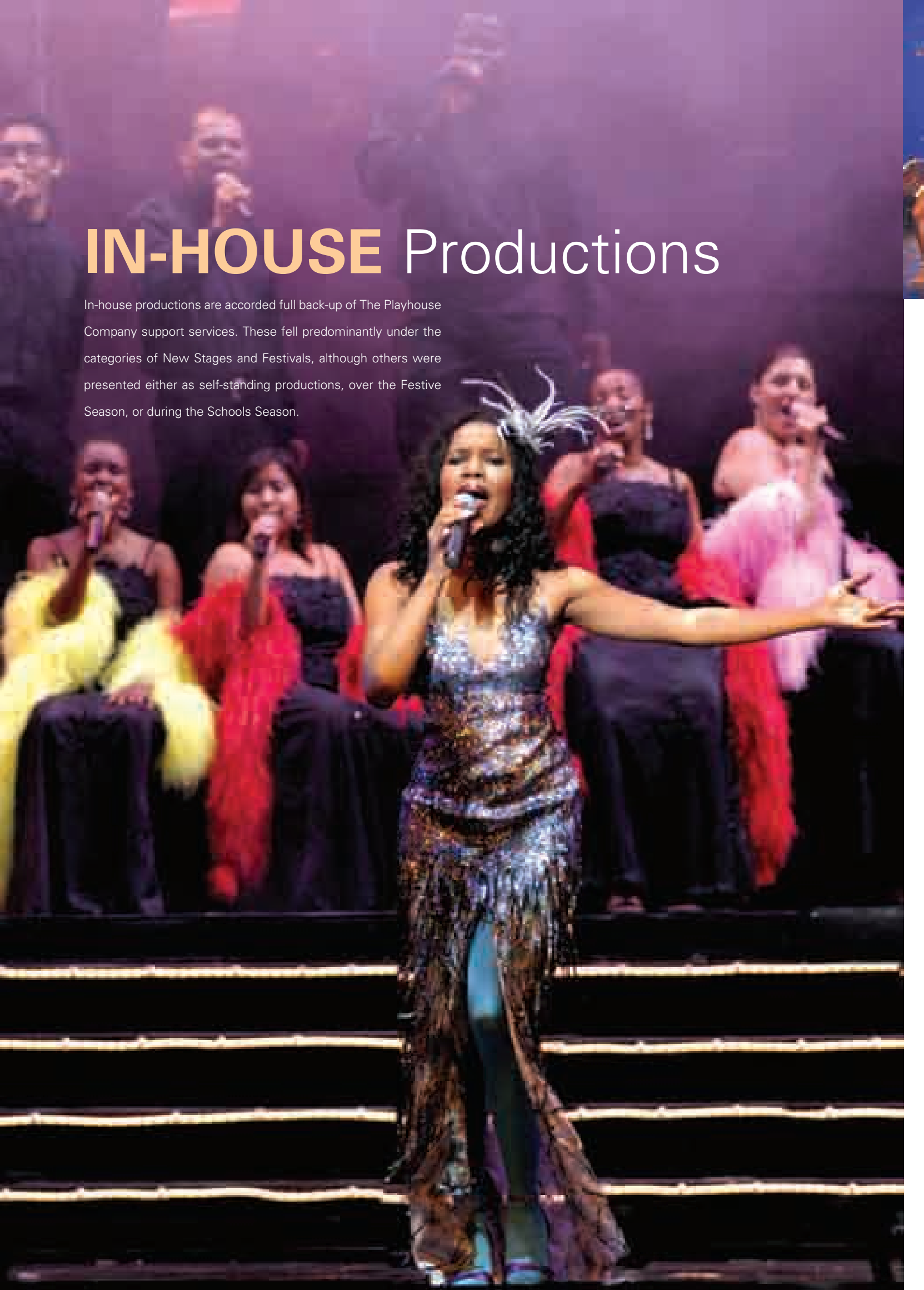


association of its kind, comprises arts administrators who head many of the world's leading music and theatre companies, performing arts complexes, and international arts festivals. ISPA strives to promote the sharing of management skills in the global performing arts arena. The main objective was to position South African artists and the wide range of our artforms on the international circuit. The feedback received from colleagues both national and international who attended the conference, indicates that this was a valuable and much needed exchange among peers in the performing arts.

The spectrum of lively stage productions presented by The Playhouse Company during the year under review covered a comprehensive range of performance genres. These catered to KwaZulu-Natal's broad demographic profile, comprising the various publics served by The Playhouse Company. This report includes productions staged in the categories of In-House (produced entirely by The Playhouse Company), In Association (productions presented in partnership with independent producers) and Outside Hirers (presented entirely by independent producers).

IN-HOUSE Productions

In-house productions are accorded full back-up of The Playhouse Company support services. These fell predominantly under the categories of New Stages and Festivals, although others were presented either as self-standing productions, over the Festive Season, or during the Schools Season.





1. SOUTH AFRICAN WOMEN’S ARTS FESTIVAL

Now in its 12th year, this annual showcase of various productions that highlight the impact women make on the lives of South Africans enjoyed a high profile on the national arts calendar. True to form, the festival comprised cutting edge productions of poetry, music, drama and dance, featuring the talent of many women in their fields of performing arts.

1.1 Production	The Game
Production Description	Set in a fictitious prison in 1993, the production featured an all-woman cast of characters who must determine among themselves who is to be released. To resolve the matter they play the game of musical chairs, a process which leads them to discover their need to unite with each other as black women facing the future. Written and directed by Duma Ndlovu, the play featured a star cast including Leleti Kumalo, Sindi Dlathu, Mary Twala, Lucia Mthiyane, Phumelephi Mthombeni and Simpiwe Ngema.
Run	29 July-10 August
Venue	Drama Theatre
Number of artists	9
Audiences	3742
Number of Performances	12

1.2 Production	Women of Dzonga (Women of the South)
Production Description	This musical production featured a powerhouse line-up of women performers in a mixed medley of show-stoppers from a variety of genres, including mbhaqanga, domba dance, contemporary dance, kwasa kwasa, and even items from the musical <i>Sophiatown</i> . The production portrayed the way women celebrate important moments in their lives, both in traditional and modern culture, while supporting each other in the process.
Run	6-9 August
Venue	The Loft
Number of artists	14
Audiences	351
Number of Performances	3

1.3 Production	Gala Concert
Production Description	Starred two of South Africa’s most enduring music legends, Letta Mbulu and Caiphus Semenya, appearing along with new-generation Durban music star Swazi Dlamini. This effectively-contrasted triple act of big-stage talent was a true crowd-pleaser. The concert’s celebrity programme director was the acclaimed South African poet, Lebo Mashile.
Run	Sunday, 10 August
Venue	Opera Theatre
Number of artists	29
Audiences	1224
Number of Performances	1

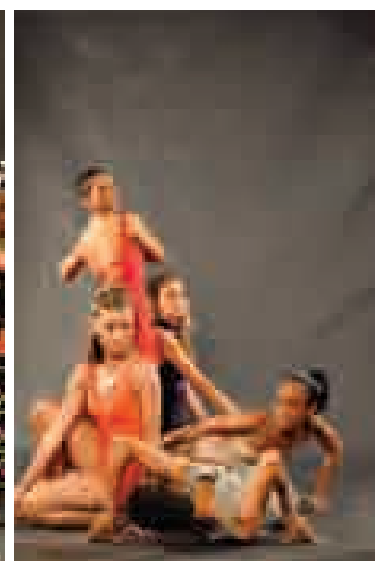
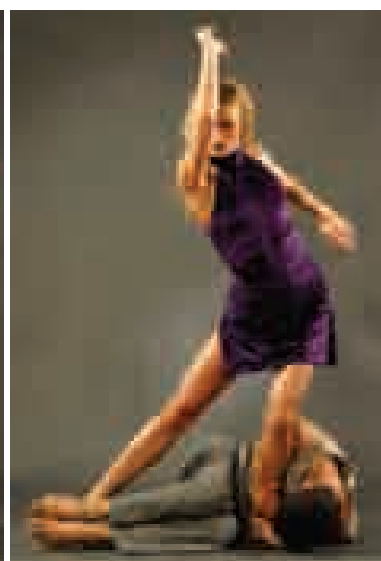


1.4 Production	Open Mic Poetry
Production Description	With celebrity storyteller Gcina Mhlophe as the anchor artist, this initiative enabled upcoming young poets, story tellers and audience members to share their enthusiasm in a creative festival spirit.
Run	Saturday, 9 August
Venue	Grand Foyer
Number of artists	8
Audiences	300
Number of Performances	1

1.5 Production	Youth Seminar
Production Description	Giving a voice to the silent, a platform to the unseen, this Basadi programme drew inspiration from socio-political factors while endeavouring to challenge, empower and celebrate our young women those with disabilities and orphanages.
Run	Sunday, 10 August
Venue	Grand Foyer
Number of artists	15
Audiences	300
Number of Performances	1

1.6 Production	Battle of the Women DJs
Production Description	This celebration of young women who have made their names in the local and national music industry as DJs featured DJs C'ndo, Zinhle and Sem. Their participation attracted vibrant young audience support for the festival.
Run	Sunday, 10 August
Venue	Grand Foyer
Number of artists	3
Audiences	220
Number of Performances	1

1.7 Production	New Classics
Synopsis	The Playhouse Company's dance fusion piece, <i>New Classics</i> , choreographed by Desiré Davids, showcased the individual performance genres of five acclaimed Durban dancers, Zinhle Gumede, Louise Fraquet-Golding, Lucile Sproull, Quinton Ribbonaar and Davids herself. Adding a special cross-cultural dynamic to the work, the production also included a guest appearance by Omama Boxolo, who performed a specialised Zulu dance style called Isigekle.
Run	14-16 August
Venue	Drama Theatre
Number of artists	24
Audiences	905
Number of Performances	3





2. TRADITIONAL ARTS FESTIVAL

The Playhouse Company's Traditional Arts Festival featured the 11th annual All-Night Iscathamiya Competition.

2.1 Production	11th All-Night Iscathamiya Competition
Production Description	Besides the contestants, the event featured the popular Oswenka and Onobuhle sections, in which male and female contestants respectively displayed their sense of style and fashion. The Iscathamiya Competition proved as momentous and exciting an attraction as ever, with some 130 groups from all over KwaZulu-Natal and the Eastern Cape keenly competing for coveted prizes as they pitted their skills against their peers.
Run	27-28 September
Venue	Opera Theatre
Number of artists	2000
Audiences	1224
Number of Performances	1

3. Production	Nothing but the Truth
Production Description	Written by and starring the legendary Dr John Kani, and directed by Janice Honeyman, the production's veteran star was flanked by two of South Africa's leading young actresses, Motshabi Tyelele and Welile Tembe. The play powerfully portrayed conflicting identities during and after the years of struggle against apartheid.
Run	17-29 June
Venue	Drama Theatre
Number of artists	3
Audiences	3302
Number of Performances	11



4. FESTIVE SEASON PRODUCTIONS

Three widely divergent, critically acclaimed productions were produced, each geared to appeal to family audiences in holiday mode while catering for a wide demographic audience spectrum.

4.1 Production	Unforgettable
Production description	This big-stage show-business song-and-dance extravaganza garnered favourable reviews. Sally Scott, in <i>The Daily News</i> , lauded the production as an unforgettable experience ... a glittering crowd pleaser from beginning to end, while columnist Gisele Turner, in the same publication, commented The Playhouse Company's holiday extravaganza took the word 'entertainment' up a notch and then some. Endorsing these critiques in his review for <i>The Mercury</i> , Billy Suter assessed the show as a high-gloss affair... one of the best song-and-dance variety productions The Playhouse Company has produced in recent years. The show's creative team included Mark Hawkins, Dicky Longhurst, Desiré Davids, Dylan Heaton and Gail Muir and The Playhouse Company's Production Services division. <i>Unforgettable</i> showcased a strong line-up of singers and dancers from all race groups, headed by leading vocalists Sam Marais and Gina Shmukler, along with upcoming stars Renee and Pume Zondi. Complementing the strong audience appeal of favourites from Broadway shows and popular standards was the production's backing by the KwaZulu-Natal Philharmonic Orchestra under the baton of Lykele Temmingh. Each performance was offset by an onstage vocal ensemble and a crack troupe of show dancers.
Run	20 November-19 December
Venue	Opera Theatre
Number of artists	90
Audiences	28381
Number of Performances	28



4.2 Production	Chasing Tales
Production description	An eclectic mix of dance, cross-cultural storytelling and well-known fairy tales, the production once again proved a popular choice of repertoire, directed and choreographed by David Gouldie with original sets and costumes designed by Greg King. Casting included Slindiwe Nodangala, Tammy Saville, Louise Fraquet-Golding, Nobuhle Khawula, Vusi Makhaya, Denia Maslen, Jabu Siphika, Sifiso Magesh Ngcobo, Nkosinathi Mngomezulu and Sindiswa Nxele. With sponsorship from the South African Sugar Association, The Playhouse Company was able to bring Christmas cheer to children from various orphanages and township schools to attend most of our performances.
Run	10-20 December
Venue	The Loft
Number of artists	10
Audiences	1761
Number of Performances	16

4.3 Production	Buckled
Synopsis	Written and directed by Krijay Govender, this new comedy two-hander focuses on marriage within the Indian community as seen through the perspectives of a young couple’s experiences. The play was co-authored by and starred the award-winning former Durban actress Leeanda Reddy and Meren Reddy. <i>Buckled</i> played to capacity houses. Due to public demand, four additional performances were included in the run.
Run	19-21 December
Venue	The Drama Theatre
Number of artists	2
Audiences	2339
Number of Performances	5



5. NEW STAGES SEASON

The New Stages programme is geared to introduce theatre productions that reflect the creative ethos of a new generation of artists and arts practitioners who make up the artistic community of today’s South Africa.

