

THE SOUTH AFRICAN STATE THEATRE
ANNUAL REPORT
2021 | 2022



an agency of the
Department of Sport, Arts and Culture

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

KUCHEZA AFRIKA FESTIVAL 2021

01-11 APRIL

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

SOLIDAD

by Vincent Mantsoe

LIVE AT THE THEATRE

08 APRIL AT 19:00
09 APRIL AT 19:30

ARENA THEATRE

TICKETS: R 120

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

MY CHILDREN! MY AFRICA!

PLAY BY NTOLO FUGASE
DIRECTED BY RUTHY-JO BODE

DRAMA THEATRE | 26 MAY - 18 JUNE 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

BOPIHA!

Written by Percy Mtshali

Featuring
Shaki Mkhwanazi
Ntsho Chokwe
Janencia Ngweni

Directed by Percy Mtshali

ARENA THEATRE | 25 MAY - 13 JUNE 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

Youth expressions FESTIVAL

Feel free... Just Be!

STATE THEATRE | 16 - 30 JUNE 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

KGALAGALO TŠA SETU

WRITTEN BY A.G. MASHILO
DIRECTED BY
RUTHY-JO BODE

DRAMA THEATRE | 23 JUNE - 9 JULY 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

THAT NIGHT OF TRANCE

DIRECTED BY
NTSHENGO MOKGONO

27 AUGUST - 19 SEPTEMBER 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

TRILOGY

CHOROGRAPHY AND DIRECTION
LUTHANDO MOKOENA

UMNIKELO (OFFERING)

SIVA

AMAWETHU

LUTHANDO ARTS ACADEMY
(100, UNIT A, SIKORONG - 1984)

7 - 24 SEPTEMBER 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

MOWA

Director: Drippling Dripod
Writers: Drippling Dripod & Kagiso Shomoleke
Music composed by MChA & Cast

WINDHAKA AND CULTURE A
THEATRE PRODUCTION

21 - 25 SEPTEMBER 2021 AT 19:00

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

MAKHADZI

(HERITAGE CONCERT)

WITH MORAYKE | MOSHE MATSEKE | AZAN

EAST PRINCIPAL | 24 SEPTEMBER 2021 FROM 5PM

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

JACKY MASEKELA ENSEMBLE

RENEZVOUS THEATRE | 25 SEPTEMBER 2021 AT 6PM

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

METSI

WRITTEN & DIRECTED BY
WARRAH VAN THORSE

PERFORMED BY
ADRISE BOKORHANA, THABISE PRINCE
KHOHLE MABESE MATSISO & SAUNDIS KA MOCOBO

ARENA THEATRE | 1 - 10 OCTOBER 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

TSOGO

THE BOB OF CHARLOTTE ANNEA MABESE

DIRECTED BY ANNEA & CHARLOTTE ANNEA MABESE
ARCHICHOGRAPHY BY DORIAN HOFFMANN

ARENA THEATRE | 14 - 31 OCTOBER 2021

THE SOUTH AFRICAN STATE THEATRE PROUDLY PRESENTS

FELA AND THE KALAKUTA QUEENS

DIRECTED BY
DOLANLE AUSTEN-PETERS

BLAKE "MAYHEM" ADRIE • ESTY BEE • BUNNIE OI BUNNIE BUNNIE
DOLANLE AUSTEN-PETERS • BUNNIE BUNNIE

22 OCTOBER - 14 NOVEMBER 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THABAKA PRODUCTIONS PROUDLY PRESENTS

SHAKA ZULU

WRITTEN BY Bongani Lindo & Thabak Productions
DIRECTED BY Bongani Lindo
PERFORMED BY Bongani Lindo, Makhosi Makhosi, Makhosi Makhosi & Thabak Productions

Thabak Productions | Bongani Lindo | Makhosi Makhosi | Makhosi Makhosi

DRAMA THEATRE | 19 OCTOBER - 5 DECEMBER 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

Nguvu ya Mbegu... eNtabelanga

A contemporary commemoration of the Bulhoek Massacre of 1921
Directed by Muzibane Muzibane

Performance Coaching by Muzibane Muzibane | Choreography by Muzibane Muzibane
Musical Direction by Muzibane Muzibane | Music by Muzibane Muzibane
Sound/Composition by Muzibane Muzibane | Lighting by Muzibane Muzibane

THEATRE ARTS (CAFE DOWN) 21-23 OCTOBER 2021

TICKET R100

OCTOBER YANOS

WITH SEMI TEE | DALIWONGA
KLY | BLOW LEPARA & JETPILOT

By Percy Mtshali

SAST PRCINCT 30 OCTOBER 2021 FROM 7PM

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

AFROGOZ TOUR

By Percy Mtshali

RENDEVOUS THEATRE 4 NOVEMBER 2021 AT 7PM

TICKET R100

ASKARI

BY Muzibane Muzibane

Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

ARENA THEATRE 25 NOV - 5 DEC 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

MARIKANA

— HISTORICAL —

Written & Directed by Muzibane Muzibane
Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

19 NOVEMBER - 12 DECEMBER 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

Kwasati

INTERNATIONAL FESTIVAL

STATE THEATRE 25 NOV - 12 DEC 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

THETHA

Choreographed and Directed by Muzibane Muzibane

RENDEVOUS THEATRE 30 NOV - 2 DEC 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

ZOË MODIGA

LIVE IN CONCERT

PHZIANLDA

VENUE OPERA THEATRE
TICKETS PRICES R250 - R350
TIME 7PM

OPERA THEATRE 4 DECEMBER 2021 FROM 4PM

TICKET R250

MNYAMA EXPERIENCE

Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

OPERA THEATRE 4 DECEMBER 2021 FROM 4PM

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

An-Nūr

Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

OPERA THEATRE 4 - 8 DECEMBER 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

GROET DIE GROTMAN 2

and Fietjie van Afrikaans

Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

DIE STAATSTEATER 7 - 12 DESEMBER 2021

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

SAST YOUTH CHOIR

Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

THEATRE MALOMBO 10 DECEMBER 2021 AT 18:00

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

PHINDA MZAIA

Msaki

LIVE IN CONCERT

11 DEC 2021 OPERA THEATRE 7PM

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

WOMEN ARE THE ARCHITECTS OF SOCIETY

Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

OPERA MARBLE FOYER 17 JAN - 12 FEB 2022

THE SOUTH AFRICAN STATE THEATRE IN ASSOCIATION WITH THE NATIONAL ANTI-RACISM EDUCATION PROJECT

NALEDI

Produced by Muzibane Muzibane & Muzibane Muzibane
Directed by Muzibane Muzibane
Musical Direction by Muzibane Muzibane
Choreographer by Muzibane Muzibane

MALOMBO THEATRE 24 - 25 MARCH 2022



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PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

PUBLIC ENTITY:	THE SOUTH AFRICAN STATE THEATRE
PHYSICAL ADDRESS:	320 PRETORIUS STREET PRETORIA 0002
POSTAL ADDRESS:	P O BOX 566 PRETORIA 0001
TELEPHONE NUMBER:	+27 12 392 4000
EMAIL ADDRESS:	admin@statetheatre.co.za
WEBSITE ADDRESS:	www.statetheatre.co.za
EXTERNAL AUDITORS:	AUDITOR-GENERAL SOUTH AFRICA
BANKERS:	ABSA BANK LIMITED
COUNCIL SUPPORT:	ADAMS AND ADAMS (1 April 2021 to 31 March 2022) WILLIAM RADCLIFFE (PTY) LTD (Commenced 1 April 2022)

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
A-GSA	Auditor-General of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COUNCIL	The South African State Theatre Council (Board)
DSAC	The Department of Sports, Arts and Culture
DPSA	The Department of Public Service and Administration
MANCO	Management Committee
MTEF	Medium Term Expenditure Framework
NT	National Treasury
PFMA	Public Finance Management Act (Act 1 of 1999, as amended)
SAST	The South African State Theatre
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations

3. FOREWORD BY THE CHAIRPERSON



PROFESSOR FIKILE N. M. MAZIBUKO
CHAIRPERSON

INTRODUCTION

The Council of the South African State Theatre (SAST) presents the Annual Report for the 2021/22 financial year. This report, which serves as the Accounting Authority's tool of accountability to the shareholder and the people of South Africa, has been prepared by management and approved by Council, in accordance with the Cultural Institutions Act (Act 119 of 1998, as amended in 2001) and the Public Finance Management Act (Act 1 of 1999).

This report outlines the governance and operational activities of the SAST during the second year of this Council's three-year term, which began on 09 December 2020.

Council has continued to monitor the SAST's Business Model focussing on long term sustainability, reimagining and realignment of the theatre, and the maintenance of a healthy balance between artistic creativity and fiscal stability. There is a common understanding that the SAST should continue to identify and position itself as "the theatre of Africa", with its vision as: "To be the prestigious theatre of choice for a distinctly Pan-African experience", while recognising the global and inclusive character of South Africa's past, present and future.

Since 2018 the strategic focus has been on identity and branding, generating revenue, marketing, stakeholder engagement, enhancement of infrastructure, prioritisation of ICT governance, legislative compliance, and human resource capacity to deliver on the entity's mandate. This was confirmed at the new Council's strategy workshop on 24 November 2021, with a renewed focus on infrastructure revamp, presentation of agile artistic offerings, operational efficiency, the positioning of the SAST as a leading generator and distributor of digital artistic content, enhancement of institutional visibility, and the diversification of revenue streams.

Operating conditions and Audit Outcome

During the past two financial years, Council has made enormous strides in the implementation of the strategic priorities which has resulted in the integration of the Strategy, Structure and Financial Resources, which is critical to the success and long-term sustainability of this organisation. In addition to its enhancement approach and reviewing strategic priorities, Council relentlessly pursued the consolidation of the strategic interventions to stabilise and place SAST on an upward trajectory.

The current Council is committed to improving organisational performance and excellence in operational efficiency.

The financial year 2021/22 was another particularly challenging one, with the persistence of unprecedented problems caused by the outbreak of the Covid-19 pandemic. The SAST had to grapple with multiple challenges such as the fraud and corruption investigation and to address audit findings emanating from the 2020/21 qualified audit opinion. Despite the difficulty of the operating climate and hostile trading conditions, the institution has managed to triumph in respect of its core business by being innovative and creative.

The fraud and corruption matter is the subject of an investigation

by the SAST's forensic investigators and the law enforcement agencies, the Directorate for Priority Crimes Investigation (DPCI). The SAST's own forensic investigation was concluded in November 2021 and the report was submitted to the Hawks. We are confident that the investigation will be concluded during the 2021/22 financial year and those responsible be made to account for their actions. However, it is a matter of serious concern that, despite having had sufficient evidence since 2020, the police have not made arrests. This after the SAST had used its own resources by conducting a forensic investigation to complement and support the police's investigative efforts.

It is disheartening that once again the SAST obtained a qualified audit opinion from the Auditor-General (AG) for the 2021/22 financial year audit. This is disappointing, more especially because prior to the 2020/21 financial year, the SAST has achieved unqualified audit opinions for three consecutive years. The 2021/22 qualified audit opinion is based on matters relating to property, plant and equipment and the related material misstatements to the Annual Financial Statements. The auditors further raised concerns about matters that require urgent attention, particularly expenditure management, procurement and contract management and consequence management.

The Council, Audit and Risk Committee and the executive management have compiled an Audit Action Plan to ensure that these matters receive the necessary attention, and the progress on the plan will be a standing item at future Council meetings for purposes of monitoring and evaluation. The aim is to ensure that the SAST achieves an improved audit outcome in the next financial year. Council is determined to address the areas identified by the auditors and to enhance the SAST's performance particularly to balance artistic creativity and fiscal stability.

Corporate Governance

The SAST Council and its committees, which are: the Audit and Risk Committee (ARC), the Human Resources and Remuneration Committee (HRRC), Institutional Development Committee (IDC), the Finance Committee, and the Social and Ethics Committee, executed their responsibilities in accordance with their respective charters and enabling legislation.

Council have continued to consistently strengthen the pillars of good corporate governance by reviewing the composition and mandates of committees, strengthening them by replacing

those members who resigned, reviewing organisational policies, ensuring implementation of sound internal controls and risk management, monitoring, evaluation and enhancing legislative compliance. Council has ensured that there is improvement in the execution of its fiduciary and oversight responsibility as well as accountability by the executive management in respect of organisational performance.

In addition, a new Internal Audit service provider was appointed during the 2021/22 financial year and an ICT Strategic Committee was established. The ICT Strategic Committee is in line with Council's strategic thrust of strengthening ICT governance within the SAST and ensuring that ICT drives organisational performance. This is crucial given the challenges and opportunities provided by the pandemic as well as the compliance requirements that have been imposed by the promulgation of the Protection of Personal Information Act (POPIA).

Organisational Performance for the year under review

The SAST's overall performance of 65% against predetermined objectives, as set out in the SAST's revised 2021/22 Annual Performance Plan, which is 22% less than the performance for the 2020/21 financial year. While significantly less than the previous year, it is commendable that the SAST achieved this level of performance during the year of difficulties caused by Covid-19, especially during the first and second quarter of the fiscal year.

Despite the setback of a qualified audit opinion, Council is proud of the artistic work of the SAST, and the achievements made in cementing its role as a premier theatre for both small and large-scale productions. It was no surprise that the theatre won 8 awards at the 2021 Naledi Theatre Awards. The 2021/22 productions continued to diversify and grow the SAST's audience. The artistic programme continued to stimulate debate on pertinent socio-economic and political issues, secure long-term sustainability for the arts, contributed to economic growth, and created jobs while also making critical commentary on nation-building, social cohesion, gender-based violence, racial discrimination, corruption, poverty, and inequality.

We are pleased that the SAST consistently pushed the envelope and broke new ground in presenting dynamic live and digital projects that reaffirm its identity as a Pan-African theatre, with growing national and international reputation.

While the SAST has registered positive and encouraging achievements in respect of its Annual Performance Plan, the organisation continues to experience challenges caused by the high vacancy rate, inadequate budget to sustain operations and pay market-related salaries, and the misalignment between the strategy and human resources. Although previously management committed to enhancing revenue generation efforts, it has become apparent that the economic climate and trading conditions are not going to make it easy for the SAST to attract more long-term parking clients as well as fundraising/sponsorship partners.

Financial Results

The SAST's financial performance is outlined in the Annual Financial Statements, which form part of this Annual Report. The SAST Council and management remain committed to fiscal stability by implementing cost containment measures. Council will continue to engage the DSAC regarding the fact that theatre is still an unfunded mandate. This presents challenges, more particularly when one considers the size of the State Theatre infrastructure, the growing demand for the SAST to serve a wider range of communities beyond its locality, and the fact that less than 20% of its budget is set aside for artistic productions.

Revenue collection from property tenants is still a matter of serious concern. Council has mandated management to implement various measures to address this challenge of poor revenue generation from leasing of facilities. A process to strengthen revenue collection and evict non-paying tenants has been initiated. This has been done with due regard to the difficult economic climate caused by the pandemic.

The SAST continues to engage with DSAC regarding the enhancement of capacity to generate own revenue as one of the key deliverables. Strengthening the SAST's revenue generation capacity is crucial during the economic climate which has seen massive budget cuts by National Treasury for the financial year under review as well as the next two financial years. Council is encouraged by the DSAC's willingness to assist in the funding of infrastructure maintenance. Funding of the maintenance of the massive but aging infrastructure will provide long term benefits towards ensuring sustainability and releasing some of the funds for the core business.

Strategic Direction

As mentioned in the Introduction the SAST's strategic direction was reaffirmed during the Council workshop on 24 November 2021 and reaffirmed by the new Council in February 2021. The entity's Programme of Action still focuses on five strategic pillars, which are: Maximise Revenue, Enhance Reputation, Develop and Manage Human Capital, Promote a Culture of Excellence, and Audience Development. Council resolved that the following to be the key deliverables for the 2021/22 financial year:

- The Diversification of revenue sources.
- Resource mobilization in ensuring that the SAST responds meaningfully to the challenges of Covid-19 (including strengthening of ICT infrastructure and governance)
- Positioning the SAST as a premier content creator for digital and physical theatre productions
- Achievement of a clean audit outcome.
- Financial management – the need to strengthen the internal controls to avoid issues such as fraud and corruption.
- Strengthening the human capital development as an important strategic pillar.
- Infrastructure – not only maintenance but also enhancing and upgrading infrastructure which would assist with revenue generation.
- Developing the Relationship with the municipality and the province
- Identification of emerging risks brought about by the Impact of Covid-19.
- Focus on a Stakeholder Engagement Strategy.
- Strengthening Ethical Conduct and avoidance of Conflict of Interests

In pursuing the strategic direction, Council remains cognisant of developments about the constant budget reductions, the implementation of the Revised White Paper on Arts, Culture and Heritage as well as the governance and operational implications of the proposals contained in the Feasibility Study on the Amalgamation of DSAC entities.

Acknowledgements

On behalf of the SAST Council extends its sincere gratitude and acknowledgement of the foresight, insight and collective critical reflections driven by the Executive Authority, Honourable Minister of Sport, Arts and Culture, Mr Nkosinathi Emmanuel Mthethwa. The continued support from and mutual engagement with the team in the department, led by the Director-General Mr Vusumuzi Mkhize, is greatly appreciated.

I would also like to recognise and express appreciation for the profound and invaluable contribution made by all staff of the SAST. Staff consistently demonstrate strong work ethic, passion, civility, and professionalism. Despite extreme adversity caused by working under Covid-19 restrictions, high vacancy rate and relatively low salaries, the SAST staff were not disheartened but remained resolute in their commitment to company values and achievement of organisational goals.

Council will continue to provide strategic oversight, guidance, and leadership to ensure that the strategic priorities of the SAST are aligned to the National Development Plan 2030, the Minister's 10-Point Plan and the SAST's Five Year Strategic Plan.

While the negative audit opinion is a serious setback, Council and management refocus and conduct an honest review of the 2021/22 financial year. The achievement of a positive audit outcome will be of utmost priority during the 2022/23 financial year. The SAST Council looks ahead to the remaining year of its term with renewed vigour and a resolve to achieve operational efficiency, good corporate governance, and accountability.



Professor Fikile N. M. Mazibuko
Chairperson
The South African State Theatre
31 July 2022

HIGHLIGHTS 2021/2022

- 29 Naledi Theatre Awards Nominations announced in February 2022.
- SAST won 8 awards at the 2021 Naledi Theatre Awards:
 - Meisi**
Best Director of Play - Hannah Van Tonder
Best Sound Design - Paul Noko
 - Shaka Zulu**
Best Supporting Actress In a Musical - Nonhlahla Dube
Best Choreography of Musical - Shaka Zulu
Best Musical Director - Simphiwe Sekhakhane & Zakhele Mabena.
Best Costume Design - Nobayeni Xaba
Best Director of musical - Meshack Mavuso Magabane.
Best lead performance of musical - Zodwa Radebe.
- Taking our productions to the 2nd São Paulo International Virtual Movie Festival (December 2021) – That Night of Trance, Angola and Freedom The Musical
- Continued partnership with Ster Kinekor to screen SAST productions at the Cinemas: Freedom The Musical, That Night of Trance, Angola Camp 13, Fela and The Kalakuta Queens, Marikana-The Musical
- ARTFLUENCING DEMOCRACY DIALOGUES series in collaboration with the University of KwaZulu-Natal in February 2022. This partnership aims to create awareness of the contributions made by key artists to the transformation of South Africa as it emerged from the apartheid era through a series of dialogues in which these artists are interviewed. The programme is aligned to the national days which informs the theme for each episode.
- Conversations with the Author – a platform to either launch new books or host a conversation with the author on an already published/launched book, having commenced this programme 2019, we resumed in November 2021.
- The South African State Theatre was assigned by the Department of Sport, Arts and Culture to manage and lead the performing arts section for the Dubai Expo 2020.

SAST COUNCIL



PROF FIKILE N.M. MAZIBUKO (CHAIRPERSON)



DR MATSHEDISO JOY NDLOVU (DEPUTY CHAIRPERSON)



ADVOCATE KHAYELIHLE THANGO



DR LEBOGANG NAWA



MR SUREN MAHARAJ



MS HELLEN KENTSE MAKGAE



MR GLENN UJEBE RAMOTILE ERIC MASOKOANE

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



DR SIBONGISENI MTHOKOZISI MKHIZE
CHIEF EXECUTIVE OFFICER

INTRODUCTION

The South African State Theatre (SAST) remains committed to implement the mandate of the Department of Sport, Arts and Culture (DSAC), its Executive Authority, the Minister's 10-Point Plan and the relevant Outcomes of the National Development Plan. The SAST has aligned its mandate to the DSAC's strategic drivers, outcomes, and outputs. The theatre's strategic goals have been formulated from the DSAC's strategy which aims to develop, preserve, protect, and promote, arts, culture in South Africa and mainstream its role in social cohesion, nation building and facilitation of socio-economic development.

This Annual Report is based on the 2021/22 Annual Performance Plan (APP), a document that is aligned to the government's Programme of Action, which is to support job creation, create a skilled workforce, build an empowered and inclusive citizenship as well as foster an effective, efficient, and responsive public service. The SAST's 2021/22 targets and deliverables therefore took into consideration the changing socio-economic climate and were adjusted accordingly. Focus was placed on the reimagining and repositioning of the SAST during and post-Covid-19 in terms of its mandate, operational efficiency, continuation to the arts and culture sector and the organisation's long-term sustainability.

Delivery of Mandate and Audit Outcome

In implementing the performance plan, the SAST was informed by the strategic pillars and the Programme of Action, identified during Council's Strategic Planning workshop in November 2021. The SAST Council and executive management ensured that there was a constant review of its artistic programmes, investment in people and change in organisational culture, strengthen capacity to raise partnerships and attract sponsors, and enhance capacity to generate own revenue. In addition, special attention was given to improving programmatic and institutional visibility, diversification of artistic offerings, infrastructure refurbishment, development of human capital, positioning of the SAST as a premier digital content creator and distributor and the use its artistic programme and the Transformation Project to promote its identity as a proudly Pan-African theatre. The SAST continued to review of quality of spending, strengthen internal controls in financial management and safeguarding of assets, achievement of a healthy balance between artistic creativity and financial stability,

During the financial year under review the SAST's pan-African theatre vision and identity was expressed through the artistic programme and the initiation of the building blocks of the Transformation Project that will see the rebirth of the SAST, particularly changes in its interior design, renaming of spaces and the alignment of the theatre with the transformative and inclusive outlook of the organisation's identity.

During the financial year under review management ensured that their reports on organisational performance centred on these strategic pillars. While there was notable progress in some, others will require more effort, especially revenue generation, development of human capital and the increase in audience attendance. The main contributor to the significant changes in

performance was the Covid-19 pandemic.

It is disappointing that during the audit of the 2021/22 financial year the SAST obtained a qualified audit opinion from the Auditor General. Management will develop an Audit Action Plan to address the matters that were raised in the Final Management Report and the Audit Report. This plan will also pay particular attention to strengthening internal controls around Asset Management and Procurement to ensure that matters raised in the AG's Management and Audit Reports are comprehensively addressed to strengthen and entrench a culture of sound governance and compliance within the organisation.

Artistic Performance

The SAST's artistic philosophy and programme are predicated on the SAST's pan-African identity. The artistic performance also considered the deliberations and the strategic pillars as identified during the Council meetings and workshops during the financial year. While the SAST continued to cement its place as a premier centre for the performing arts and a centre of artistic excellence, serious challenges persisted in audience attendance and ticket sales caused mainly by lockdown restrictions and the difficult economic climate.

The artistic achievements as outlined in the Artistic Director's Report occurred within a context of resource constraints. The current and previous councils have consistently raised concerns regarding the inadequacy of the financial resources to support the core mandate, and efforts are being made to strengthen the organisation's fundraising and sponsorship capacity.

The 2021/22 hybrid artistic programme, which was driven by innovations around online/digital theatre, has broadened horizons, and opened new vistas in respect of partnerships, creativity, and artistic expression. This artistic programme also ensured that the SAST continues to execute its mandate of presenting theatre while also ensuring that it brought relief to the arts and culture sector. Council is confident that the SAST's creative team will continue to find creative ways of critically and innovatively engaging with the ever-changing challenges as well as opportunities.

Financial Performance

The finances of the SAST are managed in accordance with the Public Finance Management Act. The SAST's internal audit is conducted by a private company and its work has assisted

Council, the Audit and Risk Committee (ARC) and management in strengthening the control environment and risk management.

During the 2021/2022 financial year, the SAST received an operational grant of R68 247 000 from DSAC, R52 415 from CATHSSETA and R2 400 000 from DSAC for the Incubator programme and capital expenditure grant totalling R10 005 620, self-generated revenue of R17 051 512 and sponsorship revenue of Nil. Revenue increased by 9.10%. Expenditure increased by 1.77%. The net inflationary adjustment after in year budget reductions amounted to 14.14%. The higher-than-average annual adjustment is due to an additional once-off amount of R7 000 000 that was allocated by the DSAC to support SAST in paying the City of Tshwane utilities account.

