



Annual Report 2014-15



Ingoma Competition

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PART A

GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name:	The Playhouse Company
Physical Address:	29 Acutt Street, Durban, 4001
Postal Address:	P O Box 5353, Durban, 4000
Telephone Number:	+27 (0)31 369 9555
Fax Number:	+27 (0)31 306 2166
Email Address:	cfo@playhousecompany.com
Website Address:	www.playhousecompany.com
External Auditors:	The Auditor-General of South Africa
Bankers:	First National Bank

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
MEC	Member of Executive Council
BBBEE	Broad-Based Black Economic Empowerment
CAMP	Community Arts Mentorship Programme
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts and Culture
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium-Term Expenditure Framework
SAWAF	South African Women's Arts Festival
SMME	Small, Medium and Micro Enterprises
SCM	Supply Chain Management

3. STRATEGIC OVERVIEW

3.1. Vision

Striving for artistic excellence and cultural diversity in the performing arts.

3.2. Mission

To advance, promote and preserve the performing arts by staging productions with entertainment and educational value for diverse audiences.

3.3. Values

- Integrity
- Professionalism
- Diversity
- Transparency
- Fairness
- Accountability
- Excellence

3.4. Strategic Outcome Orientated Goals

To advance, promote and preserve the performing arts.

4. LEGISLATIVE AND OTHER MANDATES

In terms of section 8(5) of the Cultural Institutions Act No. 119 of 1998, the role of The Playhouse Company is to advance, promote and preserve the performing arts in South Africa.

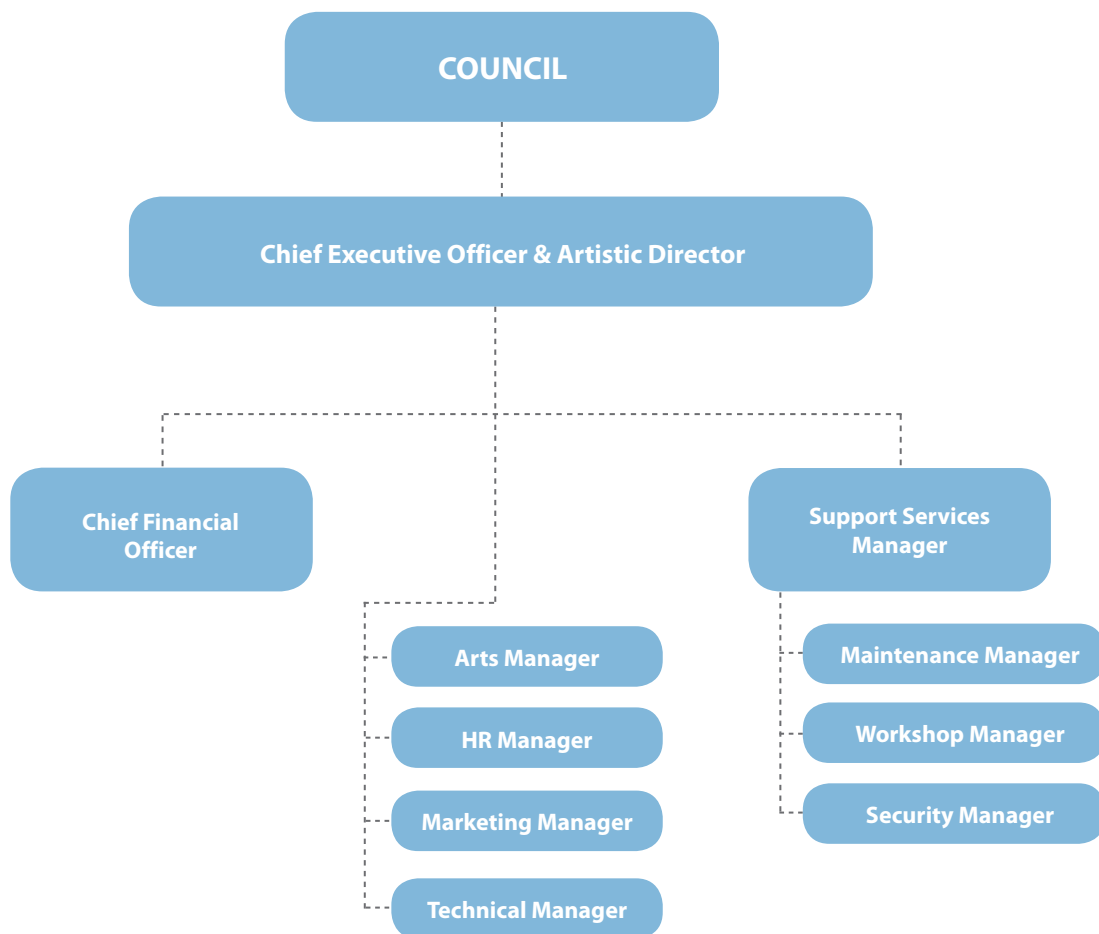
The Playhouse Company operates under various legal mandates, including, among others:

- The Constitution of the Republic of South Africa;
- Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended by Act No. 29 of 1999);
- Cultural Institutions Act, 1999 (Act No. 119 of 1998);
- The Treasury Regulations and Division of Revenue Act, 2010 (Act No. 1 of 2010);
- The Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);
- The Labour Relations Act, 1995 (Act No. 66 of 1995);
- The Cultural Promotions Act, 1998 (Act No. 35 of 1983);
- The Occupational Health & Safety Act, 1993 (Act No. 59 of 1993); and
- General Administration Regulations Act, 1983 (Act No. 6 of 1983).

5. ORGANISATIONAL STRUCTURE



From left to right: Sathie Gounden, Sipheshile Ndelela, Malcolm Purkey, Thembi Mtshali-Jones (Deputy Chairperson), Linda Bukhosini (CEO & Artistic Director), Hlengiwe Mgabdeli (Chairperson of Council), Khwezi Kunene, Fikile Khumalo and Nathi Mbele. Not in the picture: Lynette Ntuli.



6. FOREWORD BY THE CHAIRPERSON

It's hard to imagine that I have been the Chairperson of The Playhouse Company's Council for barely half a year. It feels much longer only because my experience in the organisation in that relatively short space of time has been wholesome, fulfilling and rewarding in so many different ways.

I have no doubt that my colleagues on the Council share this sentiment.

For this, I have many people to thank, not least the Chairperson and members of the previous Council, who laid a solid and impressive foundation for us to build on.

Working closely with the CEO, Linda Bukhosini, and senior executives of The Playhouse Company, the present Council has endeavoured to live up to and emulate the high standards and artistic excellence the organisation has become renowned for.

It is my pleasure to report that, despite the many formidable challenges facing the performing arts industry, the past year has been a resounding success for The Playhouse Company in many respects.

I believe that we have succeeded in delivering on all the critical areas of the Council's mandate and can now look forward to a bright future in our efforts to promote and preserve the performing arts.

Critical to our success has been the close, cordial and mutually rewarding relationship the Council has enjoyed with senior management and staff at The Playhouse Company. What is also reassuring is their undoubted commitment to a high standard of business ethics and corporate governance within the organisation.

We are also encouraged that The Playhouse Company continues to thrive on artistic integrity and excellence in all its efforts – whether it is a high profile and elaborately staged production that garners many illustrious awards, or a simple workshop in the township where emerging artists can interact with seasoned professionals to improve their skills.

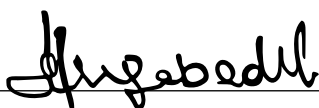
Despite the many positive achievements over the year, we cannot afford to rest on our laurels. Challenges remain and need to be addressed with a sense of urgency. High up on the list is the need to maintain a steady level of funding throughout the season. Without it, it would be impossible for The Playhouse Company to fulfill its mandate of creating performance opportunities, developing strategic international relationships and presenting works of a diverse nature and of the highest standard.

My Council will spare no effort in our fundraising efforts and we feel confident that generous assistance and goodwill shall be forthcoming from both the public and private sectors.

On an organisational level, we need to continue the close working relationship that has prevailed between the Council, the CEO and her senior staff that ensures a professional approach to our fiduciary responsibilities. To this end, I must say a big thank you to the heads of the various committees and to all members of my Council for their leadership, time and invaluable contributions.

My gratitude also goes to the CEO and senior management of The Playhouse Company. They were aware of the tremendous challenges they faced and yet performed at a level that surpassed all of our expectations.

Last, but certainly not least, a special word of thanks to our stakeholders, particularly the broader arts community, the media, our loyal patrons, and the Department of Arts and Culture. Your co-operation will be pivotal to our efforts to take the arts to the people in the year ahead.



Ms Hlengiwe Christophina Mgabedeli

Council Chairperson



7. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Ms Linda Bukhosini
Chief Executive Officer
& Artistic Director

The importance of maintaining a good balance between artistic excellence, sound business partnerships and good governance practices cannot be over-emphasised if we are to thrive in the forever changing landscape of the performing arts industry. The year under review is no exception to these underlying principles that drive the work of our institution.

We have observed with joy a growing trend in the quality of productions presented at both pre-professional and professional levels. These include among others a gospel concert featuring more than 150 artists including Judith Sephuma, accompanied by an 80-voice choir with a 65-piece orchestra; more than 2 000 Iscathamiya musicians showcasing the beautiful harmonies of a cappella music in a night-long competition; a dance collaborative piece featuring the ever-steady maskandi guitarist Madala Kunene, Vishen Kemraj on tabla, with spoken word artist Ewok accompanying the Playhouse Dance Residency in collaboration with Lliane Loots' Flatfoot Dance Company. The jewel in our artistic line-up was the much acclaimed *Race* production, with multi award-winning actors who received the Pick of the Fringe at the Edinburgh Festival in Scotland.

Receiving positive feedback from the Auditor General bears testimony to a culture of good governance practices that have already been established over the past eight years, with the last five years underpinned by clean audit reports. This is confidence building news to our various funders, including the provincial Department of Arts and Culture and eThekweni Municipality, without whose ongoing funding support it would be difficult to produce and present the variety of productions that reflect the beautiful arts and cultural diversity of our country.

While already operating under a challenging financial environment, the recent budget cut has introduced further limitations to what our institution can offer in the next two financial



years. However, we continue positively to harness all the resources we are able to muster and chart forward to deliver quality productions and developmental work within the mandate our institution has been entrusted with. To this end we will continue to stage productions that inspire dialogue, promote debate on matters affecting our people and serve as a catalyst for change and new ideas in our society. Through staging cross-cultural productions, we will continue to strive to foster greater understanding and promote the cause of unity in diversity.

The objectives set for the year under review have been largely achieved or even exceeded in some instances. Much of this is attributed to the commitment and hard work of our staff. We also extend a warm welcome to the new council who joined us in January this year, under the chairmanship of the struggle stalwart, Ms Hlengiwe Mgabadeli. We look forward to their leadership and support. We are heartened by the successes over the past financial year and will endeavour to do even better in the year ahead. This is indeed achievable given the continued financial support and cooperation of our government, the Playhouse Council, our dedicated staff, funding from the private sector, the media, our relentless audience members and last but not least, the artists themselves.

Working together, we can make great things happen and even achieve more.

	PRODUCTIONS	PERFORMANCES	AUDIENCE
IN-HOUSE	61	216	88 038
MOBILE STAGE	7	28	130 300
IN-ASSOCIATION	18	170	54 994
OUTSIDE HIRERS	52	83	46 611
TOTAL	138	497	319 943



In-house Productions

(Fully funded and produced by The Playhouse Company.)

Community Arts Festival (CAF)

This programme bridges the skills gap between professional and amateur arts practitioners. This two-month intensive arts training programme offers daily classes in dance, choreography, composition, staging techniques, scriptwriting and directing taught by established professionals in the industry. CAF culminates in staged productions that showcase works emanating from this training period.

New Stages

Freedom

A workshopped dance production by the Playhouse Dance Residency, this production explored the concept of freedom in South Africa and in celebrating and reflecting on the country's 20 years of democracy.

Ilembe

Ilembe is a powerful play depicting the last few months of the life of King Shaka (kaSenzangakhona), whose statesmanship and vigour marked him as the most prominent Zulu king.

Doubt

A provocative and gripping story of suspicion and suspense, set in 1964, this play could not be more contemporary in its examination of a priest who is suspected of misconduct. Dynamic yet subtle, manipulative yet full of empathy, *Doubt* is a beautifully balanced drama that draws its power from its ambiguity. In lean, potent and passionate language, John Patrick Shanley, the playwright of this Pulitzer Prize and Tony Award-winning play, courageously leads us into the shadowy and elusive realm of human nature and ultimate truth. Directed by James Cunningham. Featuring Fiona Ramsay, Faniswa Yisa, James Alexander and Janna Ramos-Violante.



Ralph Lawson with Nhlankanipho Gamede: in training during Community Arts Festival

Ingoma

This Zulu traditional dance competition includes various styles such as Isgekle, Ushameni, Ingoma yezintombi and Ingomasikhuze. This annual event brings together close to 6 000 music and dance enthusiasts from all corners of our province.

Iscathamiya

The Playhouse Company's national Iscathamiya Competition forms part of our heritage month and the Celebrate Durban festivities. This indigenous music genre features more than 2 000 artists from all over South Africa. Incorporating stylised dance moves and high fashion, oswenka are an integral part of the festivities.



South African Women's Arts Festival (SAWAF)

SAWAF, held during the Women's Month every year, has a long history of supporting women in the performing arts and creating valuable dialogue, while showcasing cutting edge productions. South Africa has a wealth of performing talent and this festival provides the platform for some of the country's top female performers in the spheres of dance, song, drama, comedy, poetry and debate, to entertain, move and enlighten audiences, as well as to create lasting memories.

Intandokazi Women's Club

The Playhouse Company, in association with Independent Newspapers (Pty) Ltd, presented *Isolezwe* Intandokazi Women's Club. This seminar created a vibrant platform for women, young and old, to converse around issues pertaining to financial education (debt relief, budgeting, investing) as well as advice on entrepreneurship, health, fashion, make-up and relationship issues.

Open Day

The Departments of Health and Agriculture offered a mobile clinic with free counselling and testing services for various ailments to patrons. On display were organic vegetables promoting a healthy lifestyle among theatre-goers.

Children's Day

An entertaining and educative theatre day for children.

Gala Concert

A special once-off Gala Concert to celebrate Women's Month and the South Africa's 20 Years of Democracy, featuring the award-winning groups Mafikizolo; Naima Kay, and DJ Happygirl on the decks, and many more. The concert was directed by Somizi Mhlongo.

Arts & Craft

An exhibition of selected craft work promoted and celebrated the talents and resilience of rural women.

Pathlines

An immersive installation was exhibited in the Alhambra Room by artist Nolan Dennis. The installed piece involved over 50 000 handwritten words on a constructed labyrinth of solid and canvas walls. These large-scale textual murals and mappings explored The Playhouse Company's own archive as well as popular South African history, tracing parallel histories of the journeys of women in the expression of struggle and freedom in South Africa.

Book Launch

Precious Mvulane, launched her first book called *The Essential Finance Handbook for Business Owners: 7 Steps to manage your business financial performance*.



From Then Til Now

A celebratory piece contextualised with historical images both pre and post-apartheid, *From Then Till Now* provided the dramatic tension to fully explore all aspects of our courageous and victorious democracy. The work honoured, celebrated and paid respect to people and issues that have made this country what it is today. Choreographed by Mark Hawkins and featuring the Playhouse Dance Residency.