5.1 Production	Twisted Bones
Production description	An ensemble dance piece by Eric Shabala with dancers from Siwela Sonke Dance Theatre and Kathak specialist Pravika Nandkishore, <i>Twisted Bones</i> was created as a work themed around the concept of people being prepared to help each other navigate their situations in life, thus achieving a common bond through a process of communication. The production was interspersed with multimedia images that enlivened its presentation.
Run	8-11 May 2008
Venue	Loft
Number of artists	11
Audiences	585
Number of Performances	4



5.2 Production	Azibuye Esezadlula
Production description	Staged by Isiqiniseko Performing Arts Project, this production offered a musical celebration of Zulu culture, tradition and customs. It focused on indigenous ceremonies such as Umkhosi Umhlanga (Reed Dance), highlighting customs of respect and other vital traditions of the Zulu nation. Underlying its entertainment factor, it sought to examine elements of South Africa's rural-urban dichotomy, with observations about the juxtapositions and complexities of life in contemporary South Africa, marrying age-old customs with contemporary Western traditions.
Run	22-24 May
Venue	Drama Theatre
Number of artists	56
Audiences	1725
Number of Performances	4



5.3 Production	Umphafa
Production description	This riveting biographical portrayal through dance, created by S’phelele Nzama, focused on the circumstances surrounding the death of the choreographer’s brother. It was performed by Nzama himself, featuring live music composed and arranged by Mandla Mathe, to the accompaniment of a six-piece music ensemble, including Mandla Motha, Siyabonga Mkhombe, Junior Kumalo, Lucia Nzama, Alpha Msomi and Njabulo Shabalala.
Run	17-18 October
Venue	Loft Theatre
Number of artists	4
Audiences	258
Number of Performances	2



5.4 Production	In Blood
Synopsis	The production showcased a cast of 15 physically and mentally challenged performers in an entertaining programme conceived around original wedding song compositions, dance and poetry. The underlying objective of this bravely enacted show, as suggested in its title, <i>In Blood</i> , was to reach out, promote and underline a sense of commonality between abled and differently abled members of society.
Run	18 October
Venue	Drama
Number of artists	36
Audiences	402
Number of Performances	1

5.5 Production	Tree Boy
Production Description	This poignant piece was created by the award-winning actor and playwright, Neil Coppen, and directed by the acclaimed young director, Libbie Allen. It starred the gifted 11-year-old Daniel Botha opposite Michael Gritten. This ground-breaking production made extensive use of multimedia techniques as it followed the relationship of a father and son in early 1960s South Africa. The production garnered widely appreciative media and audience response.
Run	12-14 March
Venue	Loft
Number of artists	2
Audiences	539
Number of Performances	4



6. Production	SCHOOLS PROGRAMME: Tour of <i>When Rain Clouds Gather</i> and <i>Ngicela Uxolo</i>
Production description	<p>The Playhouse Company launched its far-reaching 2008 schools tour with a double bill of stimulating and accessible script adaptations. This programme was presented in schools in all 11 districts of KwaZulu-Natal. These productions are based on matric networks prescribed by the KZN Department of Education and were geared as an aid to Grade 12 learners.</p> <p>Presented on the Playhouse Transnet Mobile Stage, the touring programme comprised <i>When Rain Clouds Gather</i>, adapted from Bessie Head's novel, a network for learners of English as an additional language; and <i>Ngicela Uxolo</i>, adapted from Nkosinathi Ngwane's novel in isiZulu as a home language network.</p> <p>Set in poverty stricken Botswana during the 1960s, <i>When Rain Clouds Gathers</i> was directed by Thami Sikhosana. It was performed by Thabani Mahlobo, Thami Sikhosana, Rory Booth, Bazini Msomi, Simpiwe Ngidi and Jeremia Ntshangase.</p> <p>Adapted and directed by Faca Kulu, <i>Ngicela Uxolo</i> was performed by Slindile Nodanglala, Bongani Mbatha, Bonginkosi Mkhize, Mandy Zondi, Joy Mbevvana, Sandile Menze and Bongiwwe Hlophe. The adaptation sought to encourage a spirit of exploration and discussion among learners and teachers, and thus promote healthy debate among learners to enhance educational development.</p>
Run & Venues	The tour included: Sisonke, Uthekela, Ugu, Umgungundlovu, Umzimyathi, Amajuba, Zululand, Uthungulu, Umkhanyakude, Ilembe, Itheke.
Number of artists	17
Audiences	71000
Number of Performances	37

7. Production	TEST DRIVING THE ARTS
Production Description	The Test Driving the Arts programme constitutes a valuable part of the company's work in the field of arts development. The fortnightly free lunch hour concerts create a highly visible platform for amateur groups. The series featured Pantsula, Isicathamiya, Gospel, Hip Hop, Indlamu, Afro-jazz, Township, Maskandi, Isigekle and other contemporary music and dance styles. This ran every alternative Tuesday from February to December.
Venue	Grand Foyer
Number of artists	420
Audiences	3670
Number of Performances	17

ISPA CONFERENCE

'Ubuntu Cradle of Humanity'



The first ever conference in Africa to be held under the aegis of the International Society for the Performing Arts (ISPA) was hosted by The Playhouse Company. The objective of this event was to present the world's foremost international arts administrators with the opportunity of close-up encounters with South Africa's rich diversity of performing arts and engaging first hand with South African artists, arts administrators and arts practitioners. Reciprocally, the event offered South African delegates the opportunity to experience benchmark professional expertise shared by the delegation of leading participants from across the globe entitled *Ubuntu Cradle of Humanity*. True to the prescribed form of this globally prestigious event, it comprised of two sections, a four-day Conference and a two-day Training Academy, which directly benefited local delegates.

A choral piece for Praise Singer, Soprano, Alto, Tenor and Bass soloists, with Chorus, Orchestra and Dancers, entitled *Inqayinqayi E-Afrika – Depicting the Splendour of the African Spirit* was specially commissioned for the opening ceremony. It featured original music by Phelelani Mnomiya set to a libretto by Themba Msimang. Participating artists included Praise Poet Gcina Mhlophe, Shembe Dancers, Zamani Zulu Dance Group, vocal soloists Zanne Stabelberg, Tina Mene, Given Nkosi and Lubabalo Nteyi, with The Playhouse Company Chorale and The KwaZulu-Natal Philharmonic Orchestra. The work was orchestrated and conducted by Naum Rousine, directed by Duma Ndlovu.

As a conclusion to the opening ceremony, delegates were treated to the opening performance of *Nothing But the Truth* in the Drama Theatre, starring Dr John Kani, Motshabi Tyelele and Welile Tembe.

The long list of distinguished international dignitaries who attended Ubuntu Cradle of Humanity was headed by ISPA's Chairperson and CEO, Benson Puah and David Baile respectively. Delegates represented many of the world's foremost arts companies and institutions, such as The Barbican Centre and The Sage Gateshead in the UK, Esplande Theatres on the Bay in Singapore, Fox Arts Cities Performing Arts Centre in the United States, Luminato-Toronto Festival of Arts and Creativity and Philharmonie Luxembourg, among many others.

A wide range of presentations at the Congress included topics such as The Power of Arts to Change Societies; Challenges Facing the Arts and Performance Spaces; Managing Excellence in the Arts. The Academy included workshops on Arts Management, Fundraising for the Performing Arts, and Developing Effective Marketing Strategies.



“A very successful and memorable ISPA June 2008 Congress. The feedback from delegates has been outstanding. This was largely due to the thoughtfulness in the programming and the meticulous way in which every detail had been anticipated and executed...” – Benson Puah, Chairman, IPSA.



The roster of South African and international speakers and chairpersons of sessions included Nise Malange (SA), Hugh Masekela (SA), Murray McGibbon (SA), Krijay Govender (SA), Ronnie Govender (SA), Janice Honeyman (SA), Mbongeni Ngema (SA), Dr Mike Sutcliffe (SA), Themí Ventúras (SA), Johann Zietsman (SA), Martha H Jones (USA), Larry Kirkegaard (UK), Anthony Sargent (UK), Graham Sheffield (UK), David Stapels (USA), and Susan Stockton (USA).

Three iconic South African artists were honoured. Dr John Kani and Professor Joseph Shabalala each received ISPA's Distinguished Artist Award for outstanding contribution of talent, artistry, dedication and service to the world of the performing arts. Dr Miriam Makeba was honoured with the International Citation of Merit Award for her unique lifetime achievement which has enriched the international performing arts.

The KZN Department of Arts, Culture and Tourism and eThekweni Municipality supported the conference by sponsoring 50 local delegates.

Some of the responses received from delegates who attended the congress:

“A very successful and memorable ISPA June 2008 Congress. The

feedback from delegates has been outstanding. This was largely due to the thoughtfulness in the programming and the meticulous way in which every detail had been anticipated and executed. This was evident from the Gala performance to the various panel discussions and hospitality events. A month has passed since the congress and yet there lingers strong recollections of conversations and experiences from our short time in Durban. Minds were challenged and stimulated, hearts were inspired and spirits recharged. All these are hallmarks of a congress done well. The flames of Ubuntu have been kindled.” – Benson Puah, Chairman, IPSA

“This congress has given us an opportunity to network with international organisations and to share ideas.” – Milton Gcwenza, Managing Director, Sukuma Arts & Culture (SA)

“The workshops were invaluable for the theatre community. Particularly beneficial was the fundraising workshop utilising local role models. There is insufficient mentoring of artists at the outset of their careers and their expectations of this industry are unrealistic, so this was manna from heaven – especially our very own success stories! I know we all benefited enormously from the conference and workshops. The funding by KZN Arts to enable so many to benefit from potentially life changing information, was money well spent. Congratulations for not only mounting such a



Three iconic South African artists were honoured. They were Dr John Kani, and Professor Joseph Shabalala who each received ISPA's Distinguished Artist Award for outstanding contribution of talent, artistry, dedication and service to the world of the performing arts.





successful international conference but also for ensuring that so many local artists received such beneficial workshops utilising the international delegates and amazing local role models!" – *Margie Coppen, Director, Think Theatre (SA)*

"Bravissimo and many thanks for hosting a moving and memorable ISPA Congress. I cannot praise it enough – it was truly a life-altering experience. I've returned home revitalised and with a head full of new ideas and desire for engagement." – *Cathy Barbash, President, Barbash Arts Consulting Services, (USA)*



8. IN-ASSOCIATION PRODUCTIONS

A major part of The Playhouse Company’s Arts Plan includes ‘In-Association’ partnerships with independent producers and other entities. These carry the benefits of reciprocal agreements struck on ‘in-kind’ and financial contributions. Examples of these benefits include the waiving of venue and rehearsal hire fees, and/or financial contribution towards marketing, sets and costume expenses.

8.1 Production	Othello
Production description	Presented in association with Think Theatre, Shakespeare’s classic stage tragedy, which was directed by the award-winning actress Clare Mortimer, starred Ferai Gwaze, making his professional debut in the title role, heading a stellar cast that included Josette Eales, Iain ‘Ewok’ Robinson, Clare Mortimer, Michael Gritten, Darren King, Marc Kay, Sean de Klerk, Loyiso MacDonald, Karen Logan, Clinton Small, Adam Doré and Rowan Bartlett. The production was primarily geared for secondary school learners studying Othello as a set work.
Run	16 February-24 March
Venue	Drama Theatre
Number of artists	11
Audiences	15077
Number of Performances	44



8.2 Production	99% Zulu Comedy
Production description	Presented in association with Wow Entertainment, <i>99% Zulu Comedy</i> is the most trusted brand of Zulu stand-up comedy in KZN. Star acts appearing in this series included Simphiwe Shembe, Justice Kubheka, Trevor Noah, Vusi Ximba, Mandla Thebethe, Kedebone Malaudzi (uKhozi FM jock) and Pelepele, among others.
Run	23-24 April, 29 May & 29 May*
Venues	Drama, Opera*
Number of artists	16
Audiences	1951
Number of Performances	4

8.3 Production	Uncharted Seas
Production description	Presented in association with Nateshwar Dance Academy, this production, which catered to Durban's Indian theatre-going community, featured a succession of exquisite Indian dance couples performing with great virtuosity, offset by playful emotion and expression.
Run	14 September
Venue	Opera Theatre
Number of artists	52
Audiences	720
Number of Performances	1



8.4 Production	Shall We Dance
Production description	Playhouse audiences once again packed out the Opera Theatre to welcome back the annual <i>Shall We Dance</i> extravaganza. This popular Ballroom and Latin American showcase was presented in-association with the South African Dance Teachers Association. This featured a stellar line-up of the region’s most accomplished dancers as well as leading award-winning industry professionals.
Run	23-30 October
Venue	Opera Theatre
Number of artists	34
Audiences	5241
Number of Performances	7



8.5 Production	More Alike Than You Think
Production description	Presented in association the KwaZulu-Natal Blind and Deaf Society, this music, dance and drama programme highlighted the abilities of blind, deaf and deaf-blind individuals. The programme included use of sign language, and was performed for invited audiences by primary and high school learners from eight special schools in KwaZulu-Natal. These included: VN Naik School for the Deaf in Newlands; KwaVulindlebe School for the Deaf in Chatsworth; Ethembeni School for the Blind at Inchanga; St Martins School for the Deaf in Port Shepstone; Vuleka School for the Deaf at Nkandla; KwaThintwa School for the Deaf at Inchanga; the Indaleni School for the Deaf in Richmond, and Durban's Open Air School in Glenwood.
Run	19 and 20 February
Venue	Drama Theatre
Number of artists	140
Audiences	2800
Number of Performances	3

8.6 Production	Those Indian Guys
Production description	Presented in association with SandMan Productions, <i>Those Indian Guys</i> was a light-hearted comedy two-hander starring Santhiran Moonsamy and Kaseran Pillay. Geared for Durban's Indian theatre-going community, and deploying an array of colourful costumes, exuberant physicality and a simple set, the actors portrayed a succession of off-beat characters as they enacted their fast-paced South African stories.
Run	26-29 March
Venue	Opera Theatre
Number of artists	2
Audiences	1464
Number of Performances	4

9. OUTSIDE HIRE PRODUCTIONS

Playhouse theatres are made accessible to as wide a range of productions presented independently as can be accommodated. Complementing In-house and In Association Productions, Outside Hire productions yield revenue that is used to cross-subsidise Playhouse Company education and development projects.