The number of in-house productions staged during the year totalled 108 against a target of 100. Online and live performances were staged for these productions, attracting an audience of 38 191 (against a target of 130,000) and combined with theatre rental income, generated a revenue of R2,813,370. The SAST created 926 short term jobs against a target of 1000. Rental of offices and other spaces generated R4,384,628 against a target of R3,170,000. Parking garage rentals generated R8,101,979 against a target of R10,800,00. Front of House revenue was R834,378 against a target of R400,000. It must be noted that while some of the targets were exceeded the achievements are far below the performance of the 2019/20 financial year (pre-Covid-19) when the annual audience and revenue targets were double to what they were during the financial year under review.

The SAST management continue to intensify cost containment measures and to strengthen the control environment. Management continues to monitor and evaluate the quality of spending. Efforts were made to identify and quantify existing commitments to ensure alignment with the SAST's income generating capabilities.

Planning and Performance Reporting

During the 2021/22 financial year the SAST Council and management paid particular attention on the matters raised by the Auditor-General. Organisational performance was carried out in accordance with the Annual Performance Plan, with particular focus being placed on the strategic pillars as identified by Council.

Despite the challenges experienced during 2020/21 due to the outbreak of Covid-19, the SAST has achieved 65% of its APP targets, which was 22% less than the 2020/21 annual organisational achievement. The SAST demonstrated improvement in the achievement of some of its revenue generation targets, despite a hostile trading environment, high vacancy rate and other risks associated with human resources. The achievements in respect of Capex projects helped to boost the overall annual performance of the organisation.

Risk Management and Compliance

Risk Management is a standing item at management at Committee and Council meetings. The Audit and Risk Committee reports to Council on a quarterly basis. During the year under review, the Risk Register review was completed and approved in March 2021. Management uses the Risk Register to track progress on mitigation of key risks, identification of and implement controls to deal with business unit risks, and the detection and mitigation of emerging risks as identified on a regular basis and tabled at the meetings of the Risk Management Committee which meets quarterly.

The Risk Register informs the work of Internal Audit, and management also ensures that risks identified during the AG's annual audit are also incorporated into the Risk Register.

The Risk Register is an evolving document, which places particular focus on the SAST's strategic and operational risks such as infrastructure project delivery, human resources and remuneration, artistic programming, fraud and corruption, business continuity, impact of implementation of the POPI Act, stakeholder engagement, marketing, intellectual property, and information communication and technology.

The SAST management places particular focus on risk ownership (responsibility and accountability), processes of identifying and reporting risks, education, and dissemination of information on risks, and develop measures to ensure that staff are educated about risk management and fraud prevention using technology.

Human Resources

The SAST continued to face a serious challenge of achieving the alignment of the strategic plan with the structure, the budget, and the new Business Model (Business Improvement Strategy). The HRRC identified the urgent need to strengthen human capital development by addressing key priority areas such as the high vacancy rate, performance management, working conditions, remuneration, job grading, training and development, and succession planning.

As mentioned above in relation to performance, the SAST's high vacancy rate is a matter of serious concern as it is not aligned to organisational performance plans. Furthermore, research which was committed by the organisation during the 2012/22 financial year showed that the organisation's salaries are not market-related and are at the extreme lower end of the market pay scale. This situation results in the SAST struggling to attract and retain talent, particularly the filling of critical vacancies.

The SAST' budget for compensation of employees is less than 50% of the overall organisational budget, which is far less than when compared to other institutions in the arts and culture sector or the public service in general.

The SAST has informed the DSAC about the challenges caused by low salaries on the SAST's competitiveness and its impact on staff morale.

Infrastructure Management

During Council's strategy workshops infrastructure has been highlighted as an area of particular concern, the inadequate strategic integration between maintenance/capital works projects and the strategy of the State Theatre. It has also been highlighted as one of the risks in the SAST's Risk Register. Planned and regular maintenance of facilities and improvement of equipment will contribute significantly to the quality of productions, particularly large-scale musicals, and the general comfort of the patrons.

The current state of the infrastructure is important to take into consideration when exploring ways of ensuring the long-term sustainability of the SAST. Working closely with DSAC the SAST has finalised the appointment of a Facilities Management Contractor. We are confident that infrastructure management will show significant improvement during the 2022/23 financial year.

Linked to this is the use of the SAST property for revenue generation purposes. This is clearly outlined in the Strategic Plan and the Annual Performance Plan. It also forms part of the SAST's Business Plan, a new document which seeks to provide a new strategic direction for the SAST. As reported previously, the SAST has struggled to collect revenue from its tenants, particularly those in the arts and culture sector. While the institution has made every effort to accommodate financially struggling tenants it also had the obligation to collect revenue in line with its own

strategy, policies, and the Public Finance Management Act.

Partnerships and Social Responsibility

In pursuit of its institutional vision and pan-African identity, the SAST initiated discussions with other theatres and independent producers in the African continent and other parts of the world.

The SAST continued to explore new partnerships with universities and arts entities internationally, and this has broadened horizons and created new opportunities.

The SAST continued to promote accessibility by providing discounted and complimentary tickets to disadvantaged schools, old age homes and orphanages as part of audience development. This is in line with the DSAC and the SAST's strategic priority of nation-building and promotion of social cohesion. New avenues to achieve this mandate will be explored considering Covid-19 and the move towards online artistic programmes.

Furthermore, the SAST continued with its Community Arts Development programme through its Education, Youth and Children's Theatre department. This programme has seen the SAST changing lives of artists in Gauteng, North-West, Mpumalanga, Free State, Limpopo, and KwaZulu-Natal provinces through the SAST's provision of workshops and other skills development programmes.

The SAST also made donations of theatre lighting and sound equipment to community theatres (Limpopo) and will intensify its donation programme during the 2022/23 financial year to include theatres, schools, and other needy institutions in other provinces.

New/Proposed Activities

The SAST awaits finalisation of governance arrangements in respect of the Revised White Paper on Arts, Culture and Heritage, as well as the Feasibility Study of the Amalgamation of DSAC Entities. Furthermore, the SAST anticipates that there will be significant changes to its business and operating models during the 2022/23 financial year after the finalisation of the DSAC's Theatre and Dance Policy. The policy, which is still at a draft and consultation stage, will have far-reaching implications for the operating models, funding, and continued existence of the current nationally-funded theatres.

Acknowledgements

A special word of gratitude goes to the personnel of the SAST for their dedication to the institution. The theatre would not have managed to survive and strive without the support of its partners in the performing arts sector. While there has been some challenges and serious setbacks, it would be proper to acknowledge the achievements made through the dedication of the SAST staff. Without them the SAST would not have withstood the adversities caused Covid-19, resource constraints and unfavourable working conditions.

I echo the chairperson's sentiments in acknowledging the roles played by government departments, the arts community, the City of Tshwane, local and international universities, and the private sector.

I would like to thank the Department of Sport, Arts and Culture for the support given to the South African State Theatre.

Lastly, I wish to acknowledge the members of Council for the role they played in supporting executive management and providing leadership to set this organisation on an upward trajectory.

Individually and collectively, members of Council carried out their fiduciary responsibilities to strengthen the fundamental principles of good corporate governance.



Dr Sibongiseni Mthokozisi Mkhize
Chief Executive Officer
The South African State Theatre
31 July 2022

5. ARTISTIC DIRECTORS OVERVIEW



MR AUBREY SEKHABI
ARTISTIC DIRECTOR

I am excited to present this artistic report for the 2021-2022 financial year. Whilst it was not easy to present artistic work during this time due to the Covid 19 pandemic and the related restrictions on public gatherings, the South African State Theatre and the artistic community of Gauteng and South Africa could not be deterred. We knew that things were not the same, so much had changed. We had to adapt. But we couldn't do it on our own. At this time, we had already made inroads into presenting and distributing theatre, music and dance online and in Cinema. In this regard, all we had to do in 2021/22 was to improve and increase our digital offering and the creation of it.

The biggest challenge was making and presenting productions for live audiences. With limited revenue potential due to restricted capacities, it was almost impossible to present our artistic offering that we envisaged for the financial year. But this was not only the SAST problem, it was also an industry problem and we needed the industry to help us unravel the challenge. It was through a meeting with producers, directors, choreographers, and composers that we gathered more strength and agreed that we will present live entertainment and that a lot had to change. In the meeting we resolved that:

1. All the works that were coming out of Tshwane and the province will be presented in the areas where they were created. This would reduce travelling and accommodation costs and increase job opportunities. At the same time, it will extend the brand of the SAST throughout the country.
2. SAST will engage on behalf of the producers, with other cultural institutions and theatres across the country, to partner and present the SAST works that have been created in those provinces. This strengthened our relationship with Cultural Institutions and theatres and extended the SAST brand.
3. We agreed to reschedule some of the productions from the first quarter and moved them to late in the 2nd and 3rd quarter. The rescheduling allowed all of us to be better prepared for the Covid 19 restrictions.

The resolutions were not in vain because we managed to present 108 works and employ 926 artists. To top it all off, we received 29 Naledi Theatre Awards (NTA) nominations and won 8 of those. Although this was a decline from the previous year where we had won 12 Naledi Theatre Awards, it was a huge achievement for the SAST and the artists given that the awards were covering two years of productions in which SAST only presented live theatre from 2021/2022 and was mostly digital in 2020/2021. The musical production of *Shaka Zulu - The gaping wound*, written by the late Bongani Linda and directed by Meshack Mavuso Magabane won six Naledi awards for Best Director, Best choreography, Best Musical Director, Best Costume Designer, Best Actress, Best Supporting Performance in a Musical and Best Production. On the Drama side, Hanna Van Tonder and Paul Noko Won the Naledi Theatre Award for Best Director and Best Sound Design in a Play for their production of *Metsi*.

We managed to present four of our annual festivals:

1. **Kucheza Afrika Festival (KAF)** - a feast of dance and a

platform of expression for choreographers, commenced in the financial year and as we agreed, it was presented at the South African State Theatre in Tshwane in Gauteng province, The Playhouse Durban in KwaZulu-Natal Province, where we presented the Standard bank Young Artist Award winner Christie Leigh, The Baxter Theatre Cape Town in the Western Cape Province.

2. As usual, the **Youth Expressions Festival (YEF)** launched on the 16th of June. This is an important platform of artistic exhibition for young professionals and upcoming artists. It is a celebration and commemoration of the resilience of the youth of 1976. Just before we could finish the YEF, more restrictions were put in place and we had to abort some of the productions that were scheduled to perform at SAST. In partnership with Mmabana Sports Arts and Culture Foundation, we managed to present *Mowa* in the North-west Province. Other outstanding productions from YEF were spread across the financial year at the SAST.
3. It was obvious that **Vavasali International Festival (VIF)** was not going to happen as planned. But we were better prepared. The festival which normally launches in August, to celebrate Women's Month, was spread across three quarters and predominantly featured in our third and fourth quarter, making our offering during tough times more diverse, consistent and attractive.
4. With **Mzansi Fela Festival (MFF)**, things were opening up a bit and we had a great line up of music, theatre and of course our Mayibuye Community outreach- the gateway to theatre and dance. Although not in big numbers, young people were back at the theatre presenting South African Classics. On the main stages of MFF audiences came in big numbers to watch *Mandisi Dyantyi*, *Zoe Modiga*, *Amanda Black* and *Msaki*. We ended the third 3rd quarter with great enthusiasm as the increase in audience numbers signaled the return of our patrons to the theatre.

Our main programme was ably led by Percy Mtwa's *Bopha!* Although this was happening in May, at the heart of the restrictions, we managed to serve our audiences with a classical South African theatre piece. Greater percentage of productions on our main programme took place during the end of the 2nd quarter and 3rd quarter. *Metsi* - Written and Directed By Hannah Van Tonder, *Mr. President*, By Nicholas Ngomane and Directed by Tsholofelo Motsikoe (8 NTA nominations), *Tsogo*, written by Napo Masheane and Directed by Mmapula Setlhako (2 NTA nominations), *Nguvu Ya Mbhengu* written

and directed by Mandla Mbothwe, *Shaka Zulu – The gaping Wound* written by Bongani Linda and Directed by Meshack Mavuso Magabane, *Askari* written by Sello Maseko and Mduduzi Nhlapo and Directed by Sello Maseko (4 NTA nominations). All the productions were performed at The South African State Theatre except for Luyanda Sidiya's Umnikelo and Siva and Manlida Mbothwe's *Nguvu yam Bhengu-Entabalanga*.

We gave it everything hence the massive recognition by the theatre community with 29 Naledi Theatre Awards nominations and eight wins. A special gratitude to the creatives, technical team and administrative teams. We did it!

The fourth quarter was anchored by the Incubator programme and Partnerships:

1. The Incubator Programme-a special mentorship programme supported by the Department of Sports, Arts and Culture. This programme links with all our development programmes and festivals, particularly Youth Expressions Festival and Kucheza Afrika Festival. Young promising artists of drama, dance, music, fine arts, are harvested from these programs of the SAST. Other participants in the programme are theatre graduates. It is a push to the mainstream. Since 2019, the programme has produced award winning playwrights, directors, composers and choreographers. For 2021/2022 The programme boasted of formidable mentors and mentees. Makhaola Ndebele, Lulu Mlangeni, Kgafela Oa Magogodi, Norman Chauke, Itumeleng Motsikoe, Aubrey Sekhabi, all came on board to support Busisiwe Mazibuko, Mohlalefi Mokete, Bridget Makhubela, Ipeleng Matlhaku, Tshogofatso Mabele, Lekae Combrinck - Nawa and Hope Netshivhambe. My gratitude goes to DSAC.
2. Partnerships - Through these partnerships we managed to host sold-out houses Thandiswa Mazwai's "A Letter to Azania" and Somi – *Re Imagining Makeba: straight from The Apollo theatre in New York to the State Theatre*, featuring Siphon "Hotstix" Mabuse, Thandiswa Mazwai, Nduduzo Makhathini, Zoe Modiga and Msaki. *We Are Still Marching* in partnership with Moving Into Dance. On the drama side and on our main programme we presented, to critical acclaim, Moagi Vice Monageng's *Red on the Rainbow* and sealed our programme with *We Are Still Marching* in partnership with Moving Into Dance. Our programme was more diversified by what we received from our bookings. Shampoonaiza, Hillsong, Skhumba Hlophe Live Can we Laugh, Sifiso Nene One Man show, Word and Song Revival, and Mashabela Galane One Man played their part and brought their art to the SAST.

What started as a hopeless year, ended with great hope and enthusiasm.

I am excited that we have diversified our offering. The challenges and hardships of Covid 19 have brought with it possibilities. The South African State theatre has taken advantage of the 4IR and we are now a fully-fledged live and online Theatre. The SAST in partnership with Sterkinekor took theatre into Cinema. Our screenings were happening in Eastern cape, Western Cape, KwaZulu-Natal, and Gauteng. Our brand keeps growing. Our Online programmes include:

- SAST Fringe - Recording of musicians with a live audience for digital distribution.
- OnStage - Conversations with the SAST fringe artists for digital distribution (Hosted by Keamogetswe Malefo)
- Live Theater - Recording of all our dramas, musicals and dance programmes with a live audience for digital distribution
- OnSet - Live recording of actors, dancers, directors, choreographers for digital distribution (Hosted by Tebogo Ditinti)
- Conversations with the Author - Live recordings of conversations with contemporary authors for digital distribution (Hosted by Tebogo Ditinti)
- Film festivals- SAST was invited to submit our films to the 2nd São Paulo International Virtual

Movie Festival (December 2021) to which we responded by submitting the productions *That Night of Trance*, *Angola* and *Freedom The Musical*.

We are also excited by Our partnership with University of KwaZulu – Natal through the Arfluencing Democracy Dialogue series. This partnership aims to create awareness of the contributions made by key artists to the transformation of society. I look forward to exciting engagements.

The South African State Theatre was assigned by the Department of Sport, Arts and Culture to manage and lead the performing arts section for the Dubai Expo 2020. This included set production dates and times plus pop-up performances in support of DSAC associated institutions and partners. Together with supporting DSAC, and its partners, we presented *Mother of Freedom* a production which combines various genres in it, *music, dance, poetry and drama*. *Mother of Freedom* not only entertains audiences but educates and celebrates our road to Freedom. As part of SAST's participation in the Dubai event, SAST created employment for 64 artists.

Special thanks to the Chief Executive Officer Dr Sibongiseni Mkhize, The chairperson of Council Professor Mazibuko and members of Council for the unwavering support. To all the artists, for your resilience and talent during trying times, thank you. To our patrons for your bravery and undying support of theatre during tough times under the lockdown, to the SAST executives, management, and staff, without you our programme would have not been possible. To Akum Agency and Banda Banda Agency for curating memorable concerts. To the Playhouse Theatre in Durban, The Baxter Theatre, Mmabana Sports Arts and Culture Foundation, Luthando Arts Academy, thank you for hosting the SAST during trying times. We will not forget.

Please see below our live and online offering during the 2021/22 year.

5.1. 2021/22 Productions

QUARTER	
Quarter One	38
Quarter Two	8
Quarter Three	34
Quarter Four	28
TOTAL 2021/22	108

Quarter One		
In-house Productions		
Online		
#	Production	Date
1	South African State Theatre - Africa Day Celebration	25-May-21
1	Kucheza: South African State Theatre Live Stream (Tribute / Moving into dance)	01-Apr-21
1	Kucheza: Originally	20-Apr-21
1	KUCHEZA: Beyond an Appearance	21-Apr-21
1	KUCHEZA: Vast	20-Apr-21

1	KUCHEZA: Trapped	06-Apr-21
1	KUCHEZA: Memoryhouse	06-Apr-21
1	Gally Ngoveni OS	24-Apr-21
1	Gally Ngoveni	25-Apr-21
1	Jackey Masekela	11-Apr-21
1	Jackey Masekela OS	10-Apr-21
1	Zuri Afrika OS	17-Apr-21
1	Zuri Afrika	18-Apr-21
1	New Skool Sextet OS	03-Apr-21
1	New Skool Sextet	04-Apr-21
1	Sol Shibambu OS	01-May-21
1	Sol Shibambu	02-May-21
1	Chad Da Don os	08-May-21
1	Chad Da Don	09-May-21
19	Sub-total	

LIVE PERFORMANCES		
#	Production	Date
1	Bopha	25-May-21
1	KUCHEZA: Dark cell and trio	02-Apr-21
1	KUCHEZA: NIJINSKY'S WAR	02-Apr-21
1	KUCHEZA: Lekhoba	03-Apr-21
1	KUCHEZA: Solidaridad	08-Apr-21
1	KUCHEZA: The Encounter	09-Apr-21
1	KUCHEZA: Dictated Democracy	10-Apr-21
1	KUCHEZA: Magnificent 7	10-Apr-21
1	Meriring The Musical	27-May-21
1	Kulture Blues Festival	14-May-21
1	YEF: Visual Arts - Thought	16-Jun-21
1	YEF: Visual Arts - Zazi (Know yourself)	21-Jun-21
1	YEF: Tokologo The musical garment	16-Jun-21
1	YEF: Kgaube	16-Jun-21
1	YEF: The Iron	19-Jun-21
1	YEF: SAST Youth Choir	19-Jun-21
1	YEF: The Fashion Hustle	20-Jun-21

1	YEF: Skrop Laap	21-Jun-21
1	YEF: Bapa	23-Jun-21
19	Sub-total	
38	TOTAL INHOUSE	

QUARTER TWO		
In-house Productions		
Online		
#	Production	Date
	None	
0	Sub-total	

LIVE PRODUCTIONS		
#	Production	Date
1	Trilogy: Amawethu	04-Aug-21
1	Trilogy: SIVA	28-Jul-21
1	Trilogy: Umnikelo (Offering)	21-Jul-21
1	Ami Faku - Gina Mabasa, Thokozile Manakomba Ndimande & Amohelang Ralebepa	28-Aug-21
1	Ami Faku - Ncamisa Nqana, Rivoningo Bonnie Nkuna, Dudu Makhoba & Ami Faku	29-Aug-21
1	YEF: Mowa (Mabana, Mahikeng)	21-Sep-21
1	Makhadzi - Morayks, Moshe Matseke & Azah	24-Sep-21
1	Jackey Masekela Ensemble	25-Sep-21
8	Sub-total	
8	TOTAL INHOUSE	

QUARTER THREE		
Online		
#	Production	Date
	None	
0	Sub-total	

LIVE PRODUCTIONS

#	Production	Date
1	Afrogoz tour	06-Nov-21
1	Amanda Black	04-Dec-21
1	Amapiano	30-Oct-21
1	Askari	25-Nov-21
1	Groet die Grotman 2	07-Dec-21
1	Metsi	01-Oct-21
1	MFF - The Suit	05-Dec-21
1	MFF - Amajuba	01-Dec-21
1	MFF - Gaslands	01-Dec-21
1	MFF - Green Man Flashing	08-Dec-21
1	MFF - Nomzamo	03-Dec-21
1	MFF - Nongogo	10-Dec-21
1	MFF - Nothing but the truth	08-Dec-21
1	MFF - Oiphihletseng	12-Dec-21
1	MFF - The way we Heal	05-Dec-21
1	MFF - Umnikelo (Offering)	12-Dec-21
1	MFF - You Strike a woman you strike a rock	14-Dec-21
1	Mr President	05-Oct-21
1	Nguvu yaMbengu eNtabelanga	20-Oct-21
1	Phinda Mzala - Mandisi Dyantys	10-Dec-21
1	Phinda Mzala - Msaki	11-Dec-21
1	Phinda Mzala - Zoe Modiga	03-Dec-21
1	Shaka zulu	19-Oct-21
1	Tokoloko	13-Oct-21
1	Tribute to the fallen legends	15-Oct-21
1	Tsogo	14-Oct-21
1	Vavasati - An Nur	06-Dec-21
1	Vavasati - Bofelo Bamadi	07-Dec-21
1	Vavasati - Herstory Museum	10-Dec-21
1	Vavasati - Izibazi Zomendo	13-Dec-21
1	Vavasati - SAST YOUTH CHOIR	10-Dec-21
1	Vavasati - Thetha	30-Nov-21

1	YEF: Flex of He & I	10-Oct-21
1	YEF: Mkhukhu Experience	08-Oct-21
34	Sub-total	
34	TOTAL INHOUSE	

QUARTER FOUR**Online**

#	Production	Date
1	ArtFluence Episode 1	28-Feb-22
1	OnSet with BRA TSWALO	19-Jul-21
1	ONSET with MAGNIFICENT 7	13-Mar-22
1	ONSET with MR PRESIDENT	27-Mar-22
1	ONSET with NIJINSKY'S WAR	14-Mar-22
1	ONSET with SHAKA ZULU	20-Jan-22
1	ONSET with THE ENCOUNTER	27-Feb-22
7	Sub-total	

LIVE PRODUCTIONS

#	Production	Date
1	Shampooaiza	05-Feb-22
1	We Art Still Marching	09-Feb-22
1	Incubator - Things Without Names	10-Feb-22
1	Incubator -Theatre Meets Animation / Naledi	24-Mar-22
1	Incubator - A promise not written in stone	17-Feb-22
1	Incubator - Ignorance	25-Feb-22
1	Incubator - Jackal the Trickstar	18-Feb-22
1	Incubator - Lebu Ditsepu / Beginning	10-Mar-22
1	Incubator - Metamorphosis	14-Feb-22
1	Incubator - Pelegi	11-Mar-22
1	A Letter to Azania	25-Feb-22
1	The Red on the Rainbow	10-Mar-22
1	Fringe /S2 - Umhle	13-Mar-22
1	Fringe /S2 - Leomile	13-Mar-22
1	Fringe /S2 - Sibusile Xaba	13-Mar-22
1	Fringe /S2 - Urban Village	13-Mar-22

1	Fringe /S2 - Le Mpendulo	19-Mar-22
1	Fringe /S2 - Mathapelo Masilela	19-Mar-22
1	Fringe /S2 - Nhlanhla Dube	19-Mar-22
1	Fringe /S2 - Mckenzie Matome	19-Mar-22
1	Somi Live	27-Mar-22
21	Sub-total	
28	TOTAL	

RENTALS		
#	Production	Date
1	Act Now Theatre Festival	14-May-21
1	AD Mohale - House of Inspiration live recording	10-Apr-21
1	LC Lekoloan - Fashion and art show	05-Jun-21
1	Denver Technical College	21-May-21
1	Hoerskool Waterkloof Dance Production	19-May-21
1	Ke Mosadi So What!	29-May-21
1	Kedibone Theatre Production	06-May-21
1	Marabastad the Musical	04-Jun-21
1	Message from a Broken JAr	30-Apr-21
1	Sacrificial Worship	01-May-21
1	Tshego AMG The Reunion	30-May-21
1	Media24 Film Shoot	11-Jun-21
1	Always the Case and Scavengers	30-Apr-21
13	Sub-total	

RENTALS		
#	Production	Date
1	Rain of Arts	22-Sep-21
1	Sephiri Le Morena Featuring Mynah Rams	25-Sep-21
1	Wessie Arts (Art Tshepable)	11-Sep-21
1	Born Naked	27-Aug-21
1	The Coin	03-Sep-21
5	Sub-total	

RENTALS		
#	Production	Date
1	Rain of Arts	01-Oct-21
1	SABOD (DVD recording)	02-Oct-21
1	Message from the broken jar	08-Oct-21
1	Josie Matabola	23-Oct-21
1	Dr Tumi	30-Oct-21
1	Shadows	03-Nov-21
1	Pheli Awards	06-Nov-21
1	Segaetsho art festival	06-Nov-21
1	Shampooaiza	06-Nov-21
1	Rethakgetse Day Care	13-Nov-21
1	Sibongile Early Learning	20-Nov-21
1	African gospel singers	20-Nov-21
1	Ambitious Future Careers AFC (DVD recording)	27-Nov-21
1	Tshwane Gospel Choir	27-Nov-21
14	Sub-total	

RENTALS		
#	Production	Date
1	Mashabela Galane One Man	11-Feb-22
1	Word and Song Revival	26-Feb-22
1	Puo Media Graduation	05-Feb-22
1	Hillsong	04-Mar-22
1	Skhumba Hlophe Live Can we Laugh	12-Mar-22
1	Sifiso Nene One Man show	26-Mar-22
6	Sub-total	
38	TOTAL	



Mr Aubrey Sekhabi
Artistic Director
The South African State Theatre
31 July 2022



SAST EXECUTIVE



DR SIBONGISENI MTHOKOZISI MKHIZE
CHIEF EXECUTIVE OFFICER



MR SIZWE MATHYE
CHIEF FINANCIAL OFFICER
TERMINATED: 31 JANUARY 2022



MR AUBREY SEKHABI
ARTISTIC DIRECTOR



MS KEOLEBOGILE MODISE
DIRECTOR OF CORPORATE SERVICES



LEBOGANG MPHAHLELE
ACTING CHIEF FINANCIAL OFFICER
ACTING FROM 1 FEBRUARY 2022 TO 31 MARCH 2022

SAST SENIOR MANAGEMENT



SHIRAZ AHMED
PERFORMANCE INFORMATION MANAGER



MILLCENT MOPAYI
HR MANAGER



LEBOGANG MPHAHLELE
FINANCE MANAGER



MTHOBA GANTSHO
PROCUREMENT MANAGER



ERNEST TCHWENYANE
ACTING PRODUCTION MANAGER
(ACTING FROM 1 AUGUST 2020)



MALCOLM OCTOBER
SENIOR MAINTENANCE MANAGER

SAST MANAGEMENT



EUGENE HOYI
SALES MANAGER



ERICK NDALA
PR & MARKETING MANAGER



OMPHELE PHEELWANE
ICT MANAGER



ELLEN MASHIANE
PARKING MANAGER



KLAAS SEBOTHOMA
FRONT OF HOUSE MANAGER



THABISO QWABE
EYCT MANAGER

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

To the best of our knowledge and belief, we 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 Standards of Generally Recognised Accounting Practice (GRAP) 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 for implementing, a system of internal control that has 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 public entity for the financial year ended 31 March 2022.