Shades

Shades focused on Pearl, a young widow who bitterly resented her husband for dying and leaving her with the prospect of lonely old age and her mother for being unable to provide her with the affection she craved as a child. The themes in the production were universal and the characters easily recognizable in mothers, grandmothers, sons and lovers of every generation, everywhere. Directed by Ralph Lawson and featuring Lisa Bobbert, Aleks Robertson, Jane Ross and Louis van Eeden.

Mentorship Workshop

In partnership with international theatre veteran, theatre director and producer from the United Kingdom, Ms Jude Kelly's mentorship workshop catered for women in the arts with the aim of honing their skills and finding their creative voice as theatre practitioners.

Leadership Workshop

Facilitated by Ms Jude Kelly, this workshop explored through debate and discussion how to find a personal leadership style that is both collegiate and authoritative.

Intergenerational Dialogue

In its 18th year, the annual Intergenerational Women's Dialogue created a platform for women, young and old, to converse around issues pertaining to Women in 20 Years of Democracy. The dialogue featured Shado Twala as the facilitator and a panel consisting of Krijay Govender, Thato Tsautse and Jude Kelly.

Poetry Session

Poetry session was a perfect blend of spoken word and live music, under curatorship of Thuli Zuma. Audiences were treated to new writings by emerging KZN poets and were left enthralled by local bands and musicians such as Khanyo Maphumulo and New Savoy.



Festive Season

Skungpoomery

Skungpoomery is the new name for thinking of a word and finding a crazy meaning for it – which lands our heroes in some sticky situations with their zany neighbours like Mrs Wibble and the Humbottoms, as well as Sergeant Stuff of the Metropolitan Police force! The production was directed by Ralph Lawson, and featured a brilliant cast of local artists.

A Christmas Celebration

A special bonanza for Christmas music lovers, starring Judith Sephuma, Tim Moloji, Bongani Tembe, Lauren Dasappa, accompanied by the KZN Philharmonic with the professional Playhouse Choral, Playhouse Dance Residency with Damon Beard as the MC.

Maskandi concert

Featuring some of the best in the Maskandi musical genre, this concert brought all Maskandi lovers to their feet. Starring Phuz' Ekhemisi, Madala Kunene, Ezikabhaka, Vumile Mngoma and Madosini, and MC'd by Juba Special and Ngizwe Mchunu.



Zenzelisphesihle Xulu and Adam Dore: Skungpoomery

Touring Schools Productions

Just Don't

A thought-provoking production which looked at the life of prisoners and ex-juvenile offenders through intense physicality and a strong message for the youth. The production toured throughout KZN and reached in excess of 27 000 learner.

Uniting the Youth through Dance

Uniting the Youth through Dance is a production conceptualised and devised by The Playhouse Company Dance Residency. Multi-award-winning Cape Town based choreographer Christopher Kindo was employed to hone the artistic and creative elements of the production, which resulted in the production receiving raving reviews from educators and learners who attended the production at The Playhouse Loft theatre. Over 2 000 KwaZulu-Natal learners were exposed to the production and had the opportunity to learn about various dance styles and the fundamentals of dance education.

Sugar Daddies

This production, directed by Durban's theatre veteran, Edmund Mhlongo, featured young professionals who have been the success story of The Playhouse Company's Community Arts Festival has exposed over 24 000 learners to live theatre as well as engaging with this thought-provoking production. *Sugar Daddies* managed to educate learners on matters pertaining to dating older men at a very young age and all the sorts of risks that accompany such behaviour.

Horn of Sorrow

This award-winning production had a successful tour around eThekweni Municipality – educating learners on issues pertaining to rhino poaching and the importance of joining forces as a nation to save the rhinos.



Monde Marafana: From Then Till Now

Test Driving the Arts

These monthly, free lunch hour concerts run throughout the year and feature local artists. The programme features, among other styles, hip-hop, pantsula, indlamu and gospel music.

Sundowners

The general public come to chill out at The Playhouse Company after work on the first Friday of every month, enjoying the relaxed ambience of live jazz bands with an entertaining mix of poetry and comedy.



Arts Network Forum

Designed for artists to network and discuss various issues in the industry. Topics included proposal writing, copyright and script-writing.



Mthwalume Boys Choir with Judith Sephuma: A Christmas Celebration

20 Years of Democracy

Silent Voice

The play deals with betrayal, greed, dreams and love. Directed by Aubrey Sekhabi and presented in partnership with the State Theatre, featuring Presley Chweneyagae, Zenzo Ngqobe, Boitumelo Shisana and Don Mosenye.

The Year of the Bicycle

A provocative comic-drama from the winner of the 2012 National Arts Festival's Most Promising Student Director Award, Joanna Evans, *The Year of the Bicycle* was set in 1997. R Kelly believes he can fly, Mandela receives a B on his national report card and, in the yard of a firebrick suburban home, two nine-year-olds learn how to ride a bicycle and survive in a place where something is 'not quite right'.

Bhakti

An exhilarating dance production featuring Madala Kunene, Vishen Kemraj, Flatfoot Dance Company and the Playhouse Dance Residency. Choreographed by Liane Loots, the production offered a unique experience of meeting Eastern mystical philosophy, with maskandi music, poetry and contemporary dance.

International Tours

Race – Edinburgh Festival

The jewel in our artistic line-up was the much acclaimed *Race* production, with multi award-winning actors who received the Pick of the Fringe at the Edinburgh Festival in Scotland. The stellar cast included Peter Butler, Michael Gritten, Andre Jacobs and Nondumiso Tembe, under the direction of Clare Mortimer.



IN-HOUSE PRODUCTIONS

(All productions are fully funded and produced by The Playhouse Company.)

PRODUCTION	PERFORMANCES	AUDIENCE
Messiah	1	1 206
Community Arts Festival	3	358
New Stages: Ilembe, Doubt , Freedom	22	2 819
SA Women's Arts Festival	26	5 448
Test Driving the Arts	13	2 200
Sundowner Concerts and Poetry	12	2 280
Skungpoomery	20	2 299
A Christmas Concert	3	3 170
Maskandi Concert	1	448
Isicathamiya Workshop and Competition	1	1 368
Ingoma Competition	1	3 500
Arts Network Forums: submission of proposals, copyright, scriptwriting	3	110
Just Don't – Schools Tour	20	27 776
Uniting the Youth Through Dance	20	2 469
Horn of Sorrow	9	3 410
Sugar Daddies – Schools Tour	20	24 387
20 Years of Democracy: Silent Voice, Year of The Bicycle, Bhakti	13	2 170
Edinburgh Fringe Festival – Race	24	2 620
PRODUCTIONS: 61	216	88 038

MOBILE STAGE

PRODUCTIONS	PERFORMANCES	AUDIENCE
7	28	130 300

IN ASSOCIATION

(Productions presented with other producers)

A wide range of productions, concerts and comedy festivals were staged by independent producers in partnership with The Playhouse Company.

PRODUCTIONS	PERFORMANCES	AUDIENCE
18	170	54 994

OUTSIDE HIRERS

(Independent productions and events)

A wide ranging variety of productions, concerts, festivals, choir competitions and arts events were staged by independent producers.

PRODUCTIONS	PERFORMANCES	AUDIENCE
52	83	46 611





Stage, Technical and Support Services Department

The past year has seen the completion/ partial completion of several Capital Projects i.e.

- Security Office – control panel replacement;
- Upgrade of Opera/Drama lighting;
- Playhouses branding of the buildings;
- Passenger & Goods lift upgrade;
- The Internal & External Remedial – Building Works and Ablution upgrade;
- Replacement of Alhambra and Tudor Roof;
- Replacement of Opera and Drama Theatre main curtain.

The capital expenditure allocation translated to the creation of 97 jobs during the course of the financial year.





8. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.

The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal controls that have been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

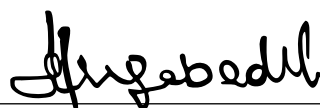
In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2015.



Ms Linda Bukhosini

Chief Executive Officer & Artistic Director

Date: 31 July 2015



Ms Hlengiwe Christophina Mgabedeli

Council Chairperson

Date: 31 July 2015





PART B

PERFORMANCE INFORMATION

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2015

The Chief Executive Officer is responsible for the preparation of The Playhouse Company's performance information and for the judgements made in this information.

The Chief Executive Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

Description	Number (%)	Reason for Not Achieved/Partially Achieved	Interventions
No. of annual performance targets	52		
Annual performance targets achieved	51 (98%)		
Annual performance targets partially achieved	1 (2%)	Achieving the targeted union meetings is beyond the control of management as it is dependent on the shop steward's availability.	The indicator has been removed from the 2015/16 annual performance plan.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the annual performance plan of The Playhouse Company for the financial year ended 31 March 2015.

The Playhouse Company performance information for the year ended 31 March 2015 has been examined by the external auditors and their report is presented on page 53.

The performance information of The Playhouse Company set out on pages 25 to 35 were approved by the Board.



Ms Linda Bukhosini

Chief Executive Officer & Artistic Director

2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the report on other legal and regulatory requirements in the Auditor's Report.

Refer to page 53 for the Auditor's Report, published as Part E: Financial Information.

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme 1: Administration

3.1.1. Sub-Programme 1.1: Corporate Governance and Finance

A. Programme purpose Provide governance and financial support to the entity.

B. Description:

B.1 Structure The finance department manages the financial affairs, corporate governance and statutory compliance.

B.2 Department responsible Finance Department

Strategic objectives/outcomes	Actions to support strategic objectives	Baseline information	Measurable and evidence based performance indicators 2014-2015	Measurable and evidence based performance indicators 2015-2016	Measurable and evidence based performance indicators 2016-2017	Measurable and evidence based performance indicators 2017-2018	Measurable and evidence based performance indicators 2018-2019
To provide effective and efficient financial administration and corporate governance	Full compliance with the legislation as per the legislative mandate and ensure that controls implemented are aligned to the resources available	Unqualified audit received for March 2014	Unqualified Audit Report at 31 March.	Unqualified Audit Report at 31 March.	Unqualified Audit Report at 31 March.	Unqualified Audit Report at 31 March.	Unqualified Audit Report at 31 March.
		Action items for March 2014 resolved within 3 months	Action audit findings within three months after the report.	Action audit findings within three months after the report.	Action audit findings within three months after the report.	Action audit findings within three months after the report.	Action audit findings within three months after the report.
		Quarterly compliance checklists for March 2014 submitted timeously	PFMA/National Treasury compliance checklist completed quarterly.	PFMA/National Treasury compliance checklist completed quarterly.	PFMA/National Treasury compliance checklist completed quarterly.	PFMA/National Treasury compliance checklist completed quarterly.	PFMA/National Treasury compliance checklist completed quarterly.
		Quarterly strategic plans for March 2014 submitted timeously	Produce quarterly Strategic Plan reports.	Produce quarterly Strategic Plan reports	Produce quarterly Strategic Plan reports	Produce quarterly Strategic Plan reports	Produce quarterly Strategic Plan reports

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2014-2015	Deviation from planned target to actual achievement for 2014-2015	Comment on deviations
To provide effective and efficient financial administration and corporate governance	Achieved. Unqualified clean audit report received for the year ended 31 March 2013	Unqualified Audit Report at 31 March	Achieved. Unqualified clean audit report received for the year ended 31 March 2014	None	N/A
	Achieved. There were no audit findings reported	Action audit findings within three months after the report	Achieved. There were no audit findings reported	None	N/A
	Achieved. The quarterly compliance checklists were completed timeously	PFMA/National Treasury compliance checklist completed quarterly	Achieved. The quarterly compliance checklists were completed timeously	None	N/A
	Achieved. The quarterly strategic plan reports were produced timeously	Produce quarterly Strategic plan reports	Achieved. The quarterly strategic plan reports were produced timeously	None	N/A

Key performance indicators, planned targets and actual achievements

Outcomes: key objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators 2014-2015	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2014-2015	Deviation: planned/ actual 2014-2015	Comment on deviations
2.1 To provide effective and efficient financial administration and corporate governance.	Ensure good governance practices and applicable legislative requirements are adhered to in the organization.	Unqualified audit report yearly.	1	1	1	0	N/A
		Zero report points on Financial Statements and Performance Information.	0	0	0	0	N/A
	Review and update all the Policies and Procedures in the organization on an annual basis.	An annual communication detailing the changes to all policies within the organization by 1 April	1	1	1	0	N/A
2.2 Implementing controls, processes and systems of the above.	Ensuring Internal Audits are completed on a quarterly basis.	4 Internal audits to be conducted annually.	4	4	4	0	N/A
	Ensuring good governance and controls are in place.	Maximum of 10% critical findings to be raised per internal audit report.	0%	10%	0%	10%	No critical findings reported
	Risk assessment completed on an annual basis.	1 Risk assessment report prepared on an annual basis by 30 April.	1	1	1	0	N/A
	Review the IT plan. Improve IT infrastructure. Supply efficient IT resources to all departments.	Less than 10% downtime in operations reflected in monthly report.	0%	10%	0%	10%	No downtime experienced
2.3 Fixed Assets: Increase efficiency in the management of fixed assets.	Bi-annual verification of fixed assets. Monthly update of the fixed asset register and bar coding of new assets.	Completed fixed asset register in compliance with Fixed Asset Policy by 31 March.	2	2	2	0	N/A
2.4 Supply Chain Management (SCM): To enforce compliance with SCM policies and procedures.	Implement all treasury practice notes within the stipulated timelines	Ensure practice notes are discussed with staff within 30 days on receipt from Treasury. Minutes of meeting or email confirmation available to support this.	100% compliance	100% compliance	100% compliance	0	N/A
2.5 Budgeting and Reporting: To improve financial management and control of The Playhouse Company funds.	Monitoring of budgets and explanation for variances on a monthly and quarterly basis.	5% variance of actual against budget must have an explanation on a monthly basis.	12	12	12	0	N/A
	Annual Budgets to be submitted to DAC by 31 August, 30 November and final by the 15th of January each year.	Monthly management accounts to be distributed to Management, FINCO and Audit & Governance Committee members by 30th of every month.	12	12	12	0	N/A
		Quarterly management accounts to be distributed to key stakeholders 30 days after each quarter.	4	4	4	0	N/A
2.6 Bad Debt: develop a system to guide the process of incurring debt.	Implement a debt management system.	Minimum of 90% debt recovery excluding legal matters by 31 March.	100%	90%	100%	10%	All debtors excluding legal matters is recoverable

Linking performance with budgets

	2014/2015			2013/2014		
	Under	Actual	(Over)/Under	Under	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Governance and Finance	11 921	11 379	542	10 791	9 376	1 416
Total	11 921	11 379	542	10 791	9 376	1 416

3.1.2. Sub-Programme 1.2: Human Resources

A. Programme purpose Provide human resources support to the entity.

B. Description:

B.1 Structure The human resources department manages the human resources affairs and statutory human resources compliance.