PRODUCTION	VENUE	PERFORMANCES	ATTENDANCE
99% Zulu Comedy	Opera	1	1,222
A Dance Gala	Drama	2	931
Aaja Naachele thru the Decades	Opera	2	2,448
Andile ka Majola Chapter 4	Opera	1	587
Bollywood Love Story	Opera	8	4,127
Bollywood Superstars	Drama	1	457
Caltex Isicathamiya	Opera	1	1,000
Chongqing Art Troupe	Opera	2	1,400
Clover Launch	Loft	1	120
COSATU April	Opera	2	invited
COSATU June	Opera	1	invited
DanceKool Musical	Drama	2	879
Deborah Fraser CD Launch	Opera	1	900
Hello Dolly	Drama	6	2,578
IFBB KZN Bodybuilding Championships	Opera	1	1,139
Kathak Dance recital	Opera	1	1,100
Kevin 'Bloody' Wilson	Opera	1	1,212
King Dinizulu, The Last Warrior	Drama	3	539
KZN Dialogue Series	Opera	1	600
KZN Schools Festival	Opera	1	350
KZN Young Performers	Drama	1	416
KZN Youth Wind Band	Opera	1	700
Kumari Dunesha Naicker	Drama	1	450
Last Night of the Proms	Opera	1	982
Maluju Mame	Loft	3	255
Miss eThekweni	Opera	1	368
Mthandeni with the Pragmatists	Opera	1	378
Mrs India International	Opera	1	700
Opera lolanta	Opera	2	296
Poetry in Motion	Opera	1	512
Rhythm and Dance	Drama	2	936
SABC Recordings	Opera	2	7 choirs
SACCAWU September	Drama	1	invited
SACCAWU October	Drama	1	invited
SACCAWU November	Drama	1	invited
SACCAWU December	Drama	1	invited
Second Chances	Loft	1	56
Shaping the Future	Loft	1	60
Shosholoza	Opera	5	748
Southern Sun Conference	Drama	1	200
Stars of the Ballet Moscow	Opera	2	1,452
Stars of the Bolshoi	Opera	1	1,206
Strictly Halaal	Drama	5	2,007
Symphony of Life	Drama	1	460
The Image of God	Loft	1	7
The Renaissance	Opera	2	244
Ulibo Gospel Concert	Loft	1	50
Umkonto kaZulu	Loft	5	357
WOW Comedy Jamz	Opera	1	622
TOTAL	-	87	35,051

10. PLAYHOUSE TRANSNET MOBILE STAGE

In addition to industrial theatre and social responsibility presentations by outside contractors from the corporates and community events organiser, this mobile stage was deployed to carry out the ground-breaking feat of presenting The Playhouse Company's Schools Touring programme to high school learners in all 11 districts of KwaZulu-Natal.

MOBILE STAGE	VENUE	PERFORMANCES	ATTENDANCE
16 Days of Activism	Inanda	1	1,000
50th Anniversary KwaMashu	KwaMashu	1	1,500
Abstinence Walk South Coast	Hammarisdale	1	8,000
Abstinence Walk South Coast	Port Shepstone	1	3,000
Abstinence Walk South Coast	Harding	1	5,000
Abstinence Walk South Coast	Ixopo	1	10,000
Abstinence Walk South Coast	Richmond	1	20,000
Abstinence Walk South Coast	Qokololo	1	30,000
Carnival Umtshezi Municipality	Umtshezi	1	5,000
Chesterville Jazz Festival	Chesterville	1	500
DACT Indigenous Music Festival	Port Shepstone	1	3,000
DACT Outreach Action Plan Campaign	Ezakheni	1	1,500
DACT Outreach Action Plan Campaign	Inchanga	1	20,000
DACT Outreach Action Plan Campaign	KwaXimba	1	15,000
DACT Outreach Action Plan Campaign	KwaMshweshwe	1	20,000
DACT Outreach Action Plan Campaign	Kokstad	1	2,500
DACT Outreach Action Plan Campaign	Madadeni	1	1,500
DACT Outreach Action Plan Campaign	Manguzi	1	25,000
DACT Outreach Action Plan Campaign	PMB	1	2,000
Interfaith Youth Day	Curries Fountain	1	3,000
Ithala Awards – ISPA	Ithala	1	400
Izwi Lomzansi Launch	Gugu Dlamini Park	1	5,000
Magic Tour	DUT, Durban	1	5,000
Magic Tour	UniZulu	1	6,000
Mbabazane IDP Budget	Escort	1	35,000
Ngicela Uxolo & When Rain Clouds Gather	Various	33	41,050
Ntabamhlophe IDP Budget	Escort	1	20,000
Siyabakhumbula	Umgababa	1	5,000
TOTAL	-	60	294,950

FINANCE

During the year under review, the process of improving systems and procedures which started in mid-2006 under this administration continued.

Emphasis was placed on the implementation of policies and the improvement of processes and procedures both in the Finance as well as all other departments. Internal Audit queries from previous years were reviewed regularly to ensure that all controls are still implemented.

There was noted improvement and a smoother flow of financial information within various departments. The turnaround time from requisitions to goods received was quicker as Playhouse staff became better acquainted with the Supply Chain Management Regulations. Staff attended Supply Chain Management, Pastel Accounting and Microsoft Office training during the year under review.

The strategic objectives set for the Finance department ensured that the department not only impacted positively on internal stakeholders but also ensured that The Playhouse Company has enhanced its reputation amongst its key external stakeholders in areas of monthly and quarterly reports.

The unqualified audit reports received in the previous financial years is a reflection of Management's and Council's determination in ensuring that The Playhouse Company is en-route to becoming a flagship amongst arts institutions in the country.

A risk management workshop was held in the course of the year where risks affecting the entity were identified. All major risks have adequate mitigating controls and systems in place to ensure that The Playhouse Company continues to operate efficiently and effectively.

The internal audit was conducted in the Finance and Technical departments, as well as contract management for all departments. The current internal audit service provider ended as at 31 March 2009. A tendering process is already underway to ensure that a service provider is contracted for the next three financial years.

New accounting standards (Generally Recognised Accounting Practice) will become effective from 1 April 2009 and the entity is currently streamlining its accounting processes to ensure full compliance in the new financial year.

The downturn in the economy that has impacted the world's economies has also affected The Playhouse Company with ticket sales being lower than projected. Management is aware that The Playhouse Company does not operate in an isolated environment, but in an environment that is fully integrated. Therefore, a cost-cutting exercise has started and will continue well into the next financial year. Only critical posts are being filled as we continue to watch how we spend every penny.

HUMAN RESOURCES

During the latter half of the year stability was brought to the Department with the finalisation of the appointment of permanent staff to the vacant positions that existed. Consequently, Human Resources programmes as set out in the strategic plan were possible to implement.

The emphasis for the year under review was on the implementation of the training plan, roll out of the performance management system, reducing the proliferation of audit queries, building on the existing relationship with the Trade Union, and providing a better Human Resources Administration service to the institution.

Training and development needs were prioritised during the first half of the year in the form of a Workplace Skills Plan. The majority of training interventions that were planned for were implemented, with the major emphasis being the improvement of technical skills across all levels of the organisation. The year saw numerous employees improve their skill levels in Supply Chain Management, use of Accounting Software, Customer Service, Sound and Lighting and Stage Technical Services.

This year saw each senior and middle manager sign their performance contracts that committed them to a set of objectives aligned to the strategic objectives of the institution. This initiative will be further rolled out in the new financial year as the cornerstone of the institution's performance driven culture.

Satisfactory progress was made in respect of all administrative, governance and audit related matters with the majority of items being reported as resolved. The focus in the coming year will be to consolidate and maintain the level of improvements that have been made in the year.

Relationships with staff and trade union, SACCAWU remain harmonious. Consultative forums exist where issues are discussed and resolved amicably. Wage negotiations were completed in August 2008 without any industrial action against a backdrop of difficult economic conditions. Whilst the climate for negotiations in 2009 will be difficult, the good relationship that currently exists should not be adversely affected and should continue to strengthen and grow.

SUPPORT SERVICES

External renovations and waterproofing to the Head Office building were completed during the year. In this same building the ground floor toilets were redesigned and rebuilt to provide suitable paraplegic facilities.

The audit of the main air-conditioning plant was received from consulting engineers. Their report recommended a major replacement programme of capital expenditure. Representations have been made for the finance to achieve this major investment.

Contracts were awarded for roof repairs to the Mayville office block and the Playhouse Tudor Room and Alhambra Room.

Negotiations were completed and a contract awarded to Schindler Lifts for the replacement of the lift to the Loft Theatre at Front-of-House. This installation commenced during the first quarter of 2009.

Security services and Fire Detection System contracts were awarded to Enforce, and installation of the fire detection began in April 2009.

The installation of surveillance cameras was completed at the Mayville Workshops.

Challenges for the New Year ahead include obtaining finances to replace the Playhouse air-conditioning plant and machinery which is now beyond any economical repair. Without this investment, The Playhouse Company theatres will not be able to stage any productions on a professional level. In the theatres the lighting dimmers are now 25 years old and replacement/upgrades are urgently required. The Head Office building was constructed in 1952 and the plumbing services are in old galvanised and cast-iron pipe work. These pipes are now severely corroded and must be replaced with copper and new water tanks to be installed at roof level. At the Mayville Workshops the roof sheeting has corroded and needs to be replaced over an area of 5,000m².

We ended the financial year in good operational standing and with a duly constituted council.



Linda Bukhosini

Chief Executive Officer & Artistic Director



4. STATEMENT OF RESPONSIBILITY

for the year ended 31 March 2009



The Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended, requires the Council to ensure that the Public Entity keeps full and proper records of its financial affairs. The annual financial statements should fairly present the state of affairs of the Public Entity, its financial results, its performance against predetermined objectives and its financial position at the end of the year in terms of the South African Statements of Generally Accepted Accounting Practices (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement.

The Playhouse Company, a public cultural institution, acknowledges that the annual financial statements are the responsibility of the Council. The External Auditors are responsible for independently auditing and reporting on the financial statements.

The Council has reviewed the public cultural institution's budgets and cash flow forecasts for the year ended 31 March 2009. On the basis of this review, and in view of the current financial position, the Council has every reason to believe, and the auditors concur, that the public cultural institution will be a going concern in the year ahead and has continued to adopt the going concern basis in preparing the annual financial statements.

To enable the Council to meet the above responsibilities, the Council puts policies in place in order to ensure that the public cultural institution has and maintains an effective, efficient and transparent system for financial, risk management and internal controls that are designed to provide reasonable, but not absolute assurance against material misstatements and losses. The public cultural institution maintains internal financial controls to provide assurance regarding:

- The safeguarding of assets against unauthorised use or disposition.
- The maintenance of proper accounting records and the reliability of financial information used within the company or for publication.

In the opinion of the Council, based on the information available to date, the annual financial statements fairly present the financial position of The Playhouse Company as at 31 March 2009 and the results of its operations and cash flow information for the year.

The annual financial statements set on pages 50 to 77 were approved as a draft on 19 May 2009 in a Council meeting, subject to approval by Council at a later date, and submitted to the Auditor-General for auditing on the 31 May 2009 in terms of section 55 (1) (c) of the Public Finance Management Act as amended.

The annual financial statements were subsequently approved in a Council meeting on 31 July 2009 and are signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Mina Lesoma'.

MINA LESOMA

Chairperson of Council

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)

5. AUDIT AND GOVERNANCE COMMITTEE REPORT

for the year ended 31 March 2009

The Audit and Governance Committee, ‘the Committee’, presents a report on its activities during the financial year ended 31 March 2009.

Committee Members and Attendance

There were six formal meetings during the year under review and the members attended are listed hereunder:

AUDIT & GOVERNANCE COMMITTEE	
In the absence of a Council, a special Audit and Governance Committee was formed: 01 April to 31 July 2008.	
MEMBER	NUMBER OF MEETINGS ATTENDED
PMK MVULANE	3
M LESOMA	3
B TEMBE	3
R ASHE	2
M RAJAB	3
TOTAL MEETINGS	3

MEMBER	AUDIT & GOVERNANCE	JOINT FINCO & AUDIT AND GOVERNANCE
M LESOMA	1	1
T NGCOBO	0	1
L THERON	2	1
M RAJAB	2	1
T SHEZI	1	1
PMK MVULANE	0	0
R ASHE	2	1
S SIBISI	2	0
TOTAL MEETINGS	2	1

As good practice guidance, the Chief Financial Officer and Chief Executive Officer have attended all our meetings and where there was a need for other senior managers they consulted on specific issues. The Chairperson of Council also attended the first audit steering committee meeting and followed up on queries raised.

Audit and Governance Committee Responsibility

The Committee has complied with all its responsibilities arising from Section 77 of Public Finance Management Amendment Act 1 of 1999 and Treasury Regulations. It also reports that it has adopted appropriate formal terms of reference as its Audit and Governance Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. The charter is reviewed annually and adopted by the Committee on approval by the Council.

Effectiveness of Internal Control

The Committee assesses effectiveness of internal controls and it had to review risk assessment processes, which it performed as follows:

- Consider the effectiveness of the company risk assessment processes.
- Seek assurances that action is being taken on risk-related issues identified by internal auditors.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
AUDIT AND GOVERNANCE COMMITTEE REPORT (continued)
for the year ended 31 March 2009

- The Committee has later received the updated risk register per department and considered the inherent and control risks and their categorisation.