Yours faithfully



Chief Executive Officer
Dr Sibongiseni Mthokozisi Mkhize
31 July 2022



Chairperson of Council
Prof. Fikile N. M. Mazibuko
31 July 2022



7. STRATEGIC OVERVIEW

7.1 Vision

The prestigious theatre of choice for a distinctly Pan-African experience. ("The theatre of Africa")

7.2 Mission

- A vibrant and dynamic Sport, Arts and Culture institution that integrates social and cultural diversity while maintaining a healthy balance between artistic creativity and fiscal stability.
- An entertainment destination of choice for inspiration, education and socio-economic transformation which is underpinned by our unique, engaging and diverse artistic offering that encourages audience growth and an appreciation for the performing arts.
- A financially driven and socially conscious institution that focusses on growth, revenue generation and long-term sustainability.
- An environmentally friendly and modern theatre complex that provides for the preservation of our heritage and promotion of the arts.
- A prestigious institution with strong collaborations and partnerships with the performing arts sector to drive economic development by creating performing arts works that are commercially viable.
- An institution that embraces information and communication technology to enable strategic direction and the achievement of organisational goals.

7.3 Values

- **Transparency**
Provide access to information to promote society and employee trust in our programmes.
- **Accountability**
Exercise responsibility and be able to account for our actions and transactions.
- **Freedom of expression**
Encourage the constitutional right, and a pillar of democracy, to freedom of expression, in particular freedom to artistic creativity, in a responsible and unoffensive manner.
- **Honesty**
Interact and transact with a good moral character to ensure truthfulness and openness.
- **Integrity**
Practice consistency and uncompromising adherence to strong moral and ethical principles and values.
- **Excellence**
Strive to achieve and surpass all expectations in our service delivery.

8. LEGISLATIVE AND OTHER MANDATES

The South African State Theatre is a Schedule 3A Public Entity under the PFMA.

The mandate as given to the public entity's Accounting Authority by the Executive Authority is derived directly from the legislative mandate of the Department of Sport, Arts and Culture which in turn comes from the Constitution of the Republic of South Africa Act, 1996, including from the Preamble and Founding Provisions, and in particular:

Section 16 (1): Everyone has the right to freedom of expression, which includes:

- freedom of press and other media;
- freedom to receive or impart information or ideas;
- freedom of artistic creativity ;and
- academic freedom and freedom of scientific research".

Section 30 "Everyone has the right to use language and to participate in the cultural life of their choice, but no one exercising these rights may do so in manners inconsistent with any provision of the Bill of Rights". Section 32(1): Everyone has the right of access to:

- any information held by the state; and any information that is held by another person and that is required for the exercise or protection of any rights.

Legislative mandate

On 1 April 2005, the former Minister of Sport, Arts and Culture Mr. Pallo Jordan declared the Renaissance Theatre a Cultural Institution in accordance with the Cultural Institutions Act, 1998 (Act 119 of 1998).

The South African State Theatre is the trading name of the Renaissance Theatre.

As a Cultural Institution we are established under the auspices of the Department of Sport, Arts and Culture and are then bound by the Public Finance Management Act 1 of 1999 (PFMA) as well as other applicable legislations.

In the White Paper on Arts and Culture and Heritage, the following Acts have been promulgated by Parliament to create institutions in furtherance of the Constitutional mandate of the Department of Sport, Arts and Culture. The primary legislative framework of the Department of Sport, Arts and Culture emanates from the Acts listed below:

- Cultural Institutions Act, 1998 (Act 119 of 1998);
- Culture Promotion Act, 1983 (Act 35 of 1983);
- National Heritage Council Act, 1999 (Act 11 of 1999);
- National Heritage Resources Act, 1999 (Act 25 of 1999);
- Heraldry Act, 1962 (Act 18 of 1962);
- Legal Deposit Act, 1997 (Act 54 of 1997);
- National Arts Council Act, 1997 (Act 56 of 1997);
- National Film and Video Foundation Act, 1997 (Act 73 of 1997);
- Pan South African Language Board Act, 1995 (Act 59 of 1995);

- National Library of South Africa Act, 1998 (Act 92 of 1998); and
- South African Library for the Blind Act, 1998 (Act 91 of 1998).
- South African Geographical Names Council Act, 1998 (Act 118 of 1998);
- National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996)

Policy mandate

Overall government's mandate is derived from its Medium Strategic Framework and The Department of Sport, Arts and Culture has accordingly determined performance outcomes and policy drivers that would assist the Government in achieving its mandate.

The SAST has accordingly aligned its legislative mandate to the Department of Sport, Arts and Culture's drivers, outcomes and/or outputs.

In our 2020-2025 strategic plan, the SAST mandate has been updated in accordance with governments new focus on outcome-oriented programmes to be as follows:

NDP IMPLEMENTATION PLAN - PRIORITY 5:
SOCIAL COHESION AND SAFE COMMUNITY
NDP FIVE YEAR IMPLEMENTATION PLAN (2019-2024) OUTCOME
United, democratic, participatory, non-sexist, non-racial, equal society
DEPARTMENT OF SPORT, ARTS AND CULTURE OUTCOME
Social cohesion and nation building (Outcome 14)

The SAST has accordingly aligned its mandate to the DSAC's drivers, outcomes and/or outputs to derive its mandate as follows:

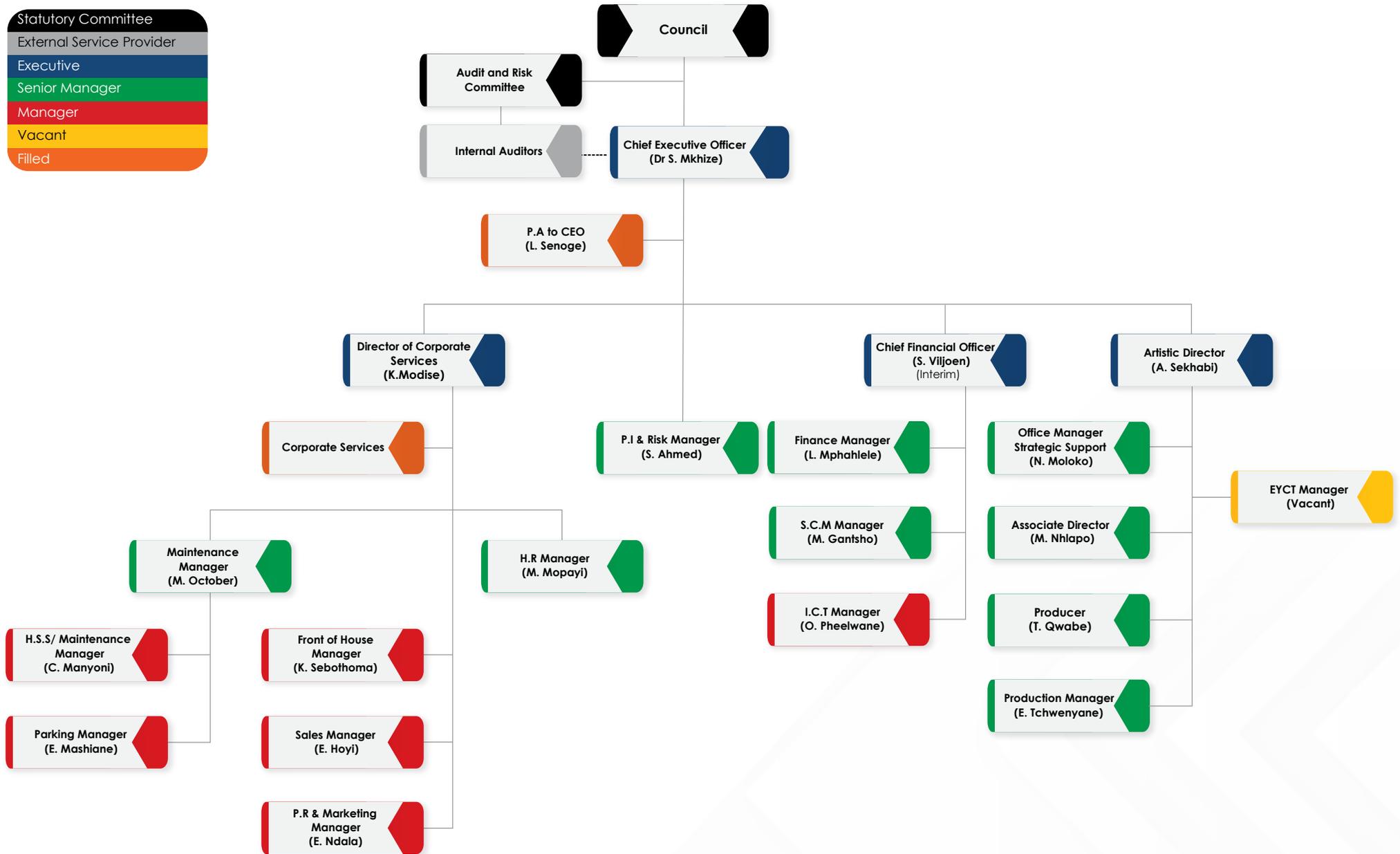
DEPARTMENT OF SPORT, ARTS AND CULTURE OUTCOME
Social cohesion and nation building (Outcome 14)
THE SOUTH AFRICAN STATE THEATRE
Provide access to performance spaces in which the performing arts sector creates productions that are watched by diverse audiences.

IMPACT STATEMENT

Access to performance spaces provided to the performing arts sector to create and stage their artistic work that is watched by diverse audiences.

9. ORGANISATIONAL STRUCTURE

Statutory Committee
 External Service Provider
 Executive
 Senior Manager
 Manager
 Vacant
 Filled







PART B: PERFORMANCE INFORMATION

Magnificent Seven

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The A-GSA 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 any material findings being reported under the Audit of the annual performance report heading in Section 2: Matters relating to the auditor's report section of the auditor's report.

Also please refer to the Auditors Report; Annexures D: Performance management and reporting framework and Annexures E: Auditor-general's responsibility for the audit of the reported performance information.

The audit outcome of predetermined objectives for 2021/22 is reflected on page 64 to 65 of the A-GSA audit report.

2. SITUATIONAL ANALYSIS

The South African State Theatre's vision is linked to the Department of Sport, Arts and Culture's vision and mission, which stems from the Constitution, more specifically from Article 27 of the Universal Declaration of Human Rights: "everyone shall have the right to freely participate in the cultural life of the community (and) to enjoy the arts". The 2021/22 Annual Performance Plan (APP) was prepared by the Executive Management of the South African State Theatre (SAST). Performance Indicators and Targets which appear in this report of Performance Information are based on the Performance Indicators and Targets set-out in the South African State Theatre Annual Performance Plan 2021/22.

In support of our mandate, SAST has set the following strategic outcomes on which the Performance Indicators and Targets are based:

Outcome 1: In-house developed and externally sourced performing arts works presented.

Outcome Statement: Present In-house Performing Arts productions.

Outcome 2: Development opportunities provided.

Outcome Statement: Provide development opportunities for emerging Arts Practitioners in the context of our programmes.

Outcome 3: Revenue generated from commercial activities.

Outcome Statement: Generate revenue from commercial activities which includes Ticket Sales, Rentals, Fundraising and Front of House Sales.

Outcome 4: Buildings and assets maintained and upgraded.

Outcome Statement: Ensure long term sustainability of our Buildings and Assets.

Outcome 5: Audience attendance improved.

Outcome Statement: Attract Audiences to watch the Performing Arts.

Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.

Outcome Statement: Ensure compliance with applicable Laws, Regulations and Statutory Legislation.

These outcomes have been aligned to the National Treasury programmes of Administration, Business Development and Public Engagement as follows:

Programme 1: Administration - Outcome 3, Outcome 4 and Outcome 6.

Programme 2: Business Development - Outcome 1 and Outcome 5.

Programme 3: Public Engagement - Outcome 2.

The number of Outputs in the 2021/22 APP was 20.

Outcome	Output
Outcome 1	Stage In-house Productions. Stage school set-work productions. Stage In-house Festivals. Short term job opportunities created in In-house Productions.
Outcome 2	Provide dramaturgy to in-house production's creative team members. Implement the Community Arts Dramaturgy Outreach Fieldwork programme. Provide internship positions.
Outcome 3	Generate rental revenue from the SAST immovable property portfolio, i.e. Kilnerton, Office Blocks, Restaurants and other spaces. Generate revenue from ticket sales of in-house productions and from Theatre rentals. Generate revenue from the Parking garage. Generate revenue from Front of House sales.
Outcome 4	Implement CAPEX projects that are approved and funded on the UAMP. Implement the Maintenance Programme.
Outcome 5	Implement the marketing strategy. Establish media partnerships to promote SAST and productions. Implement the audience development strategy. Increase audience attendance. Conduct surveys of patron satisfaction.
Outcome 6	Achieve an Unqualified Audit report. Comply with South African Laws and Regulations governing labour relations.

Performance during the 2021/22 year

The targets set-out and reported on in this annual performance report are based on the approved 2021/22 Annual Performance Plan (APP). The 2021/22 APP was compiled taking into consideration the prevailing Covid-19 related trading conditions affecting the country.

SAST achieved an overall performance of 65% for the 2021/22 financial year. Thirteen of the planned twenty programme indicators were achieved in full. Seven indicators were not achieved.

Annual performance targets for the 2021/22 year were revised from the initial planned medium-term targets outlined along with the 2020 - 2025 Strategic Plan due to the outbreak of the **Covid-19 pandemic** and implementation of the related **National Lockdown Regulations** in March 2020. As such, some targets in the 2021/22 APP are lower than reported performance in years preceding the pandemic.

Under the ongoing national lockdown regulations, the impact has been severe during the 2021/22 year, especially in the first two quarters of the year. Self-generated revenue, audience attendance and the core business of inhouse artistic productions has been negatively affected resulting in non-achievement of several indicators.

The regulations imposed limited maximum audience capacity allowed into any one theatre. During the year, theatre capacity was limited to **50% of normal capacity**. However, the regulations went further to impose the requirement for **social distancing of 1,5m** between people.

This additional requirement further reduced the maximum theatre capacity to below 50% once the social distance was provided for. As a result, many productions became uneconomical to stage, considering that the **return on investment would be significantly less** than the cost to produce the work. Ticket sales revenue, as well as the related revenue streams of Front of House bar sales and the Parking Garage revenue, were all affected.

The **July civil unrest** that occurred in the country during the period 9 to 18 July 2021, primarily in the KwaZulu-Natal and Gauteng provinces had another major impact on SAST's trading environment during the year. Rioting and looting crippled the country. The unrest began in KwaZulu-Natal on the evening of 9 July and then spread to Gauteng on 11 July.

SAST's location in the heart of the Pretoria CBD presented a risk. In order to mitigate this risk, the Theatre Complex and Office Block was locked down during this period with limited access to ensure safety of staff and customers, in particular tenants, and to protect the buildings and assets. We were fortunate to have been saved from any direct incidents. However, **all productions were stopped** during this period and it affected preparation of productions planned for later in the year causing these **to be rescheduled**.

Programme implementation was further affected by **in-year budget adjustments** which reduced certain programme funding.

Arising from the ongoing budget constraints, many vacant positions could not be filled during the year affecting programmes. Where budget was available to fill positions, recruitment is hindered by the available budget which only allows for remuneration below the 5th percentile in terms of market related remuneration levels.

Targets for the year remained unchanged, under the arduous trading conditions and were **implemented according to the approved 2021/22 APP**.

Number of programmes implemented increased from fifteen in the prior year to twenty for 2021/22.

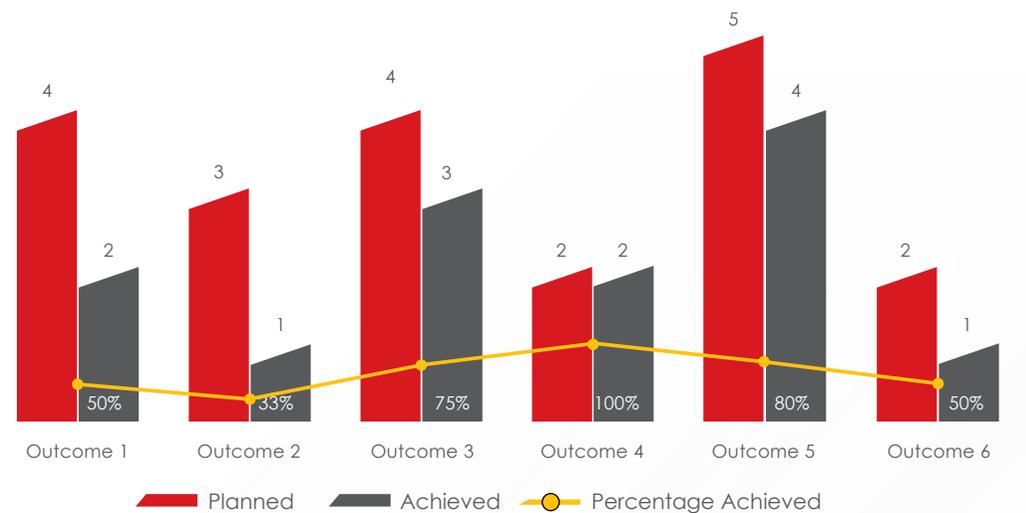
The 2021/22 APP outlined the following six strategic outcomes:

- Outcome 1: In-house developed and externally sourced performing arts works presented.
- Outcome 2: Development opportunities provided.
- Outcome 3: Revenue generated from commercial activities.
- Outcome 4: Buildings and assets maintained and upgraded.
- Outcome 5: Audience attendance improved.
- Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.

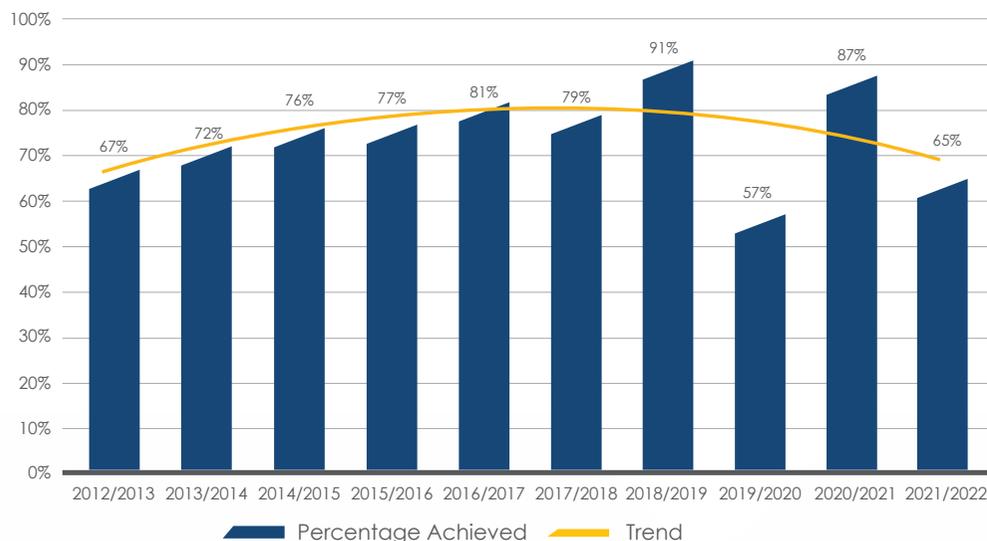
Only one of the six outcomes was achieved in full for the year, namely; Outcome 4: Buildings and assets maintained and upgraded. Outcome 2: Development opportunities provided was not achieved as the overall performance recorded for the indicators under this outcome was less than 50%. The remaining four outcomes which did not achieve targets, recorded fifty percent and more and are thus partially achieved for the year.

Actual achieved performance for the year, of 65%, **regressed** when compared to the prior year. Performance in the prior three years was 87% in 2020/21, 57% in 2019/20 and 91% in 2018/19.

2021/22 PLANNED AND ACHIEVED TARGETS



2012/13 - 2021/22 PERFORMANCE ACHIEVED



Performance	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	Actual									
Number of Indicators	45	64	26	26	26	24	23	23	15	20
Percentage Achieved	67%	72%	76%	77%	81%	79%	91%	57%	87%	65%

Good performance was recorded for **thirteen indicators that achieved targets for the year**. The indicators included the following:

- Property rental revenue recognised.
- Ticket sales and theatre rental revenue recognised.
- Front of House sales revenue recognised.
- Number of approved and funded CAPEX projects completed.
- Number of Maintenance Programme activities completed.
- Number of labour matters ruled against the SAST for non-compliance with applicable labour legislation.
- Number of In-house Festivals staged.
- Number of In-house Productions staged.
- Approved marketing plans for each production of the annual artistic calendar.
- Number of media partnerships established.
- Approved audience development plan for each production of the annual artistic calendar.
- Number of patron satisfaction surveys conducted.
- Number of interns appointed.

Indicators not achieved for the year includes the following; Audit opinion, Number of audience for events, Number of in-house production's creative team members provided with dramaturgy, Number of Community Arts Groups participating in the programme, Number of short term job opportunities created in In-house Productions, Number of School set-works staged, and Parking garage revenue recognised.

PROGRAMME PERFORMANCE

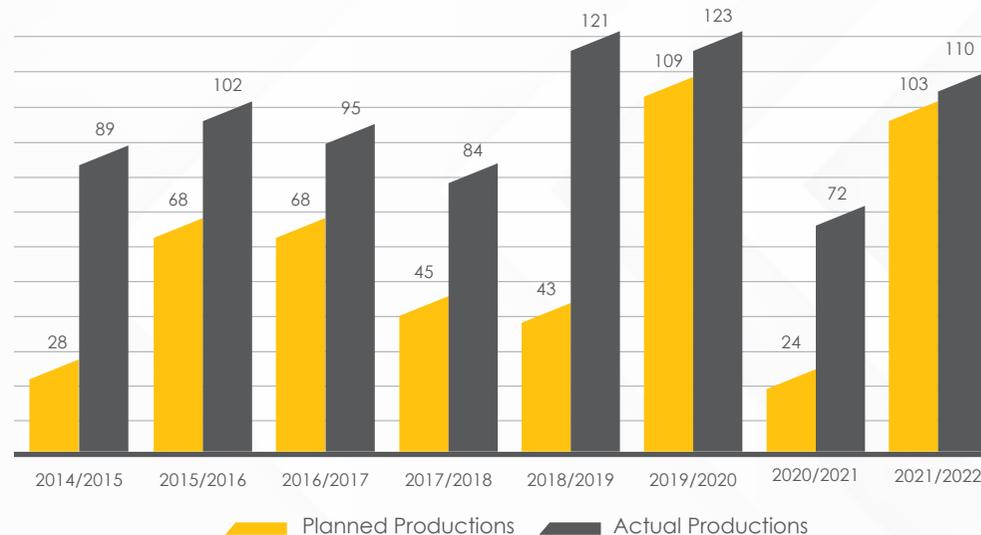
Outcome 1: In-house developed and externally sourced performing arts works presented.