B.2 Departments responsible Human resources department

Strategic objectives/ outcomes	Actions to support strategic objectives	Baseline information	Measurable and evidence based performance indicators 2014-2015	Measurable and evidence based performance indicators 2015-2016	Measurable and evidence based performance indicators 2016-2017	Measurable and evidence based performance indicators 2017-2018	Measurable and evidence based performance indicators 2018-2019
3. To effectively support and service the human resources requirements of the organisation	To resource the organisation with competent employees in line with the manpower plan	Vacancies filled within the stipulated timelines for March 2014	Vacancies filled with suitably qualified personnel within three months of the vacancy.	Vacancies filled with suitably qualified personnel within three months of the vacancy.	Vacancies filled with suitably qualified personnel within three months of the vacancy.	Vacancies filled with suitably qualified personnel within three months of the vacancy.	Vacancies filled with suitably qualified personnel within three months of the vacancy.
	To provide skills training that will ensure a highly skilled workforce	97% of training plan implemented by 31 March 2014	90% of the training plan is implemented by 31 March annually	95% of the training plan is implemented by 31 March annually	100% of the training plan is implemented by 31 March annually	100% of the training plan is implemented by 31 March annually	100% of the training plan is implemented by 31 March annually
	To assist line management in the implementation of the performance management system	Interim and final performance assessment performed timeously for March 2014	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2014-2015	Deviation from planned target to actual achievement for 2014-2015	Comment on deviations
3. To effectively support and service the human resources requirements of the organisation	Achieved. All vacancies were filled with suitably qualified personnel timeously. Where there were delays, valid reasons exists.	Vacancies filled with suitably qualified personnel within three months of the vacancy.	Achieved. All vacancies were filled with suitably qualified personnel timeously. Where there were delays, valid reasons exists.	None	N/A
	Achieved. 97% of the training plan was completed by the end of March 2014	90% of the training plan is implemented by 31 March annually	Achieved. 99% of the training plan was completed by the end of March 2015	None	N/A
	Achieved. The 1st half yearly reviews were completed in October 2013, whilst the 2nd reviews were completed in April 2014.	Performance agreements are drawn by 31 March and conduct bi-annual performance assessments.	Achieved. The 1st half yearly reviews were completed in October 2014, whilst the 2nd reviews were completed in April 2015.	None	N/A

Key performance indicators, planned targets and actual achievements

Outcomes: key objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators 2014-2015	Actual achievement 2013-2014	Planned Target 2014-2015	Actual achievement 2014-2015	Deviation: planned/ actual 2014-2015	Comment on deviations
3.1 To ensure a constant resource of skilled, talented and motivated employees to meet the institutions needs.	Implementation of effective recruitment, training and development, and performance management systems.	Following plans and system in place by 1 March of each year, i.e. the recruitment system, the training and development plan and the performance management plan	1	1	1	0	N/A
3.2 Effectively manage, monitor and evaluate staff turnover.	Review annual labour turnover.	Report on the annual labour turnover on a monthly basis		12	12	0	N/A
		Review of actual positions filled against those budgeted and report thereon at the monthly management meetings.	12	12	12	0	N/A
3.3 Compliance to Employment Equity legislation	1. Review the Employment Equity Plan	Submission of an Employment Equity Plan and report to the Department of Labour every two years.	1	1	1	0	N/A
		Report on the employment equity progress versus plan on a quarterly basis	4	4	4	0	N/A
	2. Conduct employment equity committee meetings	Signed attendance register available for all meetings	1	2	2	0	N/A
3.4 Training and development	Provide skills training that will capacitate employees to perform at their peak	Develop a training plan/ budget annually and ensure implementation by end of March annually.	1	1	1	0	N/A
		90% of Training plan and budget accomplished by 31 March of each year.	97%	90%	99%	9%	Proper management of the plan ensured almost 100% implementation
	Bi-annual Performance Reviews for all employees.	Performance Reviews completed for employees on a bi-annual basis.	2	2	2	0	N/A
3.5 Ensure a stable IR operating environment	Building and maintenance of sound collaborative employee relations within the organization	Conduct quarterly meetings with Trade Unions.	3	4	2	(2)	Achieving the target is beyond the control of management as it is dependent on the availability of shop stewards. The indicator has been removed from the 2015/16 annual performance plan.
		Convene and negotiate wage agreement by March of every year with the Collective Bargaining Forum.	0	1	1	0	N/A

Linking performance with budgets

	2014/2015			2013/2014		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Human Resources	2 344	2 417	(73)	2 347	2 175	172
Total	2 344	2 417	(73)	2 347	2 175	172

3.1.3. Sub-Programme 1.3: Support Services

A. Programme purpose Provide infrastructural, capital and security support.

B. Description:

B.1 Structure The support services department is supported by maintenance, Mayville workshop and security department.

B.2 Departments responsible Support services, Mayville workshop and security department

Strategic objectives/outcomes	Actions to support strategic objectives	Baseline information	Measurable and evidence based performance indicators 2014-2015	Measurable and evidence based performance indicators 2015-2016	Measurable and evidence based performance indicators 2016-2017	Measurable and evidence based performance indicators 2017-2018	Measurable and evidence based performance indicators 2018-2019
To provide functional, efficient and safe asset management.	Compile a comprehensive infrastructural support and safety plan.	Support and safety plan was in place at 31 March 2013. Monthly progress was reported on at the management meetings.	Comprehensive infrastructural support and safety plan in place by 1 February of each year and monthly progress reporting.	Comprehensive infrastructural support and safety plan in place by 1 February of each year and monthly progress reporting.	Comprehensive infrastructural support and safety plan in place by 1 February of each year and monthly progress reporting.	Comprehensive infrastructural support and safety plan in place by 1 February of each year and monthly progress reporting.	Comprehensive infrastructural support and safety plan in place by 1 February of each year and monthly progress reporting.

Strategic objectives, performance indicators planned, targets and actual achievements

Strategic objectives	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2015-2016	Deviation from planned target to actual achievement for 2016-2017	Comment on deviations
To provide functional, efficient and safe asset management	Achieved. Support and safety plans were approved by 1 February. Progress was reported on at the monthly management meetings	Comprehensive infrastructural support and safety plan in place by 1 February of each year and monthly progress reporting	Achieved. Support and safety plans were approved by 1 February. Progress was reported on at the monthly management meetings	None	N/A

Key performance indicators, planned targets and actual achievements

Outcomes: key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators 2013-2014	Actual achievement 2014-2015	Planned Target 2014-2015	Actual achievement 2014-2015	Deviation: planned/ actual 2014-2015	Comment on deviations
4.1 To provide effective, efficient and safe infrastructural support.	Devise and implement an effective, efficient and timeous master maintenance plan for the vehicles, equipment and buildings by 1 February of each year.	Written monthly maintenance reports and feedback to relevant departments.	12	12	12	0	N/A
4.2 Pursue funding of capital expenditure in collaboration with marketing and corporate sections and in consultation with the CEO.	Develop and implement an Annual Capital Funding Expenditure Plan to source funding for capital expenditure projects.	Annual Capital Funding Expenditure Plan by 28 February of each year.	1	1	1	0	N/A
4.3 Maintain a healthy and safe environment	Devise and implement a health and safety plan in accordance with Health and Safety legislation.	Review Health and Safety Plan and submit report by 1 May.	1	1	1	0	N/A
		Quarterly Health and Safety meetings with recorded minutes.	4	4	4	0	N/A
4.4 Ensure optimal maintenance of Playhouse vehicles.	Review, update and implement the fleet maintenance plan.	Fleet maintenance plan in place by 1 April of each year and implementation on a regular basis.	1	1	1	0	N/A

Linking performance with budgets

	2014/2015			2013/2014		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Support Services	22 592	19 571	3 021	23 519	19 571	3 949
Total	22 592	19 571	3 021	23 519	19 571	3 949

3.2 Programme 2: Business Development

3.2.1 Sub-Programme 2.1: Arts, Marketing and Technical Services

A. Programme purpose Produce and present productions, concerts and arts events of various genres.

B. Description:

B.1. Structure Arts Department responsible for artistic and administration processes.
Marketing Department responsible for communications and sales.
Technical Department responsible for technical staging.

B.2. Departments responsible The Arts, Marketing and Technical Departments.

Strategic objectives/outcomes	Actions to support strategic objectives	Baseline information	Measurable and evidence based performance indicators 2014-2015	Measurable and evidence based performance indicators 2015-2016	Measurable and evidence based performance indicators 2016-2017	Measurable and evidence based performance indicators 2017-2018	Measurable and evidence based performance indicators 2018-2019
To produce and present professional and developmental productions	Develop an Annual Arts Plan that includes both professional and developmental productions	Arts plan for year ended 31 March 2014 finalised by 28 February 2013	Finalised Annual Arts Plan in place by 28 February	Finalised Annual Arts Plan in place by 28 February	Finalised Annual Arts Plan in place by 28 February	Finalised Annual Arts Plan in place by 28 February	Finalised Annual Arts Plan in place by 28 February

Strategic objectives, performance indicators, planned targets and actual achievements

Strategic objectives	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2014-2015	Deviation from planned target to actual achievement for 2014-2015	Comment on deviations
To produce and present professional and developmental productions	Arts plan for year ended 31 March 2014 finalised by 28 February 2013	Finalised Annual Arts Plan in place by 28 February	Achieved. The Annual Arts Plan was finalised by 28 February	None	N/A

Key performance indicators, planned targets and actual achievements

Outcomes: Key objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators 2014-2015	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2014-2015	Deviation: planned/ actual 2014-2015	Comment on deviations
1.1 To produce and present shows that have artistic, entertainment and educational value (subject to available funding)	Develop an Annual Arts Programme (AAP)	Finalised AAP by 28 February, it will include the following:					
	Implement the Annual Arts Programme by 31 March annually	a) Indigenous performing arts (Iscathamiya – 1 production)	2	2	2	0	N/A
		b) New Stages (3 productions)	3	3	3	0	N/A
		c) SA Women's Arts Festival (4 productions)	9	4	12	8	Additional productions presented due to high demand from audiences and artists.
	d) Schools Programmes (English or isiZulu set works – 2 productions)	4	2	6	4	Additional productions presented in line with the need to educate and stimulate learners on the social ills they are faced with. Eg. Sugar daddies, the plight of the endangered rhino.	

Outcomes: Key objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators 2014-2015	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2014-2015	Deviation: planned/ actual 2014-2015	Comment on deviations
1.1 To produce and present shows that have artistic, entertainment and educational value (subject to available funding)	Implement the Annual Arts Programme by 31 March annually	e) Test Driving the Arts (11 concerts)	14	11	13	2	2 additional unplanned concerts presented in December
		f) Festive Season (includes large, mid and small scale productions – 3 productions)	3	3	4	1	1 additional unplanned production was presented in December to cater for the broad arts community targeting specifically PDI's
		g) In-Association Productions (10 productions)	12	10	18	8	Opportunities arose to assist additional arts practitioner/ producers at no additional expense.
		h) Community Arts Festival (3 productions)	4	3	5	2	2 additional productions presented within the original budget. The participants of the programme were able to play multiple roles which enabled them to be exposed to different/ varied characters.
		i) Outside hirers (20 productions)	47	20	52	32	Demand for the venues exceeded expectation
		j) Mobile Stage (40 performances)	61	40	68	28	Demand for the truck exceeded expectation
		k) Sundowners (12 performances)		12	15	3	Additional performances presented during the women's arts festival month in order to hype the existing programmes.
1.2 Ensure equity in our artistic programming	AAP to ensure that at least 70% of previously marginalised groups participate annually.	Artistic panel and peer review process to ensure that minimum of 80% of previously marginalised groups participate annually.	88%	80%	85%	5%	Additional productions presented enabled us to increase the reach to previously marginalised groups
1.3 To position and strengthen The Playhouse Company brand, market in-house productions and develop production sponsorship partnerships	Secure partnerships with media houses	Secured publicity and media partnerships to a value >R900 000 per annum	R10 323 420	R900 000	R22 537 443	R21 637 443	Publicity is never a guarantee. The in-kind value exceeded original expectation
	Develop market campaigns for in-house productions in order to develop production sponsorship partnerships	Marketing plan in place by 28 February annually	1	1	1	0	N/A
	To strengthen relationships with the arts community	Arts Network Forum (3 forums)		3	3	0	N/A
1.4 Stage Technical Services: to ensure that all theatre venues and resources, sound, lighting, wardrobe and recording studio, are running optimally	Review and implement the maintenance plans for all venues and resources: sound, lighting, wardrobe and recording studio.	A monthly maintenance report with evidence-based improvement is in place for all venues and resources, sound, lighting, wardrobe and recording studio	12	12	12	0	N/A
1.5 To deliver high quality customer service at Front of House	Conduct on-going customer surveys	Report on Annual Satisfaction Survey monthly	12	12	12	0	N/A

Linking performance with budgets

	2014/2015			2013/2014		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
1. Arts and Technical Services	26 362	24 824	1 538	27 697	27 508	189
Total	26 362	24 824	1 538	27 697	27 508	189

3.3. Programme 3: Revenue

A. Programme purpose Generate secondary revenue.

B. Description:

B.1 Structure The finance department is responsible for investment income, the arts department for production related income and the support services department for rental, costume, sets and props income.

B.2 Departments responsible Finance, arts and support services departments

Strategic objectives/outcomes	Actions to support strategic objectives	Baseline information	Measurable and evidence based performance indicators 2014-2015	Measurable and evidence based performance indicators 2015-2016	Measurable and evidence based performance indicators 2016-2017	Measurable and evidence based performance indicators 2017-2018	Measurable and evidence based performance indicators 2018-2019
To optimise the institution's revenue streams.	Collate and align infrastructural funding resources and institutional needs from various streams into the annual budget.	The finalised budget incorporating the funding streams was approved by Council by 15 January 2014.	Finalised budget incorporating funding streams by 28 February.	Finalised budget incorporating funding streams by 28 February.	Finalised budget incorporating funding streams by 28 February.	Finalised budget incorporating funding streams by 28 February.	Finalised budget incorporating funding streams by 28 February.