The Committee then approved the internal audit plan which was based on the three years approved plan of financial, operational and compliance processes. The committee subsequently reviewed all the internal audit reports that identified weaknesses within the company. The internal audit reports revealed that even though these were drastic improvements in the internal controls, there were significant operational weaknesses on contracts management due to overlap of responsibilities between departments, which indicates that management needs to review its processes and procedures.

The Committee also noted other weaknesses on overtime and strategic planning, reporting and monitoring processes and recommended potential solutions to the Council and management. Management has implemented processes in place which will be monitored by the Committee on a quarterly basis to ensure that the recommendations are implemented.

On review of the reports and discussions with all auditors, the Committee found that the internal controls were reasonable, appropriate and effective.

Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited annual financial statements with the Auditor-General and management;
- Reviewed the accounting policies adopted by Council are consistent with Treasury guidelines and also applied consistently as compared to prior years; and
- Reviewed the Auditor-General's management letter and management response; and noted items that require attention for the following year.

The Committee concurs and accepts the conclusion of the Auditor-General on the annual financial statements and hence the Committee is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Committee priorities for 2009/10

The Committee has developed action plans that will assist the committee to focus on oversight of governance process in the accomplishment of the key objectives and organisational development of strategic planning, reporting and monitoring processes.

It will also facilitate coordination between internal and external auditors to share information and coordinate activities to ensure proper coverage, and minimise duplication of efforts and reduction of audit fees.

The Committee would like to congratulate the Council and management for another year of an unqualified audit report from the Auditor-General and would like to express gratitude for their continuous support on issues and discussions with the Committee.



PMK MVULANE

Chairperson: Audit and Governance

6. ACCOUNTING AUTHORITY/CHAIRPERSON'S REPORT

for the year ended 31 March 2009

Report

I am pleased to present our Annual Report as the Chairperson of the Council of The Playhouse Company for the financial year ended 31 March 2009.

Nature of Operations

The Playhouse Company is a Public Cultural Institution, which was declared as such by the Minister with effect from 01 April 2003 in terms of Sections 3 & 4 (8) of the Cultural Institutions Act 1998. Previously, The Playhouse Company existed as a non-profit organisation incorporated under Section 21 of the Companies Act, 1973. The Board of Directors passed a resolution that The Playhouse Company cease to exist as a Section 21 company and its assets and liabilities devolve upon the new institution in accordance with the Minister having declared The Playhouse Company a Cultural Institution.

Mission Statement

The Playhouse Company's mission is to present, promote, preserve the performing arts, to empower all South Africans and become an African premier theatre of excellence.

The Playhouse Company commits itself to artistic integrity and the highest attainable standards, ensuring that all individuals and teams in the organisation understand their roles, goals, the method of measuring success and the need for the optimum management of all The Playhouse Company's resources, involving the staff in decision-making to ensure responsibility, creativity, initiative and innovation, and maintaining an environment in which attitudes of understanding, tolerance, respect and freedom of expression are encouraged.

Further, The Playhouse Company will aim to achieve its mission by:

- Presenting productions that cater for multi-cultural and diverse audiences
- Facilitating the development and preservation of the arts
- Effective corporate governance and best practices in service delivery.

Review of Operations

The Playhouse Company, in line with its mission and objectives, continues to give a platform to the artists to showcase their talents. In the year under review a number of internal and external productions were staged at the Playhouse Theatres. Our artistic plan consisted of internally produced shows, which were complemented with numerous productions by external producers. The number of performances during the period amounted to 331, including mobile stage performances.

The economic downturn impacting our country has affected the entity. We have therefore embarked on a drive to raise revenue and cut unnecessary expenditure. The deficit reflected on the income statement was funded from savings from previous years – refer note 9 of the financial statements. Revenue increase was a result of an increase in grant funding and interest income. All other expenditure was in line with budgets with manageable variances.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
ACCOUNTING AUTHORITY/CHAIRPERSON’S REPORT (continued)
for the year ended 31 March 2009

CORPORATE GOVERNANCE ARRANGEMENTS

Council

In the absence of a Council, a special Audit and Governance Committee was formed from 01 April 2008 to 31 July 2008.

AUDIT & GOVERNANCE COMMITTEE	
MEMBER	NUMBER OF MEETINGS ATTENDED
PMK MVULANE	3
M LESOMA	3
B TEMBE	3
R ASHE	2
M RAJAB	3

A new Council was appointed by the Honourable Minister of Arts and Culture, Dr ZP Jordan, on 01 August 2008. (An interim audit committee was appointed for the period 01 April 2008 to 31 July 2008 to manage compliance issues.) The table below depicts the current Councillors at year-end and as at the date of this report. It also shows their attendance at meetings, committees in which they belong, and date of resignation if applicable. All fees and allowances paid for the 2008/9 financial year to Council members are reflected in notes to the annual financial statements, which forms part of this Annual Report.

MEMBER	COUNCIL	STRATEGIC PLANNING SESSION & COUNCIL MEETING	DAC MINISTERIAL IMBIZO	HR REMCO	FINCO	AUDIT & GOVER- NANCE	JOINT FINCO & AUDIT AND GOVERNANCE	SPECIAL CHAIRPERSON'S MEETING	TOTAL
M LESOMA	4	1	1	2	1	1	1	1	12
M KHOZA	3	1	0	0	1	0	0	0	5
J THABETHE	1	1	0	2	0	0	0	0	4
P MNISI	1	0	0	0	0	0	0	0	1
T NGCOBO	1	0	0	0	2	0	1	0	4
L THERON	4	1	1	2	0	2	1	1	12
M RAJAB	4	0	1	0	2	2	1	1	11
T SHEZI	1	1	1	1	0	1	1	0	6
J SHABALALA	1	1	0	0	0	0	0	0	2
PMK MVULANE	1	0	0	0	0	0	0	1	2
R ASHE	0	0	0	0	0	2	1	0	3
S SIBISI	0	0	0	0	0	2	0	0	2
TOTAL	4	1	1	2	2	2	1	1	14

Special Notes:

- New Council appointed 01 August 2008
- Chairperson of Council – Ms M Lesoma
- Chairperson of HR/REMCO – Judge L Theron
- Chairperson of FINCO – Mr M Rajab
- Chairperson of Audit & Governance (External) – Ms M Mvulane

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
ACCOUNTING AUTHORITY/CHAIRPERSON'S REPORT (continued)
for the year ended 31 March 2009

Management

As at financial year-end, the following senior management posts in The Playhouse Company were filled. The current senior management structure is as follows:

Ms Linda Bukhosini – Chief Executive Officer
Mr Govin Pillay – Chief Financial Officer
Mr Oscar Hlangu – Support Services Manager

Internal Control System

The Playhouse Company maintains systems of internal control over financial reporting and the safeguarding of assets against unauthorised acquisition, use or disposition of such assets. Such systems are designed to provide reasonable assurance to The Playhouse Company regarding the preparation of reliable published financial statements and the safeguarding of The Playhouse Company's assets. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems when identified. Currently the Company has an Audit Committee that is responsible for providing oversight of the financial reporting process and the Internal Audit process.

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 an internal control system can change with circumstances and events.

2008/9 Audit Report

I am happy to announce that we have received an unqualified audit report for the 2008/9 financial year. This is the culmination of the hard work put in by Council and management over the years in ensuring that there are adequate systems and policies in place to effect compliance with relevant financial and other legislation governing the entity. This unqualified report sets a strong foundation on which we can only build and also provides a strong sense of confidence for our important stakeholders regarding proper financial management of The Playhouse Company.

Materiality Framework

The Council has determined its framework of acceptable levels of materiality and significance, in conjunction with the external auditors, as follows

- Revenue and Expenditure – 1%
- Assets and liabilities – 3%
- Surplus for the year – 5%

A conservative approach has been used in determining these levels of materiality.



MINA LESOMA

Chairperson: The Playhouse Company Council

7. PERFORMANCE MANAGEMENT/STRATEGIC PLAN

for the year ended 31 March 2009

ARTS AND MARKETING			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To produce shows that have artistic, cultural, entertainment and educational value.	Commissioning and/or presenting: <ul style="list-style-type: none">Traditional Arts Festival	A National Isicathamiya Festival and Zulu Dance Competition featuring at least 200 groups.	<p>A very successful Isicathamiya Festival was held on 27 September 2008. 141 groups participated.</p> <p>The Zulu Dance Competition had to be postponed due to the nature of the work, as the Zulu Dance Competition has to be held in an outdoor venue. The theatres have motorised stage lifts and it would have been unsafe for performers to perform and could also have been costly to repair if damaged.</p>
	<ul style="list-style-type: none">New SA Theatrical Work i. e New Stages	At least five new productions.	Five productions were staged: <i>Azibuye Esezadlula</i> , <i>Twisted Bones</i> , <i>Umpfafa</i> , <i>African Sinakho</i> and <i>Tree Boy</i> .
	<ul style="list-style-type: none">SA Women’s Arts Festival	Five different productions.	A very successful SA Women’s Arts Festival was staged and composed of: <i>The Game</i> , <i>Gala Concert</i> , <i>Women of Dzonga</i> , <i>Open Mic Poetry</i> , <i>Battle of Women DJ’s</i> , and <i>New Classics</i> .
	<ul style="list-style-type: none">Schools Programmes	Schools productions presented to more than 60,000 matric learners in townships and rural areas in KZN.	A double-bill for Grade 12 learners of <i>Ngicela Uxolo</i> , as a home language set-work and <i>When Rain Clouds Gather</i> , for learners of English as an additional language was staged. This toured to schools throughout all clusters of KZN and was also presented in the Playhouse Opera Theatre. More than 84,000 learners participated.
	<ul style="list-style-type: none">Test Driving the Arts	40 Test Drive concerts featuring more than 60 groups of local amateur artists.	40 double-billed lunch-hour concerts were staged in the Playhouse Grand Foyer, showcasing more than 40 local amateur groups of various traditional music and dance genres.
	<ul style="list-style-type: none">Festive Season Programmes	At least three high quality productions.	Three productions staged: <i>Unforgettable</i> – a music extravaganza (Opera Theatre); <i>Buckled</i> – comedy focusing on issues around Indian marriage (Drama); <i>Chasing Tales</i> – children’s theatre (Loft).
	<ul style="list-style-type: none">Variety concerts		Featured as part of the SA Women’s Arts Festival as well as the opening ceremony of the International Society for the Performing Arts Concert entitled <i>Ingqayingqayi E-Afrika – Depicting the Splendour of the African Spirit</i> .

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
PERFORMANCE MANAGEMENT/STRATEGIC PLAN (continued)
for the year ended 31 March 2009

ARTS AND MARKETING			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
Ensure equity in our artistic programming.	Full artistic programming to be designed to ensure that more than 60% of previously marginalised groups participate.	Artistic panel and internal peer review process that ensures that a minimum of 60% equity redress in productions and programme participation is in place.	<p>A call for proposals for 2009-2010 was made in June 2008.</p> <p>Proposals received in the genres of music, drama and dance were reviewed by an independent panel which made recommendations to the Playhouse. These productions have been incorporated into the artistic plan for 2009-2010.</p>
To strengthen The Playhouse Company brand and to ensure effective support of its products by all stakeholders.	Effective internal and external communication with all stakeholders.	Newspaper and magazine articles featuring the Playhouse brand. Stakeholder meetings. Newsletters.	<p>An Arts Network Forum has been established which engages with the local theatre fraternity at regular intervals.</p> <p>Publicity was secured in local and national press for productions produced by the Playhouse or presented in association by the Playhouse references the Playhouse brand. Very favourable publicity was received for the festive season mix of productions produced.</p> <p>Key stakeholders such as the National and Provincial Department of Arts and Culture and the portfolio committees thereof, media, arts practitioners, funders etc. are regularly invited to experience the magic of the Playhouse on opening nights of productions.</p>

FRONT OF HOUSE			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To provide a professional and efficient service.	Hold annual workshops for all FOH staff that deals with: (i) time management; (ii) team building and motivation; (iii) professional service delivery presentation.	At least 80% of FOH staff attended workshops.	<p>A workshop on 'Time Management' was held in December and was attended by Production Managers and Heads of Departments.</p> <p>90% (eight) attendance was achieved.</p>
To deliver high quality customer service.	Conduct Customer Satisfaction Survey at least once a year.	Report produced on annual Customer Satisfaction Survey.	Customer Satisfaction Survey was implemented in January 2009. Survey was completed by 61 patrons during March 2009.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
PERFORMANCE MANAGEMENT/STRATEGIC PLAN (continued)
for the year ended 31 March 2009

STAGE MANAGEMENT

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To train and develop stage management crew.	Conduct a skills audit in collaboration with HR with the aim of identifying training needs of all staff in the unit.	Skills audit and training needs analysis report in place. 50% of staff has attended at least one course.	Training Plan is in place which identifies needs of all technical staff. Training which was conducted during the year under review: <ul style="list-style-type: none"> • Counterweight and Flying Systems • Sound Workshop • Lighting Workshop. 50% of staff received training.
To ensure that all theatre venues are running optimally.	Devise and implement a maintenance plan for all venues.	A maintenance plan for all venues is in place.	A maintenance plan is in place.

SOUND

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To ensure timely maintenance and repair of equipment.	Devise a maintenance plan which tracks faults and repairs.	10% decrease of sound hire from the previous year.	A Maintenance Plan has been formalised and implemented. 10% less equipment is being hired in from outside sources.
To improve competence of staff on core functions.	Conduct in-house training on core business/staff to attend product launches and trade fairs/sound exchange programmes with other theatres.	50% of staff to attend training.	Ongoing in-house sound training is provided by the HOD. 100% attended two-day training course in sound designing.