Two of the four indicators were achieved and two were partially achieved. The indicator Number of In-house Festivals staged as well as the indicator Number of In-house Productions staged was achieved. Number of School set-works staged (achieved 2 compared to the target of 3) and Number of short term job opportunities created in In-house Productions (achieved 926 compared to the target of 1,000) were both partially achieved.

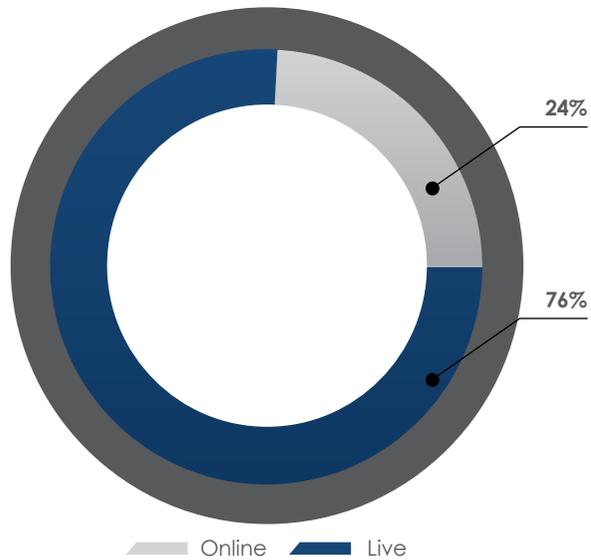
108 inhouse productions, compared to a target of 100, were presented during the year, as part of the hybrid theatre model with digitally recorded productions being published on the SAST YouTube channel. The well established four annual festivals, namely; Kucheza Afrika Festival, Youth Expressions Festival, Vavasati International Women's Festival and the Mzansi Fela Festival were all presented. Though, some of the productions in the Youth Expressions festival had to be postponed and took place later in the year while the Vavasati festival had to be rescheduled to December as preparation for the planned August dates was affected by the issues affecting the country in July.

In total 110 productions, school set-works and main programme combined, were presented compared to the combined target of 103.

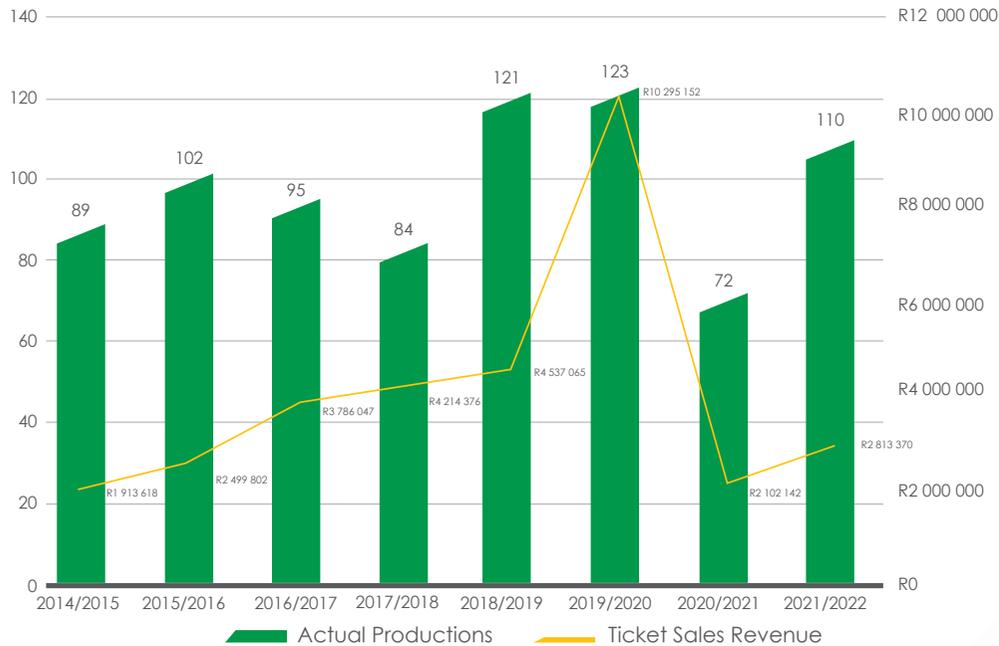
2014/15 - 2021/22 PRODUCTIONS: ALL IN-HOUSE



2021/22 PRODUCTIONS: LIVE VS. ONLINE



2014/15 - 2021/22 IN-HOUSE PRODUCTIONS REVENUE



Outcome 2: Development opportunities provided.

The indicator, Number of interns appointed was achieved with six interns appointed during the year. The remaining two indicators, Number of Community Arts Groups participating in the programme (achieved 12 compared to the target of 15), and Number of in-house production's creative team members provided with dramaturgy (achieved 29 compared to the target of 50) partially achieved targets for the year.

Outcome 3: Revenue generated from commercial activities.

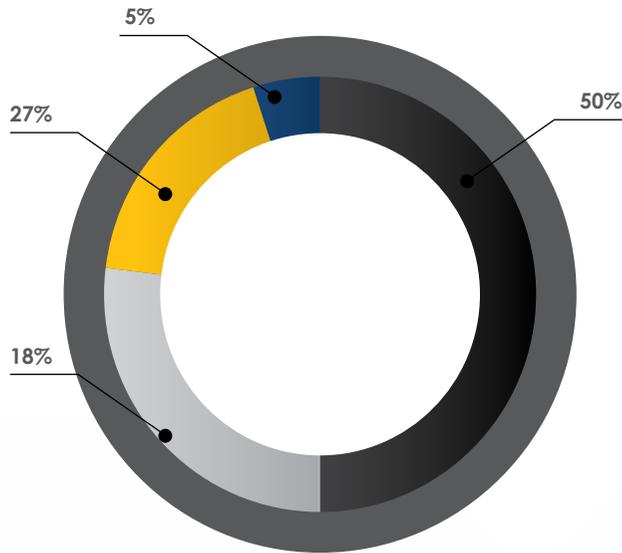
The indicator Parking garage revenue recognised was partially achieved, though the revenue receipted was still significant at R8,101,979. The other three revenue indicators, namely; Property rental revenue recognised, Ticket sales and theatre rental revenue recognised, and Front of House sales revenue recognised all achieved target. In total R16,134,355 was recorded for self-generated revenue programmes. Based on the approved Annual Financial Statements as at 31 May 2022, the final reported revenue numbers for the year are as follows:

	Current-year 2021/22	Prior-year 2020/21
Property rental revenue recognised.	R 4384 627.78	R3 691 779.00
Ticket sales and theatre rental revenue recognised.	R2 813 370.36	R2 102 142.00
Parking garage revenue recognised.	R8 101 979.14	R8 463 952.00
Front of House sales revenue recognised.	R834 378.00	indicator removed
Total reported in the 2021/22 APR	R16 134 355.28	R14 257 873.00

2021/22 SELF-GENERATED REVENUE

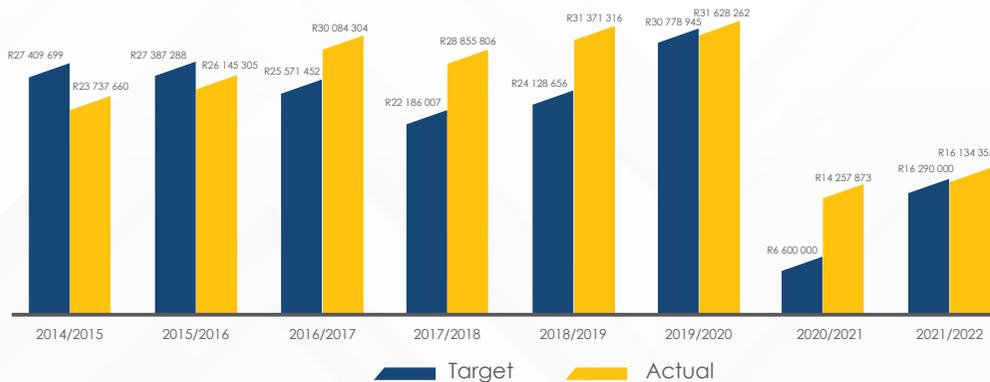


2021/22 REVENUE STREAMS



■ Front of house ■ Parking Garage ■ Ticket Sales ■ Property Rental

2014/15 - 2021/22 SELF - GENERATED REVENUE



Outcome 4: Buildings and assets maintained and upgraded.

The indicator Number of approved and funded CAPEX projects completed target of 4 was achieved with 4 projects signed-off during the year. The four CAPEX projects included; the fire detection system which was certified on 1 April 2021. New stage lighting was commissioned on 27 July 2021. The new Stage Sound project was completed on 28 January 2022. New lifts installation completed 30 October 2021. The second indicator under Outcome 4, Number of Maintenance

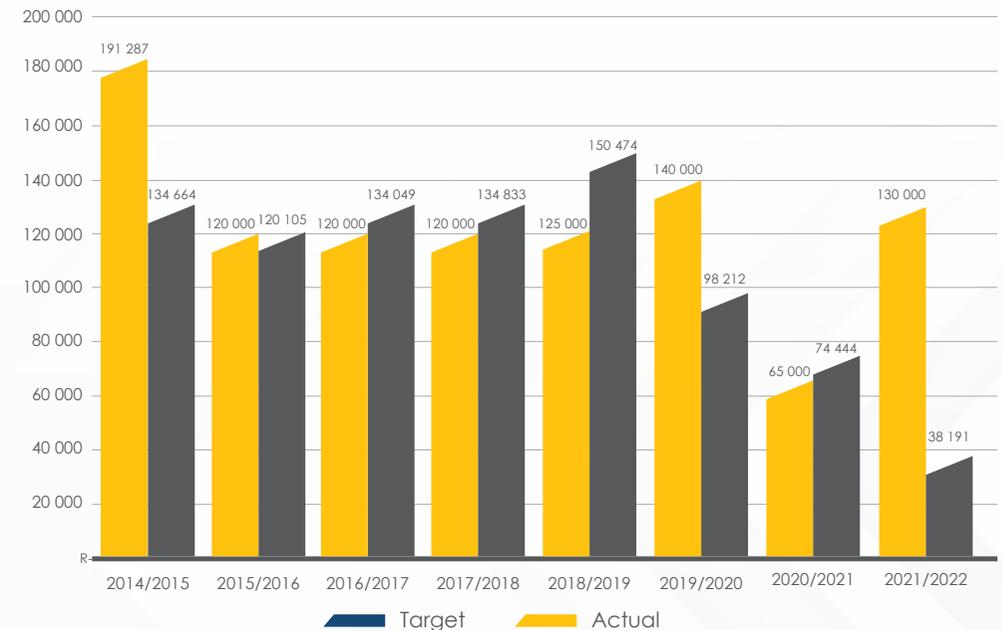
Programme activities completed, was also achieved as all seven routine maintenance programmes were completed during the year.

Outcome 5: Audience attendance improved.

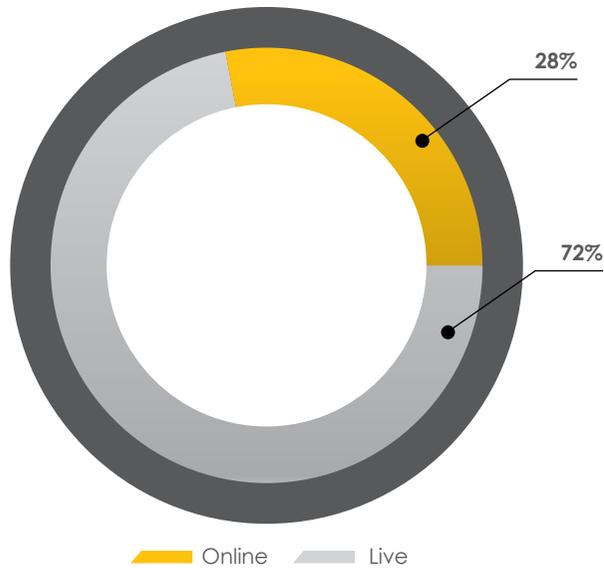
Five programmes were implemented under outcome five, including the indicator Number of audience for events. Audience attendance for the year did not achieve the target of 130,000 for both number of online views and number of audiences attending live performance which totalled 38,191. This was due mainly to the factors discussed above, namely; the restriction on the number of audiences that can be accommodated in a theatre, and the riots in July which affected the number of productions produced.

The other four indicators were all achieved. These included; Approved marketing plans for each production of the annual artistic calendar, Number of media partnerships established, Approved audience development plan for each production of the annual artistic calendar, and Number of patron satisfaction surveys conducted.

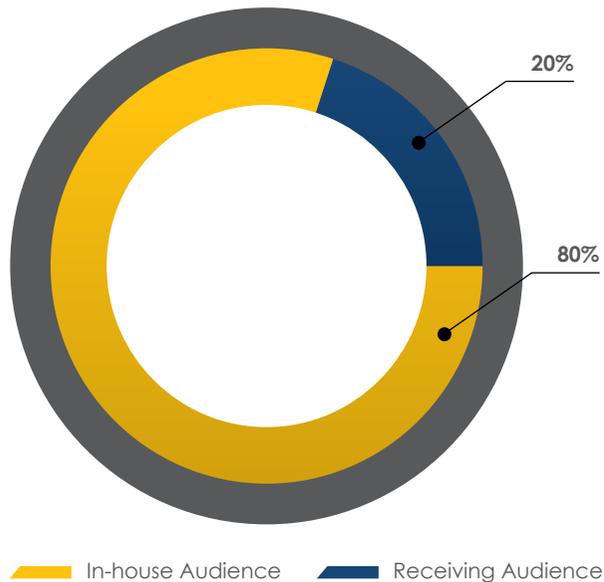
2014/15 - 2021/22 AUDIENCE ATTENDANCE



2021/22 ARTISTIC PRODUCTIONS AUDIENCE ATTENDANCE



2021/22 IN-HOUSE VS RECEIVING PRODUCTIONS AUDIENCE



Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.

The 2020/21 qualified audit outcomes caused the Audit opinion indicator reported during the 2021/22 year to be not achieved. The labour matters compliance indicator was achieved as there were no incidents of non-compliance in dealing with labour matters.

The performance presented in this draft report is provisional and will be confirmed in the final APR submitted to the Auditor-General on 31 May 2022. Actual revenue reported against the Revenue Targets is subject to the finalisation of the Annual Financial Statements (AFS) and will be updated accordingly once the AFS are approved.

Overall performance for the year is based on quarterly achievement of targets, as outlined in the APP. **Assurance on the accuracy and completeness** of the quarterly performance is provided by internal audit, through quarterly reviews.

Performance achieved in the 2021/22 year, together with the 2020/21 performance forms the **new baseline for setting targets** going forward under the new normal trading conditions. At an operational level, where possible, stretch targets are imposed on implementation activities to increase performance as SAST repositions itself and its programmes to meet challenges presented under the new trading conditions.

Programme priorities outlined in the **SAST Reimagining Strategic Direction 2022/23 - 2024/25** are being implemented, with a view to improve performance in subsequent years. Key focus areas include leveraging the SAST Infrastructure, Assets and Artistic Product to drive self-generated revenue. Special attention is being placed on the revised marketing strategy to ensure that all SAST products and services are brought to market. At the same time, support for development of artists and their artistic products at a community level continues to ensure future generations of artists.

Detailed **programme performance by Indicator** is provided further in this report. The annual target and actual achievement together with the achievement status and a narrative for each indicator is provided. Reason for Achieved, Not Achieved, Partially Achieved and Over-Achieved as well as Interventions that will be put in place, where appropriate, are reflected for each indicator. In determining the overall performance for the year, the Actual Achieved number of indicators is compared to the planned number of indicators for the year to determine the percentage achieved. Indicators not achieving target are reported as not achieved.

3. PROGRESS TOWARDS ACHIEVEMENT OF PLANNED IMPACT AND OUTCOMES

The 2021/22 year is the second year in the five-year planning cycle 2020 to 2025. Programme outputs and targets are outlined in the APP for the 2021/22 year.

With due consideration for the pandemic, related lockdown regulations and budget cuts on both the operational budget and the capital projects budget, SAST achieved 65% of the predetermined targets. Progress was made during the year in terms of the planned impact and outcomes outlined in the 2020-2025 strategic plan. Implementation activities were developed during the year to adapt to changes in trading conditions. Most notable, is the introduction of a hybrid theatre model which provides for inhouse productions to be presented either, or both, live in the theatre or online on the SAST YouTube Channel. This hybrid model allowed SAST to continue to present artistic productions during the year in which several hundred artists and support staff were hired.

Considering the above, SAST made progress towards achieving the planned impact and outcomes under very difficult trading conditions through adopting an agile operating model that adapted to changes in the market by using an approach of adaptive management to continuously assess progress and revise implementation activities appropriate to and practicable under the trading conditions.

4. PROGRAMME PERFORMANCE INFORMATION

Programme 1: Administration

The purpose of this programme is to engage in commercial activities which ensure self-generated revenue to augment the Government Grant, to maintain and upgrade our unique Theatre facilities to ensure its long-term economic sustainability and to comply with applicable Laws, Regulations and Statutory Legislation including the PFMA, the Cultural Institutions Act, Treasury Regulations and the LRA in support of our Artistic ambitions.

The programme aims to achieve the following SAST goals:

Goal 3: Generate revenue from commercial activities which includes Ticket Sales, Rentals, Fundraising and Front of House Sales

Goal 4: Ensure long term sustainability of Buildings and Assets

Goal 6: Ensure compliance with applicable Laws, Regulations and Statutory Legislation

Programme 2: Business Development

This programme aims to stage the very best In-house developed and externally sourced Performing Arts work, to promote audience diversity and growth by implementing Audience Development Programmes and to promote the outcomes of the government's programme of action by creating job opportunities.

The programme aims to achieve the following SAST goals:

Goal 1: Present In-house Performing Arts productions

Goal 5: Develop Theatre going Audiences

Programme 3: Public Engagement

This programme is intended to provide development opportunities for emerging Arts Practitioners to learn, perform and stage their Productions thereby encouraging Socio-Economic Development.

The programme aims to achieve the following SAST goals:

Goal 2: Provide development opportunities for emerging Arts Practitioners in the context of our programmes

Summary of Performance by Strategic Outcome Oriented Goal

CURRENT YEAR: 1 April 2021 to 31 March 2022					
OUTCOME	NUMBER OF OUTPUTS	ACHIEVED	PARTIALLY ACHIEVED	NOT ACHIEVED	OVERALL PERFORMANCE *
Outcome 1: In-house developed and externally sourced performing arts works presented.	4	2	2	0	50%
Outcome 2: Development opportunities provided.	3	1	2	0	33%
Outcome 3: Revenue generated from commercial activities.	4	3	1	0	75%
Outcome 4: Buildings and assets maintained and upgraded.	2	2	0	0	100%
Outcome 5: Audience attendance improved.	5	4	0	1	80%
Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	2	1	0	1	50%
	20	13	5	2	65%
* Total overall performance is calculated using the weighted average method.		65%	25%	10%	

PRIOR YEAR: 1 April 2020 to 31 March 2021					
OUTCOME	NUMBER OF OUTPUTS	ACHIEVED	PARTIALLY ACHIEVED	NOT ACHIEVED	OVERALL PERFORMANCE *
Outcome 1: In-house developed and externally sourced performing arts works presented.	2	2	0	0	100%
Outcome 2: Development opportunities provided.	1	1	0	0	100%
Outcome 3: Revenue generated from commercial activities.	3	3	0	0	100%
Outcome 4: Buildings and assets maintained and upgraded.	2	1	0	1	50%
Outcome 5: Audience attendance improved.	5	4	0	1	80%

Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	2	2	0	0	100%
	15	13	0	2	88%
* Total overall performance is calculated using the weighted average method.		87%	0%	13%	

Classification of Performance Achievement

Achieved	100%	Green
Partially Achieved	50 - 99%	Amber
Not Achieved	Below 50%	Red

Response to the COVID-19 Pandemic

SAST responded early to the outbreak of Covid-19 in the country, in March 2020. Firstly, immediate steps were taken to implement social distancing measures as well as the requirements for wearing of face masks and regular sanitising. Secondly the core programme of staging productions was adapted to become a hybrid model of presenting productions online on the SAST YouTube Channel and when possible, according to the prevailing adjusted alert-level regulations, live in the theatre. Continuing to present productions during this time was an utmost priority for SAST as it was a mechanism to provide artists with job opportunities at a time when there was very little economic activity, especially in the performing arts sector. To further support independent artists, SAST provided significant theatre rental discounts to producers that wanted to bring their productions to SAST. SAST provided financial relief in the form of rental discounts to tenants occupying offices, warehouses and restaurant spaces in the SAST premises. As much as possible, SAST staff worked remotely from home to ensure the minimum number of people were in the building.

SAST developed a comprehensive Covid-19 response plan that attended to all aspects of the operations that were affected. The response plan formed the basis for developing a reopening plan which was submitted and approved by DSAC. Live performances in the theatre commenced during the third quarter of 2020/21 with first performances in October 2020. Theatre audience capacity has been aligned to the gazetted lockdown regulations on gatherings which imposed reduced seating capacity and the requirement for social distancing and the wearing of masks.

During the prior 2020/21 year, due to the pandemic and subsequent lockdown, SAST revised both the 2020/21 APP as well as the 2020/2025 Strategic Plan. Revised plans were submitted and tabled in Parliament on 20 July 2020, before submission of the first quarter report of 2020/21 on 30 August 2020. All four quarters of 2020/21 were thus reported according to the revised plans. Early revision of the plans and programme implementation for the year allowed SAST to quickly adapt to the prevailing trading conditions. While revised targets were extremely cautiously prepared due to uncertainty in how the market will respond to the pandemic, actual achievement was hampered by changing factors outside of our control especially budget cuts imposed on both the operational budget and the capital projects budget.

Progress in achieving the 2020/21 targets, provided a new baseline for setting programme targets during the 2021/22 year. Performance during the first two quarters of the year was severely hampered, firstly by the ongoing pandemic and then secondly by the outbreak of civil unrest that occurred in the country during the period 9 to 18 July 2021. Restrictions on theatre audience capacity remained in place throughout the year, which continued to limit the achievement of planned audience and revenue targets. SAST persisted with implementation of the planned programmes for the year and presented productions within the parameters of these external constraints.

Strategy to overcome areas of under performance

Strategies to address under performance are indicated per indicator in the following tables of performance in the column Interventions that will be put in place.



5. PERFORMANCE INFORMATION BY PROGRAMME

5.1. Programme 1: Administration

Purpose: The purpose of this programme is to engage in commercial activities to generate revenue to augment the Government Grant, to maintain and upgrade our unique Theatre facilities to ensure its long-term economic sustainability and to comply with applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA in support of our Artistic ambitions.

The programme aims to achieve the following SAST outcomes:

Outcome 3: Revenue generated from commercial activities.

Outcome 4: Buildings and assets maintained and upgraded.

Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.

Outcome	Code	Output (Key Output - SMART)	Output Indicator (Indicators must be read in conjunction with Technical Indicator Descriptions)	Actual (Audited) Performance		Planned Annual Target	Reporting Period	Actual Achievement	Status to date (Achieved, Partially Achieved, Not Achieved)	Deviation from planned target to Actual Achievement	Reason for Not Achieved, Partially Achieved and Over-Achieved	Interventions that will be put in place
			(Unit of Measure)	2019/2020	2020/2021	2021/2022		2021/2022		2021/2022		
Revenue generated from commercial activities.	Rental revenue from the Immovable Property Portfolio											
	SPI2	Generate rental revenue from the SAST immovable property portfolio, i.e. Kilnerton, Office Blocks, Restaurants and other spaces.	Property rental revenue recognised.	R5 191 336	R3 691 779	R3 170 000	Quarterly	R4 384 628	Achieved	R1 214 628	New tenants contributed to the overachievement. These include the restaurant tenant, new office block tenants and new tenants at Kilnerton. Furthermore, tenants scheduled for eviction that have remained in the premises have been invoiced for 2021/22 rentals which contributes to the overachievement.	Defaulting tenants issued with notice and where necessary eviction proceedings are underway. Vacant property spaces to be refurbished to attract new tenants.
	Revenue from In-house Productions' Ticket Sales and from Theatre Rentals											
	SPI4	Generate revenue from ticket sales of in-house productions and from Theatre rentals.	Ticket sales and theatre rental revenue recognised.	R10 295 152	R2 102 142	R1 920 000	Quarterly	R2 813 370	Achieved	R893 370	Music concerts, especially those presented during the fourth quarter, which included; Somi (R222,425), and Thandiswa Mazwai (R219,925) contributed to the overachievement together with other productions during the year, such as; Shaka Zulu (R595,132), Mandisi Dyantisi (R177,800) presented during the third quarter.	Revised marketing and sales strategy to be implemented to ensure revenue is generated and that revenue targets are achieved during the MTEF period.
	Parking Revenue											

Outcome	Code	Output (Key Output - SMART)	Output Indicator	Actual (Audited) Performance			Reporting Period	Actual Achievement	Status to date (Achieved, Partially Achieved, Not Achieved)	Deviation from planned target to Actual Achievement	Reason for Not Achieved, Partially Achieved and Over-Achieved	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2019/2020	2020/2021	2021/2022		2021/2022		2021/2022		
			(Unit of Measure)									
	SP15	Generate revenue from the Parking garage.	Parking garage revenue recognised.	R13 864 335	R8 463 952	R10 800 000	Quarterly	R8 101 979	Partially Achieved	-R 2 698 021	Limited uptake from daily parkers due to fewer people driving into the CBD under lockdown conditions. Increase in competition from other parking garages around SAST that offer competitive parking rates.	To focus on attracting long-term parking customers. Parking rates being revised to ensure competitive pricing is offered to customers.
	Front of house Revenue											
	SP16	Generate revenue from Front of House sales.	Front of House sales revenue recognised.	R2 099 070	Indicator removed for 2020/21 due to Covid-19 and related Regulations.	R400 000	Quarterly	R834 378	Achieved	R434 378	Good audience attendance for the music concerts and other productions that had large audiences contributed to increased sales at the Front of House bars.	FoH to ensure adequate stock levels of suitable liquor and other refreshments to meet the patrons requirements.
Buildings and assets maintained and upgraded.	SPB	Capital Works Projects										
	SPB1	Implement CAPEX projects that are approved and funded on the UAMP.	Number of approved and funded CAPEX projects completed.	n/a	1	4	Annually	4	Achieved	Null	Four CAPEX projects were completed during the financial year. The fire detection system was certified on 1 April 2021. New stage lighting was commissioned on 27 July 2021. The new Stage Sound project was completed on 28 January 2022. New lifts installation completed 30 October 2021.	The UAMP CAPEX projects plan to be updated to ensure that outstanding funded projects are implemented.
	Maintenance Programme in compliance with statutory regulations											
	SPB2	Implement the Maintenance Programme.	Number of Maintenance Programme activities completed.	7	7	7	Annually	7	Achieved	Null	The annual routine Maintenance programme was implemented during the year.	New Facilities Management contract to be implemented during 2022/23 that will aim to improve routine maintenance.