Strategic objectives, performance indicators planned, targets and actual achievements

Strategic objectives	Actual achievement 2013-2014	Planned target 2014-2015	Actual achievement 2014-2015	Deviation from planned target to actual achievement for 2014-2015	Comment on deviations
To optimise the institution's revenue streams	Achieved. Finalised budget incorporating funding streams were included in the budget which was approved by Council in January	Finalised budget incorporating funding streams by 28 February	Achieved. Finalised budget incorporating funding streams were included in the budget which was approved by Council in January	None	N/A

Key performance indicators, planned targets and actual achievements

Outcomes: key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators 2013-2014	Actual achievement 2012-2013	Planned target 2013-2014	Actual achievement 2013-2014	Deviation: planned/ actual 2013-2014	Comment on deviations
5.1 Optimise secondary sources of revenue	Consolidate and implement comprehensive plans for generating secondary income.	CFO to consolidate plans for secondary income for inclusion in budget, in place by 28 February of each year.	2	2	2	0	N/A
5.2 Investments: optimal return on investment of funds ensuring compliance with the Investment Policy	Invest with major banks in the country with a preferable interest rate of prime less 5%.	Secure investments with major banks at rates greater than prime less 5%.	Yes	Yes	Yes	0	N/A

Outcomes: key Objectives	Actions to accomplish objectives	Measurable and evidence based performance indicators 2013-2014	Actual achievement 2012-2013	Planned target 2013-2014	Actual achievement 2013-2014	Deviation: planned/ actual 2013-2014	Comment on deviations
5.3 Revenue generated through the outside hires: in-association and mobile stage	Develop and implement a plan to achieve the targeted budget established for the outside hire of the theatres.	Outside theatre hires to achieve 90% of budgeted revenue annually	245%	90%	385%	295%	Demand for the venues exceeded expectation
	Develop and implement a plan to achieve the targeted budget established for in-association productions.	In-association productions to achieve 90% of budgeted revenue annually.	228%	90%	171%	81%	The Playhouse Company took a decision to assist more smaller production houses. This resulted in additional share of income
	Develop and implement a plan to achieve the targeted budget established for the outside hire of the Truck (Mobile Stage).	Truck Hire to achieve 90% of budgeted revenue annually.	94%	90%	248%	159%	Demand for the truck exceeded expectation
5.4 Costumes, sets and props	Ensure the proactive drive in the hire of and revenue generated through the hire of costumes, sets and props meets the budgeted targets established.	Costumes, sets and props hire to achieve 75% of budgeted revenue annually.	72%	75%	132%	57%	Demand for costumes, sets and props exceeded demand when compared to prior years

Linking performance with budgets

	2014/2015			2013/2014		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue consolidation	9 071	11 866	(2 795)	7 570	13 158	(5 588)
Total	9 071	11 866	(2 795)	7 570	13 158	(5 588)

4. SUMMARY OF FINANCIAL INFORMATION

4.1. Revenue collection

	2014/2015			2013/2014		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Grants – Operational	54 332	52 780	1 552	51 095	51 430	(334)
Grants – Capital	19 400	6 443	12 957	2 000	13 402	(11 402)
Finance income	4 508	5 138	(630)	3 208	4 964	(1 756)
Production income	2 380	3 274	(894)	2 380	5 133	(2 753)
Rentals	370	325	45	660	393	267
Sundry income	1 813	2 003	(190)	1 322	1 308	14
Sponsorship income	0	1 126	(1 126)	0	1 360	(1 360)
Total	82 803	71 089	11 714	60 665	77 990	(17 324)

4.2. Programme expenditure

Programme name	2014/2015			2013/2014		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Arts and technical services	26 362	24 824	1 538	27 697	27 508	189
Corporate governance and finance	11 921	11 379	542	10 791	9 376	1 416
Human resources	2 344	2 417	(73)	2 347	2 175	172
Support services	22 592	19 571	3 021	23 519	19 571	3 949
Total	63 218	58 191	5 027	64 354	58 629	5 725

Infrastructure projects	2014/2015			2013/2014		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Office equipment	795	126	669	375	369	6
Computer equipment	315	286	29	437	189	248
Buildings	6 619	6 304	315	19 328	10 553	8 775
Stage & other equipment	38 235	130	38 105	19 632	345	19 287
Motor Vehicles	1 400	1 045	355			
Total	47 364	7 891	39 473	39 772	11 456	28 316



PART C

GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which The Playhouse Company is directed, controlled and held to account. In addition to legislative requirements based on The Playhouse Company's enabling legislation, corporate governance with regard to The Playhouse Company is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2. THE COUNCIL

2.1. Functions of the Council

The functions of the Council are:

- To formulate policy;
- To hold, preserve and safeguard all movable and immovable property of whatever kind placed in their care or loaned or belonging to The Playhouse Company;
- To receive, hold, preserve and safeguard all specimens and collection of all other movable property placed under its care and management under Section 10 of the CI Act 10(1);
- To raise funds for The Playhouse Company;
- To manage and control the monies received by The Playhouse Company and to utilise those monies for defraying expenses in connection with the performance of its functions;
- To keep a proper record of the property of The Playhouse Company, and to submit to the Director-General any returns required by him or her in regard thereto and to cause proper books of account to be kept;
- To determine and substitute the CI Act and with the approval of the Minister, the object of the declared institution; and
- To generally carry out the objects of the declared institution.

Council may determine the hours and conditions to which the public may visit The Playhouse Company.

The Council shall have the power to appoint such persons as it considers necessary to perform the functions of The Playhouse Company. The determination of the remuneration and terms and conditions of service shall be in accordance with the scheme approved by the Minister in consultation with the Minister of Finance.

Composition of the old Board – Term ended on 30 September 2014

Name	Date Appointed	Qualifications	Area of Expertise	Other Committees (e.g: Audit Committee)	No. of Meetings Attended	Remuneration
Thandiwe January-McLean <i>Chairperson of Council</i>	1-08-2011	Masters Degree and Diplomas in Public Relations and Organisational Development and Strategic Management	Finance and governance		3	R10 560
Judge Leona Valerie Theron <i>Vice-Chairperson of Council and Chairperson of HR-REMCO</i>	1-08-2011	Master of Law, Bachelor of Laws and Bachelor of Arts	Legal	Human Resources Committee	2	R6 104
Mr Nthando Mluleki Nala	1-08-2011	Teachers Diploma and Bachelor of Education	Arts and Culture curriculum specialist	Human Resources Committee	3	R6 408
Mr Sathie Gounden	1-08-2011	CA (SA)	Finance, risk management, corporate governance and audit	Audit and Governance Committee	4	R8 464
Mr Sadhasivan Naidoo	1-08-2011	B Admin & B Admin Honours	Businessman and all round business expertise	Audit and Governance Committee/Human Resources Committee	2	R4 112
Mr Suresh Naidoo <i>Chairperson of FINCO</i>	1-08-2011	CA (SA)	Finance, internal and external auditing, advisory and consulting	Finance Committee	5	R10 640
Mr Samuel Sibongakonke Ngcobo	1-08-2011	Bachelor of Commerce and various management and leadership Diplomas	Businessman with interest in petroleum, tourism, manufacturing, property and farming	Finance Committee	2	R4 112
Ms Thokozile Shezi	1-08-2011	Master of Science Degree	Agriculture, environmental affairs and rural development	Human Resources Committee	3	R6 408
Mr Rodger Pryor Ashe	1-08-2011	Matric	Businessman	Finance Committee / Human Resources Committee	5	R10 640
Mr Mahmoud Rajab	1-08-2011	Finance Commerce and Law	Businessman and an advocate	Finance Committee	3	R6 288

Old Committees – Term ended on 30 September 2014

Committee	No. of Meetings Held	No. of Members	Name of Members
Finance Committee	3	4	Mr Suresh Naidoo, Mr Samuel Sibongakonke Ngcobo, Mr Rodger Pryor Ashe, Mr Mahmoud Rajab
Audit and Governance Committee	3	5	Mr Sathie Gounden, Mr Sadhasivan Naidoo, Ms K Mvulane (Chairperson – Independent), Mr Siyabonga Duncan Mngoma (Independent), Ms Charmaine Jugnarayan (Independent)
Human Resources Remuneration Committee	0	5	Judge Leona Valerie Theron, Mr Nthando Mluleki Nala, Ms Thokozile Shezi, Mr Rodger Pryor Ashe, Mr Sadhasivan Naidoo

Composition of the New Board – Appointed on 1 December 2014

Name	Date Appointed	Qualifications	Area of Expertise	Other Committees (e.g: Audit Committee)	No. of Meetings Attended	Remuneration
Ms Hlengiwe Christophina Mgabadelo	01-12-2014	BA Social Work, Honours in Sociology	Public Service and Administration,		7	R25 088
Ms Thembi Mtshali-Jones	01-12-2014		Artists, singer, actress, producer and playwright	Arts & Fundraising Committee	4	R12 544
Mr Sathie Gounden	01-12-2014	CA (SA)	Finance, risk management, corporate governance and audit	Finance & Procurement Committee/Human Resources Committee	2	R4 352
Mr Malcolm Purkey	01-12-2014	BA(Wits), BA(Hons), MA Theatre Studies, Graduate-National film and television school	Directing and Playwriting, Publications, Arts industry	Audit & Governance Committee	2	R4 352
Ms Fikile Eunice Khumalo	01-12-2014	Labour Relations, Social Security	Labour, Trade and Industry, Social Development	Arts & Fundraising Committee/Human Resources Committee	5	R10 880
Ms Lynette Ntuli	01-12-2014	Bachelors Degree in Accounting	Property and infrastructure development, retail and strategy development and implementation	Audit & Governance Committee	0	R0
Ms Khwezi BL Kunene	01-12-2014	BSC Property Development	Quantity surveying, contracts management	Finance & Procurement Committee/Human Resources Committee	3	R6 528
Mr Nathi Mbele	01-12-2014	BCom Economics and Statistics	Social and economic development, Textile and Information Communication Technology expert	Arts & Fundraising Committee/Finance & Procurement Committee	4	R8 704
Ms Siphesihle Ndlela	01-12-2014	BA Communications (UNISA) Hotel Management (ND) Durban Hotel School	Client and media liaising, promotions and marketing	Arts & Fundraising Committee/Finance & Procurement Committee	1	R2 176

New Committees – Appointed on 23 February 2015

Committee	No. of Meetings Held	No. of Members	Name of Members
Finance & Procurement Committee	0	4	Mr Sathie Gounden/ Ms Khwezi BL Kunene/ Mr Nathi Mbele/ Ms Siphesihle Ndlela
Audit and Governance Committee	0	5	Ms Lynette Ntuli/ Mr Malcolm Purkey
Human Resources Remuneration Committee	1	3	Ms Fikile Eunice Khumalo/ Mr Sathie Gounden/ Ms Khwezi BL Kunene
Arts & Fundraising Committee	0	4	Ms Thembi Mtshali-Jones/ Ms Fikile Eunice Khumalo/ Mr Nathi Mbele/ Ms Siphesihle Ndlela

3. RISK MANAGEMENT

The Playhouse Company has in place a risk management policy that guides the process of risk identification and management. The policy is reviewed annually. The management of risk is the process by which the Accounting Officer, Chief Financial Officer and other senior management of The Playhouse Company pro-actively, purposefully and regularly identify and define current as well as emerging business, financial and operational risks, and identify appropriate business and cost-effective methods of managing these risks.

Effective risk management is imperative to The Playhouse Company to fulfil its mandate in line with the service delivery expectations of the public and the performance expectations of DAC.

The risk register is reviewed annually after an intense risk identification session with management and all governance structures. The risk register is used to pave the way for the three-year internal audit rolling plan which is reviewed and approved by the Audit and Governance Committee and Council.

The progress on control improvements for risks identified is monitored at the monthly management meetings.

4. INTERNAL CONTROL UNIT

The internal control is a responsibility of each individual manager. We have policies and procedures which are used to prescribe internal controls, the policies are reviewed annually to ensure they are up to date in terms of laws and regulations. Management uses the findings of the auditors on internal controls to improve the internal controls.

5. INTERNAL AUDIT FUNCTION

The Playhouse Company has in place an Internal Audit Charter that is reviewed annually.

The Internal Audit Charter was drawn up in order to define the organisational status, objectives, authority and responsibility of the outsourced internal audit function. The internal audit function is driven by the provisions of Section 3.2 of the Treasury Regulations and Section 38(1)(a)(i) and 76(4)(e) of the PFMA and is key to underpinning governance within The Playhouse Company.

The primary objective of the internal audit function at The Playhouse Company is to provide independent assurance and advice on the internal control systems, risk management and government processes, as well as operations and performance of The Playhouse Company in terms of prevailing laws, regulations and policies.

Summary of engagements concluded during the financial year in line with the approved internal audit coverage plan:

1. Support Services review
2. Budget Management review
3. Compliance Management review
4. Follow up reviews on Debt Management, Revenue Management, Audit of Performance Information, Human Resources management and Supply Chain management
5. Audit of Predetermined Objectives

The existing internal auditor's term of engagement ended on 31 March 2015. The Playhouse Company went out on tender and the new service provider was appointed in April 2015 on a 3 year contract.

6. AUDIT AND GOVERNANCE COMMITTEE

The Playhouse Company has in place an Audit & Governance Committee Charter that is reviewed annually.

The primary objective of the Audit and Governance Committee is to assist the Council in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control process and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

The Audit and Governance Committee:

1. Oversee, co-ordinate and appraise the quality of audits conducted both by the institution's external and internal auditors;
2. Maintain, by scheduling regular meetings, open lines of communication among the Council, the internal and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
3. Serve as an independent and objective party to review the financial information presented by management;
4. Review the adequacy of the reporting and accounting controls in place; and
5. Provide an open avenue for communication between the internal auditors and external auditors and the Council.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The Playhouse Company, in terms of Section 4 of the Cultural Institutions Act, constitutes a corporate body and accordingly, The Playhouse Company, the Council and all members are required to comply with the principles of good corporate governance and all laws and regulations.

The Playhouse Company management reports on compliance with laws and regulations on a quarterly basis. The PFMA checklist is compiled and any noncompliance is reported to Council and its subcommittees.

8. FRAUD AND CORRUPTION

The Playhouse Company has in place a fraud prevention plan. The plan is reviewed annually.

The plan recognises basic fraud prevention initiatives within The Playhouse Company. The primary objectives of the plan are to:

1. Provide guidelines in preventing, detecting and reporting fraudulent activities;
2. Create a culture where all employees and stakeholders continuously behave ethically in their dealings with or on behalf of The Playhouse Company;
3. Encourage all employees and stakeholders to stride towards the prevention and detection of fraud impacting or having the potential to impact on The Playhouse Company;
4. Encourage all employees and stakeholders to report suspicions of fraudulent activity without fear of reprisals or recriminations; and
5. Provide a focus point for the allocation of accountability and authority.

9. MINIMISING CONFLICT OF INTEREST

Management and finance staff complete an annual declaration of interest form. Management and staff are encouraged to update the form as and when there is a change in circumstances.

The Playhouse Company has in place an Ethics Policy that guides employees on instances where there is a potential conflict of interest.

10. CODE OF CONDUCT

The Playhouse Company has in place an Ethics Policy and a Code of Conduct Policy that guides employees on their code of conduct in the workplace.

The Code of Conduct Policy is displayed on notice boards throughout The Playhouse Company.

In deciding on a course of action and determining what constitutes ethical behaviour, employees should consider and be guided by:

- Policies of the company;
- Laws of the country;
- Universally acceptable behaviour and standard practices; and
- Their own morals and values.

If any action or potential action transgresses any of the above it is likely that it will be considered unethical behaviour.

Where it is found that the staff member has breached the Ethics Policy and/or the Code of Conduct Policy, the normal human resources grievance and disciplinary procedures will be followed.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Playhouse Company annually performs an assessment of compliance to health and safety regulations. The outcome of the investigation informs The Playhouse Company on the relevant improvement actions to implement.

Compliance with the health and safety regulations forms one of the key performance indicators in the Support Services Manager's annual performance plan.

The Playhouse Company is fully compliant with all health and safety regulations.

12. SOCIAL RESPONSIBILITY

The mission of The Playhouse Company is to advance, promote and preserve the performing arts by staging productions with entertainment and educational values to diverse audiences.

The Playhouse Company sees its mission as its social responsibility.

The Playhouse Company's arts programme is geared to deliver on its social responsibility.

Among all the programmes geared to social responsibility, the mobile stage is used to take the outreach programmes to the outlying rural areas where people do not have access to the theatre to see staged performances. Some of these people see a live performance on a stage for the first time and are overwhelmed.

The mobile stage is also used to showcase the schools' set works in the rural areas. In excess of 52 163 school children had the opportunity to see a live performance of the school set work on stage. These children would otherwise not have had the opportunity to see a staged performance.