MAINTENANCE AND PRODUCTION WARDROBE

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To ensure timely production, maintenance and repair of costumes.	Produce a work plan for each production.	A work plan per in-house production in place four months prior to opening night of large scale productions; two months for medium scale productions and one month for small scale productions.	A work plan is in place for in-house productions to ensure that all maintenance, repairs and, on occasion, actual production of costumes are done timeously.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
PERFORMANCE MANAGEMENT/STRATEGIC PLAN (continued)
for the year ended 31 March 2009

LIGHTING

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To ensure timely maintenance of equipment.	Devise and implement a maintenance plan for all venues.	Maintenance plan in place. Implement maintenance plan effectively and efficiently. Regular reports to track progress.	A Maintenance Plan has been formalised and implemented; it includes pre and post show maintenance. Submitted as part of Lighting's monthly report as well as the Stage Manager's report for all productions.
To develop skills of staff within the Lighting department.	Conduct on-going in-house training.	All staff to attend at least one training programme by end of financial year.	All staff attended a Lighting Control Desk training course.

RECORDING STUDIO

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
Business unit to embark on a business strategy.	Conduct SWOT analysis to prepare for business planning.	A SWOT analysis report in place.	The Recording Studio Manager resigned. A competent replacement is being sourced to ensure that the Studio is profitable.
Retain current and source new clients.	Conduct customer survey to determine customer satisfaction levels. Develop and implement an action plan to attract new customers.	Customer survey report in place. Increase customer base by 10%.	The Recording Studio Manager resigned. A competent replacement is being sourced to ensure that the Studio is profitable.
Maintain all studio equipment to optimal working condition.	Develop a maintenance plan for the Recording Studio.	An approved maintenance plan in place.	The Recording Studio Manager resigned. A competent replacement is being sourced to ensure that the Studio is profitable.

SUPPORT SERVICES

Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To meet the maintenance needs of equipment and buildings for all departments efficiently and effectively.	Devise and implement an effective and efficient maintenance plan.	Monthly maintenance reports.	Planned maintenance is being affected. All day-to-day repairs are recorded in the register designed for faults/breakdowns. All repairs and maintenance is efficiently carried by in-house staff or appointment of experienced service providers.
Pursue funding for major repairs (air-conditioning and roof) in collaboration with the CEO.	Submit relevant information to the CEO to pursue potential funding.	Submit at least one funding proposal.	Funding for the air-conditioning plant was received on 31 March 2009. The tender process and the replacement of the air-conditioning plant will commence in the new financial year.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
PERFORMANCE MANAGEMENT/STRATEGIC PLAN (continued)
for the year ended 31 March 2009

SUPPORT SERVICES (continued)			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
Identify training needs of staff to improve their competency levels.	In collaboration with the HR Manager procure training services that meet training needs of staff.	At least 80% of staff attended training/ workshops.	Fourteen employees (43%) went on various skills development workshops and courses. The training plan for staff will continue in the new financial year.
Maintain a healthy and safe environment.	Devise and implement a health and safety plan.	Statistics of health and safety related incidents and action taken to address the occurrences. Compliance with legislations and regulations pertaining to health and safety.	Fifteen injuries on duty (IOD) cases were reported and were of a minor nature. In terms of the Fire Regulation a working Fire Detection system is required. A tender for fire detection system is in the process of being finalised.
Ensure that all venues meet the highest cleanliness standards.	Set the cleanliness standards and systems to ensure that they are adhered to. Compilation of a comprehensive inspection checklist.	A positive response about cleanliness from internal and external customers. Feedback from internal and external customers.	There has been no negative feedback received from our customers. An experienced competent cleaning company was appointed. Regular checks are conducted by Management to ensure that all facilities are cleaned and meet the highest cleanliness standard.

FINANCE DEPARTMENT			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
Fixed Assets: Increase efficiency in the management of fixed assets.	Bi-annual verification. Monthly update of register and tagging of new acquisitions.	Completed Asset Register in compliance with Fixed Asset Policy. No queries raised by audits.	Verification completed in October 2008. The register has been updated. Year end verification completed and register updated. Assets disclosed per fixed asset policy. New acquisitions are tagged monthly.
Investments: Optimal return on investment in terms of investment policy.	Obtain rates from financial institutions. Negotiate with institutions to get best rates.	Invest with institutions at rates of prime less 5% at most.	Quotes received from all banks before funds invested. Funds invested with banks supplying highest rates and funds are invested at market related rates.
Budgeting: To improve financial management and control of The Playhouse Company funds.	Monitoring of budgets and explanation for variances. Accurate and timeous preparation of annual budget.	Less than 5% variance of actuals against budget.	Annual budgets have been prepared timeously.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
PERFORMANCE MANAGEMENT/STRATEGIC PLAN (continued)
for the year ended 31 March 2009

FINANCE DEPARTMENT (continued)			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
Financial Reporting: To ensure compliance with policies and procedures (GRAP/GAAP) and PFMA.	Compliance with Finance policies.	Unqualified audit report. Less than three items on audit report.	Awaiting audit report for 2009 financial year. Workshop on compliance held with all managers.
Supply Chain Management (SCM): To enforce compliance with SCM policies and procedures.	Develop a workshop guideline giving time frames for procurement and circulate to all budget holders. Conduct departmental workshops to cover all compliance issues.	Submitted procurement checklist for every procurement. Attendance registers of all SCM workshop attendees.	Supply Chain Management staff attended a training workshop in February 2009. A schedule is maintained that records the requisition date and delivery date thus making Supply Chain Management unit aware as to whether goods are received on time.
Bad Debt: Develop a system to guide the process of incurring debt.	Implement a debt management system using carefully crafted credit application forms.	85% recovery of debt.	Recovery of debt as at year-end is 80%.

HR DEPARTMENT			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
Implement an efficient and effective HR administration, development and Employee Relations systems.	Consultation process to have HR structure approved. Recruitment and selection processes to fill permanent positions in the HR structure.	Consulted and approved HR structure. Permanent employment of staff to fill HR budgeted positions in the approved structure.	The positions of Human Resources Officer and Human Resources Assistant have been made permanent, as per the approved budgeted Human Resources structure. The Human Resources Assistant is currently employed on an ad-hoc basis. The duties of the Salaries Administrator and Wage Administrator have been merged.
Improve employees' skills and competency levels.	Conduct skills audit of all the employees. Commission accredited service providers to train employees on skills gaps identified through the skills audit process.	Training needs analysis and Individual Development Plan for each employee. At least 50% of employees trained on critical skills to improve service delivery and performance.	A training plan focusing on critical job-related skills was approved. An amount of R281,529.00 was spent on training in the financial year. Groups of employees were trained in Supply Chain Management, Customer Service, broad based PC training, use of the Pastel accounting system, and technical training in Lighting, Sound and use of the mechanical Fly bar system.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
PERFORMANCE MANAGEMENT/STRATEGIC PLAN (continued)
for the year ended 31 March 2009

HR DEPARTMENT (continued)			
Outcomes: Key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators	Status as at 31 March 2009
To introduce the first phase of the Performance Management System to all employees.	Develop a Performance Management System that includes an implementation plan.	First phase of the Performance Management System implemented by March 2009.	Performance agreements have been completed for all Programme Managers and Line Managers. Bi-annual reviews will take place thereafter.
Build and sustain a cordial relationship with union.	Management to engage in regular consultation process with union representatives.	Monthly meeting of union leaders with management.	Monthly Union Management meetings are being held. All outstanding issues have been resolved.
Develop an employee assistance programme.	Consultation process with stakeholders with regards to an employee assistance programme.	An employee assistance programme approved by Senior Management.	There is an approved policy in place. We are currently sourcing an external consultant to assist with a suitable programme for 2009/10 financial year.

8. REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2009

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE KWAZULU-NATAL PERFORMING ARTS COMPANY FOR THE YEAR ENDED 31 MARCH 2009 REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the KwaZulu-Natal Performing Arts Company which comprise the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 50 to 77.

The accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 55(1)(c) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the KwaZulu-Natal Performing Arts Company as at 31 March 2009 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1 and in the manner required by the PFMA.

Basis of accounting

8. Without qualifying my opinion, I draw attention to the entity's policy to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
REPORT OF THE AUDITOR-GENERAL (continued)
for the year ended 31 March 2009

Other matters

Without qualifying my opinion, I draw attention to the following matter that relates to my responsibilities in the audit of financial statements:

Governance framework

9. The governance principles that impact the auditor’s opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

10. The PFMA tasks the accounting authority with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

NO.	MATTER	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	✓	
3.	The annual report was submitted for consideration prior to the tabling of the auditor’s report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines.	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development of, and compliance with, risk management, effective internal control and governance practices			
6.	Audit committee	✓	
	The entity had an audit committee in operation throughout the financial year.	✓	
	The audit committee operates in accordance with approved, written terms of reference.	✓	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 27.1. 8.	✓	
7.	Internal audit	✓	
	The entity had an internal audit function in operation throughout the financial year.	✓	
	The internal audit function operates in terms of an approved internal audit plan.	✓	
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 27.2.	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.	✓	
12.	Powers and duties have been assigned, as set out in section 56 of the PFMA.	✓	

THE KWAZULU-NATAL PERFORMING ARTS COMPANY (TRADING AS THE PLAYHOUSE COMPANY)
REPORT OF THE AUDITOR-GENERAL (continued)
for the year ended 31 March 2009

NO.	MATTER	Y	N
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA/Oversight resolutions have been substantially implemented.	✓	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the entity against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulation 30.1).	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

Overall reflection on the governance framework

11. Governance policies and practices operate effectively and are appropriate. The entity has substantially complied with the key governance responsibilities. Furthermore, all requested information was provided timeously and management were on hand to respond to queries, both verbal and written, in a timely manner.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

12. I have reviewed the performance information as set out on pages 40 to 46.

The accounting authority's responsibility for the performance information

13. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the entity.

The Auditor-General's responsibility

14. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

15. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

16. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

17. The assistance rendered by the staff of the KwaZulu-Natal Performing Arts Company during the audit is sincerely appreciated.

Auditor-General

Pietermaritzburg
29 July 2009

9. ANNUAL FINANCIAL STATEMENTS

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2009

	Notes	2009 R	2008 R
Revenue		44,215,033	39,321,926
Grants	2	38,643,519	33,998,664
Box Office income		1,664,387	1,628,949
Other operating income	3	3,907,127	3,694,313
Less: Expenditure		31,940,466	19,956,747
Production costs	4	12,408,567	7,398,299
Production and Technical Services costs	5	4,284,724	3,032,194
Other operating expenditure	6	15,247,175	9,526,254
Emoluments	7	17,144,533	21,367,325
Staff Costs		14,793,291	19,229,486
Senior Management		2,310,487	2,081,850
Council		40,755	55,989
(Deficit) from operations	8	(4,869,966)	(2,002,146)
Interest received		3,350,116	3,135,658
Operating (deficit) surplus for the year	9	(1,519,850)	1,133,512

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
STATEMENT OF FINANCIAL PERFORMANCE (continued)
for the year ended 31 March 2009

	Notes	2009 R	2008 R
ASSETS			
Non-current assets			
Property, plant and equipment	10. 1	11,783,921	7,460,507
Intangible assets	10.2	154,185	198,116
Current assets		35,943,284	31,298,406
Inventories	11	561,726	517,841
Trade and other receivables	12	1,062,252	868,914
Cash and cash equivalents	13	34,319,306	29,911,651
Total assets		47,881,390	38,957,029
NET ASSETS AND LIABILITIES			
Net assets			
Accumulated surplus		25,143,313	26,663,163
Non-current liabilities			
Lease liabilities	14	-	59,369
Current liabilities		22,738,077	12,234,497
Short-term portion leases	14	49,463	131,340
Trade and other payables	15.1	7,814,704	9,782,358
Provisions	15.2	397,910	373,730
Deferred income	16	14,476,000	1,947,069
Total net assets and liabilities		47,881,390	38,957,029

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2009

	Notes	Accumulated Funds R
Balance at 31 March 2007		25,529,651
Operating surplus for the year		1,133,512
Balance at 31 March 2008		26,663,163
(Deficit) for the year		(1,519,850)
Balance at 31 March 2009		25,143,313

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
CASH FLOW STATEMENT
for the year ended 31 March 2009

	Notes	2009 R	2008 R
Cash flows from operating activities			
Cash receipts from grantors and clients		58,497,695	41,148,594
Cash paid to suppliers and employees		(49,977,110)	(37,560,466)
Cash generated from operations	17	8,520,585	3,588,128
Interest received		3,350,116	3,135,658
Net cash from operating activities		11,870,701	6,723,786
Cash flows used in investing activities			
Additions to property, plant and equipment		(7,321,800)	(1,893,469)
Net cash used in investing activities		(7,321,800)	(1,893,469)
Cash flows from financing activities			
Decrease in long-term borrowings		(141,246)	(109,928)
Net cash from financing activities		(141,246)	(109,928)
Net increase in cash and cash equivalents		4,407,655	4,720,389
Cash and cash equivalents at beginning of year		29,911,651	25,191,262
Cash and cash equivalents at end of year	13	34,319,306	29,911,651

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

ACCOUNTING POLICIES

for the year ended 31 March 2009

1 Accounting policies

1.1. The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the effective Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP

GRAP 1: Presentation of financial statements
GRAP 2: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors

Replaced Statement of GAAP

AC101: Presentation of financial statements
AC118: Cash flow statements
AC103: Accounting policies, changes in estimates and errors

The recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 & 3 has resulted in the following significant changes in the presentation of the financial statements:

1. Terminology differences:

Standard of GRAP

Statement of financial performance
Statement of financial position
Statement of changes in net assets
Net assets
Surplus/deficit for the period
Accumulated surplus/deficit
Contributions from owners
Distributions to owners
Reporting Date

Replaced Statement of GAAP

Income statement
Balance sheet
Statement of changes in equity
Equity
Profit/loss for the period
Retained earnings
Share Capital
Dividends
Balance sheet date

2. The cash flow statement can only be prepared in accordance with the direct method.
3. Specific information has been presented separately on the statement of financial position such as:
- (a) receivables from non-exchange transactions, including taxes and transfers;
 - (b) taxes and transfers payable; and
 - (c) trade and other payables from non-exchange transactions.
4. The amount and nature of any restrictions on cash balances is required to be disclosed.