Outcome	Code	Output (Key Output - SMART)	Output Indicator	Actual (Audited) Performance		Planned Annual Target	Reporting Period	Actual Achievement	Status to date (Achieved, Partially Achieved, Not Achieved)	Deviation from planned target to Actual Achievement	Reason for Not Achieved, Partially Achieved and Over-Achieved	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2019/2020	2020/2021	2021/2022		2021/2022				
			(Unit of Measure)									
Compliance with PFMA and Treasury Regulations												
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	SPR1	Achieve an Unqualified Audit report.	Audit opinion	Unqualified Audit report (2018/19 Financial Year)	Unqualified Audit report (2019/20 Financial Year)	Unqualified Audit report (2020/21 Financial Year)	Annually	Qualified Audit report (2020/21 Financial Year)	Not achieved	Audit report issued with two qualification areas.	The auditor general raised material findings on two areas of the 2020/21 financial statements. This included Property, Plant and Equipment and findings relating to the cashflow statement for the financial year.	Audit improvement plan to address audit findings and improve the control environment has been developed and implemented
Compliance with all South African Labour Acts												
	SPR2	Comply with South African Laws and Regulations governing labour relations	Number of labour matters ruled against the SAST for non-compliance with applicable labour legislation	No incidents	No incidents	Maximum acceptable number of incidents: 0	Quarterly	No incidents	Achieved	Null	There were no labour matters during the year where SAST had failed to comply with the labour regulations. One labour matter is pending at the labour court.	Where labour matters arise, SAST to ensure that it is attended to in compliance with the applicable legislation.



Freedom the musical

5.2. Programme 2: Business Development

Purpose: This programme aim is for SAST to stage the very best In-house developed and externally sourced Performing Arts work, to promote audience diversity and growth by implementing Audience Development Programmes and to promote the outcomes of the government's programme of action by creating job opportunities.

The programme aims to achieve the following SAST outcomes:

Outcome 1: In-house developed and externally sourced performing arts works presented.

Outcome 5: Audience attendance improved.

Programme 2: Business Development

Outcome	Code	Output (Key Output - SMART)	Output Indicator	Actual (Audited) Performance			Reporting Period	Actual Achievement	Status to date (Achieved, Partially Achieved, Not Achieved)	Deviation from planned target to Actual Achievement	Reason for Not Achieved, Partially Achieved and Over-Achieved	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2019/2020	2020/2021	2021/2022		2021/2022		2021/2022		
			(Unit of Measure)									
In-house developed and externally sourced performing arts works presented.	SPA	Artistic Productions										
	SPA2	Stage In-house Festivals.	Number of In-house Festivals staged.	4	Indicator removed for 2020/21 due to Covid-19 and related Regulations.	4	Quarterly	4	Achieved	Null	SAST achieved the planned number of festivals for the year. The following festivals were presented; Kucheza Afrika Festival, Youth Expressions Festival, Vavasati International Women's Festival and the Mzansi Fela Festival.	The annual festivals programme will continue to be implemented during the MTEF period.
	SPD4	Stage school set-work productions.	Number of School set-works staged.	5	Indicator removed for 2020/21 due to Covid-19 and related Regulations.	3	Annually	2	Partially Achieved	-1	Only two school setwork productions could be presented during the year, namely; My Children My Africa in Quarter One, and Kgalagalo Tsa Setu in Quarter Two. The ongoing Covid-19 related regulations negatively affected the financial viability of staging school set-works due to the limitations on audience attendance.	Productions to be presented according to the artistic calendar, lockdown regulations permitting.
	SPA1	Stage In-house Productions.	Number of In-house Productions staged.	115	72	100	Quarterly	108	Achieved	8	Overachievement due to the large number of productions in the Incubator programme and in the Fringe programme.	Productions to be presented according to the artistic calendar, lockdown regulations permitting.
		Job creation										

Outcome	Code	Output (Key Output - SMART)	Output Indicator	Actual (Audited) Performance		Planned Annual Target	Reporting Period	Actual Achievement	Status to date (Achieved, Partially Achieved, Not Achieved)	Deviation from planned target to Actual Achievement	Reason for Not Achieved, Partially Achieved and Over-Achieved	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2019/2020	2020/2021	2021/2022		2021/2022				
			(Unit of Measure)									
	SPR3	Short term job opportunities created in In-house Productions.	Number of short term job opportunities created in In-house Productions.	681	428	1 000	Quarterly	926	Partially Achieved	-74	Disruption to the artistic programme during July caused by the riots as well as the ongoing lockdown regulations affecting performances in the second quarter resulted in very few productions being staged in the second quarter. Consequently fewer jobs were created resulting in the annual target not being achieved.	SAST artistic department to create short-term jobs where possible in productions. Artists ID copies to be secured when engaging artists.
Audience attendance improved.	SPM	Marketing										
	SPM1	Implement the marketing strategy.	An approved marketing plan for each production of the annual artistic calendar.	Plans prepared	Plans prepared	An approved marketing plan for each production of the annual artistic calendar.	Quarterly	Plans prepared	Achieved	Null	Plans developed for productions during the year.	Revised marketing and sales strategy to be implemented to ensure alignment of the marketing strategy to the artistic calendar of productions.
	SPM2	Establish media partnerships to promote SAST and productions.	Number of media partnerships established.	2	4	4	Quarterly	9	Achieved	5	Overachievement due to online/digital marketing partnerships entered into in addition to the traditional newspaper, street pole and radio advertising partnerships.	To increase the number of media partners to promote SAST products and services.
		Audience Development										
	SPM3	Implement the audience development strategy.	Approved audience development plan for each production of the annual artistic calendar.	Plans prepared	Plans prepared	An approved audience development plan for each production of the annual artistic calendar.	Quarterly	Plans prepared	Achieved	Null	Plans developed for productions during the year.	Revised marketing and sales strategy to be implemented to ensure alignment of the audience strategy to the artistic calendar of productions.

Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Reporting Period	Actual Achievement	Status to date (Achieved, Partially Achieved, Not Achieved)	Deviation from planned target to Actual Achievement	Reason for Not Achieved, Partially Achieved and Over-Achieved	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2019/2020	2020/2021	2021/2022		2021/2022		2021/2022		
			(Key Output - SMART)	(Unit of Measure)								
	SPM4	Increase audience attendance.	Number of audience attending in-house and rental productions and events.	98 212	74 444	130 000	Quarterly	38 191	Not achieved	-91 809	Online productions had a much lower number of views than anticipated, with audiences primarily viewing content published in the prior year as very few productions were published online during the year. Audience numbers for live performances remained low due to the ongoing covid-19 pandemic and related lockdown regulations which severely limited the number of people allowed into the theatres.	Revised marketing and sales strategy to be implemented to regain audiences and to attract new audiences.
	Patron Satisfaction											
	SPM5	Conduct surveys of patron satisfaction.	Number of patron satisfaction surveys conducted.	4	8	12	Quarterly	24	Achieved	12	Use of the Facebook social media platform allowed for the number of surveys conducted to be significantly increased. Number of surveys were increased to attract customer participation which was encouraged through offering ticket giveaways for completing the survey.	To continue encouraging audiences to participate in surveys by providing incentives for completing the survey, such as free tickets.

5.3. Programme 3: Public Engagement

Purpose: This programme is intended to provide development opportunities for emerging Arts Practitioners to learn, perform and stage their Productions with the aim of their productions becoming commercial products and thereby encouraging Socio-Economic Development in the performing arts sector.

The programme aims to achieve the following SAST outcomes:

Goal 2: Development opportunities provided.

Programme 3: Public Engagement

Outcome	Code	Output (Key Output - SMART)	Output Indicator	Actual (Audited) Performance		Planned Annual Target	Reporting Period	Actual Achievement	Status to date (Achieved, Partially Achieved, Not Achieved)	Deviation from planned target to Actual Achievement	Reason for Not Achieved, Partially Achieved and Over-Achieved	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2019/2020	2020/2021	2021/2022		2021/2022				
			(Unit of Measure)									
Development opportunities provided.	SPD	Development Programme										
	SPD1	Implement the Community Arts Dramaturgy Outreach Fieldwork programme.	Number of Community Arts Groups participating in the programme.	15	Indicator removed for 2020/21 due to Covid-19 and related Regulations.	15	Annually	12	Partially Achieved	-3	Due to the prevailing economic and lockdown conditions affecting community groups, only 12 community groups participated.	Programme to be implemented in 2022/23.
	SPD3	Provide dramaturgy to in-house production's creative team members.	Number of in-house production's creative team members provided with dramaturgy.	28	42	50	Quarterly	29	Partially Achieved	-21	Partial achievement was due to; few productions being presented during the second quarter due to the riots, and furthermore, under the lockdown regulations fewer productions could be assisted with dramaturgy due to limited contact time.	Dramaturgy to be provided to productions as identified.
		Learning and Development										
	SPR4	Provide internship positions.	Number of interns appointed.	6	Indicator removed for 2020/21 due to Covid-19 and related Regulations.	6	Annually	6	Achieved	Null	Six internship positions created in various departments.	To continue offering internship programmes during the MTEF period.

5.4. Linking Objectives with Budgets

Budget	2020/2021				2021/2022			
	BUDGET	ACTUAL	(OVER) / UNDER EXPENDITURE		BUDGET	ACTUAL	(OVER) / UNDER EXPENDITURE	
	R'000	R'000	R'000	%	R'000	R'000	R'000	%
Artistic	7 332	7 661	-329	-4%	12 002	9 705	2 297	19%
Front of House	100	91	9	9%	1 181	1 179	2	0%
Security and Transport	4 765	4 817	-52	-1%	5 600	5 988	-388	-7%
Parking	300	287	13	-4%	450	292	158	35%
Stage Services	400	307	93	23%	2 650	3 149	-499	19%
Marketing	900	1 056	-156	-17%	1 350	1 832	-482	-36%
Human Resources	33 072	30 818	2 253	7%	36 303	34 343	1961	5%
Development	-	-	-	0%	2 800	3 231	-431	15%
Administration	28 740	25 569	3 171	11%	11 429	58 645	-47 215	-413%
Maintenance	1 200	1 339	-139	12%	23 260	14 136	9 124	39%
Total Operational	76 808	71 945	4 863	6%	97 026	132 501	-35 474	37%

6. REVENUE COLLECTION

SOURCES OF REVENUE	2020/21			2021/22		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Grant	70 650	63 510	7 140	82 747	80 293	2 454
Fundraising, marketing, other	10 250	14 374	-4 124	13 400	16 593	-3 193
Other Income	0	735	-735	879	458	421
Total Operational	80 900	78 619	2 281	97 026	97 344	-318

7. CAPITAL INVESTMENT

Funds for capital projects are ring-fenced and interest earned thereon is capitalised to the projects. A new allocation of R10 million was received during the financial year from DSAC, there were delays in securing contractors for most the projects hence an increase year on year.

		2020/21			2021/22		
		Budget (Project Balance)	Actual Expenditure	(Over) /Under Expenditure	Budget (Project Balance)	Actual Expenditure	(Over) /Under Expenditure
Project 1	Facilities and Management Contract	R12 405 102	R-	R12 405 102	R22 410 722	R702 021	R21 708 701
Project 2	Foyer and Ablutions	R6 065 820	R-	R6 065 820	R6 065 820	R-	R6 065 820
Project 3	Digital Screen (New Request)	R4 000 000	R-	R4 000 000	R4 000 000	R3 078 926	R921 074
Project 4	Fire Detection System (New Request)	R649 403	R280 787	R368 617	R368 617	R-	R368 617
Project 5	Security Scanner (Admin Foyer) (New Request)	R165 300	R-	R165 300	R165 300	R-	R165 300
Project 6	Maintenance	R72 836	R72 836	R-	R-	R-	R-
Project 7	Passenger Lifts	R7 224 376	R2 817 881	R4 406 496	R4 406 496	R922 933	R3 483 563
Project 8	Stage Lighting	R3 562 739	R-	R3 562 739	R3 562 739	R3 299 200	R263 539
Project 9	Stage Equipment (New Request)	R4 280 231	R120 426	R4 159 805	R4 159 805	R1 590 904	R2 568 901
Project 10	Stage Facilities (New Request)	R2 500 000	R173 636	R2 326 364	R2 326 364	R-	R2 326 364
	Interest / Disinfection	R2 007 575	R233 562	R1 774 013	R1 774 013	R989 612	R2 763 625
		R42 933 381	R3 699 127	R39 234 254	R49 239 874	R10 583 595	R40 635 503

SAST CAPEX PROJECTS

	Project Name:	Facilities Management Contract	Start date	End date	Status
1	Facilities Management Contract	The project entails the total facilities management of the State Theatres. This will include an initial high level Condition Assessment of the facility that will include a detailed project plan, asset register and backlog maintenance costing	28/4/2020	28/4/2023	Tender
2	Foyer and Ablution Project (Transformation Project)	The project entails building, refurbishment, civil and structural aspects that need expert advice and support. Work started stage door, 0-level ceilings, locker rooms 4th floor, 0-level and completed Security Perimeter Fence.	30/3/2018	30/6/2022	Construction
3	Digital Screen	The project is about the installation of a digital screen on the façade of the building. It will enhance the and attract patrons of the arts and will also be used to generate income from advertising different companies, as well as partnering with corporates for advertising purposes..	30/2/2019	30/6/2022	Construction
4	Fire Detection System Upgrade	The Fire detection system is a statutory requirement, the entity did not have a functional system over years. The appointment of an engineer would ensure that all as-build drawings for the system is implemented and that the system will be functional.	11/4/2019	2021/01/04	Final
5	Security Scanners and X-Ray Machine	Installation of Security scanners and X-Ray machine, to secure the entity and its personnel against crime as well as enhance its loss prevention strategy	20/11/2018	2019/03/02	Final
6	Maintenance	Maintenance of identified immovable assets, as well as backlog maintenance	4/02/2019	31/4/2022	Design
7	Lift Replacement Project	Replacement of 7 Passenger Lifts that has reached it's end of lifespan	28/02/2019	30/10/2021	Final
8	Stage Lighting Project	The EU is phasing out the incandescent lightbulbs or Tungsten lights. The Ecodesign laws commonly known as "Bulb ban" is phasing out of inefficient light sources in the EU. This will impact the 5 theatres negatively should alternative technology not be sourced in time. As such we have to phase out the use of generic lights in the Theatres and Install new digital lights and dimmers to allow for swift working that will allow us spend less on maintenance.	11/5/2019	27/7/2021	Final

9	Stage Sound Project	The sound equipment in the theatres is in a state of disrepair and needs to be replaced. This will also inable SAST to charge a premium on renting equipment separate from the normal lease agreement and modernise the facilities as well.	3/8/2021	28/1/2022	Final
10	Stage Facilities Project	The project is about maintenance and upgrading of the lighting and sound control rooms to ensure less downtime . This will include all 5 theatres.	30/9/2020	30/10/2022	Planning
11	Covid-19 Sanatizing and Fogging (Preventative Measures	The continues Fogging and Sanitizing of the facility as a preventative measure, and when any person was found to be a positive COVID-19 case	30/4/2020	30/4/2022	Final

Job Creation Summary						SMMES	
Reporting Period	Female	Male	Total No of Jobs	Youth	Persons with Disability	Reporting Period	No of SMMES
Q1	1	31	32	0	0	Q1	3
Q2	1	11	12	0	0	Q2	1
Q3	1	28	29	0	0	Q3	2
Q4	0	0	0	0	0	Q4	0
			73				





PART C: GOVERNANCE

*Marikana the musical
Photography by Sanmari Marais*

1. INTRODUCTION

Good corporate governance embodies processes and systems that enhance organisational discipline, integrity, transparency, accountability, responsibility, fairness and sustainable economic, social and environmental performance. As the focal point and custodian of SAST's corporate governance the Council is committed to establishing and striving for exceptional governance practices underpinned by effective leadership.

The governance practices of SAST have been established in line with the Cultural Institutions Act, Act 119 of 1998 as amended (CIA), the Public Finance Management Act no. 29 of 1999 as amended (PFMA), The Shareholders Compact, The White Paper on Arts, Culture and Heritage, The Protocol on Corporate Governance in the Public Sector, as issued by the Department of Public Enterprises (2002), and any other applicable law, regulatory provisions, government policies and/or any directives.

The King IV Report on Corporate Governance which became effective on 1 April 2017, along with the sector supplement for state-owned entities, has been embraced by the Council and the SAST.

2. PORTFOLIO COMMITTEES

SAST was not called to attend the Portfolio Committee during the year.

3. EXECUTIVE AUTHORITY

The following table is a summary of the reports submitted to the Executive Authority:

30 April 2021	4th Quarterly Report 2020/21
31 July 2021	Annual Financial Statements and Performance Information 2020/21
30 July 2021	1st Quarterly Report 2021/22
31 August 2021	Annual Report 2020/21
30 October 2021	2nd Quarterly Report 2021/22
31 January 2021	Annual Performance Plan 2022/23
30 January 2021	3rd Quarterly Report 2021/22

4. THE ACCOUNTING AUTHORITY (COUNCIL)

In terms of Section 5 of the CIA the affairs of SAST are under the control, management and direction of the Council, who was appointed by the Minister of Sport, Arts and Culture and acts as the Accounting Authority in terms of the PFMA. The duties, functions and responsibilities of the Council are set out in the CIA, PFMA and the Council Charter. The responsibilities outlined in the Council Charter have been duly discharged during the year, specifically in terms of:

- The adoption of strategic plans;
- Monitoring of operational performance and management;
- Determining policy and processes to ensure the integrity of the SAST's risk management and internal controls;
- Communication policy; and
- Council member's orientation and evaluation.

Council delegated specific responsibilities to a number of Committees which operate in terms of their own Committee Charters that are reviewed and approved by the Council.

The following Committees were operational during the 2021/2022 financial year;

Finance Committee (FINCOM):

The purpose of the FINCOM is to formulate and monitor Finance, Risk and Information and Communication Technology policies for recommendation and reporting to the Council which promote the achievement of the SAST's strategic objectives and encourage individual performance. The Committee receives, holds, preserves, and safeguards all movable property placed under the care and management of the SAST by the Minister of Sport, Arts and Culture, in terms of section 10(1) of the Cultural Institutions Act. The Committee is responsible to assist Council to manage and control money received by the SAST and to utilize those monies for defraying expenses in connection with the performance of the SAST's functions as well as to enable the SAST to keep a proper record of the property of the SAST 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.

Audit and Risk Committee (ARC):

The ARC is responsible for oversight of the financial operations and reporting processes within the SAST and assisting management in fulfilling its corporate governance. The Committee ensures the implementation of responsibilities in relation to SAST's financial reporting, internal control system, risk management system, internal and external audit functions as well as information, communication and technology objectives.

Institutional Development Committee (IDC):

The IDC is responsible for the present Artistic offering, of optimal quality, that integrates social and cultural diversity as well as to provide development opportunities to emerging Arts Practitioners to learn and perform with the aim of becoming commercially competitive. The Committee is also responsible for providing effective Audience Development Programmes which will result in patrons supporting the economic objectives of the Performing Arts as well as assisting management to maintain and upgrade the unique Theatre facilities to support the SAST Artistic ambitions and the self-generating revenue objectives.

Human Resources and Remuneration Committee (HRRC):

The HRRC is responsible to formulate and monitor human resources related policies and a remuneration policy which promotes the achievement of the SAST's strategic objectives and encourage individual performance. The Committee further determines the remuneration and other conditions of service of persons appointed to perform the functions of the SAST which must be in accordance with a scheme approved by the Minister of Sport, Arts and Culture in consultation with the Minister of Finance.

Social and Ethics Committee (SEC)

The Council agreed that it was of paramount importance to establish a SEC. The SEC was subsequently established by Council during February 2021. The SEC assists the Council in overseeing and reporting on the SAST's ethics, responsible corporate citizenship, sustainable development, legal compliance and stakeholder relationships.

Information and Communication Technology Strategic Committee (ICTSC)

The ICTSC is responsible for oversight of the IT operations. The Committee reports to ARC and ensures the oversight of the IT related control systems, risk management and the fulfilment of the information, communication and technology objectives.

Council's value creation process

As far as performance is concerned, the SAST has consistently aimed to balance its priorities so as to both, fulfil its mandate and remain financially sustainable, despite key financial challenges. SAST has naturally adopted the King IV guideline which promotes that an SOE should obtain clarity and alignment on strategic objectives and key performance targets from its stakeholders. In addition to this, Council continuously aims to address the strategic priorities of the SAST entity with its executive authority and has actively sought to reach common understanding between the SAST and the executive authority on how to reconcile competing objectives so that a strategic plan for SAST can be developed within these confines.

The Council has recognised, by way of their communications and suggestions to the executive authority, as well as their resolutions over the year, that it recognises that the SAST's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

Composition of the Council

The following are the Council members of SAST, appointed by the Minister of the Department of Sport, Arts and Culture, for the 2021/22 financial year:

For the period 01 April 2021 – 31 March 2022

Name	Term /Date appointed	Qualifications	Area of Knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Prof. NM Mazibuko (Chairperson)	01/12/2017 – 30/11/2020 renewed with effect from 09/12/2020	BA and Honours degrees in Social Work - University of Zululand. BA majoring with Political Science and Communications. – University of South Africa (UNISA) Master's Degree in social sciences - University of KwaZulu-Natal PhD in Social Policy & Organisational Studies - University of Illinois, Chicago.	Education, Youth development in higher education, Research, innovation and human development.	Female	African	6/6
Dr MJ Ndlovu (Deputy Chairperson)	01/12/2017 – 30/11/2020 renewed with effect from 09/12/2020	Master's Degree in Business Administration (MBA) - University of KwaZulu-Natal PhD in Business Administration - University of KwaZulu-Natal	Business Administration with emphasis on Human Resources Management	Female	African	6/6
Adv KP Thango	09/12/2020	B Proc: LLB, University of KwaZulu-Natal Project Management (Diploma) - Varsity College Matric with exemption, Mshiyane High School, KZN	Law	Male	African	5/6
HK Makgae	09/12/2020	University of Limpopo, Bachelor of Education, 1989-1991 University of Limpopo, Bachelor of Arts in pedagogy BA .1985-1988	Education, Theology	Female	African	6/6
S Maharaj	09/12/2020	CA (SA) : South African Institute of Chartered Accountants (1998) Hons BCompt Degree: University of South Africa (1994) BCom Degree : University of Natal (1992)	Finance	Male	African	6/6

L Nawa	09/12/2020	University of South Africa, 2012: DLitt et Phil (PhD) University of Cape Town, 2003: MA (Creative Writing) University of Cape Town 1989: BA (Hons) Vista University, 1987: Bachelor's Degree (BA)	Arts and creative writing	Male	African	6/6
UG Masokaone	09/12/2020	Batchelor of Science: Mass Communication: University of Lagos Diploma London International Film School	Arts	Male	African	5/6
Dr SM Mkhize (CEO Ex-officio member)	01/11/2015	BA, BA Honours, MA - University of KwaZulu-Natal PhD - University of the Witwatersrand	History, Culture and Heritage, Management of Arts, Culture and Heritage Institutions	Male	African	6/6

There were 6 Council Meetings; 1 Planning Workshop and 1 Induction meeting in addition to the above Mr. Sizwe Mathye (Chief Financial Officer), Mr. Aubrey Sekhabi (Artistic Director) and Ms Keolebgile Modise (Director of Corporate Services) attend the Council meetings by standing invitation.