13. AUDIT COMMITTEE REPORT

The Audit and Governance Committee (the Committee), presents its report for the financial year end 31 March 2015.

Audit and Governance Committee Members and Attendance

The Committee consists of the five members listed below and is required to meet at least four times per year as per its approved terms of reference. During the current year four meetings were held.

Old Committee term ended on 30 September 2014

Name	Qualifications	Internal or External	Date Appointed	No. of Meetings Attended
Ms PMK Mvulane (Chairperson – Independent)	CA (SA), RA	External	1 August 2011	3
Mr SD Mngoma (Independent)	CA (SA)	External	1 August 2011	3
Ms C Jugnarayan (Independent)	CA (SA), RA	External	1 August 2011	3
Mr S Gounden	CA (SA)	Internal	1 August 2011	2
Mr S Naidoo	B Admin & B Admin Honours	Internal	1 August 2011	2

New Committee appointed on 23 February 2015

Name	Qualifications	Internal or External	Date Appointed	No. of Meetings Attended
Mrs L Ntuli	Bachelor's Degree in Accounting	Internal	23 February 2015	0
Mr M Purkey	BA(Wits), BA(Hons), MA Theatre Studies, Graduate - National film and television school	Internal	23 February 2015	0

Audit and Governance Committee Responsibility

The Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a) of the Public Finance Management Act No. 1 of 1999 and Treasury Regulations 3.1. The Committee 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 its responsibilities as contained therein. The charter is reviewed annually and adopted by the Committee on approval by the Accounting Authority.

Internal Audit

The Committee co-ordinates and monitors the activities of the Internal Audit function. Through this, the Committee is able to report on the effectiveness of the Internal Audit. The Internal Audit function was outsourced and operational for the financial year under review.

The Committee considered the updated risk register based on the risk management framework and policy adopted by the Accounting Authority. The Committee reviewed and approved the risk based three-year rolling Internal Audit plan.

The Committee is satisfied with the effectiveness of the Internal Audit function.

Effectiveness of Internal Controls

The Committee assessed the effectiveness of the internal controls and reviewed the risk assessment process, as follows:

- Attended the workshop with all key stakeholders on risk assessment;
- Considered the effectiveness of the company risk assessment processes as on-going by Management;
- Monitored the follow-up process on all findings by the auditors to ensure findings are dealt with and addressed at root causes;
- Sought assurance from Management that action is being taken on related issues identified by auditors; and
- Provided guidance and advice to Management and the Accounting Authority over strengthening risk management processes and performance information when we reviewed the quarterly reports.

The Committee reviewed the Internal Audit reports, where there were weaknesses identified within the Company, and considered the adequacy of management responses to ensure the risk exposure is reduced and there is continuous improvement within the control environment.

The Committee is satisfied that the Company is continually focused on maintaining effective levels of internal controls.

The Committee concurs with auditors that internal controls were reasonably effective and reliable and any matters reported by internal auditors during the year did not indicate any significant or material deficiencies.

The administration of monthly/quarterly reports submitted in terms of the PFMA and Division of Revenue Act was satisfactory according to monitoring and internal audit results.

In-Year Management and Monthly/Quarterly Report

The Playhouse Company has submitted the monthly reports to FINCO and the Audit and Governance Committees timeously and has submitted the quarterly reports to the Department of Arts and Culture as is required by the PFMA.

Evaluation of Financial Statements

The Committee has:

- Reviewed the quarterly reports including financial statements to ensure consistency and accuracy of information;
- Considered the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised Accounting Practices adopted by the Accounting Authority;
- Considering the quality and timeliness of the financial information available to the Committee for oversight purposes during the year;
- Reviewed the financial statements of the Company for the year ended 31 March 2015 and is satisfied that they comply with relevant provisions of the Public Finance Management Act and the South African Statement of Generally Recognised Accounting Practices;
- Reviewed the Auditors-General's Management Report and Management's response; and
- Reviewed the Auditor-General's Audit Report and noted that there were no findings in the financial statements and performance information.

Auditor's Report

The Committee is pleased to report that the Company has received an unqualified clean audit report.

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 takes this opportunity to congratulate the Council and Management on their countless efforts and commitments in obtaining an unqualified clean audit report from the Auditor-General for five consecutive years, and would like to express gratitude for their support and fruitful discussions with the Committee.



Nathi Mbele

Acting Chairperson: Audit and Governance Committee





PART D

HUMAN RESOURCES MANAGEMENT

1. INTRODUCTION

In support of the Department's strategy, the following priorities were identified for the period under review

- To implement 90% of the training plan
- To review the organizational structure and fill all vacancies by the end of the 2nd quarter
- To maximize the revenue received from the discretionary grant application.
- To finalize the implementation of the Management Development programme
- To commence with a programme for managers on Coaching and Mentoring
- To maintain a Risk free HR environment

The Company made progress in filling vacant posts in the financial year closing the year with a vacancy rate of 8%. At the end of the reporting period the following positions were vacant-Recording Studio Manager, Marketing Manager, Administration Manager, Engineer, Marketing and Communications Coordinator, Arts Coordinator, Accounting Intern and Workshop Manager. There is a plan in place to fill the vacant posts. In addition to the filling of permanent posts, some fixed term contract appointments were made to address immediate capacity challenges.

We develop and implement a workplace skills plan on an annual basis. The plan identifies all training requirements based on individual performance, departmental and organizational needs as individual career development plans. At a total cost of R366 657, employees were provided with both skills and occupational specific training.

Five employees underwent Management Training and Coaching and Mentoring training was conducted. The Company has identified critical and scarce skill positions and to this end, nine students were hosted with their work experiential learning focussing on technical and arts administration skills. Discussions with Durban University of Technology to establish a diploma course that will allow students to attain a Higher Certificate in Technical Production are on-going. Moderate success was

attained in respect of claiming monies back from CATTHSETA and we were reimbursed to the value of R40 000 for monies spent on ABET training.

Performance reviews help establish good relationships between employees and their respective managers. There are performance agreements in place for all approved positions on the organogram. Bi-annual reviews were conducted. We are constantly looking at ways to improve the quality of performance management practices within the company.

The Employee Wellness programme is provided by ICAS, an outsourced service provider. Utilisation statistics of both proactive and responsive interventions show that employees continued to make use of the service. An employee wellness day was held during the year that focussed on health screening, fitness and financial management.

The Company uses a number of formal and informal ways to engage staff. Relationships with staff and the recognised trade union, SACCAWU, remain constructive and cordial.

On the back of the Company receiving a clean audit report from the Auditor General, there were no Human Resources related risks identified.

There are no immediate challenges facing the department. The staffing is sufficient, qualified and competent to achieve departmental objectives.

To support the HR strategy, the following goals for 2015/2016 have been identified:

- Implementation and roll out of the Use of Official Languages Act
- Implementation of the Basic Conditions of Employment and Employment Equity Amendment Acts
- Improvement in the management of the Time and Attendance system.
- Salary Benchmarking and Job Grading
- Talent Management and Succession Planning

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by Programme

Programme	Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Exp.	No. of Employees	Average Personnel Cost per Employee (R'000)
	72 793	27 410	38%	87	315

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee (R'000)
Top Management	1 661	6%	1	1 661
Senior Management	1 100	4%	1	1 100
Professional qualified	4 445	16%	8	555
Skilled	9 259	34%	34	272
Semi-skilled	8 361	31%	43	194
Unskilled	0		0	
TOTAL	24 826	91%	87	285

Training Costs

Directorate/ Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg. Training Cost per Employee (R)
	27 410	367	1.34%	41	8 955

Employment and Vacancies

Programme	2012/2013 No. of Employees	2013/2014 Approved Posts	2013/2014 No. of Employees	2013/2014 Vacancies	% of Vacancies
	86	95	87	8	8.42%

Programme	2013/2014 No. of Employees	2014/2015 Approved Posts	2014/2015 No. of Employees	2014/2015 Vacancies	% of Vacancies
Top Management	1	1	1	0	0
Senior Management	1	1	1	0	0
Professional qualified	8	12	8	4	33.33%
Skilled	34	37	34	3	8.11%
Semi-skilled	42	44	43	1	2.27%
Unskilled	0	0	0	0	0
TOTAL	86	95	87	8	8.42%

Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	1	0	0	1
Senior Management	1	0	0	1
Professional qualified	8	1	1	8
Skilled	34	3	3	34
Semi-skilled	42	3	2	43
Unskilled	0	0	0	0
Total	86	7	6	87

Reasons for Staff Leaving

Reason	Number	% of Total No. of Staff Leaving
Death	1	16.67%
Resignation	3	50.00%
Dismissal	0	0
Retirement	1	16.67%
Ill health	0	0
Expiry of contract	0	0
Other	1	16.66%
Total	6	100%

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	1
Written Warning	0
Final Written warning	2
Dismissal	0

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	1	0	0
Professional qualified	3	4	0	0	1	1	1	2
Skilled	21	16	1	1	2	2	3	4
Semi-skilled	22	26	0	0	4	4	1	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	46	46	1	1	8	8	5	7

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	1	3	0	0	1	1	1	1
Skilled	5	6	1	1	0	1	1	1
Semi-skilled	9	9	1	1	4	4	2	4
Unskilled	0	0	0	0	0	0	0	0
TOTAL	16	19	2	2	5	6	4	6

Levels	DISABLED STAFF			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	} 2
Senior Management	0	0	0	
Professional Qualified	0	0	1	
Skilled	0	0	0	
Semi-skilled	0	0	0	
Unskilled	0	0	0	
TOTAL	0	0	0	



PART E

FINANCIAL INFORMATION

1. STATEMENT OF RESPONSIBILITY

The Council is responsible for the preparation of The Playhouse Company's annual financial statements and for the judgements made in this information.

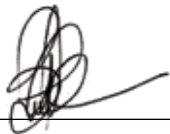
The Council is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of The Playhouse Company for the financial year ended 31 March 2015.

The Auditor-General is engaged to express an independent opinion on the annual financial statements of The Playhouse Company.

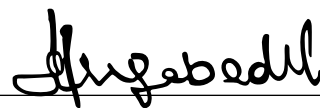
The Playhouse Company's annual financial statements for the year ended 31 March 2015 have been audited by the Auditor-General and their report is presented on page 53.

The annual financial statements of The Playhouse Company set out on pages 55 to 80 have been approved.



Ms Linda Bukhosini

Chief Executive Officer & Artistic Director



Ms Hlengiwe Christophina Mgabedeli

Council Chairperson

Annual Financial Statements

For the year ended 31 March 2015

2. REPORT OF THE CHIEF EXECUTIVE OFFICER

Financial Performance

Revenue

Total revenue decreased by 6% from R73m to R66m.

- The decrease was mainly attributable to a reduction in capital grant recognised in terms of GRAP23 by R7m offset.

The grant was received from the Department of Arts and Culture to fund capital projects.

Operating expenses

Operating expenses increased marginally by 1% from R73m to R74m.

Deficit for the year

The Deficit of R 2.8m for the 2015 year takes into account the depreciation on fair value of assets in terms of GRAP 17.

Financial Position

The Playhouse Company reflected a positive financial position at year end.

- The decrease in non-current assets by R7.9m is primarily due to depreciation charges exceeding the costs of assets capitalised during the year.
- Current assets increased by R24m and this were primarily as a result of cash and cash equivalents increasing by R24m as a result of DAC transferring R24m on 31 March 2015.
- Current liabilities increased by R19m. This was primarily due a reduction in deferred income by R19m.

Cash Flows

Cash and cash equivalents increased by R24m from R81m to R105m. Cash inflows from operating activities of R31m exceeded cash inflows from investing activities of R7m.

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%

Materiality is calculated against the above framework, however, there are instances where the situation may warrant a more stringent materiality level and the level is adjusted accordingly. A conservative approach is otherwise used in determining these levels of materiality.



Ms Linda Bukhosini

Chief Executive Officer & Artistic Director

3. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE PLAYHOUSE COMPANY

Report on the Financial Statements

Introduction

1. I have audited the financial statements of The Playhouse Company set out on pages 55 to 80, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement, and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The Council, which constitutes the accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. 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.
4. 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of The Playhouse Company as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

8. As disclosed in note 2 to the financial statements, the corresponding figures for 31 March 2014 have been restated during 31 March 2015 in the financial statements of The Playhouse Company at, and for the year ended, 31 March 2014.

Report on other legal and regulatory requirements

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these

Annual Financial Statements

For the year ended 31 March 2015

3. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE PLAYHOUSE COMPANY (CONTINUED)

matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for Programme 2: Business Development on pages 31 to 32 as well as Programme 3: Revenue on pages 33 to 34, presented in the annual performance report of the public entity for the year ended 31 March 2015
11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the *National Treasury's Framework for managing programme performance information (FMPP)*.
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the *National Treasury's Framework for managing programme performance information (FMPP)*.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 2: Business Development as well as Programme 3: Revenue.

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 26 to 34 for information on the achievement of planned targets for the year.

Compliance with legislation

20. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

21. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Pietermaritzburg
29 July 2015



4. ANNUAL FINANCIAL STATEMENTS

Statement of Financial Position

	Notes	March 2015 R	Restated March 2014 R
ASSETS			
Non-current assets			
Heritage assets	3.1	88 330 000	88 330 000
Property, plant and equipment	3.2	90 476 430	98 400 637
Intangible assets	3.3	100 669	111 530
Current assets			
Inventories	4	481 021	618 410
Trade and other receivables	5	1 368 301	721 234
Cash and cash equivalents	6	104 773 219	81 196 869
Total Assets		285 529 640	269 378 680
NET ASSETS AND LIABILITIES			
Net assets			
Accumulated surplus		238 401 514	241 153 918
Current liabilities			
Trade and other payables	7	6 313 703	6 117 518
Deferred income	8	40 814 423	22 107 244
Total Net Assets and Liabilities		285 529 640	269 378 680

Annual Financial Statements

For the year ended 31 March 2015

Statement of Financial Performance

	Notes	March 2015	Restated March 2014
		R	R
Revenue		66 950 826	73 376 022
Grants	9	59 222 819	64 831 949
Other operating income	10	6 728 007	8 544 073
Less : Expenditure		46 430 826	47 015 482
Production costs	11	12 031 493	15 207 392
Production and technical services costs	12	4 740 690	4 291 355
Other operating expenditure	13	29 658 643	27 516 735
Emoluments	14	27 410 372	25 750 322
(Deficit) Surplus from operations	15	(7 890 372)	610 218
Interest received		5 137 968	4 613 508
(Deficit) Surplus for the year	16	(2 752 404)	5 223 726

Statement of Changes in Net Assets

	Notes	March 2015	Restated March 2014
Opening accumulated surplus as previously reported		236 958 404	230 686 726
Prior period error (note 2)	2	4 195 514	5 243 466
Opening accumulated surplus as restated		241 153 918	235 930 192
Net surplus for the year as previously reported		-	6 271 678
Depreciation on assets fair valued		-	(1 047 952)
(Deficit) Surplus for the year		(2 752 404)	5 223 726
Closing accumulated surpluses	17	238 401 514	241 153 918

Statement of Cash Flows

	Notes	March 2015 R	Restated March 2014 R
Cash flows from operating activities			
Cash receipts from grantors and clients		107 305 761	95 942 540
Cash paid to suppliers and employees		(81 135 465)	(93 834 288)
Cash generated from operations	18	26 170 296	2 108 252
Interest received		5 137 968	4 613 508
Net cash from operating activities		31 308 264	6 721 760
Cash flows used in investing activities			
Additions to property, plant and equipment		(7 868 208)	(11 429 149)
Additions to intangibles		(50 598)	(26 436)
Proceeds on sale of property, plant and equipment		186 892	-
Net cash used in investing activities		(7 731 914)	(11 455 585)
Cash flows from financing activities			
Decrease in long term borrowings		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		23 576 350	(4 733 825)
Cash and cash equivalents at beginning of year		81 196 869	85 930 694
Cash and cash equivalents at end of year	6	104 773 219	81 196 869

Annual Financial Statements

For the year ended 31 March 2015

Accounting Policies

1 Accounting Policies

1.1 The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 55(1)(b) of the Public Finance Management Act, (Act No.1 of 1999 as amended by Act No. 29 of 1999). Assets, liabilities, revenues and expenses have not been offset except where offsetting is required or permitted by a Standard of GRAP. The accounting policies are applied consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, except for financial instruments that have been measured at fair value.