Paragraph 11-15 of GRAP 1 has not been implemented as the budget reporting standard is in the process of being developed by the international and local standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the fair presentation.

The following are the principal accounting policies, which are in all material respects consistent with those applied in previous years, except otherwise indicated.

The financial statements are prepared on the historical cost basis, except where adjustments to present fair values as required by accounting standards were made.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
ACCOUNTING POLICIES (continued)
for the year ended 31 March 2009

1.2. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 1.3. – Property, plant and equipment

Note 1.4. – Intangible assets

Note 1.11. – Provisions

1.3. The following statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board are in issue but not applicable to the Cultural Institution:

GRAP 4 – Effects of Changes in Foreign Exchange Rates
GRAP 5 – Borrowing Costs
GRAP 7 – Investments in Associates
GRAP 8 – Interest in Joint Ventures
GRAP 10 – Financial Reporting in Hyperinflationary Economies
GRAP 11 – Construction Contracts
GRAP 16 – Investment Property
IFRS 2 – Share Based Payments
IFRS 3 – Business Combinations
IFRS 4 – Insurance Contracts
IFRS 6 – Exploration for and evaluation of mineral resources
IAS 12 – Income Taxes
IAS 33 – Earnings per share
IAS 41 – Agriculture

The effects of these Standards have not been determined as they are not applicable.

1.4. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The useful life of assets is reassessed on an annual basis and any change in estimate is taken into account in the determination of remaining depreciation and amortisation charges.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
ACCOUNTING POLICIES (continued)
for the year ended 31 March 2009

Depreciation is calculated on the straight-line method, to write-off the cost of each asset to estimated residual values over its estimated useful life as follows:

Land and buildings	: 50 years
Motor vehicles	: 5 years
Office furniture and other equipment	: 5 years
Computer Equipment	: 3 years
Stage and workshop equipment	: 5 years
Artworks are not depreciated and stage props, costumes and music and drama scripts are written off on acquisition.	

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1.5. Impairment

Non-financial assets

The carrying amount of the company's assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, the condition of the asset is evaluated to ascertain its value in use. Where the asset is damaged beyond repair, the fair value of the asset is its scrap value.

An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised.

1.6. Intangible assets

Intangible assets are shown at cost less accumulated amortisation and impairment losses. The useful life of intangibles is reassessed on an annual basis and any change in estimate is taken into account in the determination of remaining amortisation charges. The amortisation is calculated on the straight line method to write-off the cost of intangible assets over their estimated useful life as follows:

Software	: 2 years
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1.7. Leases

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
ACCOUNTING POLICIES (continued)
for the year ended 31 March 2009

with the accounting policy applicable to that asset.

Minimum lease payments are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a consistent periodic rate of interest in the remaining balance of the liability.

1.8. Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined using the first-in, first-out method. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

1.9. Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables originated by the Cultural Institution are stated at cost less provision for doubtful debts. Receivables are written off when considered irrecoverable. Trade and other receivables and provision for doubtful debts are discounted using the effective interest rate where considered applicable.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Trade and other payables

Trade and other payables originated by the Cultural Institution are stated at cost. Trade and other payables are discounted using the effective interest rate where considered applicable.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss in the period in which the change arises.

1.10. Retirement benefit plans

It is the policy of the Cultural Institution to provide retirement benefits for the employees. The Cultural Institution's contributions in respect of defined contribution plans and benefit plans are expensed as incurred.

1.11. Non-monetary government grant

The Cultural Institution has entered into lease agreements for the free use of certain land and buildings. An assessment is made of the fair value of these assets.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
ACCOUNTING POLICIES (continued)
for the year ended 31 March 2009

The land and buildings are recognised as assets whilst the grant is recognised as deferred income at the fair value. The carrying amount of fixed assets is arrived after deducting the grant that was recognised as deferred income.

The building is depreciated and charged to the income statement. The deferred income is recognised in the same proportion to the depreciation and recognised in the income statement. The depreciation charge is arrived at after deducting the deferred income.

1.12. Revenue

Grants

Income from grants is recognised in the income statement in the year to which it relates. Grants received in advance are recorded as deferred income. Special grants in recognition of specific expenses are recognised as income in the same period as the relevant expenses. Special grants related to capital expenditure are deducted in arriving at the carrying value of the assets capitalised and recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Interest Income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the Cultural Institution.

Box Office and related income

Box Office and related income is recognised when the production has been staged. Complimentary tickets issued to promote and market the productions has no value and are not included in Box Office and related income.

Other income

Other income is recognised when it is probable that the future economic benefits will flow to the Cultural Institution and it can be measured reliably.

1.13. Provisions

Provisions are recognised when the Cultural Institution has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Permanent employees participate in a pension fund established for the Performing Arts Companies of South Africa. The pension fund is governed by the Pensions Fund Act. The Pension Fund is defined as a multi-employer plan. There has been a shortfall of actual contributions over the period 01 April 2005 to April 2009. The next valuation will be done on 01 April 2009 to identify the actual shortfall. The Cultural Institution has made a provision for its portion of the shortfall (refer note 21).

1.14. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the Cultural Institution unless otherwise stated.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

	2009 R	2008 R
2. Grants		
National Department of Arts and Culture	30,182,000	26,565,000
KZN Department of Arts, Culture and Tourism	5,350,000	5,000,000
eThekweni Municipality	2,611,519	2,433,664
National Lottery	500,000	-
Total	38,643,519	33,998,664

3. Other Operating Income		
Hire of performance venues, costumes, sets, and mobile stage	1,792,044	1,875,274
Rent received	723,414	796,391
Bar & other sales	272,663	244,815
Sales	479,145	474,435
Cost of sales	206,482	229,620
Donations and sponsorships	13,590	47,633
Functions	174,878	214,288
Box Office commission – external productions	126,758	260,687
Sundry revenue – Admin and Computicket commission	794,187	250,150
Sale of CDs	9,593	5,075
Total	3,907,127	3,694,313

4. Production Costs		
Direct production costs	9,678,957	6,439,625
Outside hirers costs	73,048	72,051
Productions and festivals	9,430,867	6,152,562
Mobile stage	175,042	215,012
Indirect production costs	2,729,610	958,674
Total	12,408,567	7,398,299

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

	2009 R	2008 R
5. Production and Technical Services Costs		
Workshop	1,397,320	528,618
Technical services	2,887,404	2,503,576
Total	4,284,724	3,032,194
6. Other Operating Expenditure		
Transport	259,781	232,134
Deco hire	47,368	22,382
Wardrobe	17,494	11,610
Maintenance and security	5,655,540	3,566,419
Other services – HR, Finance, Corporate	5,035,185	4,184,322
General – Consultants, insurance and phones	1,340,860	1,113,335
Depreciation & amortisation	2,890,947	396,052
Depreciation & amortisation on fixed assets	8,387,870	6,568,783
Depreciation & Amortisation write-back	(702,971)	(1,370,136)
Deferred Non-monetary Grant Income	(4,793,952)	(4,802,595)
Total	15,247,175	9,526,254
7. Emoluments		
Salaries	10,871,159	9,929,525
Adhocs	2,894,146	2,364,683
Pension Fund	(1,089,571)	4,779,757
Provident Fund	1,405,004	1,296,356
Medical Aid	374,934	385,900
UIF	134,559	124,778
Bonus	884,338	761,205
Industrial Council	-	5,272
Overtime	436,099	319,757
Leave	289,460	375,998
Council – Attendance	40,755	71,062
Car Allowance	571,717	584,391
Housing Subsidies	288,133	327,841
Long Service Awards	43,800	40,800
Total	17,144,533	21,367,325

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

		2009 R	2008 R
8. Deficit from operations			
Deficit from operations is arrived at after taking into account:			
Expenditure			
Auditors' remuneration:		688,149	741,722
Depreciation of property, plant and equipment:		2,805,728	384,710
Motor vehicles		151,154	93,428
Office furniture and other equipment		1,176,585	596,159
Computer equipment		258,274	292,619
Stage equipment		1,823,060	533,500
Workshop equipment		8,281	8,503
Leased assets		4,882,771	4,891,414
		8,300,125	6,415,623
Deferred Non-monetary Grant Income		(4,793,952)	(4,802,595)
		3,506,173	1,613,028
Depreciation write-back		(700,445)	(1,228,318)
Amortisation		85,219	11,342
Intangible assets		87,745	153,160
Amortisation write-back		(2,526)	(141,818)
Impairments		43,551	18,588
Emoluments – Senior Management and Council	20	2,351,242	2,137,839
Finance charges		14,490	29,583
Staff costs		14,793,291	19,229,486
Professional services:		578,993	584,402
Internal audit fees		338,914	393,243
Consultancy fees		240,079	191,159

9. Operating (deficit)/surplus for the year

The operating deficit that is reflected in the income statement was funded from savings from prior years. As these savings are from prior years and therefore do not represent income, they are not recognised as income in the statement of financial performance. An amount of R5,950,703 was transferred to fund the current budget.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

10.1 Reconciliation of Carrying Value of property plant and equipment

Carrying amount 01 April 2007

Gross carrying amount
Accumulated depreciation

Additions

Capital grant

Impairment

Depreciation

Depreciation write-back

Disposals

Cost

Accumulated depreciation

Carrying amount 31 March 2008

Gross carrying amount

Accumulated depreciation

Additions

Capital grant

Impairment

Depreciation

Depreciation write-back

Disposals

Cost

Accumulated depreciation

Carrying amount 31 March 2009

Gross carrying amount

Accumulated depreciation

Deferred Non-monetary Grant Income

Gross Carrying Amount

Accumulated Deferred Income

Total

Reconcilliation of opening balance

Carrying amount 31 March 2008

Gross carrying amount

Accumulated depreciation

Deferred Non-monetary Grant Income

Gross Carrying Amount

Accumulated Deferred Income

Total at 31 March 2008

Land and buildings (refer note 2) comprise:

1. Rem of Portion 1 of ERF 10636 of Durban
2. Rem of Portion 3 of ERF 615 of Brickfield
3. Portion 3 of ERF 10635 of Durban

The land and buildings are registered in the name of the Department of Public Works.

The Cultural Institution leases the land and buildings from the Department of Public Works for no consideration.

The capitalised leased assets (office equipment) are held in terms of finance lease agreements. Refer to note 14.

The gross carrying value of fully depreciated property, plant and equipment that is still in use is R141,371.

The major category of items is stage equipment comprising lighting and sound items.

Motor Vehicles	Stage Props Costumes and Scripts	Office Furniture and Other Equipment	Computer Equipment
R	R	R	R
266,270	1	3,955,434	348,317
759,776	1	5,431,902	686,638
493,506	-	1,476,468	338,321
302,928	-	676,746	438,362
-	-	-	-
-	-	2,866	12,855
93,428	-	596,159	292,619
(63,325)	-	(109,780)	(123,264)
-	-	-	-
-	-	-	-
-	-	-	-
539,095	1	4,142,935	604,469
1,062,704	1	6,108,648	1,125,000
523,609	-	1,965,713	520,531
-	-	1,245,788	99,121
-	-	8,338	25,305
151,154	-	1,176,585	258,274
(4)	-	(12,184)	(127,735)
-	-	(643)	(3,998)
-	-	(2,634)	(15,256)
-	-	(1,991)	(11,258)
387,945	1	4,215,341	543,748
1,062,704	1	7,351,802	1,208,865
674,759	-	3,136,461	665,117
-	-	-	-
-	-	-	-
-	-	-	-
387,945	1	4,215,341	543,748

Stage Equipment	Workshop Equipment	Orchestral Instruments	Artworks	Capitalised Leased Assets (office equipment, Land and Buildings)	Total
R	R	R	R	R	R
723,422	6,816	-	469,870	266,458	6,036,588
7,417,331	70,990	-	469,870	444,096	15,280,604
6,693,909	64,174	-	-	177,638	9,244,016
393,425	15,358	-	-	141,900,000	143,726,819
-	-	-	-	-	-
2,440	29	-	-	-	18,190
533,500	8,503	-	-	4,891,414	6,415,623
(918,935)	(13,014)	-	-	-	(1,228,318)
-	-	-	-	-	-
-	-	-	-	-	-
1,499,842	26,656	-	469,870	137,275,044	-144,557,912
7,810,756	86,348	-	469,870	142,344,096	159,007,423
6,310,914	59,692	-	-	5,069,052	14,449,511
5,823,874	111,729	-	-	-	7,280,512
-	-	-	-	-	-
8,598	1,310	-	-	-	43,551
1,823,060	8,281	-	-	4,882,771	8,300,125
(557,279)	(3,243)	-	-	-	(700,445)
(103,173)	(5)	-	-	-	(107,819)
(420,841)	(5)	-	-	-	(438,736)
(317,668)	-	-	-	-	(330,917)
5,946,164	132,032	-	469,870	132,392,273	-144,087,374
13,213,789	198,072	-	469,870	142,344,096	165,849,199
7,267,625	66,040	-	-	9,951,823	21,761,825
-	-	-	-	(132,303,453)	(132,303,453)
-	-	-	-	(141,900,000)	(141,900,000)
-	-	-	-	9,596,547	9,596,547
5,946,164	132,032	-	469,870	88,820	11,783,921

1,499,842	26,656	-	469,870	137,275,044	-144,557,912
7,810,756	86,348	-	469,870	142,344,096	159,007,423
6,310,914	59,692	-	-	5,069,052	14,449,511
-	-	-	-	(137,097,405)	(137,097,405)
-	-	-	-	(141,900,000)	(141,900,000)
-	-	-	-	4,802,595	4,802,595
1,499,842	26,656	-	469,870	177,639	7,460,507