Council Meetings

Council Meeting - 31 May 2021
Council Meeting - 5 August 2021
Council Meeting - 24 November 2021-Workshop
Council Meeting - 25 November 2021
Council Meeting - 17 December 2021
Council Meeting - 3 March 2022

Committees

The following is the composition of the Committees as appointed by SAST Council, as at 31 March 2022:

Audit and Risk Committee (ARC)

For the period 1 April 2021 – 31 March 2022

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
V Ndlovu (Independent External Member)	01/06/2019	Finance	Female	African	9/9
B van Vollenhoven (Independent External Member)	01/06/2019	Finance	Male	White	6/9

T Rochussen (Independent External Member)	03/12/2020	Finance	Male	White	9/9
Z Nkosi (Independent External Member)	03/12/2020	Law and Finance	Female	African	8/9
S Maharaj (Council Member)	09/12/2020	Finance	Male	Indian	9/9
Dr MJ Ndlovu (Council Member)	08/02/2018	Business Administration with emphasis on Human Resources Management	Female	African	9/9

ARC MEETINGS

ARC - 13 May 2021
ARC - 24 May 2021
ARC - 26 May 2021
ARC - 29 July 2021
ARC - 31 August 2021
ARC - 6 October 2021
ARC - 4 November 2021
ARC - 10 February 2022
ARC - 23 February 2022

Institutional Development Committee (IDC)

For the period 01 April 2021 – 31 March 2022

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
UG Masokaone (Chairperson)	09/12/2020	Arts	Male	African	5/5
L Nawa	09/12/2020	Arts and Creative Writing	Male	African	5/5
S Maharaj	09/12/2020	Finance	Male	Indian	5/5

IDC Meetings

6 May 2021
23 July 2021
12 November 2021
22 November 2021
17 February 2022

Human Resources and Remuneration Committee (HRRC)

For the period 01 April 2021 – 31 March 2022

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Dr MJ Ndlovu (Chairperson)	08/02/2018	Business Administration with emphasis on Human Resources Management	Female	African	5/5
L Nawa	09/12/2020	Arts and Creative Writing	Male	African	5/5

Adv KP Thango	09/12/2020	Law	Male	African	4/5
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HRRC Meetings

HRRC - 5 May 2021
HRRC - 22 July 2021
HRRC - 11 November 2021
HRRC - 13 December 2021
HRRC - 16 February 2022

Finance Committee (FinCom)

For the period 01 April 2021 – 31 March 2022

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
S Maharaj (Chairperson)	09/12/2020	Finance	Male	Indian	8/8
HK Makgae	09/12/2020	Education, and Theology	Female	African	8/8
Adv KP Thango	09/12/2020	Law	Male	African	7/8

FINCOM Meetings

FINCOM - 11 May 2021
FINCOM - 25 May 2021
FINCOM - 28 July 2021
FINCOM - 29 October 2021
FINCOM - 18 November 2021
FINCOM - 28 January 2022
FINCOM - 28 February 2022
FINCOM - 11 March 2022

Social & Ethics Committee (SEC)

For the period 01 April 2021 – 31 March 2022

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Adv KP Thango (Chairperson)	09/12/2020	Law	Male	African	4/4
UG Masokoane	09/12/2020	Arts	Male	African	3/4
HK Makgae	09/12/2020	Education, and Theology	Female	African	4/4

SEC Meeting

SEC - 12 May 2021
SEC - 30 July 2021
SEC - 16 November 2021
SEC - 22 February 2022

Information and Communication Technology Strategic Committee (ICTSC)

For the period 01 April 2021 – 31 March 2022

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
A Latchu (Chairperson)	01/09/2021	IT	Male	Indian	2/2
V Nayagar	01/09/2021	Cyber Security Expert	Female	Indian	2/2

ICTSC Meeting

ICTSC - 2 November 2021
ICTSC - 1 February 2022

Remuneration of Council members

Refer to note 27 of the Annual Financial Statements for a detailed table of Council members' remuneration during the 2021/22 financial year.

5. RISK MANAGEMENT

The South African State Theatre has an approved Risk Management Policy and compiles an annual Risk Management Plan and Strategy.

SAST assesses risk on an ongoing basis which is monitored through monthly departmental reports that capture occurrence, changes and mitigation of identified risks as well as the identification of new and emerging risks.

A Risk Management Committee has been appointed which performs ongoing risk assessment and monitoring implementation of agreed mitigation action plans. In this regard, SAST has in the current year prioritised risk management action plans which are a key focal point for discussion and implementation.

The SAST Audit and Risk Committee independently monitors the enterprise risk management system to ensure its effectiveness.

Risk Management at SAST is an ongoing activity. Risk areas are prioritised and appropriate mitigation activities implemented to ensure continuous improvement of operational performance. Ultimately, Risk Management continues to be a developing yet significant area, in terms of which solutions and mechanisms are constantly suggested and revised by both the Council and the Audit and Risk Committee. Cybercrime has been identified as a key new risk area in which appropriate mitigation strategies must be implemented. SAST has reviewed its ICT systems and appropriate improvements are being implemented. However, incessant attempts at breaching the servers firewall may ultimately succeed and as such appropriate Cybercrime insurance is being added to the SAST short-term insurance policy.

In line with recommended practices of risk governance, the Council has emphasized the importance and value of treating risk as integral to the way it makes decisions and executes its duties.

6. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEES

Refer to the detailed Audit and Risk Committee Report.

7. COMPLIANCE WITH LAWS AND REGULATIONS

SAST monitors compliance with applicable legislation, especially the PFMA, throughout the entity. Monthly and Quarterly compliance reports are prepared and MANCO is tasked to address areas of non-compliance.

The Council has consistently governed compliance with applicable laws and regulations in terms of its governing legislation. It has also adopted internal rules, standards and policy items in a way that supports the SAST being ethical and a good corporate citizen. In all agenda items at meetings in which new projects, strategies and/or processes are discussed, a key benchmark item in such discussions always fall back to whether such projects, strategies and/or processes will fall within the scope of compliance required by the relevant laws and regulations, of which SAST is subject to.

8. FRAUD AND CORRUPTION

SAST has an approved and implemented Fraud and Corruption Prevention Policy. In line with the policy, fraud and corruption is actively monitored and reported on in Monthly and Quarterly reports. Fraud is a standing agenda item in our management meetings and in our quarterly staff meetings. We have published posters across the SAST buildings reflecting our stance on fraud and corruption. These posters display the toll-free national anti-corruption hotline number which may be used to report suspected fraud and corruption.

Zero tolerance of fraud and corruption

Corruption in South Africa is perceived to be worsening. Perceived high levels of fraud and corruption could jeopardise South Africa's standing among foreign investors and negatively affect business confidence. SAST has a zero-tolerance stance against fraud, corruption and irregular conduct.

A number of policies and interventions are in place to mitigate the risk of fraud and corruption, including the following:

- whistle-blowing framework which includes the National HOTLINE (0800 701 701)
- prevention of fraud and corruption policy
- delegation of authority
- ongoing fraud and awareness bulletins

9. MINIMISING CONFLICT

- Management and staff of SAST have regular communication relating to the possibility of conflict of interest.
- Controls have been implemented at Management and staff level where declaration of interests are requested to be signed.
- At a supply chain management (SCM) level, conflict of interest is minimised as follows:
 - SCM is a centralised unit which consists of an SCM manager, one SCM official and adhoc staff. The unit is overseen by the CFO.
 - Each SCM official (including ad hoc staff) signs a declaration of interest form to indicate if there is a conflict of interest with suppliers.
 - Ad hoc staff sends requests for quotations as requested by the individual departments and the SCM official places the order.
 - The CFO reviews all purchase orders ensuring that the suppliers are valid and the supplier with the qualifying quotation has been awarded the order.
 - The CFO also ensures that SBD 4 forms are received from the suppliers.
 - For tenders, the BEC and BAC are independent members and are also requested to sign independence declarations. Where a conflict of interest is identified, the member will not be involved in the awarding of the tender.
 - Goods received vouchers are signed by the department requesting the goods/services and payment is made by the creditors' clerk who is independent from the SCM process. All payments are checked and reviewed and released by the CFO and one other signatory.

In compliance with the spirit of good governance, the SAST has consistently maintained a register of interests which consolidates the declaration of interest forms that are signed by Council and committee members, at all meetings conducted, and are collected for purposes of recording accountability. This spans across the entity as a whole and aims to enable an effective control environment that supports the integrity of information for internal decision-making and for the SAST's external reports.

10. CODE OF CONDUCT

The rules and regulations contained in the code of conduct policy are to ensure that they are known and adhered to by all State Theatre personnel.

An employee who contravenes any rule, regulation or instruction, or knowingly permits a contravention to take place shall be subject to such disciplinary measures as circumstances may warrant, in accordance with the Disciplinary Procedure. The Disciplinary process as detailed in the Disciplinary policy will be followed in the event that the code of conduct is contravened. Sanctions imposed will be as per the Disciplinary code.

Promoting ethical conduct

Our Ethics Policy sets out our standards for ethical behaviour and together with the supplementary policies, provides a guide to employees on how they should conduct themselves and interact with fellow employees, our stakeholders and the public in general.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

Environmental

With reference to the Occupational Health and Safety Act 85 of 1993, the statutory law administered by the Department of Employment and Labour requires us to monitor the impact of the SAST activities (product & services) and projects on the environment.

Health and Public Safety

We create and monitor health and safety performance measures to ensure that it is maintained as a priority across all projects undertaken by The South African State Theatre.

It is critical that we manage our employees' safety, health and well-being to maintain our human capital, and ensure we create and maintain a resilient, productive and agile workforce, thus enabling our employees to create value within our business. Safety, health and well-being form part of our employee value proposition. In addition to our employees, we have a responsibility to ensure the health and safety of our contractors and customers. OHS management is guided by the OHS strategy, policies and a health and safety system, all of which ensure compliance with the OHS Act, 85 of 1993, and other applicable legal requirements. To ensure we comply with health and safety standards and that we provide a safe working environment, we need to implement an OHS audit programme for our operations.

In an effort to achieve more efficient and effective outputs from our human capital; safety, health and wellbeing is considered holistically. The intention is to proactively manage occupational injuries and reduce lost time early during injury management.

As part of continual improvement and fostering the safety culture within the organisation, the following key initiatives will be implemented:

- keeping abreast of the OHS legal requirements - in January 2017, the Department of Labour (as it was known at that time) published the Draft Ergonomics Regulations for comments. The requirements will be analysed and appropriate actions and controls will be developed to ensure compliance once promulgated.
- the SAST OHS strategy - to reduce workplace injuries, build and foster the safety culture and behaviour.
- strengthen our relationships with our contractors - SAST will hold "Contractor Safety Stand-downs" to facilitate and improve contractor OHS awareness and compliance, and improve the measurement, monitoring and reporting of contractor safety performance.

The intention is to maximise the effectiveness of safety interventions and initiatives across the organisation to ensure a healthy and resilient workforce.

OHS Compliance

In 2021/22 financial year SAST did not have material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations reported. The status of the compliance risks is provided to the risk committee, which reports back to the Board on a quarterly basis.

Portable Fire Fighting Equipment

The Emergency Service Department, Fire Brigade Service Division has issued a Certificate of Fitness (Permit no. S 2021-2022 /41) to SAST.

A three-year service provider contract for the maintenance of firefighting equipment was signed which provided for all firefighting equipment to be serviced during the year.

OHS Priorities

1. Service of Portable Fire Extinguishers and Fire Hoses (95% completed) FH Odendaal building and Kilnerton.
2. Inefficient and outdated CCTV and Access Control system (Replacement of CCTV and Access Control System)
3. Business Continuity Implementation
4. Regulatory and compliance (training of First aid, Fire Marshalls, Evacuation Officers and Working at Heights). On-site qualified medical assistance not in place.
5. Fire detection phase 2 compliance project

SECURITY

Security Service Provider

A two-year contract, which commenced on 01 December 2021, has been signed with a new security service provider.

The following key interventions are being implemented with the new service provider;

- Installation of CCTV, Guard Patrol and Alarm System at FH Odendaal building as well as armed response.
- Installation of a CCTV, Guard Patrol and Alarm System at Kilnerton as well as armed response.
- Every shift has a level 3 First aid security officer on duty.

Business continuity management

The State Theatre continues to strengthen its business resilience. We tested the response plans continuously during the social unrest, COVID-19 pandemic, power outages in FY2022. Our response plans remain adequate and effective across key areas such as stakeholder management, critical resources, and technical resources such as back-up power (upgrade), alternative power solutions (solar system project), diesel, water and mobile generators. SAST COVID-19 crisis management structure, continued to ensure the business's resilience during the pandemic. We remain committed to collaboration principles, maintaining communication services during adverse conditions and supporting local and national government should a crisis arise. SAST continued to ensure that its infrastructure, business processes and emergency management procedures have the flexibility required to safeguard the interests of our key stakeholders, reputation, and brand.

Potential emerging Risk	Description
More COVID-19 waves	The risk of further COVID-19 waves, and the lack of understanding of its associated impact, created uncertainty. Although COVID-19 appears to be moving towards endemic, some consequences still necessitate further assessment and response strategies to be put in place for the long term. The business landscape will face greater uncertainty in the post-COVID period, including the ongoing impact of COVID-19 on global supply chains
Lack of social cohesion	Social cohesion remains a critical driver of long-term prosperity and competitiveness. Lack of cohesive societies threatens political stability, efforts put on economic growth, business development and competitive sustainability. The ability of SAST to enable the communities will be hindered. In this global and multicultural world, SAST will be challenged to respect the diversity of our people, partner with communities and to break the digital divide.
The next pandemic/ health risk	The world may experience another pandemic. At a micro-level, it is important to create an anti-fragile environment by building the right capabilities that can respond to some of the health risks with minimal impact, where possible, to safeguard the SAST's sustainability. There is reliance on human capital which exacerbates the risk.

12. SOCIAL RESPONSIBILITY

MAYIBUYE COMMUNITY OUTREACH PROGRAMME

Background:

The South African State Theatres' -Education Youth and Children Theatre Department (EYCT) is dedicated to development programmes, specifically for Young Creatives in the Arts Industry and those seeking guidance and direction in the arts industry. The programmes include upskilling workshops, productions for children's and those that aid school language curriculums plus platforms to showcase their talents in SAST festivals. The overall goal is to empower the youth through education, economical participation and mentorship for arts industry national growth. The EYCT Department also creates partnerships and a network for the arts industry through these programmes.

1. Mayibuye Community Outreach Programme:

Mayibuye Community Outreach programme is the South African State Theatre (SAST)'s Education Youth and Children's Theatre (EYCT) Department programme which seeks to creatively help amateur theatre groups based in our national communities. The MOC Programme aims to position the arts prominently – their rightful position – in cultural heritage development, moral re-generation and entertainment. Through this programme we intend to develop quality artistic works, as well as bridge the gap between developing and mainstream arts, business, academia and the community.

Programme Objectives:

Develop the Arts

- The sharing of information with the aim of assisting community art groups to stage productions

that will; reflect on the status quo of their society; to question and examine societies norms and beliefs at the same time entertain and evoke interrogation from their audiences with the end goal being social cohesion amongst global communities.

- To highlight and improve the role of the arts in society.
- To place The South African State Theatre within the context of communities - in growing its relationship with various communities within the country.

Develop the Artists and Facilitators.

- Offer training, guidance and upskilling programmes to performers, writers, directors, producers, stage managers, technicians and young entrepreneurs in the arts and entertainment industry.
- Create an opportunity for the fieldworkers to gain experience in their fields of expertise.

Develop Audiences

- Expose the community groups to the Professional Theatre space, educate them about theatre and theatrical work and their history.
- Grow a network of theatre goers who support each other as they grow and collaborate.
- Working towards a sustainable growth of the arts for an industry that creates employments, entrepreneurship and contributes to the countries' economic growth.

2. Outreach Workshop and Upskilling Programmes: Annual initiative

EYCT presents the following Artistic workshops:

- Acting
- Choreography
- Directing
- Script writing
- Stage management

The workshops included Business & Arts Administration workshops for the administration side of things.

The EYCT department presents workshops in two parts for creatives in different levels of experience respectively, the first part is for Community groups and individuals at entry level for that specific workshop focus. The second part is Master classes that lead into workshops targeting young and old people with training and/or experience in that specific field of focus as well as individuals who are still finding their feet (entry level) in the Arts industry.

3. Current Partners of SAST in these programmes:

- Mmabana Arts Culture and Sport Foundation – Mahikeng

4. Areas or communities Serviced by SAST EYCT Department 2021/2022:

- Greater Tshwane Metropolitan Area – Atteridgeville; Mabopane; Hammanskraal; Soshaguve; Mamelodi
- Pietermaritzburg/Durban
- Polokwane
- Mahikeng

By the end of the first-year programme only 12 groups completed the year, instead of 15, due to the following reasons:

- Group members found employment-retailers > festive season.

- Other event /programmes offering monies or funding.
- Community groups starting to seek funding which we do not provide and thus leaving the programme.

SCHOOL SETWORKS PROGRAMME 2021/2022

Description

Theatre productions staged to present literature books as read in high schools to support the national basic education system via theatre. The literature is adapted to theatre format where necessary without changing the story in any manner.

Function:

The objective is to support the literature language syllabus in the national school curriculum through artistic presentation of the studied setwork for learners in high school, focussing on grade 10 to grade 12.

Set work presented:

The presentation of the set works was affected by the Covid-19 pandemic and the number of learners exposed to the work was also highly affected by the restriction on audience numbers in indoor facilities. In some instance we had to move season dates due to the effect of the pandemic and we could not eventually host all three planned setworks through the year due to the affected artistic planner and available dates.

English First Language:	My Children, My Afrika:
	Dates: 24 May – 18 June 2021 (original dates 14 April – 02 May 2022)
	Venue: SAST Drama Theatre
Indigenous Language, Sepedi:	Kgalagale Tsa Setu
	06 – 23 September 2021
	Venue: SAST Kilnerton Theatre

13. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) present its report regarding its affairs at the South African State Theatre (SAST) for the financial year ended 31 March 2022 in line with its mandate as per section 51(1)(a)(ii) of the Public Financial Management Act and Treasury Regulations 27 paragraph 13.1.

The committee is an independent committee, accountable to the Council and operates within its mandate as stated in its Charter.

The Committee's main objective is to assist the Council in fulfilling its oversight responsibilities and to evaluate the adequacy and efficiency of accounting policies, internal controls, combined assurance, risk and fraud management and financial and corporate reporting processes. In addition, the committee assesses the effectiveness of the internal auditors, the independence and the effectiveness of the external auditors. The report aims to provide details on how the

committee satisfied its various statutory obligations during the period and addressed some of the significant matters that rose to assist in ensuring the integrity of financial reporting.

Audit and Risk Committee composition

The Audit and Risk Committee comprised five members of which two of them are members of the Council and three are independent external members. The committee was adequately skilled and all members possessed the appropriate financial and related qualifications, skills, expertise and experience required to discharge their responsibilities.

The committee met on a quarterly basis, on special meetings in line with financial reporting cycle. The committee also met separately with management, internal auditors and external auditors. The committee chair had regular contact with management to discuss relevant matters directly. The Internal and external auditors had a direct access to the committee

Audit and Risk Committee Report on its Operations

During the year under review the ARC considered and performed, in line with its mandate, the following:

- Updated the ARC Charter
- Risk management processes, including continuously updating the risk register as circumstances changed as a result of the COVID-19 pandemic.
- Approved the Internal Audit three year rolling plan and current annual plan.
- Ensured that all planned Internal Audit projects were timely completed
- Reviewed the reports of the Internal Audit Activity and made appropriate recommendations to drive risk remediation
- Considered quarterly finance and performance reports and provided guidance on the adequacy and quality improvements for these reports
- Conducted separate meetings with Internal Audit Functions and Management to drive and enhance risk and performance management
- Provided guidance on IT governance and policy issues
- Enhanced and recommended various policies to the Council
- Monitored compliance with policies and applicable legislations
- Monitored progress on previous audit findings

DISCHARGE OF DUTIES

Finance function

The Chief financial Officer (CFO) resigned during the last quarter of the financial year which impacted on the smooth preparation of financial year end reporting. Interim acting CFO was appointed as a consultant to fill the position during the critical time of audit preparation given the prior year qualified audit opinion as internal control deficiencies that resulted in the qualification emanated from the finance function. Management is in the process of recruitment for the Chief Financial officer position. The committee continue to monitor the capacity of the finance function.

Evaluation of the Financial Statements

The Committee reviewed the draft Unaudited Annual Financial Statements and draft Unaudited Annual Performance Report for the 2021/22 financial year. The review conclusion was that improvement on the submitted Annual Financial Statements were noted compared to the previous years. This was also based on the review done by internal audit function which noted improvements in terms of supporting schedules for the annual financial statements.

Effectiveness of Internal Controls

The committee reviewed internal and external audit reports in respect of audits conducted on internal control environment, it took note of the matters raised in the reports and considered the appropriateness of management responses. The committee noted that audit action plan from the previous financial year was not implemented timely. This resulted in repeated internal control deficiencies. While internal audit activities did not alert the committee on the possible control deficiencies that were identified by external audit process. The committee is reviewing

internal audit function approach and methodology to assess its adequacy. The following material deficiencies were noted in the finance function:

- Lack of adequate reviews to ensure complete and accurate financial reporting that is free from material misstatements.
- Noncompliance with laws and regulations relating to supply chain management
- There were limited controls in place to safeguard assets

Internal audit

The committee considered and approved a three year rolling and annual plan. The plans were based on risk assessment of the organization. The committee monitored the activities of internal audit through quarterly reports. Internal audit maintained its independence throughout the year. Internal audit reports did not identify any material deficiencies on business functions. The committee was concerned about the quality of the reports presented and that it did not incorporate some of the risks to the organization. The committee will continue to evaluate internal audit function to ensure quality and value adding service delivery.

External audit

The committee approved the engagement letter and audit strategy plan for the financial year ending 31 March 2022. The audit team possessed skills and expertise to conduct the audit. The audit was conducted and completed within set timelines. There was regular communication throughout the audit with management. The committee was disappointed in the outcomes of the audit which highlighted material control deficiencies mostly in finance functions. The committee has tasked management to develop an audit action plan to address root causes for deficiencies identified during the audit and to implement consequence management to those responsible for negligence. The committee will closely monitor the plan to ensure effective implementation. The committee accept the audit conclusion of the Auditor General on the Audited Annual Financial Statements, compliance and Annual Performance Report.

Risk management

The committee received regular reports on fraud and risk management and effectively monitored those strategic risks that fell within its mandate.

Combined assurance

The company's combined assurance consists of management, internal audit and external audit. Reports from combined assurance providers highlighted inconsistent results as management and internal audit reports are not consistent with external audit outcomes. The committee noted combined assurances as an area of focus which require further improvements.

Quality of Management and Monthly/Quarterly Reports Submitted in terms of Legislation

The Audit and Risk Committee received and reviewed quarterly financial and performance reports. The format and adequacy of the submitted report required improvements and management had started elaborating and enhancing the quality of the reports submitted. We noted that due to the pandemic, adjustments to the original targets needed to be reviewed and decreased.

Despite the pandemic challenges, management was able to develop new strategies in terms of broadcasting shows through online channels to reach new and wider audiences. The reported results were negatively affected by Covid-19 pandemic compared to the previous year.

Conclusion

Despite the challenges and areas of improvement identified, the committee remains positive and committed to guide and assist management navigating current challenges towards the SAST becoming an organization and theatre of excellence.

The report must be read together with the annual report.



Ms Veille Ndlovu

Chairperson of the Audit Committee

The South African State Theatre

31 July 2022

14. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

The annual B-BBEE verification for the 2020/21 financial year was conducted during the 2021/22 financial year. SAST received a rating of non-compliant contributor, with an overall score of 49.55% for the four measured elements of Management Control, Skills Development, Enterprise and Supplier Development, and Socio-Economic Development. SAST is not measured against the element of Ownership, since it is a public entity.

The outcome represents a regression from the previous rating of 55.51% (Level 8 Contributor) for the 2019/20 year. The main reason for the regression is the decrease in spending on training during the 2020/21 year. This was because of budget constraints. Procurement on B-BBEE compliant suppliers also reduced from 23,99% in 2019/20 to 22,46 in 2020/21. Though it is a small decrease, it does impact the overall rating.

Performance on B-BBEE compliance for the 2021/22 financial year will be assessed in quarter three of 2022/23. The outcomes may well be like that of the 2020/21 verification. This is again due to reduced spending on training during the 2021/22 financial year. Procurement may have improved for the year to be reviewed but will only be determined once the verification is completed.

The B-BBEE improvement plan is currently being implemented during the 2022/23 year. The areas that have been identified for improvement include:

- Skills Development,
- Enterprise and Supplier Development Programme, and
- Socio Economic Development.

The 2022/23 budget was amended during the draft stage to provide a minimum of 1% spending

on skills development. Providing cashflow allows, training will be implemented accordingly and will contribute to improving the B-BBEE score.

Thus far for the 2022/23 year, SAST has already supported seven Co-productions during quarter one. This contributes to improving the Enterprise and Supplier Development Programme score. A target of ten co-producing productions was set for the year, which should be comfortably achieved and likely surpassed.

The Mayibuye Community Outreach programme is scheduled for implementation in September 2022 and will contribute towards the Socio-Economic Development element of the scorecard. The target is fifteen community groups that must participate for the 2022/23 year.

While the 2021/22 score may not show much improvement from the 2020/21 scorecard, the 2022/23 B-BBEE rating is expected to show a positive improvement due to the B-BBEE improvement plan that is currently being implemented.