These accounting policies are consistent with the previous year.

Standard of GRAP approved by the Accounting Standards Board and applicable to The Playhouse Company.

GRAP 1 Presentation of financial statements
GRAP 2 Cash flow statements
GRAP 3 Accounting policies, changes in accounting estimates and errors
GRAP 6 Consolidated financial statements and accounting for controlled entities
GRAP 9 Revenue from exchange transactions
GRAP 12 Inventories
GRAP 13 Leases
GRAP 14 Events after the reporting date
GRAP 17 Property, plant and equipment
GRAP 19 Provisions, contingent liabilities and contingent asset
GRAP 100 Non-current Assets Held for Sale and Discontinued Operations
GRAP 31 Intangible Assets
IPSAS 20 Related Party Disclosures
GRAP 21 Impairment of Non-cash-generating Assets (not applicable to The Playhouse Company)
GRAP 23 Revenue from Non-Exchange Transactions Taxes and Transfers (principles of policy applied)
GRAP 24 Presentation of Budget Information (principles of policy applied)
GRAP 25 Employee Benefits
GRAP 26 Impairment of Cash-generating Assets
GRAP 103 Heritage Assets (early adopted)
GRAP 104 Financial Instruments

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

GRAP 4 The effects of changes in foreign exchange rates
GRAP 5 Borrowings
GRAP 7 Accounting for investments in associates
GRAP 8 Financial reporting of interests in joint ventures
GRAP 10 Financial reporting in Hyperinflationary Economies
GRAP 11 Construction Contracts
GRAP 16 Investment Property
GRAP 27 Agriculture
IFRS 4 Insurance Contracts
IFRS 6 Exploration for and Evaluation of Mineral Resources
IAS 12 Income Taxes
IFRIC 12 Service Concession Arrangements
SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
SIC 29 Service Concession Arrangements

The following statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board are in effect but are not yet applicable in full to schedule 3A and 3C public entities and constitutional institutions:

GRAP 18 Segment Reporting
GRAP 20 Related Party Disclosure (principles of policy applied)
GRAP 32 Service Concession Arrangements: Grantor
GRAP 105 Transfers of Functions between Entities Under Common Control
GRAP 106 Transfers of Functions between Entities not Under Common Control
GRAP 107 Mergers
GRAP 108 Statutory Receivables

The recognition and measurement principles in the above GRAP statements compared to the respective GAAP statements that they have replaced do not differ or result in material differences in items presented and disclosed in the financial statements.

Accounting Policies (continued)

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 on going 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 note:

Note 1.3 Property, plant and equipment

Note 1.5 Intangible assets

Note 1.12 Provisions

1.3. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The useful life of the assets have been arrived at after careful consideration of all factors affecting The Playhouse Company. The useful life and depreciation method 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 residual value of property plant and equipment is zero as the assets are used for their entire economic life.

Where an asset is acquired by the public entity for no or nominal consideration (i.e. non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Assets are fair valued on the depreciated cost replacement method. Where an active market does not exist, the fair value of the item has been established by reference to other items with similar characteristics.

Major spare parts qualify as property, plant and equipment when the public entity expects to use them during more than one period. Similarly, if the major spare parts can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

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:

Buildings	: 50 Years
Motor vehicles	: 5 Years
Office furniture and other equipment	: 5 Years
Computer Equipment	: 3 Years
Stage	: 4 Years
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.

1.4. Impairment

Non-financial assets

The carrying amount of The Playhouse Company 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.

Annual Financial Statements

For the year ended 31 March 2015

Accounting Policies (continued)

1.5. **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

1.6. **Heritage assets**

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Heritage assets are recognised as an asset if, and only if: (a) it is probable that future economic benefits or service potential association with the asset will flow to the entity, and (b) the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset shall be measured at its cost.

Where the heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at date of acquisition.

After recognition as an asset, a class of heritage asset shall be carried at its cost less any accumulated impairment losses.

1.7. **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 realizable values.

1.8. **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 Playhouse Company 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 Playhouse Company 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.

1.9. **Retirement benefit plans**

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

Accounting Policies (continued)

1.10. Revenue from non-exchange transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as an amount equal to that reduction.

The Playhouse Company has entered into a lease agreement for the free use of certain land and buildings.

1.11. Revenue

Grants

Grants related to operational expenditure are recognised as revenue when it is probable that the transfer payment will be received and the amount can be estimated reliably, unless, an obligation exists to use the transferred resources in a certain way or return the resources to the transferor. Where it is a requirement to only use the resources in a certain way with no corresponding requirement to return those resources, then no obligation exists and the revenue is recognised. Where an obligation exists, the resource is recognised as deferred revenue until the obligations are met and then recognised as revenue.

Grants related to the acquisition or construction of an asset are recognised as revenue when it is probable that the transfer payment will be received and the amount can be estimated reliably, unless, an obligation exists to use the transferred resources in a certain way or return the resources to the transferor. Where it is a requirement to only use the resources in a certain way with no corresponding requirement to return those resources, then no obligation exists and the revenue is recognised. Where an obligation exists, the resource is recognised as deferred revenue until the obligations are met and then recognised as revenue.

Interest income

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

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 have no value and are not included in box office and related income.

Other income

Other income is recognized when it is probable that the future economic benefits will flow to The Playhouse Company and it can be measured reliably.

1.12. Provisions

Provisions are recognised when The Playhouse Company 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.

1.13. 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 Playhouse Company unless otherwise stated.

1.14. Related party

Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control. The disclosure note details the related party transactions.

1.15. Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date. Commitments are thus not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

1.16. Comparative figures

Comparative figures have been adjusted to conform to changes in presentation and classification, where necessary.

Annual Financial Statements

For the year ended 31 March 2015

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	March 2015	Restated March 2014
	R	R
2. Prior year error		
<p>The Playhouse Company inherited property, plant and equipment in April 2003 when it was declared a Schedule 3A public entity in terms of the Cultural Institution Act. This property, plant and equipment was recognised at a deemed cost of R1 on the asset register. GRAP17 - Property, Plant and Equipment required that the property, plant and equipment recognised at deemed cost be recognised at fair value when GRAP is fully implemented. The error has subsequently been rectified and has affected the Financial Statements as follows:</p>		
1 April 2013		
Statement of Financial Position		
Increase in property, plant and equipment		5 243 466
Increase in accumulated surplus		-5 243 466
Net effect on Statement of Financial Position		<u>0</u>
Increase in Accumulated Surpluses as at 1 April 2013		<u>5 243 466</u>
31 March 2014		
Statement of Financial Performance		
Increase in depreciation		-1 047 953
Decrease in surplus for the year		1 047 953
Net effect on Statement of Financial Performance		<u>0</u>
Statement of Financial Position		
Decrease in property, plant and equipment		-1 047 953
Decrease in accumulated surplus		1 047 953
Net effect on Statement of Financial Position		<u>0</u>
3.1. Heritage assets		
Carrying amount	88 330 000	88 330 000
Gross carrying amount	88 330 000	88 330 000
Accumulated Impairment loss	-	-
Carrying amount at year end	<u>88 330 000</u>	<u>88 330 000</u>
<p>Heritage assets comprises of land and buildings : Rem of portion 1 of ERF 10636 of Durban. The property was valued by eThekweni Municipality in May 2008.</p> <p>Heritage assets were recognised for the first time in March 2011.</p> <p>The land and buildings is registered in the name of the Department of Public Works. The Playhouse Company leases the land and buildings from The Department of Public Works for no consideration.</p> <p>In terms of section 66 of the PFMA Act, The Playhouse Company may not use the immovable property, including the heritage assets as collateral and the land and buildings are unencumbered.</p>		

Annual Financial Statements

For the year ended 31 March 2015

3.2. Reconciliation of carrying value of property, plant and equipment

	Motor vehicles	Maintenance Spares	Office furniture and other equipment	Computer equipment	Stage equipment	Workshop equipment	Work in progress	Artworks	Capitalised leased assets (office equip, land and buildings)	Total
	R	R	R	R	R	R	R	R	R	R
Carrying amount 1 April 2013	1 593 153	-	5 221 270	835 652	11 883 658	436 605	-	469 870	80 635 394	101 075 602
Gross carrying amount	3 245 366	-	11 509 132	2 181 820	28 605 138	595 185	-	469 870	98 463 542	145 070 053
Accumulated depreciation	(1 652 213)	-	(6 287 862)	(1 346 168)	(16 721 480)	(158 580)	-	-	(17 828 148)	(43 994 451)
Additions	-	-	369 205	162 372	333 780	11 079	10 552 713	-	-	11 429 149
Transfers	-	-	168 574	-	106	-	(2 108 168)	-	1 939 488	-
Depreciation	(549 743)	-	(1 665 374)	(434 502)	(4 489 103)	(104 036)	-	-	(8 444 007)	(15 686 765)
Depreciation write-back	39 636	-	491 394	80 717	965 822	5 207	-	-	-	1 582 776
Disposals	-	-	(2)	-	(123)	-	-	-	-	(125)
Cost	-	-	(2)	-	(125)	-	-	-	-	(127)
Accumulated depreciation	-	-	-	-	2	-	-	-	-	2
Carrying amount 31 March 2014	1 083 046	-	4 585 067	644 239	8 694 140	348 855	8 444 545	469 870	74 130 875	98 400 637
Gross carrying amount	3 245 366	-	12 046 909	2 344 192	28 938 899	606 264	8 444 545	469 870	100 403 030	156 499 075
Accumulated depreciation	(2 162 320)	-	(7 461 842)	(1 699 953)	(20 244 759)	(257 409)	-	-	(26 272 155)	(58 098 438)
Additions	1 045 067	-	75 939	240 030	167 795	4 091	6 307 351	-	-	7 840 273
Fair value adjustment	-	-	-	-	-	-	-	-	-	-
Transfers	-	27 935	30 798	-	4 258 506	-	(11 133 023)	-	6 843 719	27 935
Depreciation	(561 256)	-	(1 252 027)	(444 798)	(5 021 411)	(104 256)	-	-	(9 829 444)	(17 213 192)
Depreciation write-back	18 518	-	72 843	273 691	1 260 606	-	-	-	-	1 625 658
Disposals	(1)	-	(40 405)	(13 555)	(121 730)	(11 369)	-	(17 821)	-	(204 881)
Cost	(1)	-	(608 793)	(285 057)	(3 155 181)	(82 899)	-	(17 821)	-	(4 149 752)
Accumulated depreciation	-	-	568 388	271 502	3 033 451	71 530	-	-	-	3 944 871
Carrying amount 31 March 2015	1 585 374	27 935	3 472 215	699 607	9 237 906	237 321	3 618 873	452 049	71 145 150	90 476 430
Gross carrying amount	4 290 432	27 935	11 544 853	2 299 165	30 210 019	527 456	3 618 873	452 049	107 246 749	(106 217 531)
Accumulated depreciation	(2 705 058)	-	(8 072 638)	(1 599 558)	(20 972 113)	(290 135)	-	-	(36 101 599)	(69 741 101)

Land and buildings comprise of:
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 is registered in the name of the Department of Public Works. The Playhouse Company leases the land and buildings from The Department of Public Works for no consideration.

The gross carrying value of fully depreciated property, plant and equipment that is still in use is R8 890 703. The major category of items is stage equipment comprising of lighting and sound items.

The useful life, depreciation method and residual values of assets is reassessed on an annual basis, and adjustments are processed when necessary.

Assets previously valued at a deemed cost of R1 have been fair valued in the current year, the effect of which is reflected in note 2.

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

3.3. <i>Intangible assets</i>	Software	Total
	R	R
Carrying amount 1 April 2013	117 868	117 868
Gross carrying amount	480 896	480 896
Accumulated amortisation	(363 028)	(363 028)
Additions	26 436	26 436
Amortisation	(89 160)	(89 160)
Amortisation write-back	56 386	56 386
Carrying amount 31 March 2014	111 530	111 530
Gross carrying amount	507 332	507 332
Accumulated amortisation	(395 802)	(395 802)
Additions	50 598	50 598
Amortisation	(62 339)	(62 339)
Amortisation write-back	884	884
Disposals	(4)	(4)
Cost	(4)	(4)
Accumulated amortisation	-	-
Carrying amount 31 March 2015	100 699	100 699
Gross carrying amount	557 926	557 926
Accumulated amortisation	(457 257)	(457 257)
Amortisation is included with depreciation.		
	March 2015	Restated March 2014
	R	R
4 Inventories		
Catering	86 691	113 656
Workshop	191 496	167 672
Wardrobe	95 867	96 123
General stores	106 967	240 959
	481 021	618 410
5 Trade and other receivables		
Trade receivables	574 080	549 585
Staff debtors	3 877	7 112
Other receivables	1 290 408	643 827
	1 868 365	1 200 524
Less: Debtors impairment	(500 064)	(479 290)
	1 368 301	721 234
5.1 Movement in the provision for impairment of trade receivables		
Balance at 1 April	479 290	385 060
Provision for receivables impairment	20 774	94 230
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
Unwinding of discount	-	-
Balance at 31 March	500 064	479 290

Notes to the Annual Financial Statements (continued)

	March 2015	March 2014
	R	R
6 Cash and cash equivalents at end of year		
Cash available immediately	31 874 844	8 696 869
Investments - fixed deposits	72 898 375	72 500 000
Cash available in 30 days	35 562 663	-
Cash available in 60 days	21 837 009	12 000 000
Cash available in 90 days	15 498 703	60 500 000
	104 773 219	81 196 869
<p>R277 816 and R30 360 are pledged as security for guarantees issued by FNB on behalf of The Playhouse Company for eThekweni Municipality and The Postmaster respectively. The guarantees will expire on 31 December 2025 and will not be renewed.</p>		
	March 2015	Restated March 2014
7 Trade and other payables		
Trade payables	1 398 939	1 854 977
Other payables and accruals	2 139 069	1 676 494
Leave pay accrual	2 084 100	1 949 073
Bonus accrual	691 595	636 974
	6 313 703	6 117 518
8 Deferred Income		
Grant received in advance	40 814 423	22 107 244
National Department of Arts and Culture	40 814 423	22 107 244
	40 814 423	22 107 244
9 Grants		
National Department of Arts and Culture (DAC)	43 085 000	40 570 000
Special Capital Expenditure Grant - (DAC)	6 442 819	13 402 309
KZN Department of Arts and Culture	7 445 000	7 057 000
eThekweni Municipality	2 250 000	3 802 640
Total	59 222 819	64 831 949

Conditional grant

National Department of Arts and Culture

The Playhouse Company receives public funding from the National Department of Arts and Culture.