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

10.2. Intangible Assets

Carrying amount 01 April 2007

Gross carrying amount

Accumulated amortisation

Additions

Impairment

Amortisation

Amortisation write-back

Disposals

Cost

Accumulated amortisation

Carrying amount 31 March 2008

Gross carrying amount

Accumulated amortisation

Additions

Impairment

Amortisation

Amortisation write-back

Disposals

Cost

Accumulated amortisation

Carrying amount 31 March 2009

Gross carrying amount

Accumulated amortisation

Amortisation is included with depreciation

Software	Total
R	R
143,206	143,206
258,177	258,177
114,971	114,971
66,650	66,650
398	398
153,160	153,160
(141,818)	(141,818)
-	-
-	-
-	-
198,116	198,116
324,827	324,827
126,711	126,711
41,288	41,288
-	-
87,745	87,745
(2,526)	(2,526)
-	-
-	-
-	-
154,185	154,185
366,115	366,115
211,930	211,930

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

	2009 R	2008 R
11. Inventories		
Catering	70,848	77,011
Workshop	143,154	88,078
Wardrobe	66,608	68,297
General stores	281,116	284,455
	<u>561,726</u>	<u>517,841</u>
12. Trade and other receivables		
Trade receivables	361,084	214,031
Staff debtors	14,747	15,204
Other receivables and accruals	756,058	711,414
	<u>1,131,889</u>	<u>940,649</u>
Less: Debtors impairment	(69,637)	(71,735)
	<u>1,062,252</u>	<u>868,914</u>
13. Cash and cash equivalents at end of year		
Cash available immediately	18,319,306	371,655
Investments – Fixed Deposits	16,000,000	29,539,996
Cash available in 30 days	2,000,000	29,539,996
Cash available in 60 days	9,000,000	-
Cash available in 90 days	5,000,000	-
	<u>34,319,306</u>	<u>29,911,651</u>

R277,816 and R30,360 is pledged as security for guarantees issued by FNB on behalf of the Cultural Institution for eThekweni Municipality and The Postmaster respectively.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

	2009 R	2008 R
14. Lease Liabilities		
Finance lease liabilities	49,463	190,709
Less short-term portion	49,463	131,340
	<u>-</u>	<u>59,369</u>

Secured by capitalised leased assets office equipment with a book value of R444,096.
The implicit interest rate was 12 percent.

The lease agreement provides for monthly installments of R13,467 per month.

Ownership of the office equipment will not pass to the Cultural Institution at the end of the lease period.

Reconciliation between the total minimum lease payments and their present values.

	Due in 1 year	Due 2-5 years	Total
Minimum Lease Payments	53,868	-	53,868
Less Finance Costs	(4,405)	-	(4,405)
Present Value	<u>49,463</u>	<u>-</u>	<u>49,463</u>

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

	2009 R	2008 R
15.1. Trade and other payables		
Trade payables	899,924	2,291,213
Other payables and accruals	1,591,329	1,258,282
Pension fund accrual	3,167,318	4,330,460
Leave pay accrual	1,761,748	1,562,674
Bonus accrual	394,385	339,729
	<u>7,814,704</u>	<u>9,782,358</u>
15.2. Provisions		
Pension fund provision – opening balance	373,730	373,730
Increase in provision	24,180	-
	<u>397,910</u>	<u>373,730</u>
16. Deferred Income		
Special Grant – National Department of Arts and Culture	1,286,055	1,286,055
Opening Balance	1,286,055	1,286,055
Less: Amounts Recognised as Income	-	-
Less: Amounts used to acquire assets	-	-
Grant Received in Advance	13,189,945	661,014
National Department of Arts and Culture	12,500,000	-
KZN – Department of Arts, Culture and Tourism	-	-
eThekweni Municipality	658,258	615,747
Transnet Sponsorship – Mobile stage	31,687	45,267
	<u>14,476,000</u>	<u>1,947,069</u>

Conditional Grant

The KwaZulu-Natal Department of Arts, Culture and Tourism

The Cultural Institution receives public funding from the KwaZulu-Natal Department of Arts, Culture and Tourism

As a declared cultural institution, The KwaZulu-Natal Performing Arts Company has objectives that have been agreed to by the Department:

1. To facilitate a viable theatre company of excellence.
2. To provide a balanced programme of events.
3. To promote and facilitate productions that enhance multi-culturalism and excellence in the unique identity of the SA experience.
4. To contribute towards the development of new works.
5. To promote the constitutional right of equity and to eliminate unfair discrimination in the workplace, by ensuring the implementation of employment equity.
6. To continue to ensure that equal opportunities are made available to all employees by providing adequate training and incentives to ensure a committed and productive workforce.
7. To strategically position and market itself for financial benefit, enabling it to achieve its goals and maintain a competitive edge.
8. To maintain, upgrade in a cost-effective manner and maximise utilisation of facilities and resources
9. To attract a wider audience base.
10. To establish mutually beneficial relationships with local, national and international artists, creating job opportunities for artists and technicians.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

Conditional Grant eThekweni Municipality

The eThekweni Municipality has entered into an agreement with The KwaZulu-Natal Performing Arts Company for the granting of financial assistance. The KwaZulu-Natal Performing Arts Company shall be referred to as 'The Cultural Institution'

The funds are granted based on The Cultural Institution achieving certain performance related obligations.

These obligations are set out hereunder:

1. The Cultural Institution shall apply the funds to the attainment of its main object as Cultural Institution.
2. The Cultural Institution shall commit itself to contributing meaningfully to the improvement of the quality of life of communities within eThekweni Municipality by:
 - 2.1. We providing, through the medium of music, dance, drama, theatricals and cultural entertainment, educations and development.
 - 2.2. Identifying and nurturing local talent and skills.
 - 2.3. Creating platforms within the communities for the experience of live music, dance drama, theatricals and cultural entertainment.
 - 2.4. Contributing and playing a promotional and a significant role in economic development and tourism.
 - 2.5. Ensuring The Cultural Institution's artistic growth, financial sustainability and achieving excellence in all its activities.
3. The Artistic Director and Chief Executive of The Cultural Institution and the City manager of eThekweni Municipality shall have a formal review of The Cultural Institution's performance at least once a year.
4. Payment of the grant will be inter alia dependent on attainment of the following financial targets, performance targets and other obligations:
 - 4.1. An increase in own revenue of 5% per annum. If target not met, then reasons need to be supplied.
 - 4.2. Secure funding from other sources, including other spheres of government.
 - 4.3. The ratio of administrative staff costs in relation to total expenditure should not exceed 40%.
 - 4.4. Current outreach programmes must be maintained and the presentation of relevant statistics reflecting new community outreach programmes for the year.
 - 4.5. The Cultural Institution must endeavour to make the facilities and services available free of charge to applicants (max of 10 per Council financial year), referred by the city in accordance with the following:
 - 4.5.1. The facilities are made available or an alternative date made available.
 - 4.5.2. Applicants referred to The Cultural Institution shall have the same rights and obligations as ordinary clients.
 - 4.6. The Cultural Institution shall submit a copy of the quarterly Artistic Directors Report, which contains details on The Cultural Institution's performance and development activities undertaken.
 - 4.7. The Cultural Institution shall provide monthly income and expenditure reports before the 15th of the following month.
 - 4.8. The Cultural Institution shall provide a copy of its audited AFS as soon as it becomes available but not later than 31 August each year.
 - 4.9. The Cultural Institution shall provide a copy of its annual report to the National Department of Arts and Culture.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

	2009 R	2008 R
17. Reconciliation of cash generated/utilised by operations		
Cash (utilised) generated by operations		
Operating (deficit)/surplus for the year	(1,519,850)	1,133,512
Adjusted for:		
Depreciation, Amortisation and Impairment	2,934,498	414,640
Loss/(Profit) on disposal of property, plant and equipment	107,819	-
Interest received	(3,350,116)	(3,135,658)
Operating cash flows before working capital changes	(1,827,649)	(1,587,506)
Working capital changes		
	10,348,234	5,175,634
Increase in inventories	(43,885)	(23,668)
Increase in accounts receivable	(193,338)	(120,401)
(Decrease)/Increase in accounts payable	(1,943,474)	5,245,114
Increase in deferred income	12,528,931	74,589
Cash generated from operations	8,520,585	3,588,128

18. Financial instruments

Overview

The Cultural Institution has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

This note presents information about The Cultural Institution's exposure to each of the above risks, The Cultural Institution's objectives, policies and processes for measuring and managing risk, and The Cultural Institution's management of capital. Further quantitative disclosures are included throughout these financial statements.

In terms of Treasury Regulations 27.2.1. issued in terms of the PFMA, the accounting authority (Council) must ensure that a risk assessment is conducted regularly to identify emerging risks in the entity. The Council has established the Audit Committee which is responsible for developing and monitoring The Cultural Institution's risk management policies.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

The Cultural Institution’s risk management policies are established to identify and analyse the risks faced by The Cultural Institution, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and The Cultural Institution’s activities. The Cultural Institution, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with The Cultural Institution’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by The Cultural Institution. The Audit Committee is assisted in its oversight role at operations level by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to The Cultural Institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from The Cultural Institution’s receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2009 was:

	2009 R	2008 R
Trade and other receivables (note 12)	1,062,252	868,914

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

Trade and other receivables

The Cultural Institution's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The composition of The Cultural Institution's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The majority of other receivables and accruals relates to interest income receivable from financial institutions for monies invested in fixed deposits.

The trade debtors comprise monies outstanding for the services as follows:

- Truck hire – Deposits or order numbers are received before the truck is hired out for cultural events.
- Rental – Deposits are held from tenants.
- Recording Studio – 60% of fees are received in advance.
- Function venue hire – Deposits are received in advance.
- Costume/props/wigs hire – Fees are received before items are hired out.
- Ticket sales – Monies are received from sales at the door or through Computicket.

The Cultural Institution's policy is to monitor its exposure to credit risk on a monthly basis. At year-end, the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Investments

The Cultural Institution limits its exposure to credit risk by investing only in liquid securities and only with approved banks and financial institutions.

Guarantees

The Company's policy is to provide financial guarantees only for specified services.

The guarantees in issue as at 31 March 2009 were as follows:

- eThekweni Municipality for services – R277,816
- The Postmaster for services – R30,360

Liquidity risk

Liquidity risk is the risk that The Cultural Institution will not be able to meet its financial obligations as they fall due. The Cultural Institution's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Cultural Institution's reputation.

The Cultural Institution makes payments weekly. An assessment is made of the payments due in advance. Monies are transferred to the current account to meet the weekly obligations. Any surpluses are invested on a month to month basis at the most optimum rate.

It is the policy of The Cultural Institution, in line with the National Department of Arts, Culture and Tourism not to borrow monies. There are thus no credit facilities available.

The cash available as at 31 March 2009 was R34,319,306 (2008 – R29,911,651)

Market risk

Market risk is the risk that changes in market prices, such as the interest rates that will affect The Cultural Institution's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. The Cultural Institution's policy, in line with the National Department of Arts, Culture and Tourism, is to invest surplus cash.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2009

Optimal rates and periods are received from various institutions. A proposal is made and approved by senior management.

Due to the volatility in the interest rate at year-end, monies were invested on a month to month basis to take advantage of the monthly increases in interest rates.

Currency risk

The Cultural Institution does not engage in foreign currency transactions and is thus not exposed to this risk.

Interest rate risk

It is the policy of The Cultural Institution, in line with the National Department of Arts, Culture and Tourism not to borrow monies. There are thus no credit facilities available. There is thus no risk relating to changes in the interest rate.

The Cultural Institution’s policy, in line with the National Department of Arts, Culture and Tourism is to invest surplus cash. Optimal rates and periods are received from various institutions. A proposal is made and approved by senior management.

Due to the volatility in the interest rate at year-end, monies were invested on a month to month basis to take advantage of the monthly increases in interest rates.

Profile				
		2009		2008
Variable rate instrument	Int Rate %	Carrying amount	Int Rate %	Carrying amount
FNB – Call account			8.95	29,996
Investec – Call account			10.50	3,000,000
Investec – 30 Day	10.36	2,000,000	11.05	4,000,000
Investec – 60 day fixed	9. 86	2,000,000		
Nedbank – Call account	10. 35	5,255,000		
Nedbank – 30 Day	9.88	6,000,000	11.10	5,000,000
ABSA – Call account			10. 30	2,255,000
ABSA – 30 Day	9.90	1,000,000	11.06	7,000,000
ABSA – 90 Day fixed	12.00	5,000,000		
Standard Bank – 30 Day			10.75	3,000,000
		16,000,000		29,539,996

At 31 March 2009, if interest rates at that date had been 100 basis points higher or lower, with all other variables held constant, profits would have increased or decreased by R160,000.

At 31 March 2009, the carrying amounts of cash and cash equivalents, trade receivables and trade and other payables approximate their fair values due to their short-term maturities. Trade receivables and payables will mature within 30 to 60 days.

Fair values

The fair values of financial assets and liabilities are the same as the carrying values reflected in the balance sheet.