SAST fulfils the B-BBEE compliance requirements as prescribed by section 13G of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) as amended by Act 46 of 2013 ("the B-BBEE Act"). Annually SAST submits the required B-BBEE compliance report to the B-BBEE Commission.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to SAST.
Developing and implementing a preferential procurement policy?	No	The SAST Supply Chain Management policy is being reviewed during the 2022/23 year.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to SAST.
Developing criteria for entering into partnerships with the private sector?	Yes	Any partnership concluded, is considered on its merits to further the SAST mandate and contribute to implementation of the SAST programmes.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to SAST.



Naledi Awards





PART D: HUMAN RESOURCE MANAGEMENT

Tribute to the fallen

1. INTRODUCTION

The SAST HR department hereby submits its overview and performance for the 2021/22 financial year. Included in the HR report is a summary of the HR service offering, current HR risks, the HR plan and a summary of the current learnership programmes in place at the SAST. Detailed oversight statistics are also provided further herein.

2. HR MISSION

To improve efficiency and effectiveness by attracting, selecting, recruiting, developing, and retaining best talent.

3. HR SERVICES

- i. Recruitment and Selection
- ii. Human Resources Management
- iii. Labour Relations
- iv. Human Resources Development

4. HR RISKS

Management has identified the HR strategic risks . Below is the status report.

RISK	MITIGATION	Deadlines	Status
Organizational structure and jobs not aligned to the organizational strategy.	Structural and job profiles reviewed and aligned to the organizational strategy.	June 2021	Completed
Skills not relevant to currently occupied jobs	Talent management has been completed with all jobs occupied by the best possible employee.	June 2021	Completed
	Skills gap analysis will be conducted	April 2022	Completed
Lack of resources to fill critical positions.	Service providers are used to bridge the gap and are sourced as and when required where possible. Interns and Learners deployed to assist in low levels positions.	Ongoing	Implemented
High vacancy rate.	Critical jobs must be budgeted for as consultancy will be too costly if used frequently. Critical positions will be filled, and unnecessary positions removed from the structure.	Apr 2022	No budget
		Ongoing	5-year contracts reviewed. Grading and Remuneration benchmark results implementation in progress.
Loss of critical human resources due to salaries not related to the market, lack of benefits and job security.	Review 5-year fixed term contracts model, Conduct and implement job grading and Remuneration benchmark results, Review benefits to all employees.		
Productivity of employees impacted negatively due to working from home practice, and flexible hours.	Develop a Performance management Policy.	July 2021	Completed
	Remote performance management system developed	August 2021	Completed
	Train management on performance management		Completed
Poor leave management	Continuous communication and emphasis of leave management in line with Leave Policy.	Continuous	In progress
Absenteeism due to ill health	Review HIV and other severe chronic diseases policy.	May 2021	Completed.
	Emphasis on compliance Covid 19 regulations by strict control of number of employees at work and Compliance with health and safety regulation	Continuous	

5. HR PLAN

Strategic Pillar	Objective	Key Activities *	Output	Time frame	Status
Manage Human Resources	To improve efficiency and effectiveness by attracting, selecting, recruiting, developing retaining and managing best talent	Attract, select and recruit best talent.	All vacant and budgeted positions advertised and filled	On-going	Budgeted positions are advertised. On-going
		Develop human resources	IDPs and Skills Development Plan developed.	Q2	Completed for the financial year 2021/22.
			Implementation of SDP	Q3 then On-going	Completed for the financial year 2020/2021.
		Manage Labour relations	Bargain forum established	Q4	Completed
			All cases 100% procedural fairness.	On-going	No incidence
		Remunerate human resources competitively	Conduct Remuneration Benchmark	July 2021	Completed.
			Implement Remuneration benchmark results	1 April 2022-30 March 2024	Not started
			Equal pay for work of Equal value	1 April 2022-30 March 2024	Not started
		Manage performance	Performance Management policy developed and approved	Q2	Developed, approved and implemented. Completed
		Culture Management	Performance Management Policy implemented	Q3 then On-going	Implemented. Complete.
			Culture survey conducted	Q1 2022	Not started
			Culture Change Programme developed	Culture Change Programme developed	Q1 2022
		Culture Change Programme implemented		Q2 2022 then On-going	Not started

	To comply with South African Labour laws	Develop and Review of HR Policies and procedures	Approved HR policies	On-going	Policy review is on --going
		Develop and Implement SAST 3 years EE Plan	EE Plan Developed	Q2 then on going	Completed, EE Plan Developed.
		Submit EE plan to the department of Labour	Department of labour acknowledgement letter	Q4	EE Plan submitted 15 January 2022 to the labour Department. Completed.
		Display all labour law charts	Charts displayed	Q4 then ongoing	Completed
Promote Culture of Excellence	Effectiveness and efficiency	Policy and procedures Inductions	Attendance register	On-going	On-going.
		Ensure the development of SOP, s in all departments	SOP, s developed	Q1 then On-going	In progress. All department's SOPs are being reviewed. The submission date for approved SOPs is 30 April 2022
		Identify key positions for succession planning	3 Positions identified	01 April 2022 then on-going annually	Not Started.
		Imparting of skills	Bi- annual reports from Managers	Q1 then Ongoing	In progress

6. LEARNERS

Institution	Departments	Number of intakes
Jeppe College	Front of House	Seventy (70) learners trained to work at FOH as and when required.
Jeppe College	Various	13 learners deployed in various departments as part of the learning integrated programme

7. HUMAN RESOURCE OVERSIGHT STATISTICS

Performance Rewards

Programme	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	N/A	N/A	N/A
Senior Management	N/A	N/A	N/A
Professional qualified	N/A	N/A	N/A
Skilled	N/A	N/A	N/A
Semi-skilled	N/A	N/A	N/A
Unskilled	N/A	N/A	N/A
TOTAL	N/A	N/A	N/A

Training Costs

Director / Business Unit	Training Expenditure (R'000)	No. of employees trained	Avg training costs per employee
Various	R22 827,50	25	R913,10
HR	0	1	R0
Artistic and Health and safety	R16 341,04	18	R907,83
Various	R11 960,00	15	R797,33
Various	0	20	R0
PA to CEO	R13 693,33	1	R13 693,33
HR, Finance, Health and safety	R45 902,25	6	R7 650,38
Various	R28 566,00	10	R2 856,60
Various	R7 400,00	8	R926,00
TOTAL	R146 690,12	104	R24 887,97

Employment and vacancies

Programme	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies
Top Management	4	4	0	4	3	1
Senior Management	9	6	3	9	6	3
Professional qualified	7	7	0	7	7	0

Skilled	57	39	18	62	39	23
Semi-skilled	41	22	19	38	22	16
Unskilled	0	0	0	0	0	0
TOTAL	118	78	40	120	77	43

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	1	3
Senior Management	6	0	0	6
Professional qualified	7	0	0	7
Skilled	39	1	1	39
Semi-skilled	22	1	2	22
Unskilled	0	0	0	0
TOTAL	78	2	4	77

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	
Resignation	2	
Dismissal	1	
Retirement	1	
Retrenchment	0	
Ill health	0	
Expiry of contract	0	
Other	0	
TOTAL	4	

Labour Relations: Misconduct and disciplinary action

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

Equity Target and Employment Equity Status

The Employment Equity Act no 55 of 1988 purpose is to:

- Promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and

- To implement affirmative action measures to redress the disadvantages in employment experienced by designated groups to ensure their equitable representation in all occupational levels in the workforce.

Section 20 of the Employment Equity Act states that , a designated employer must prepare and implement an Employment Equity Plan, which must not be shorter than one year and not longer than five years, which must include a timetable for the achievement of goals and objectives for each year of the plan. As such the SAST had to comply with the Act by developing and implementing the Employment Equity plan including identifying barriers to affirmative action. Below is the annual progress.

Numerical Targets for 2021

There are no numerical targets set for the year 2021/22 due to unavailability of funds to recruit.

EE plan progress report.

The below tables cover annual objectives and progress thereof.

TIMEFRAMES (e.g.)		OBJECTIVES	Status
YEAR 1	01 April 2021 – 30 April 2022	<ul style="list-style-type: none"> To review all SAST Policies to eliminate unfair discriminations 	Completed
		<ul style="list-style-type: none"> To align employment equity strategies, policies, procedures, and practices, with the institutions' systems and processes 	In progress. All departmental SOPs are being reviewed and new SOP, s developed. This process will be completed by the 30 th of April 2022
		<ul style="list-style-type: none"> To conduct institutional culture survey to track perceptions of inclusivity and implement recommendations based on the outcomes of the survey. 	Not started. Planned for the next financial year.

Barriers to Affirmative Action measures

CATEGORIES	BARRIERS	AFFIRMATIVE ACTION MEASURES	TIME FRAMES		STATUS REPORT
			START DATE	END DATE	
Advertising positions	Disability not included on targeted statements on job adverts	Review, and include disability, in targeted statements on job adverts. Approach organizations/ recruitment agencies to assist in sourcing of persons living with disabilities	01/09/2021	31/03/2024	Organizations dealing with recruitment of persons with disabilities identified. A meeting conducted with Employment solutions and DWE recruitment agency. In progress
Terms & conditions of employment	Five years Fixed term contracts	Convert all employees' contracts below senior management level to full-time contracts.	01/01/2021	30/09/2021	Completed





Captured in Silence

A photograph of two women in traditional African attire kneeling on a dark floor. The woman on the left wears a gold crown and a white long-sleeved top. The woman on the right wears a white sleeveless top and has long braids. The background is dark with blue and green lighting. A large white downward-pointing chevron is on the left side of the page.

PART E: FINANCIAL INFORMATION

The Encounter

1. REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to Parliament on the South African State Theatre

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the South African State Theatre set out on pages 69 to 111, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of net assets, statement of cash flows and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the South African State Theatre as at 31 March 2022, and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for property, plant and equipment, due to the fixed asset register not being complete as assets on the floor had not been included in the asset register and were therefore not accounted for in the annual financial statements. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R91 571 449 (2021: R91 707 311) in note 4 to the financial statements as it was impracticable to do so.
4. The public entity did not adequately conduct an impairment assessment of property, plant and equipment, in accordance with GRAP 17, Property, plant and equipment, as there was no adequate system of internal control to assess assets for impairment. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R91 571 449 (2021: R91 707 311) in note 4 to the financial statements as it was impracticable to do so.

Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
6. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in

accordance with these requirements and the IESBA code.

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

Emphasis of matters

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

Restatement of corresponding figures

9. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2021 have been restated as a result of errors in the entity's financial statements at, and for the year ended, 31 March 2022.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the 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.
11. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators

included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 2: Business development	Page 37 – 39

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 2: Business development

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 34 to 40 for information on the achievement of planned targets for the year and management's explanations provided for the under- and overachievement of targets.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Business development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific

matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

23. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(a) of the PFMA.
25. Material misstatements of statement of cash flows and statement of net assets identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

26. Some of the contracts were awarded to bidders based on evaluation or adjudication criteria that differed from those stipulated in the original invitation for bidding, in contravention of treasury regulation 16A6.3(a) and (b).

Consequence management

27. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. This was because investigations into irregular expenditure were not performed.
28. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 51(1)(b)(ii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information

29. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. When I do receive and read the final 2021-22 annual report and I conclude that there is a

material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and findings on compliance with legislation.
34. Management did not institute adequate detective and corrective controls to ensure the accuracy and completeness of information reported in the financial statements. This led to material adjustments to several components of the financial statements submitted for audit.
35. Non-compliance with legislation could have been prevented if legislative requirements had been properly reviewed and monitored by management through a proactive and dedicated approach and control environment.

Other reports

36. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

37. The entity engaged the services of accounting and forensic investigative experts, FC Financial Accountants and Gobodo Forensic and Investigative Accountants (GFIA), to investigate a fraud incident which was discovered in 2019. The forensic investigation was completed and handed over to the Directorate for Priority Crimes Investigation (the "Hawks") for further investigation and prosecution. The investigation concluded as per final report provided by management on 25 November 2021.

Auditor - General

Pretoria
31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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 public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
 - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the South African State Theatre to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

2. ANNUAL FINANCIAL STATEMENTS

The South African State Theatre

Annual Financial Statements for the year ended 31 March 2022

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Abbreviations used:

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
CEO	Chief Executive Officer
Council	The South African State Theatre Council
DSAC	Department of Sport, Arts and Culture
GRAP	Generally Recognised Accounting Practise
HR	Human Resources Department
iGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
NT	National Treasury
SAST	South African State Theatre
SCM	Supply Chain Management
TR	Treasury Regulations



Lebo Ditsepu

The South African State Theatre

Annual Financial Statements for the year ended 31 March 2022

Council's Responsibilities and Approval

The Council members are required by the Public Finance Management Act (Act 1 of 1999) (PFMA), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the entity sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or fraud.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the Department of Sport, Arts and Culture for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the members are primarily responsible for the financial affairs of the entity, they are supported by the entity's external auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 64 to 66.

The annual financial statements set out on page 69 to 111, which have been prepared on the going concern basis, were approved by the Council on 31 July 2022 and were signed on its behalf by:



Professor Fikile N.M. Mazibuko
Chairperson of Council



Dr. Sibongiseni Mthokozisi Mkhize
Chief Executive Officer

The South African State Theatre

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	9	209,428	239,127
Receivables from exchange transactions	10	3,300,383	2,013,626
Cash and cash equivalents	11	29,933,212	31,283,887
		33,443,023	33,536,640
Non-Current Assets			
Investment property	3	28,000,000	24,500,000
Property, plant and equipment	4	91,571,449	91,707,311
Intangible assets	5	513,027	113,367
Heritage assets	6	38,948,500	35,467,300
		159,032,976	151,787,978
Total Assets		192,475,999	185,324,618
Liabilities			
Current Liabilities			
Finance lease obligation	12	325,681	30,945
Payables from exchange transactions	7	10,581,831	11,463,535
Employee benefit obligation	8	477,000	491,000
Unspent conditional grants and receipts	13	40,635,503	39,234,597
		52,020,015	51,220,077
Non-Current Liabilities			
Finance lease obligation	12	179,691	1,777
Employee benefit obligation	8	2,439,000	2,586,000
		2,618,691	2,587,777
Total Liabilities		54,638,706	53,807,854
Net Assets		137,837,293	131,516,764
Reserves			
Revaluation reserve		22,057,179	18,575,979
Accumulated surplus		115,780,114	112,940,785
Total Net Assets		137,837,293	131,516,764



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*				
Revenue							
Revenue from exchange transactions							
Sale of goods		832,975	182,169	Actuarial (losses) / gains	8	(153,000)	19,421
Rendering of services		1,893,971	126,162	Finance costs		(763,785)	(76,459)
Rental of facilities and equipment		13,775,999	13,955,559	Fraud recovery		957,841	-
Sundry income		458,119	735,482	Impairment loss		-	(109,996)
Interest received - investment		90,448	110,573			1,227,551	(1,681,156)
Total revenue from exchange transactions		17,051,512	15,109,945	Surplus (deficit) for the year		2,837,829	(8,951,644)
Revenue from non-exchange transactions							
Transfer revenue							
Government grants & subsidies	16	80,293,398	63,510,777				
Revenue in kind		36,765,918	44,292,827				
Total revenue from non-exchange transactions		117,059,316	107,803,604				
Total revenue	14	134,110,828	122,913,549				
Expenditure							
Employee related costs	17	37,933,340	33,864,115				
Production Costs	18	12,141,926	7,723,096				
Depreciation and amortisation	4&5	9,261,690	10,290,696				
Rental of stage equipment	15	983,784	228,534				
Debt Impairment	10	(5,849,012)	3,924,144				
Bad debts written off	10	7,754,918	-				
Sale of goods/Inventory		429,660	91,255				
General Expenses	19	30,975,580	27,811,797				
Property rates and building rental in kind		36,765,918	44,292,827				
Repairs and maintenance		2,102,746	1,957,573				
Total expenditure		132,500,550	130,184,037				
Operating surplus (deficit)		1,610,278	(7,270,488)				
Write-off of assets		(2,313,505)	(314,219)				
Fair value adjustments	23	3,500,000	(1,199,903)				

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Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	17,822,479	119,682,533	137,505,012
Adjustments			
Prior period error adjusting retained earnings (note 29)	-	2,209,900	2,209,900
Balance at 01 April 2020 as restated*	17,822,479	121,892,433	139,714,912
Changes in net assets			
Artwork revaluation surplus	753,500	-	753,500
Net income recognised directly in net assets	753,500	-	753,500
Deficit for the year as previously reported	-	(7,600,473)	(7,600,473)
Total recognised income and expenses for the year	753,500	(7,600,473)	(6,846,973)
Prior period error adjusted to statement of financial performance (note 29)	-	(1,351,175)	(1,351,175)
Total changes	753,500	(8,951,648)	(8,198,148)
Restated* Balance at 01 April 2021	18,575,979	112,942,285	131,518,264
Changes in net assets			
Artwork revaluation surplus	3,481,200	-	3,481,200
Net income recognised directly in net assets	3,481,200	-	3,481,200
Deficit for the year	-	2,837,829	2,837,829
Total recognised income and expenses for the year	3,481,200	2,837,829	6,319,029
Total changes	3,481,200	2,837,829	6,319,029
Balance at 31 March 2022	22,057,179	115,780,114	137,837,293

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Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		14,726,242	12,501,101
Grants		81,694,304	66,271,886
Interest income		90,448	110,573
		<u>96,510,994</u>	<u>78,883,560</u>
Payments			
Employee costs		(38,156,145)	(33,972,922)
Suppliers		(47,575,396)	(34,694,256)
Finance costs		(763,785)	(76,459)
		<u>(86,495,326)</u>	<u>(68,743,637)</u>
Net cash flows from operating activities	20	10,015,668	10,139,923
Cash flows from investing activities			
Movement in property, plant and equipment	4	(11,377,530)	(3,647,262)
Purchase of other intangible assets	5	(461,463)	-
Purchase of heritage assets	6	-	(7,800)
Net cash flows from investing activities		(11,838,993)	(3,655,062)
Cash flows from financing activities			
Finance lease (payments) / additions		472,650	(125,531)
Net increase/ (decrease) in cash and cash equivalents		(1,350,675)	6,359,330
Cash and cash equivalents at the beginning of the year		31,283,887	24,924,557
Cash and cash equivalents at the end of the year	11	29,933,212	31,283,887

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis Figures in Rand	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	400,000	(150,000)	250,000	832,975	582,975	REF1
Rendering of services	1,200,000	400,000	1,600,000	1,893,971	293,971	REF2
Rental of facilities and equipment	14,220,000	(2,770,000)	11,450,000	13,775,999	2,325,999	REF3
Sundry income	-	879,241	879,241	458,119	(421,122)	REF4
Interest received - investment	50,000	50,000	100,000	90,448	(9,552)	
Total revenue from exchange transactions	15,870,000	(1,590,759)	14,279,241	17,051,512	2,772,271	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	82,747,000	-	82,747,000	80,293,398	(2,453,602)	
Revenue in kind	-	-	-	36,765,918	36,765,918	
Total revenue from non-exchange transactions	82,747,000	-	82,747,000	117,059,316	34,312,316	
Total revenue	98,617,000	(1,590,759)	97,026,241	134,110,828	37,084,587	
Expenditure						
Personnel	(36,473,442)	(931,693)	(37,405,135)	(37,933,340)	(528,205)	
Production Costs	(13,293,558)	1,759,627	(11,533,931)	(12,141,926)	(607,995)	
Depreciation and amortisation	-	-	-	(9,261,690)	(9,261,690)	REF5
Lease rentals on operating lease	(400,000)	(60,000)	(460,000)	(983,784)	(523,784)	REF6
Debt Impairment	-	-	-	5,849,012	5,849,012	REF7
Bad debts written off	-	-	-	(7,754,918)	(7,754,918)	REF8
Sale of goods - FOH	(250,000)	42,000	(208,000)	(429,660)	(221,660)	REF9
General Expenses	(26,700,000)	2,290,825	(24,409,175)	(30,975,580)	(6,566,405)	REF10
Capital Assets	(20,550,000)	(190,000)	(20,740,000)	-	20,740,000	REF11
Repairs & Maintenance	(950,000)	(1,320,000)	(2,270,000)	(2,102,746)	167,254	
Property rates and building rental in kind	-	-	-	(36,765,918)	(36,765,918)	

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Statement of Comparison of Budget and Actual Amounts

Total expenditure	(98,617,000)	1,590,759	(97,026,241)	(132,500,550)	(35,474,309)
Operating surplus	-	-	-	1,610,278	1,610,278
Write-off of damaged assets	-	-	-	(2,313,505)	(2,313,505)
Fair value adjustments	-	-	-	3,500,000	3,500,000
Actuarial losses	-	-	-	(153,000)	(153,000)
Fraud recovery	-	-	-	957,841	957,841
Finance costs	-	-	-	(763,785)	(763,785)
	-	-	-	1,227,551	1,227,551
Surplus before taxation	-	-	-	2,837,829	2,837,829
Actual Amount on Comparable	-	-	-	2,837,829	2,837,829

Basis as Presented in the Budget and Actual Comparative Statement

Reconciliation

Explanations for variances greater than 10 %:

REF1 - Due to the relaxing of Covid-19 restrictions, the attendance of shows increased, resulting in more Front of House sales.

REF2 - Due to the relaxing of Covid-19 restrictions, the attendance of shows increased, resulting in an increase in ticket sales.

REF3 - Due to the relaxing of Covid-19 restrictions, the attendance of shows increased, resulting in an increase in parking revenue.

REF4 - Sundry income decreased, as interest on outstanding debtors was budgeted for, but the long outstanding debtors was written off during the current year, and the remaining long outstanding debtors was impaired. No interest was charged during the current year.

REF5 - Depreciation and amortisation have not been budgeted for as the actual cost of procurement during the year have been budgeted for and not the write off over the period of the lifespan of the asset procured.

REF6 - Increase in rentals on operating lease expense was due to the hybrid model that was introduced due to the Covid-19 impact on the entity. More equipment rentals was required due to productions being broadcast on internet based platforms.

REF7 - Debt impairment was not budgeted for, as we do expect to recover all debts owed to the South African State Theatre.

Each debtor was individually assessed at year end, and the amount included was deemed to be considered for impairment due to long outstanding amounts.

REF8 - Bad debts written off was approved after the budget process by the Council. We do not budget for bad debts written off as we do expect to recover all debts owed to the South African State Theatre. These debtors however were assessed during the year, and approved for write off.

REF9 - Increase in the cost of sale of front of house products sold was due the relaxing of Covid-19 restrictions, resulting in more Front of House sales.

REF10 - Increase in general expenses was due to the relaxing of Covid-19 restrictions, resulting in an increase in revenue and the relating expenses.

REF11 - R13 917 565 was spent on Capital Assets, of which R9 593 983 is included in Government grants & subsidies and R4 323 582 in Buildings under additions. The delay in capital assets expenditure was due to unforeseeable tender delays.

General - The adjustments made from the approved budget to the final budget was due to the impact of Covid-19, the restrictions that was lifted, employees returning to work and the public attending live shows. Most of the adjustments was due to reallocations within the budget.



The South African State Theatre

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with GRAP, issued by the Accounting Standards Board in accordance with Section 122(3) of the PFMA..

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables, investments and / or loans and receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell.

The entity assesses annually whether there is an indication that an asset may be impaired. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of intangible assets are inherently uncertain and could materially change over time.

Provisions for employee costs

Provisions were raised and management determined an estimate based on the information available.

Employee benefit obligations

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 8.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Debt impairment

On trade receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. Trade receivables over 60 days are assessed individually for impairment and provided for should there be an indication of impairment.

1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Fair value

Initial measurement

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair

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value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent measurement

Subsequent to initial measurement, investment property is measured at fair value.

The fair value of investment property reflects market value at the reporting date. The fair value is determined using a property valuation expert.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Compensation from third parties or investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and

equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight-line	10 - 75 Years
Motor vehicles	Straight-line	5 - 7 Years
Office furniture and equipment (including computer equipment)	Straight-line	5 - 7 Years
Printing equipment	Straight-line	3 - 5 Years
Leasehold improvements	Straight-line	5 - 7 Years
Stage and workshop equipment	Straight-line	5 - 10 Years
Renaissance theatre equipment	Straight-line	5 - 7 Years
Decor, costumes and props	Straight-line	5 - 7 Years

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Orchestra equipment	Straight-line	5 - 7 Years
Leased motor vehicles	Straight-line	3 - 5 Years
Sundry fixed assets	Straight-line	5 - 10 Years
Leased equipment	Straight-line	3 - 5 Years
Artwprl	Straight-line	Indefinite

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in

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substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	2 - 5 Years

1.6 Heritage assets

Recognition

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses. Heritage assets, whose fair value cannot be determined are measured using the cost model. If the fair value of the heritage asset can be determined by reference to an active market at a subsequent date, the revaluation model is applied from that date.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit.

However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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1.7 Financial instruments (continued)

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or

- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

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Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which
- the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments
 - that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost
Employee benefit obligation	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at cost

All financial assets measured at amortised cost, or cost, are subject to an impairment review

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

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1.9 Tax

Tax expenses

The entity is exempt from taxation in terms of the provision of section 10(1)(cA)(i) of the Income Tax Act, 1962 (Act No. 58 of 1962) as amended.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

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

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

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A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity

provides post-employment benefits for one or more employees.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- » the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- » the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with its employees.