In terms of Para 53(3) of the Public Finance Management Act, 1999, the public entity may not budget for a deficit and may not accumulate surpluses unless written approval of The National Treasury has been obtained.

Unless written approval is received, the unused grants must be returned to National Treasury.

The Playhouse Company has received the approval from National Treasury to retain the accumulated surplus.

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

Conditional Grant

The Kwazulu-Natal Department of Arts and Culture

The Playhouse Company receives public funding from the Kwazulu-Natal Department of Arts and Culture.

As a declared cultural institution, The Playhouse Company has objectives that have been agreed to by the Department:

1. To comply with the declaration that The Playhouse Company has in place effective, efficient and transparent financial management and controls systems for the management of the transfer payment from the Department,
2. To utilise the funding in accordance with the business plan,
3. To utilise the funding in accordance with the objectives set out in the memorandum of agreements and not for any other objectives not stipulated therein,
4. To utilise the funding subject to any written directives issued by the Head of the Department,
5. To submit quarterly reports to the Department on or before the agreed dates,
- 5.1 To ensure that the quarterly reports provide a detailed report on the achievements against the objectives set out in the business plan,
- 5.2 To ensure that the quarterly reports contain an expenditure report detailing how the funding was used against the business plan,
- 5.3 To ensure that the quarterly report contain any other information and or documents that the Department may require,
6. To submit to the Department the close out report for the 2014/2015 financial year by no later than the 30th April 2015.
7. To provide the Department with such financial reporting information required by it to enable it to comply with the statutory and ancillary reporting obligations applicable to it from time to time and to enable it to properly account for the transfer of funds in its books of account.
8. To account for the interest earned each month and acknowledges that the Department reserves the right to determine the utilisation of the interest.
9. To maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
10. To immediately notify the Department in writing of any failure on its part to achieve any of its obligations.
- 11.1. To ensure that in its execution of the MOA and in the performance of its duties, The Playhouse Company does not cause breach of any other agreement to which The Playhouse Company is a party.
- 11.2. To ensure that any other agreement that The Playhouse Company may enter into with such other parties as may be necessary to fulfil its obligations to the Department, shall not in any way be in conflict or cause a conflict with the provisions of the MOA.

Notes to the Annual Financial Statements (continued)

Conditional grant

eThekwini Municipality

The eThekwini Municipality has entered into an agreement with The Playhouse Company for the granting of financial assistance.

The eThekwini Municipality and The Playhouse Company entered into a Memorandum of Agreement in January 2015 for the year ended 31st March 2015.

The funds are granted based on The Playhouse Company achieving certain performance related obligations.

These obligations are set out hereunder:

1. The Playhouse Company shall apply the funds to the attainment of its main object as a Cultural Institution.
2. The Playhouse Company shall commit itself to contributing meaningfully to the improvement of the quality of life of the artistic communities within eThekwini Municipality by:
 - 2.1. Developing, presenting and implementing its artistic plan in order to encourage participation by the communities within the eThekwini municipal area.
 - 2.2. Utilizing arts and culture to enhance socio-economic empowerment of local artists.
 - 2.3. Ensuring the visibility and accessibility of The Playhouse Company in various communities of eThekwini as well as in those art centres which elect to collaborate with The Playhouse.
 - 2.4. Contributing and playing a promotional and a significant role in economic development and tourism.
 - 2.5. Ensuring The Playhouse Company's artistic growth, financial sustainability and achieving excellence in all its activities.
3. The Artistic Director and Chief Executive of The Playhouse Company and the City manager, or the Managing Department of eThekwini Municipality shall, in addition to the annual review, the Managing Department of eThekwini Municipality shall, in addition to the annual review.
4. The review of the annual grant shall take place by the 15th of December and shall focus on, but not restricted to, The Playhouse Company's attainment of the following targets and other obligations:
 - 4.1. Securing funding from other sources of funding including other spheres of government.
 - 4.2. The ratio of administrative staff costs in relation to total grant should not exceed 30%.
 - 4.3. Evidencing that 70% of the total grant was exclusively utilized towards the artistic plan.
 - 4.4. Showing that outreach programmes shall be notably increased in comparison with previous years and the presentation of relevant statistics as well as means of verification reflecting new community outreach programmes for the year.
 - 4.5. The Playhouse Company shall make its venues and facilities available free of charge to applicants (maximum of 10 per Council financial year) referred to it by eThekwini, provided that The Playhouse Company does not incur any expense in the provision of those venues or facilities.
 - 4.6. The Playhouse Company shall make its venues and facilities available in accordance with the following:
 - 4.6.1 The request for facilities must be made in writing no less than 6 months prior to the event.
 - 4.6.2 The Playhouse Company shall notify eThekwini on an alternate date if the date requested is not available.
 - 4.6.3 The applicants referred, save for the hire costs, shall be subject to the same terms and conditions as other ordinary clients of The Playhouse company.
 - 4.7. The Playhouse Company shall acknowledge eThekwini through means of including but not limited to, the inclusion of its logo on all its promotional material as well as especially internal programmes, projects and events.
 - 4.8. The Playhouse Company shall submit a copy of its quarterly report to eThekwini.
 - 4.9. The Playhouse Company shall provide a copy of its audited AFS as soon as it becomes available but not later than the 15th of August each year.
 - 4.10. The Playhouse Company shall provide a copy of its Annual report as soon as it becomes available but not later than the 15th of August each year.

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

	Notes	March 2015	Restated March 2014
		R	R
10 Other operating income			
Revenue from exchange transactions		5 576 116	7 183 610
Hire of performance venues, costumes, sets, and mobile stage		3 057 430	2 119 141
Box office income		1 187 579	3 407 039
Rent received		325 274	392 788
Bar & other sales		314 067	517 580
Functions		285 509	217 460
Box office commission – external productions		169 900	191 696
Gains on sale of motor vehicles		-	-
Sundry revenue - admin, computicket commission and fair valuation of assets		236 357	337 906
Revenue from non-exchange transactions			
Donations and sponsorships (productions)		1 151 891	1 360 463
Total		6 728 007	8 544 073
11 Production costs			
Direct production costs		11 831 450	14 077 164
Outside hirers costs		(820)	1 451
Productions and festivals		11 593 952	14 009 023
Mobile stage		238 318	66 690
Indirect production costs		200 043	1 130 228
Total		12 031 493	15 207 392
12 Production and technical services costs			
Technical services		4 740 690	4 291 355
Total		4 740 690	4 291 355
13 Other operating expenditure			
Transport		486 232	377 202
Workshop		1 336 389	1 656 821
Loss on sale of assets		186 892	125
Deco hire		52 902	36 938
Wardrobe		18 243	35 936
Maintenance and security		4 771 504	5 320 199
Other services - Hr, finance, corporate		6 091 841	4 886 421
General - consultants, insurance and phones		888 279	825 859
Cost of sales - bar and other		177 372	240 471
Depreciation & amortisation		15 648 989	14 136 763
Depreciation & amortisation on fixed assets		17 275 531	15 775 925
Depreciation & amortisation write-back		(1 626 542)	(1 639 162)
Total		29 658 643	27 516 735

Notes to the Annual Financial Statements (continued)

	Notes	March 2015	Restated March 2014
		R	R
14 Emoluments			
Salaries		18 896 406	17 999 895
Adhocs		1 982 333	1 770 834
Provident fund		2 685 910	2 545 111
Medical aid		632 636	596 242
Uif		163 511	165 507
Bonus		1 565 199	1 512 010
Overtime		237 636	185 905
Leave		225 413	85 215
Council - attendance		175 968	213 697
Housing subsidies		800 000	634 506
Long service awards		45 360	41 400
Total		27 410 372	25 750 322
15 (Deficit) Surplus from operations			
(Deficit) Surplus from operations is arrived at after taking into account:			
Expenditure			
Auditors' remuneration:		913 545	552 215
Depreciation of property, plant and equipment:		15 587 534	14 103 989
Motor vehicles		561 256	549 743
Office furniture and other equipment		1 252 027	1 665 374
Computer equipment		444 798	434 502
Stage equipment		5 021 411	4 489 103
Workshop equipment		104 256	104 036
Leased assets		9 829 444	8 444 007
		17 213 192	15 686 765
Depreciation write back		(1 625 658)	(1 582 776)
Amortisation		61 455	32 774
Intangible assets		62 339	89 160
Amortisation write back		(884)	(56 386)
Emoluments - senior management and council	21	3 861 357	3 640 901
Staff costs		23 549 015	22 109 421
Professional services:		567 580	637 881
Internal audit fees		384 256	613 538
Consultancy fees		183 324	24 343
16 (Deficit) Surplus for the year			
The Deficit for the 2015 year takes into account the increased depreciation of assets fair valued in terms of GRAP 17. The Surplus for the 2014 year takes into account the recognition of a grant of R141 900 000 for the free use of the land and buildings, in terms of GRAP 23.			

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

	Notes	March 2015 R	Restated March 2014 R
17 Reconciliation of statement of changes in net assets			
Balance at 31 March 2015		238 401 514	241 153 918
Made up as follows:			
GRAP 23 Government grant recognised on free use of land and building		141 900 000	141 900 000
Changes in net assets relating to operations		96 501 514	99 253 918
18 Reconciliation of cash generated/ utilised by operations			
Cash generated by operations			
(Deficit) Surplus for the year		(2 752 404)	5 223 726
Adjusted for:			
Depreciation, amortisation and impairment		15 648 989	14 136 763
Loss on disposal of property, plant and equipment		17 993	125
Interest received		(5 137 968)	(4 613 508)
Operating cash flows before working capital changes		7 776 610	14 747 106
Working capital changes		18 393 686	(12 638 854)
Decrease (Increase) in inventories		137 389	(40 435)
(Increase) Decrease in accounts receivable		(647 067)	459 274
Increase (Decrease) in accounts payable		196 185	(1 655 385)
Increase (Decrease) in deferred income		18 707 179	(11 402 308)
Cash generated from operations		26 170 296	2 108 252
19 Financial instruments			
Overview			
The Playhouse Company 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 Playhouse Company's exposure to each of the above risks, The Playhouse Company's objectives, policies and processes for measuring and managing risk, and The Playhouse Company'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 Playhouse Company's risk management policies.			
The Playhouse Company's risk management policies are established to identify and analyse the risks faced by The Playhouse Company, 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 Playhouse Company's activities. The Playhouse Company, 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 Playhouse Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by The Playhouse Company. 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.			

Notes to the Annual Financial Statements (continued)

	Notes	March 2015 R	Restated March 2014 R
19 Financial instruments (continued)			
<i>Credit risk</i>			
Credit risk is the risk of financial loss to The Playhouse Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from The Playhouse Company's receivables from customers.			
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 March 2014 was :			
Trade and other receivables (note 5)		1 368 301	721 234
<i>Trade and other receivables</i>			
The Playhouse Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The composition of The Playhouse Company'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.			
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 Playhouse Company 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.			
The calculation for the fair valuing of trade and other receivables is performed, however, the adjustment is not processed as the adjustment amount is not material.			
Analysis of trade and other receivables for reporting purposes:			
90 days and over		14 473	9 889
60 days		-	3 539
30 days		33 562	9 654
Current		1 320 266	698 152
		1 368 301	721 234
<i>Investments</i>			
The Playhouse Company limits its exposure to credit risk by investing only in liquid securities and only with approved banks and financial institutions.			
<i>Guarantees</i>			
The Playhouse Company's policy is to provide financial guarantees only for specified services.			
The guarantees in issue as at 31 March 2015 were as follows:			
eThekweni municipality for services - R 277 816			
The Postmaster for services - R 30 360			
The guarantees will expire on 31 December 2025 and will not be renewed.			

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

	Notes	March 2015	Restated March 2014
		R	R

19 Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that The Playhouse Company will not be able to meet its financial obligations as they fall due. The Playhouse Company'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 Playhouse Company's reputation.

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

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

The cash available at 31 March 2015 was R104 773 219 (2014 - R81 196 869).

Market risk

Market risk is the risk that changes in market prices, such as the interest rates will affect The Playhouse Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

The Playhouse Company policy, in line with the National Department of Arts and Culture is to invest surplus cash. Optimal rates and investment periods are received from various banking institutions. A proposal is made and approved by senior management.

Currency risk

The Playhouse Company does not engage in foreign currency transactions and is thus not exposed to this risk

Interest rate risk

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

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

Profile

	2015		2014	
	Int Rate %	Carrying amount	Int Rate %	Carrying amount
Variable rate instrument				
FNB - 60 Days		-	5,50	3 500 000
FNB - 120 days	6,45	10 000 000	6,00	7 000 000
Investec - 120 day fixed	6,40	12 146 586	6,00	15 000 000
Nedbank - 60 Day fixed		-	5,40	5 000 000
Nedbank - 120 day fixed	6,05	16 337 008	6,05	16 000 000
ABSA - 90 day	6,20	3 000 000		-
ABSA - 120 day fixed	6,39	10 500 000	6,05	5 000 000
Standard Bank - 60 Day		-	5,50	3 500 000
Standard Bank - 90 Day		-	6,00	10 000 000
Standard Bank - 120 day	6,47	15 000 000	6,00	7 500 000,00
		66 983 594		72 500 000

At 31 March 2015, 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 R669 984.

At 31 March 2015, 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.