19. Tax Exemption

The public cultural institution is exempt from taxation in terms Section 10(1)(cA)(l) of the Income Tax Act.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

20. Emoluments – Senior Management and Council

Senior Management

L Bukhosini – April 2008-Mar 2009 (Chief Executive and Artistic Director)

	2009 R	2008 R
Salary	587,276	553,384
Bonus	50,957	46,115
Pension, Med-aid Contributions	100,895	91,308
Car Allowance, Cell phone and Other	276,633	233,709

G Pillay – April 2008-Mar 2009 (Chief Financial Officer)

Salary	416,341	376,781
Pension, Med-aid Contributions	68,696	62,169
Car Allowance, Acting Allowance and Other	187,848	163,440

O Hlangu – April 2008-March 2009 (Support Services Manager)

Salary	318,427	300,049
Bonus	27,629	25,004
Pension, Med-aid Contributions	107,551	60,820
Car Allowance, Acting Allowance and Other	168,234	169,071

Total Senior Managers

2,310,487

2,081,850

Members of Council and Subcommittees

	40,755	55,989
M Lesoma – Fees – August 2008	8,739	5,508
B Tembe – Fees – August 2008	1,390	-
R Ashe – Fees – August 2008	2,849	7,606
CT Ndlovu – Fees	-	3,584
D Thusi – Fees	-	4,438
D Ndlovu – Fees	-	2,262
E Mthethwa – Fees	-	5,668
L Theron – Fees – August 2008	* 5,361	* 6,346
M Rajab – Fees – August 2008	5,883	5,670
T Madonsela – Fees – August 2008	-	3,730
T Shezi – Fees – August 2008	4,542	-
P Mnisi – Fees – August 2008	695	-
TSS Ngcobo – Fees – August 2008	819	-
J Shabalala – Fees – August 2008	819	-
M Khoza – Fees – August 2008	1,390	-
M Mvulane – Fees	6,059	11,177

Total Emoluments

2,351,242

2,137,839

* Permission obtained from Minister of Justice to receive fees and allowances

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

21. Retirement benefits

Permanent employees participate in pension and provident funds established for the Performing Arts Companies of South Africa or a Provident Fund established by South African Commercial Catering and Allied Workers Union. The Pension and Provident Funds are governed by the Pensions Fund Act. The Provident Funds are defined contribution plans and do not require periodic actuarial valuations.

The Pension Fund

The Fund is a defined benefit multi-employer plan.

The assets of the fund are pooled. It is not possible for a participating employer to account for the Fund as a defined benefit plan, since the assets held in respect of each employer is not identified separately.

The Fund is accordingly accounted for as a defined contribution plan in the following way:

- The participating employer recognised the contributions payable for the service rendered by employees during the year as a liability (accrued expense) after deducting contributions already paid and as an expense.
- The participating employer disclosed the amount recognised as an expense.
- The extent that surplus or deficit may affect future contributions:
 - a) After repayment of the shortfall in contributions below the rate recommended in the valuation report, the past service deficit would have amounted to R3,119,000 at 01 April 2005. This deficit also represents a debt to be funded by the participating employers. We, however, recommend that the funding of the remaining debt of R3,119,000 be deferred for a short while as this will be included in the results of the 2008 valuation, which is currently in progress.
 - b) The deficit was determined by comparing the market value of the assets with the value of the liabilities, determined in the projected unit credit method.
 - c) No additional contribution rate was indicated to fund the deficit in view of the fact that it represents only a small proportion (0.6%) of the value of the liabilities.

The surplus apportionment exercise as at 01 April 2002 in terms of the Pension Funds Second Amendment Act, 2001 has now been approved by the Registrar of Pension Funds. One of the requirements of the Act is that past service surplus utilised improperly (as defined in the Act) has to be repaid by employers plus 'fund interest'. Fund interest is the net investment return earned by the Fund over the period. The value of the instances which qualify as improper use of surplus amounted to R3,851,000 on the surplus apportionment date 01 April 2002 and this liability has accumulated to R8,448,000 as at 01 April 2009. Employers are required to pay the value of surplus utilised improperly to the Fund which means that the amount of R8,448,000 as at 01 April 2009 (plus fund interest to date of payment) will have to be paid to the Fund by the participating employers. We have accrued for the Playhouses portion of R2,165,799.

The shortfall in contributions in last year's report was accumulated at the investment return earned on the assets. The shortfall has now been revalued at the valuation rate of interest in order to match the increase in the corresponding liability.

The change in method of accumulation is warranted as it will provide for a consistent increase that is not subject to the movements in the market. It therefore will not add to the surplus if market returns are good or add to the deficit if market returns are poor.

The statutory actuarial valuation as at 01 April 2005 revealed a past service deficit of R7,517,000 which has arisen partly due to the shortfall in employer contributions of R4,397,000 from 01 April 2002 to 01 April 2005. The shortfall in the employer contributions is the shortfall between the actual rate of contribution below the rate recommended in the previous valuation report. After repayment of the contribution shortfall, the revised past service deficit at 01 April 2005 is R3,119,000.

The above means that the value of this shortfall has to be repaid as the Fund would still have been in a deficit after the contribution shortfall has been repaid.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

21. Retirement benefits (continued)

The revised shortfall of R4,397,000 has accumulated to R5,981,000 on 01 April 2009. We have accrued for the Playhouse’s portion of R1,001,519.

There is a further shortfall in actual contributions over the period 01 April 2005 to 01 April 2008 below that recommended in the 01 April 2005 valuation report which amounts to R4,743,000 on 01 April 2009. This has also been revalued at the valuation rate of interest. Should the valuation results as at 01 April 2008 indicate that surplus has accumulated in the Fund it could, subject to the trustees’ approval, be set off against this debt. We recommend that provision be made for this amount until the valuation becomes available. We have provided for the Playhouse’s portion of R348,207.

There is a further shortfall in actual contributions over the period 01 April 2008 to 01 April 2009 below that recommended in the 01 April 2005 valuation report which amounts to R1,194,000 on 01 April 2009. This has also been valued at the valuation rate of interest. Should the valuation results as at 01 April 2008 indicate that surplus has accumulated in the Fund it could, subject to the trustees’ approval, be set off against this debt. We recommend that provision be made for this amount until the valuation becomes available. We have provided for the Playhouse’s portion of R49,703.

In conclusion, the employers overall debt to the Fund at 01 April 2009 is the sum of the amounts mentioned above, which is R20,366,000. The Playhouse’s portion is R3,565,228.

The contribution to the pension funds during the year was R70,953 (2008: R108,340), provident funds R2,045,588 (2008: R1,892,601) and is included in staff cost.

The values have been accumulated using the following rates of interest:

PERIOD	RATE	SOURCE
7/12/2001 to 31/12/2002	3%	Net fund interest based on market value
1/01/2003 to 31/12/2003	16%	Net fund interest based on market value
1/01/2004 to 31/12/2004	25%	Net fund interest based on market value
1/01/2005 to 31/12/2005	27%	Net fund interest based on market value
1/01/2006 to 31/12/2006	32%	Net fund interest based on market value
1/01/2007 to 31/12/2007	11%	Net fund interest based on market value
1/01/2008 to 31/12/2008	-16%	Net fund interest based on market value
1/01/2009 to 31/12/2009	-19%	Net fund interest based on market value

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

22. Related Parties

22.1. National Department of Arts and Culture.

Grants received for the financial year amounted to R30,182,000, and for the year 2009/10 will amount to R31,799,000.

22.2. KZN Department of Arts, Culture and Tourism

Grant received for the 2008/9 financial year amounted to R5,350,000 was received on 09 June 2008.

22.3. eThekweni Municipality

A Transfer payment of R2,633,030 for the financial year was received on 03 December 2008. An amount of R658,258 has been deferred to the 2009/10 financial year. A total transfer payment of R2,611,519 is recorded as income for the current year, R1,995,772 (R2,633,030 – R658,258 + R21,000) plus R615,747 deferred in the previous financial year.

22.4. Department of Public Works

The Department is the legal owner of the Land and Buildings occupied by The KwaZulu-Natal Performing Arts Company and The Cultural Institution leases the property at no charge.

22.5. Council

The Council has been appointed by the Minister of Arts and Culture to oversee and ensure corporate governance. Council has various subcommittees such as Finance, Audit, Human Resources and Remuneration Committees that guide and assist management, which is appointed by Council. Refer note 19 – compensation.

Mr Rajab is a member of the Council of the Cultural Institution and is a Director of New National Assurance Company. New National Assurance undertook a standard In-Association production called *Sujaat Khan Festival* in 2007/08. All related costs were paid by New National Assurance. The Cultural Institution gave a waiver for venue rental in exchange for 20% of gross box office income. The production was not subsidised by The Cultural Institution.

22.6. Transnet Truck

The Cultural Institution and the Transnet Foundation entered into a joint venture in providing a fully equipped mobile stage. The Transnet Foundation has provided the Cultural Institution with the use of a truck trailer, Pantechinon semi trailer and sound equipment. The Transnet Foundation maintains and services the truck trailer and semi trailer.

The Cultural Institution is responsible for costs of tyres, oil, insurance and general up-keep of the truck and staff. All proceeds and income from the use of the truck accrue for the sole benefit of The Cultural Institution.

22.7. KwaZulu-Natal Philharmonic Orchestra (KZNPO)

A Memorandum of Agreement exists between the Cultural Institution and KZNPO. This agreement includes the following:

- a) Occupying a portion of the Cultural Institution's administration building.
- b) Access to finance and human resources services for which they are invoiced.
- c) As part of the restructuring process in 1999 assets (orchestral equipment, scripts and scores) with an original cost of R328,739 were transferred to the KZNPO at a nil value.
- d) The Cultural Institution receives a discounted rate for the services offered by the Orchestra to the Cultural Institution.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2009

The Cultural Institution engaged the services of the Orchestra for numerous performances. During the year under review a discounted total of R1,052,379 (2008: R226,257) was paid to the KZNPO for these performances. An amount of R194,724, (2008: R203,391) was paid by KZNPO for services rendered by The Cultural Institution.

The Chief Executive Officer of the KZNPO is a member on the Council of The Cultural Institution and is married to the Chief Executive Officer of The Cultural Institution.

22.8. Management

Mr O Hlangu is the Support Services Manager of The Cultural Institution. He is also the Chairman of the Technical Direction Corporation of Africa (Pty) Ltd. During the period April 2008 to March 2009 an amount of R914,090 (2008: R63,998) was paid by The Cultural Institution to the Technical Direction Corporation of Africa (Pty) for repairs and purchases of R879,580 for sound equipment. An amount of R37,134 was paid to The Cultural Institution in 2008 for the hire of the Mobile Stage. Technical Direction Corporation Services (Pty) Ltd. is associated to Prosound (Pty) Ltd. During the year The Cultural Institution paid R17,768 (2008: R20,103) to Prosound (Pty) Ltd for repairs and upgrading of sound equipment. In February 2008 a contract was awarded to TDC Africa PTY LTD for sound equipment to the value of R818,310.

22.9. Key Personnel

Chief Executive Officer and Artistic Director – Linda Bukhosini

Chief Financial Officer – Govin Pillay

Support Services Manager – Oscar Hlangu

23. Subsequent events

There were no significant events that occurred between balance sheet date and date of this report.

24. Irregular, fruitless or wasteful expenditure

No material losses through criminal conduct, or irregular, fruitless or wasteful expenditure were incurred during the year ended 31 March 2009.

THE KWAZULU-NATAL PERFORMING ARTS COMPANY

10. HUMAN RESOURCES

for the year ended 31 March 2009

PERSONNEL COSTS					
Total Expenditure	Personnel Expenditure	Training Expenditure	Consultancy Services	Personnel Costs as a % of Total Expenditure	Average personnel cost per employee
R49,084,999	R17,144,533	R311,922	R240,079	34.90%	R138,511

SALARIES, OVERTIME, HOUSING SUBSIDY, MEDICAL ASSISTANCE, PENSION/PROVIDENT CONTRIBUTIONS, OTHER ALLOWANCES AND LEAVE GRATUITIES							
Salaries Amount	Overtime Amount	Housing Allowance	Medical Assistance	Pension/ Provident Fund	Other Allowances	Ad-hoc payments	Leave Gratuities
R10,871,158	R436,099	R288,133	R374,934	R315,433	R1,634,414	R2,934,901	R289,460

EMPLOYMENT AND VACANCIES			
Type of Post	Number of Posts	Number of Posts Filled	Vacancy Rate
Permanent	101	84	17%
Adhoc/Fixed Term contracts	48	48	0%

REASONS FOR LEAVING		
Termination Type	Number	% of Total
Death	2	0%
Resignation	9	11.90%
Expiry of Contract	0	0%
Dismissal; operational changes	0	0%
Dismissal; misconduct	0	0%
Dismissal; in-efficiency	0	1%
Discharged due to ill-health	1	0%
Retirement	1	0%
Other	0	0%
Total number of employees who left	13	15%
Total number of employees who left as a % of the total employment	15%	7%

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
HUMAN RESOURCES (continued)
for the year ended 31 March 2009

ANNUAL TURNOVER RATE						
Occupational Level	Number of Employees as at 01 April 08	Appointments and Transfers into the Institution	Terminations and Transfers out of the Institution	Turnover Rate	Contracts on Permanent Positions	Total Number as at 31 March 2009
Senior Management	2	0	0	0%	0	2
Professionally qualified and experienced specialists and mid-management	8	3	-4	-50%	3	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	25	2	-3	-12%	4	28
Semi-skilled and discretionally decision-making	43	3	-5	-12%	3	44
Unskilled and defined decision-making	1	0	-1	-100%		0
Total	79	8	-13	-16%	10	84

LABOUR RELATIONS	
Outcome of Disciplinary Hearings	Number
Final Written Warnings	2
Dismissals	0
Total	2

THE KWAZULU-NATAL PERFORMING ARTS COMPANY
HUMAN RESOURCES (continued)
for the year ended 31 March 2009

EMPLOYMENT EQUITY									
Post Level	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	0	0	1	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	2	3	0	0	1	2	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	1	2	8	2	0	1	2	28
Semi-skilled and discretionally decision-making	24	0	5	0	6	1	4	4	44
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0
Total permanent employees	38	1	10	11	9	1	6	8	84
Non-permanent employees	0	0	0	0	0	0	0	0	0
TOTAL	38	1	10	11	9	1	6	8	84

TRAINING NEEDS IDENTIFIED 01 APRIL 2008 TO 31 MARCH 2009					
Training needs identified at start of reporting period					
Gender	Number of employees as at 01 April 2008	Learnerships	Skills programmes & other short courses	Other forms of training (voluntary)	Total
Male	60	0	27	0	27
Female	24	0	19	0	19
Total	84	0	46	0	46