Notes to the Annual Financial Statements (continued)

	Notes	March 2015 R	Restated March 2014 R
19 Financial instruments (continued)			
<i>Fair values</i>			
The fair values of financial assets and liabilities are the same as the carrying values reflected in the balance sheet.			
20 Tax exemption			
The Playhouse Company is exempt from taxation in terms Section 10 (1)(cA)(l) of the Income Tax Act.			
21 Emoluments - Senior management and council			
<i>Senior management</i>			
<i>L Bukhosini - Apr 14 - Mar 15 (Chief Executive Officer and Artistic Director)</i>		1 660 773	1 541 079
Salary		1 320 122	1 222 336
Bonus		110 010	101 861
Pension, med-aid contributions		217 820	201 685
Cell phone and other		12 821	15 197
<i>A Mohanparasadh - Apr 14 - Mar 15 (Chief Financial Officer)</i>		1 099 821	1 031 967
Salary		994 710	921 029
Bonus		82 893	76 752
Cell phone and other		22 218	34 186
<i>O Hlangu - Apr 14 - Mar 15 (Support Services Manager)</i>		924 795	854 157
Salary		715 788	662 766
Bonus		59 649	55 231
Pension, med-aid contributions		136 177	127 428
Cell phone and other		13 181	8 732
Total senior managers		3 685 389	3 427 203
<i>Members of council and subcommittees</i>		175 968	213 698
TS January MacLean - Chairperson of Council (1/4/2014 - 30/9/2014)		10 560	19 797
HC Mgabadelo - Chairperson of Council (1/12/2014 - 30/9/2014)		25 088	-
L Theron* - Deputy chairperson of Council (1/4/2014 - 30/9/2014)		6 104	13 980
JT Mtshali - Deputy chairperson of Council (1/12/2014 - 31/3/2015)		12 544	-
M Mvulane** (1/4/2014 - 30/9/2014)		14 792	18 296
Suresh Naidoo (1/4/2014 - 30/9/2014)		10 640	22 419
M Rajab (1/4/2014 - 30/9/2014)		6 288	18 286
Sadha Naidoo (1/4/2014 - 30/9/2014)		4 112	20 233
T Shezi (1/4/2014 - 30/9/2014)		6 408	14 174
NM Nala (1/4/2014 - 30/9/2014)		6 408	14 174
S Gounden (1/3/2014 - 31/3/2015)		12 816	14 392
TSS Ngcobo (1/4/2014 - 30/9/2014)		4 112	12 118
R Ashe (1/4/2014 - 30/9/2014)		10 640	24 819
B Mngoma** (1/4/2014 - 30/9/2014)		6 408	8 653
C Jugnarayan** (1/4/2014 - 30/9/2014)		6 408	12 357
N Mbele (1/12/2014 - 31/3/2015)		8 704	-
FE Khumalo (1/12/2014 - 31/3/2015)		10 880	-
KB Kunene (1/12/2014 - 31/3/2015)		6 528	-
M Purkey (1/12/2014 - 31/3/2015)		4 352	-
L Ntuli (1/12/2014 - 31/3/2015)		-	-
SP Ndlela (1/12/2014 - 31/3/2015)		2 176	-
Total emoluments		3 861 357	3 640 901
* Permission obtained from Minister of Justice to receive fees and allowances.			
** External independent member of the Audit Committee.			

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

	Notes	March 2015 R	Restated March 2014 R
22 Retirement benefits			
<p>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.</p> <p>The contribution to the provident funds R2 685 910 (2014: R2 545 111) and is included in staff cost.</p>			
23 Related parties			
23.1. <i>National Department of Arts and Culture.</i>			
<p>Grants received for the financial year amounted to R 43 085 000, and for the year ended 2015/16 will amount to R 39 576 000. The reduction of R3 509 000 is due to budget related reductions by National Treasury.</p>			
23.2. <i>KZN Department of Arts and Culture</i>			
<p>Grant received for the 2014/15 financial year amounted to R7 445 000 was received in two instalments.</p>			
23.3. <i>eThekweni Municipality</i>			
<p>A total transfer payment of R3 000 000 was received during the current year on 26 February 2015 for the period 1 July 2014 to 30 June 2015 in line with the municipalities financial year. An amount of R750 000, relating to April, May and June 2015 has been deferred to the 2015/16 financial year. A total transfer payment of R2 250 000 (2014: R3 802 640) is recorded as income for the current year, R2 250 000 (R3 000 000 - R750 000) plus R0 deferred in the previous financial year.</p>			
23.4. <i>Department of Public Works</i>			
<p>The department is the legal owner of the land and buildings occupied by The Playhouse Company and The Playhouse Company leases the property at no charge.</p>			
23.5. <i>KwaZulu-Natal Philharmonic Orchestra - KZNPO</i>			
<p>On 1 April 1998, The Playhouse Company reduced its operational size in line with the principles contained in the Department of Arts, Culture, Science & Technology White Paper. The restructuring exercise was driven by two main objectives: to eliminate the budgeted deficit and to implement strategies to avoid future deficit scenarios. One of the ways of reducing the expenditure was by registering the KZNPO as a non-profit independent Section 21 Association Not for Gain Entity. As a result of this transformation, the two organisations agreed to enter into a mutual benefit relationship.</p> <p>A Memorandum of Agreement exists between The Playhouse Company and KZNPO. This agreement includes the following :</p> <p>a) The KZNPO occupies a few offices for its administration staff.</p> <p>b) Access to finance and human resources services for which they are invoiced .</p> <p>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.</p> <p>d) The Playhouse Company receives a discounted rate for the artistic services offered by KZNPO to The Playhouse Company.</p> <p>The Playhouse Company engaged the services of the KZNPO for various professional productions for the delivery of services according to the mandate of each institution.</p>			
Payments by The Playhouse Company to KZNPO		469 067	1 686 912
Payments by KZNPO to The Playhouse Company		373 122	240 265
<p>The KZNPO is the only professional orchestra in KwaZulu-Natal to render such services. It is cost effective to utilise a locally established entity thus eliminating unnecessary exorbitant transport and accommodation costs.</p> <p>The Chief Executive Officer of the KZNPO is married to the Chief Executive Officer of The Playhouse Company.</p>			

Notes to the Annual Financial Statements (continued)

	Notes	March 2015 R	Restated March 2014 R
23 Related parties (continued)			
23.6. <i>Council</i>			
<p>The Council was appointed by the Minister of Arts and Culture to oversee and ensure good corporate governance. Council has various subcommittees such as Finance, Audit and Governance, Human Resources and Remuneration Committees that guide and assist management which is appointed by Council. Refer note 20 - compensation.</p> <p>In her capacity as educator and activist in arts advocacy Ms TS January Maclean participated as a guest speaker in the "Intergenerational Dialogue" during the Woman's Arts Festival in 2014. She was paid R 4 000 for her professional services.</p>			
23.7. <i>Artist fees</i>			
<p>The Playhouse Company entered into a partnership with the Department of Arts and Culture and Assembly George Square Studio One to stage and tour "Race" a drama production at the Edinburgh Festival Fringe, Scotland, in 2014. The production was staged in August 2014.</p> <p>One of the artists, an award winning actress who has worked on various national and international stages and television networks was Ms Nondumiso Tembe. She was paid R175 172, (2014: R75 000) for her artistic services in Race and as one of the 220 artists in "A Christmas Celebration". She is the daughter of the CEO, Ms Linda Bukhosini.</p> <p>During the year under review, one of the 220 artists the Cultural Institution engaged was the services of Mr Bongani Tembe a world famous tenor as a soloist for a series of concerts of a staged production of "A Christmas Celebration". An amount of R80 000 (2014: R0) was paid.</p> <p>The Playhouse Company staged various productions in celebration of women's month, under the umbrella of Women's Arts Festival. One of the 37 artists that performed during the festival was Ms Naima Mclean, who is a highly rated professional poet/actor and has performed on various national and international arts stages. She was paid R0 (2014: R 10 000) for her professional services. She is the daughter of Ms TS January-Mclean who is the chairperson of the Council.</p>			
23.8. <i>Management</i>			
<p>Mr O Hlangu is the Support Services Manager of The Playhouse Company. He was a director of Prosound (Pty) Ltd. In January 2014 Mr O Hlangu resigned as a Director. During the period April 2014 to March 2015 an amount of R 3 142 920 (2014: R 18 871) was paid by The Playhouse Company to Prosound (Pty) Ltd for the purchases of sound and lighting equipment.</p>			
23.9. <i>Key personnel</i>			
<p>Chief Executive and Artistic Director – Linda Bukhosini Chief Financial Officer – Amar Mohanparasadh Support Services Manager – Oscar Hlangu</p>			
24 Subsequent events			
<p>There was no significant events that occurred between balance sheet date and date of this report.</p>			
25 Irregular, fruitless or wasteful expenditure			
<p>No material losses through criminal conduct, or irregular, fruitless or wasteful expenditure were incurred during the year ended 31 March 2015.</p>			
26 Non-cancellable committed tenders			
<p>At the balance sheet date The Playhouse Company had outstanding commitments in respect of non-cancellable tenders awarded during the year.</p> <p>The tender awards are as follows:</p>			
Internal and external remedial work ablutions upgrade		-	6 539 844
Replacement of Alhambra and Tudor roofing		1 130 626	2 929 171
Replace Opera Theatre Main Curtains and Drapes		1 093 055	-
		2 223 681	9 469 015

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For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

	Notes	March 2015 R	Restated March 2014 R
27 Comparative figures			
The Prior year error (note 2) relates to the fair valuation of assets inherited in the 2007 and prior years. The prior years trading results have been restated. The annual financial statements discloses this as "Restated March 2014" financial information.			
28 Reconciliation between budget and statement of financial performance			
(Net Deficit) Surplus per the statement of financial performance		(2 752 404)	5 223 726
Adjusted for:			
(Increase) Decrease in capital works grant from DAC		12 957 181	(11 402 309)
Increase in grant received		1 552 640	(334 141)
Increase in sponsorship for the staging of productions		(1 151 891)	(1 346 620)
Increase in production income		(1 095 009)	(2 331 480)
Increase in liquor bar and sundry income		-	(417 000)
Increase in finance income		(637 968)	(1 605 508)
Increase (Decrease) in production cost		(184 276)	1 211 437
Decrease in compensation to employees as certain positions not filled		(2 792 761)	(2 769 778)
Decrease in consumables, electricity and cleaning		(726 195)	(896 693)
Decrease in council expenses		(251 837)	-
Decrease in telephone expenses		(102 383)	-
Increase (Decrease) in audit fees		-	127 906
Decrease in security costs		-	(791 626)
Decrease in repairs and maintenance		(735 912)	(1 517 842)
Decrease in other operating expenses		(329 876)	(975 944)
Deficit on the sale of assets		186 892	-
Depreciation		15 648 989	13 088 811
Capital expenditure budgeted but not processed to statement of financial performance		(47 364 345)	(39 772 299)
Net deficit per approved budget (including capex)		(27 779 157)	(44 509 360)



Boitumelo Shisana and Zenzo Ngqobe: Silent Voice

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

29,1 Reconciliation between budget and statement of financial performance - operating expenditure

STATEMENT OF FINANCIAL PERFORMANCE – ACTUAL VERSUS BUDGET

	2015 ACTUAL	2015 ORIGINAL BUDGET	2015 REVISED BUDGET	2015 VARIANCE	2015 VARIANCE
	R 000	R 000	R 000	R 000	%
REVENUE	65 950 826	78 458 298	78 303 140	(12 352 314)	
Grants	59 222 819	73 960 798	73 732 640	(14 509 821)	-20%
Production income	1 187 579	1 730 000	1 730 000	(542 421)	-31%
Donations and sponsorships	1 151 891	-	-	1 151 891	0%
Rent received	325 274	420 000	370 000	(44 726)	-12%
Hire of performance venues, costumes and sets	3 057 430	1 495 000	1 420 000	1 637 430	115%
Box office commission - external productions	169 900	150 000	150 000	19 900	13%
Bar and other sales	314 067	500 000	500 000	(185 933)	-37%
Sundry income	521 866	202 500	400 500	121 366	30%
EXPENDITURE	73 841 198	63 388 841	63 217 953	(10 623 244)	
Production costs	11 831 450	12 015 725	12 015 726	184 276	2%
Employee related costs	27 493 031	30 106 906	30 285 792	2 792 761	9%
Annual report	90 705	110 000	110 000	19 295	18%
Auditors fees external	913 545	500 000	800 000	(113 545)	-14%
Auditors fees internal	384 256	400 000	400 000	15 744	4%
Council related expenses	128 163	640 000	380 000	251 837	66%
Cleaning and sanitation	1 207 209	1 240 700	1 325 700	118 491	9%
Consumables	909 511	1 445 000	1 441 500	531 989	37%
Electricity	3 403 294	3 547 500	3 597 500	194 206	5%
Security	2 780 099	2 750 000	2 750 000	(30 099)	-1%
Insurance	303 864	294 500	294 500	(9 364)	-3%
Legal expenses	85 403	50 000	50 000	(35 403)	-71%
Marketing	1 575 908	1 000 000	1 000 000	(575 908)	-58%
Repairs & maintenance	2 146 088	3 876 250	2 882 000	735 912	26%
Telephone	337 817	426 700	440 200	102 383	23%
Training	367 138	370 000	370 000	2 862	1%
Travel - local and overseas	562 184	600 000	600 000	37 816	6%
Water	364 453	355 000	315 000	(49 453)	-16%
Depreciation	15 648 988	-	-	(15 648 988)	100%
General expenses	3 308 092	3 660 560	4 160 035	851 943	20%
Deficit from operations	(7 890 372)	15 069 457	15 085 187	(22 975 558)	
Interest received	5 137 968	3 258 000	4 500 000	637 968	14%
Deficit for the year	(2 752 404)	18 327 457	19 585 187	(22 337 590)	

Notes to the Annual Financial Statements (continued)

Explanation of significant variance

Capital grant was received on 31 March 2015.

No long run year end production was presented thus resulting in lower ticket sales and income.

Sponsorship income received from Department of Arts and Culture in respect of Ingoma and Iscathamiya Competitions and the schools tour.

Decrease in the number of leases due to tenants leaving.

Outside hirers income exceeded budget by R1 million whilst mobile stage exceeded budget by R 446 000.

Commission on outside hirer productions exceeded expectations.

No long run year end production was presented thus resulting in lower bar sales

Tender deposits and functions venue hire exceeded budget by R98 000.

Due to positions that are vacant, in the process of being filled.

Savings in publication and printing of 2014 annual report.

Fees for the Auditor General 2014 audit.

Savings due to the ISPA conference not attended in June 2014 and January 2015.

Savings as a result of cost saving initiatives.

Savings in domestic electrical as energy saver lamps are lasting far longer with less replacement. Savings in other consumables are in line with cost saving initiatives.

Expenditure on electricity depends largely on the number of shows & scale of stage lighting required. It would appear that there was some saving on stage lighting in particular.

Review of production contracts not budgeted for

Production marketing was accentuated by accessing the corporate marketing budget.

Measures of cost control have been put in place after receiving budget cut notification from National Treasury

Savings as a result of cost saving initiatives.

Flights and accommodation booked in advance to take advantage of cheaper rates. Savings in accommodation costs also resulting from directive from National Treasury limiting the accommodation value.

Original budget was incorrectly reduced.

Non cash flow item not budgeted for annually.

R 500 000 contingency reserve budgeted and not utilised. Savings in various expenses items due to cost saving initiatives.

Funds optimally invested with banks providing best rates of returns.

Annual Financial Statements

For the year ended 31 March 2015

Notes to the Annual Financial Statements (continued)

29.2 Reconciliation between budget and statement of financial performance - capital expenditure

FIXED ASSET ADDITIONS – ACTUAL VERSUS BUDGET

	2015 ACTUAL	2015 ORIGINAL BUDGET	2015 REVISED BUDGET	2015 VARIANCE	2015 VARIANCE	Explanation of significant variance
	R 000	R 000	R 000	R 000	%	
Office equipment	75 939	125 000	795 000	719 061	90%	Acquisition of some office equipment was delayed after receiving budget cut notification from National Treasury
Computer equipment	290 628	315 000	315 000	24 372	8%	Acquisition of computer equipment was delayed after receiving budget cut notification from National Treasury
Transport	1 045 067	1 400 000	1 400 000	354 933	25%	Savings in purchase price of truck following negotiations.
Stage equipment	171 886	19 400 000	38 235 000	38 063 114	100%	Tender processes were in progress at year end. Work will commence in the new financial year. Capex grant of R24.4m was received on 31 March 2015.
Buildings	6 307 351	-	6 619 000	311 649	5%	Tenders awarded and work in progress at year end.
Total	7 890 871	21 240 000	47 364 000	39 473 129	83%	



Monde Marafana, Casey Swales, Kim Paul and Kristi Leigh Jean: A Christmas Celebration



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