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1.12 Employee benefits (continued)

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost
- actuarial gains and losses and
- past service cost;

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money.

The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;

- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and

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- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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Interest income

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes

do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the 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 reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability.

Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Services in-kind

Except for financial guarantee contracts, the entity recognises services in-kind that are significant to its operations and/or service delivery objectives as assets and recognises the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided

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had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- a. the PFMA; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law.

Immediate steps must thereafter be taken to recover the amount from the person concerned.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and

If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.20 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and then date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.23 Grants and receipts

Revenue received from conditional grants, donations and funding including interest earned from such grants are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement.

To the extent that the criteria, conditions or obligations have not been met a liability is recognised.



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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2019	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2019	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2019	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

3. Investment property

	2022		2021		Carrying value
	Cost /Valuation	Accumulated depreciation and accumulated impairment	Cost /Valuation	Accumulated depreciation and accumulated impairment	
Investment property	28,000,000	-	24,500,000	-	24,500,000
Reconciliation of investment property - 2022			Opening balance	Fair value adjustments	Total
Investment property			24,500,000	3,500,000	28,000,000
Reconciliation of investment property - 2021			Opening balance	Fair value adjustments	Total
Investment property			25,699,903	(1,199,903)	24,500,000

The investment property is valued by an independent property valuer annually. SA Valuations valued the investment property on 31 March 2021 and 31 March 2022 using the Income Capitalisation method. The capitalisation rate used was 12,5 % (2021: 12,5%)

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4. Property, plant and equipment

	2022			2021		
	Cost /Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost /Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	5,002,920	-	5,002,920	5,002,920	-	5,002,920
Buildings	179,095,743	(104,345,655)	74,750,088	174,772,161	(100,145,866)	74,626,295
Motor vehicles	260,650	(234,699)	25,951	260,650	(225,585)	35,065
Office equipment	7,079,690	(5,991,503)	1,088,187	9,575,221	(7,288,768)	2,286,453
IT equipment	2,817,540	(1,876,736)	940,804	2,924,886	(1,905,026)	1,019,860
Plant and Equipment	31,334,843	(22,381,594)	8,953,249	37,178,100	(28,643,381)	8,534,719
Wardrobe	931,300	(890,420)	40,880	931,300	(880,199)	51,101
Leased equipment	1,240,338	(470,968)	769,370	524,311	(373,413)	150,898
Total	227,763,024	(136,191,575)	91,571,449	231,169,549	(139,462,238)	91,707,311

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Write-offs	Depreciation	Total
Land	5,002,920	-	-	-	5,002,920
Buildings	74,626,295	4,323,582	-	(4,199,789)	74,750,088
Motor vehicles	35,065	-	-	(9,114)	25,951
Office equipment	2,286,453	48,731	(473,196)	(773,801)	1,088,187
IT equipment	1,019,860	333,947	(91,940)	(321,063)	940,804
Wardrobe	51,101	-	-	(10,221)	40,880
Plant and Equipment	8,534,719	5,905,671	(1,734,529)	(3,752,612)	8,953,249
Leased equipment	150,898	756,648	(4,890)	(133,286)	769,370
	91,707,311	11,368,579	(2,304,555)	(9,199,886)	91,571,449

Assets written off was identified during the full asset verification. These assets were still on the fixed asset register, but could not be found during the verification process. An amount of R2 493 was also written off during the year due to an ipad that was lost and the amount was recovered from the employee.

Reconciliation of property, plant and equipment - 2021

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	Opening balance	Additions	Disposals /Write-offs	Impairment	Depreciation	Total
Land	5,002,920	-	-	-	-	5,002,920
Buildings	75,841,291	2,817,881	-	-	(4,032,877)	74,626,295
Motor vehicles	44,180	-	-	-	(9,115)	35,065
Office equipment	3,818,086	78,264	(204,237)	(47,656)	(1,358,004)	2,286,453
IT equipment	962,731	530,934	(17,769)	(12,804)	(443,232)	1,019,860
Wardrobe	61,320	-	-	-	(10,219)	51,101
Plant and Equipment	12,774,354	206,883	(85,296)	(49,536)	(4,311,686)	8,534,719
Leased equipment	238,912	13,300	(13,541)	-	(87,773)	150,898
	98,743,794	3,647,262	(320,843)	(109,996)	(10,252,906)	91,707,311

Pledged as security

No property, plant and equipment are pledged as security for liabilities 2022 (2021 Rnil) as all assets are non-current assets.

Reconciliation of Work-in-Progress 2022

	Included within Buildings	Total
Opening balance	6,797,723	6,797,723
Additions	4,323,582	4,323,582
Transferred to completed items	(7,177,777)	(7,177,777)
	3,943,528	3,943,528

Reconciliation of Work-in-Progress 2021

	Included within Buildings	Total
Opening balance	3,979,842	3,979,842
Additions	2,817,881	2,817,881
	6,797,723	6,797,723

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5. Intangible assets

	2022			2021		
	Cost /Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost /Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	807,224	(294,197)	513,027	345,760	(232,393)	113,367

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	113,367	461,463	(61,803)	513,027

Reconciliation of intangible assets - 2021

	Opening Balance	Amortisation	Total
Computer software	151,156	(37,789)	113,367

6. Heritage assets

	2022			2021		
	Cost /Valuation	Accumulated impairment losses	Carrying value	Cost /Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	38,948,500	-	38,948,500	35,467,300	-	35,467,300

Reconciliation of heritage assets 2022

	Opening balance	Revaluation increase/ (decrease)	Total
Art Collections, antiquities and exhibits	35,467,300	3,481,200	38,948,500

Reconciliation of heritage assets 2021

	Opening balance	Additions	Revaluation increase/ (decrease)	Total
Art Collections, antiquities and exhibits	34,706,000	7,800	753,500	35,467,300

Revaluations

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Art collections

The effective date of the revaluation was 2022/03/31. Revaluations were performed by independent valuer, Mr Pieter W van Heerden, from Association of Arts Pretoria. The value was determined directly by reference to the observable prices in an active market..

7. Payables from exchange transactions

Trade payables	6,493,776	7,422,259
Payments received in advanced - contract in process	263,947	117,117
Other payables	34,904	-
Accrued leave pay	1,309,139	1,217,943
Accrued expenses	-	38,889
Tenants deposits received	870,280	892,191
Other payables	1,609,785	1,697,379
Medical and Pension Accrua	-	77,757
	<u>10,581,831</u>	<u>11,463,535</u>

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8. Employee benefit obligations

Defined benefit plan

The employee benefit obligation comprise of post retirement medical aid and pension benefits.

Post retirement medical aid plan

A valuation was performed by ZAQ Consultants and Actuaries (PTY) LTD for the medical aid fund based on 12 (2021:13) retired pensioners previously employed by the State Theatre. The Projected Unit credit funding method has been used to determine the past-service liabilities at the valuation date and the projected annual expense in the year following the valuation date. The expected value of each employee and their spouses's future medical aid subsidies is projected by allowing for future medical inflation. The calculated values are then discounted at the assumed discount interest rate to the present date of valuation (calculation). Mortality, retirements and withdrawals from services were also taken into consideration. The accrued liability is determined on the basis that each employee's medical aid benefit accrues uniformly over the working life of an employee up until retirement. Further it is assumed that the current policy for awarding medical aid subsidies remains unchanged once they retire. It is also assumed that 100 % of all active members on medical aid will remain on medical aid once they retire and all active members will remain on the same medical aid option at retirement. At valuation date, no dedicated assets had been set aside to fund this liability. No valuation was done on any assets.

Pension benefits

The ex-gratia pension liability was calculated based on 1 (2021:2) retired pensioners previously employed by the State Theatre by multiplying the annual pension provided by an appropriate annuity factor as at the valuation date. As at the valuation date, the exgratia benefits liabilities of the State Theatre were unfunded, i.e. no dedicated assets have been set aside to meet this liability. No valuation was done on any assets.

The amounts recognised in the statement of financial position are as follows:

Post-retirement medical aid plan liability

Opening Accrued Liability	(2,925,000)	(3,130,000)
Interest Cost	(202,000)	(259,000)
Benefits Paid	502,000	452,579
Actuarial gain/(losses)	214,000)	11,421
	(2,839,000)	(2,925,000)
Non-current liabilities	(2,439,000)	(2,586,000)
Current liabilities	(477,000)	(491,000)
	(2,916,000)	(3,077,000)

[Provide a brief description of the link between the reimbursement right(s) and the related obligation]

The fair value of plan assets includes:

Ex-gratia Pension Benefit Liability

Opening Accrued Liability	(152,000)	(190,000)
Interest Cost		
Interest Cost	(8,000)	(12,000)

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Figures in Rand	2022	2021
Benefits Paid	22,000	42,000
Actuarial gain/(losses)	61,000	8,000
	(77,000)	(152,000)
Net expense recognised in the statement of financial performance		
Current service cost	210,000	271,000
Actuarial (gains) losses	153,000	(19,421)
	363,000	251,579
Calculation of actuarial gains and losses		
Actuarial (gains) losses – Obligation	153,000	(19,421)
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used - Post Employment Medical Aid	8.62 %	7.48 %
Consumer Price Inflation - Ex gratia pensioners	7.22 %	5.96 %
Healthcare Cost Inflation - Post Employment Medical Aid	7.03 %	5.61 %
Pension Inflation	4.93 %	4.37 %
Medical Aid Contribution Inflation	6.03 %	4.61 %
Net Discount Rate - Ex gratia Pensioners	2.19 %	1.52 %
Net Discount Rate - Post Employment Medical Aid	1.49 %	1.77 %
The basis used to determine the overall expected rate of return on assets is as follow: [provide details]		

Ex gratia Pensioners

a) Economic Assumptions

The discount rate was set by matching the implied duration of the liability, which was 2.7 years in this valuation, to the point on the yield curve matching that duration. Similarly, pension inflation was taken as the difference between the bond curve and the real curve at the appropriate duration.

b) Demographic Assumptions

The PA (90) mortality table was used to determine the annuity factors. It was assumed that all pensioners were married with males being five years older than their female spouses.

c) Sensitivity analysis

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In order to illustrate the sensitivity of the results to changes in certain key variables, the liabilities were recalculated by using the following assumptions:

- 20 % increase / decrease in the assumed level of withdrawal rates;
- 1 % increase / decrease in pension salary inflation

Where the Mortality rate increased with 20 %, the Accrued Liability decreased by 14.28% and where the Mortality rate decreased with 20 %, the Accrued Liability increased by 20.77%.

Where the Medical Aid Inflation rate increased by 1%, the Accrued Liability increased by 3.89% and where the Medical Aid Inflation rate decreased by 1 % the Accrued Liability decreased by 2.59%.

Post Employment Medical Aid

The key financial assumptions are the discount rate and the rate of increase of the medical aid contributions. In an actuarial valuation of a defined benefit liability, it is the relationship between these financial assumptions that is critically important, not the absolute value of any particular assumption.

a) Discount rate

In considering the discount rate, it was noted that the cashflows expected from the Fund are smooth in nature, so a single reference rate based on the average duration was considered appropriate.

GRAP 25 defines the determination of the Discount rate assumption to be used as the rate that can "be determined by reference to market yields at the Statement of Financial Position date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields (at the Statement of Financial Position date on government bonds should be used. The currency and term of the corporate bonds or government bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

b) Medical Contribution Inflation

The medical aid inflation rate was set with reference to the past relationship between CPI and medical aid contribution rate infaltion. The inflation rate was obtained by again considering the point on the yield curve matching the implied duration of the liability. CPI was taken as the difference between the bond curve and the real curve at the appropriate duration.

South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3 % year on year. We do not consider these increases to be sustainable and have assumed that medical aid contribution increases would outstrip general inflation by 1 % per annum over the foreseeable future.

c) Mortality rates

Mortality before retirement has been based on the SA 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

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d) Spouses and Dependants		
We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90 % of all single employees (if applicable to the valuation) would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement.		
e) Sensitivity analysis		
In order to illustrate the sensitivity of the results to changes in certain key variables, the liabilities were recalculated by using the following assumptions:		
- 20 % increase / decrease in the assumed level of mortality;		
- 1 % increase / decrease in the Medical Aid Inflation		
Where the Mortality rate increased with 20 %, the Accrued Liability decreased by 10.19% and where the Mortality rate decreased with 20 %, the Accrued Liability increased by 14.54%.		
Where the Medical Aid Inflation rate increased by 1%, the Accrued Liability increased by 4.71% and where the Medical Aid Inflation rate decreased by 1 % the Accrued Liability decreased by 4.40%.		
9. Inventories		
Stationery	78,286	171,605
Front of House Liquor, refreshments and consumables	131,142	67,522
	209,428	239,127
10. Receivables from exchange transactions		
Trade debtors	344,194	685,283
Deposits	1,622,442	452,172
Operating lease receivables	70,559	379,211
Other receivables (Webticket)	365,055	37,777
Prepaid expenses	845,936	459,183
Other receivables	52,197	-
	3,300,383	2,013,626
Ageing of Trade Debtors		
0 - 30 days	155,205	685,283
30 - 60 days	46,798	-
60 - 90 days	23,747	-
90 - 120 days	2,470	-

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Figures in Rand	2022	2021
120 days and longer	115,974	-
	344,194	685,283
	-	-
Total receivables from exchange transactions	3,300,383	2,013,626
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	10,137,504	6,213,360
Debt Impairment	(5,849,012)	3,924,144
	4,288,492	10,137,504
<p>The bad debts written-off during the year was approved by Council.</p> <p>Debtors with no movement in the current year, long outstanding balances, and current tenants who are either not making payment or only paying their current outstanding amount have been considered on an individual basis for debt impairment.</p>		
11. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	47,200	53,469
Bank balances	7,037,520	601,660
Short-term deposits	22,848,492	30,628,758
	29,933,212	31,283,887
12. Finance lease obligation		
Minimum lease payments due		
• within one year	353,388	34,215
• in second to fifth year inclusive	185,710	1,800
	539,098	36,015
less: future finance charges	(33,726)	(3,293)
Present value of minimum lease payments	505,372	32,722
Present value of minimum lease payments due		
• within one year	325,681	30,945
• in second to fifth year inclusive	179,691	1,777
	505,372	32,722

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Figures in Rand	2022	2021
Non-current liabilities	179,691	1,777
Current liabilities	325,681	30,945
	505,372	32,722
<p>Finance lease obligations represents rentals payable for printers, telephones, licenses and other IT Equipment. The average lease term is 3 years and the average effective borrowing rate was 8% (2021: 8%). No contingent rent was payable.</p>		
<p>13. Unspent conditional grants and receipts</p>		
<p>Deferred grant income comprises of:</p>		
<p>Unspent conditional grants and receipts</p>		
Deferred grant income - capital portion	37,871,878	37,460,241
Deferred grant income - interest portion	2,763,625	1,774,356
	40,635,503	39,234,597
<p>Movement during the year</p>		
Balance at the beginning of the year	39,234,597	36,473,488
Additions during the year	10,994,888	6,398,305
Income recognition during the year	(9,593,982)	(3,637,196)
	40,635,503	39,234,597
<p>Deferred grant income was received from Department of Sport, Arts and Culture for capital expenditure.</p>		
<p>14. Revenue</p>		
<p>The amount included in revenue arising from exchanges of goods or services are as follows:</p>		
Sale of goods	832,975	182,169
Rendering of services	1,893,971	126,162
Rental of facilities and equipment	13,775,999	13,955,559
Sundry income	458,119	735,482
Interest received - investment	90,448	110,573
	17,051,512	15,109,945

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Sale of goods relates to Frond of House liquor and refreshments and rendering of services comprise of ticket sales for productions. Rental of facilities and equipment relates to the rental of theatres, office space, parking, costumes and restaurant space. Sundry income includes any small ad hoc revenue from insurance claims or sale of costumes and interest on long outstanding debtors. Interest received - investment arises from the operational grants received in advance which were invested in a call account.

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

Government grants & subsidies	80,293,398	63,510,777
Revenue in kind	36,765,918	44,292,827
	117,059,316	107,803,604

Total revenue

Revenue from exchange transactions	17,051,512	15,109,945
Revenue from non-exchange transactions	117,059,316	107,803,604
	134,110,828	122,913,549

15. Lease rentals on operating lease

Lease rentals on operating lease - Other

Contractual amounts	983,784	228,534
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16. Government grants & subsidies

Operating grants

Department of Sport, Arts and Culture - Operational Grant	68,247,000	59,790,000
CATHSSETA Grant	52,415	21,650
Department of Sport, Arts and Culture - Incubator Grant	2,400,000	
	70,699,415	59,811,650

Capital grants

Department of Sport, Arts and Culture - Capital Grant utilised	9,593,983	3,699,127
	80,293,398	63,510,777

17. Employee related costs

Basic	36,126,384	31,830,589
Ticket sales commission	20,819	-

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Figures in Rand	2022	2021
Medical aid - company contributions	1,287,134	1,388,634
Workmen compensation contributions	197,808	239,699
Leave pay provision charge	91,195	134,193
Defined contribution plans	210,000	271,000
	37,933,340	33,864,115
18. Production costs		
Administration and management fees - third party	12,141,926	7,723,096
Production costs relate to the core business of the entity, staging of theatre. Revenue from the theatre ticket sales was R1.9m (2021: R0.13m) representing a cost recover of 16 % (2021: 2%)		
19. General expenses		
Advertising	1,586,543	1,100,303
Auditors remuneration	2,384,986	2,332,811
Bank charges	173,891	141,949
Cleaning	3,304,440	3,495,809
Computer support	394,244	515,270
Consulting and professional fees	3,554,020	2,780,272
Consumables	3,251	4,453
Entertainment	47,741	86,481
Fleet management	63,244	78,202
IT expenses	570,010	312,532
Insurance	549,891	498,499
Other expenses	533,723	253,728
Placement fees	66,594	168,329
Printing and stationery	46,047	7,818
Protective clothing	40,282	1,880
Royalties and license fees	80,724	207,914
Secretarial fees	518,353	683,244
Security	5,304,982	4,911,919
Software expenses	1,004,048	783,113

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Staff welfare	550,011	243,084
Subscriptions and membership fees	28,930	39,435
Telephone and fax	395,747	317,142
Training	189,419	72,024
Travel - local	279,024	114,588
Utilities	9,305,435	8,660,998
	30,975,580	27,811,797
20. Cash generated from operations		
Surplus (deficit)	2,837,829	(8,951,644)
Adjustments for:		
Depreciation and amortisation	9,261,690	10,290,696
Write-off of assets	2,313,505	314,219
Impairment Loss	-	109,996
Fair value adjustments	(3,500,000)	1,199,903
Debt impairment	(5,849,012)	3,924,144
Bad debts written off	7,754,918	-
Movements in retirement benefit assets and liabilities	(161,000)	(243,000)
Actuarial gains / losses	-	(19,421)
Straightlining of lease expense	308,652	(379,211)
Leave accrual in income statement	91,195	134,193
Stock adjustment	220,809	(48,831)
Interest on long outstanding debtors	-	(641,806)
Changes in working capital:		
Inventories	(191,110)	(146,083)
Receivables from exchange transactions	(3,501,315)	(1,477,254)
Payables from exchange transactions	(971,399)	3,312,913
Unspent conditional grants and receipts	1,400,906	2,761,109
	10,015,668	10,139,923

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21. Operating lease commitment - entity as a lessor

The entity leases parking to tenants on fixed term contracts with annual escalations. No contingent rent is receivable. The future minimum lease payments under non-cancelable operating lease agreements are as follows:

The South African Reserve Bank have cancelled their parking lease, and the last payment will be 30 June 2022.

State Theatre Building

Due no later than one year	1,028,884	6,350,891
Due between 2 and 5 years	-	6,289,103
	1,028,884	12,639,994

22. Taxation

The entity has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act (the Act), 1962 and its receipts and accruals are exempt from income tax in terms of section 10(1)(cA)(i) of the Act.

23. Fair value adjustments

Investment property (Fair value model)	3,500,000	(1,199,903)
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24. Commitments

Authorised capital expenditure

Already contracted for but not provided for

- Property, plant and equipment

4,226,716	5,065,968
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Authorised operational expenditure

Already contracted for but not provided for

- Operational Expenditure

21,173,748	9,244,800
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Total operational commitments

Already contracted for but not provided for

21,173,748	9,244,800
------------	-----------

Total commitments

Total commitments

Authorised capital expenditure

4,226,716	5,065,968
-----------	-----------

Authorised operational expenditure

21,173,748	9,244,800
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25,400,464	14,310,768
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The committed capital expenditure relates to property, plant and equipment and will be financed by existing cash resources.

25. Contingencies

Fraud Matter

In the prior year, the entity uncovered fraud of more than R24m, perpetrated over the past five years. One of the perpetrators was dismissed and the other resigned. A forensic investigation was completed and handed over to the relevant authority, i.e. The HAWKS for further investigation and prosecution. There are 10 individuals and 4 companies that have been identified. Judgment have been obtained against all the 14 parties. The sequestration and liquidation applications of the 14 parties are underway. Final liquidation orders for 8 of the 14 parties have been obtained. The other parties we could not obtain proper service of the documents and had to proceed with the application for substituted service.

The South African State Theatre have received R500 000 from funds recovered from the parties. The purpose of the sequestration and liquidation application is to have insolvency enquiries in order to collect more money.

Operations Matter

A previous tenant, Mosiane Consulting (Black Restaurant), have vacated the premises without settling their rental account. The parties have reached settlement on the outstanding rental amount. The parties are in the process of concluding a settlement agreement. The amount payable to the South African State Theatre is estimated at R29 990.

Labour Matter

An ex-employee took a bribe from a producer. He was charged, found guilty and dismissed in January 2018. He referred the matter to the CCMA. Arbitration award declared the dismissal fair (4 November 2018). He then referred the matter to the Labour Court. Documents were served at South African State Theatre (SAST) on 4 August 2020. SAST filed documents at the Labour court on 21 October 2020. SAST has not receive any notice of opposition filed from the ex-employee. The matter is still ongoing.

26. Related parties

Relationships

Controlling Department

Member of Key management

Department of Sports, Arts and Culture

Mr. A. Sekhabi

Related party transactions

Department of Sports, Arts and Culture

Operation Grant

68,247,000 59,790,000

Capital grant

10,005,620 5,484,000

Incubator grant

1,350,000 -

Compensation to members and other key management

Mr. A. Sekhabi (Royalties)

200,000 -

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27. Key Management Compensation

Executive

2022

	Basic Salary	Provident Fund	Allowances	Total
Dr. S. Mkhize (Chief Executive Officer)	1,811,438	299,496	50,400	2,161,334
Mr. S. Mathye (Chief Financial Officer, Resigned 31 January 2022)	1,122,932	113,873	17,336	1,254,141
Mr. A. Sekhabi (Artistic Director)	1,303,254	181,699	114,000	1,598,953
Ms. K. Modise (Director of Corporate Services)	1,132,929	79,321	50,400	1,262,650
	5,370,553	674,389	232,136	6,277,078

2021

	Basic Salary	Provident Fund	Allowances	Total
Dr. S. Mkhize (Chief Executive Officer)	1,687,848	229,259	50,400	1,967,507
Mr. S. Mathye (Chief Financial Officer)	1,129,176	105,356	26,728	1,261,260
Mr. A. Sekhabi (Artistic Director)	1,025,396	139,600	114,000	1,278,996
Ms. K. Modise (Director of Corporate Services, Appointed on 1 December 2020)	361,147	26,352	16,800	404,299
	4,203,567	500,567	207,928	4,912,062

Non-executive

2022

	Members' fees	Total
Professor Fikile N.M Mazibuko (Chairperson)	63,803	63,803
Dr. M.J. Ndlovu (Deputy Chairperson)	69,386	69,386
Ms V. Ndlovu (Independent Audit and Risk Committee Member)	105,798	105,798
Mr. S Maharaj	126,387	126,387
Ms. HK. Makgae	70,304	70,304
Mr. G. Masokoane	41,365	41,365
Dr LL Nawa	52,733	52,733
Mr. GZ. Nkosi	36,648	36,648
Mr. TJ Rochussen	45,810	45,810

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27. Key Management Compensation (continued)

Advocate KP. Thango	72,192	72,192
Mr. A Latchu (Appointed 1 September 2021)	28,990	28,990
Miss. NJ. Mlambo (Appointed 1 September 2021)	14,615	14,615
Miss. V. Nayagar (Appointed 1 September 2021)	10,152	10,152
Mr. BG Volenhoven (Appointed 1 September 2021)	32,067	32,067
	770,250	770,250

2021

	Members' fees	Committees fees	Total
Professor Fikile N.M Mazibuko (Chairperson) (Reappointed 9 December 2020)	39,818	-	39,818
Ms. N. Mosala (Term ended 8 December 2020)	13,694	-	13,694
Dr. MJ. Ndlovu (Deputy Chairperson) (Reappointed 9 December 2020)	52,400	-	52,400
Mr. T. Mphuthi (Term ended 8 December 2020)	41,576	537	42,113
Mr. S. Chauke (Term ended 8 December 2020)	23,792	-	23,792
Ms. M. Mofammere (Term ended 8 December 2020)	30,686	299	30,985
Ms. S. Singh (Term ended 8 December 2020)	26,774	470	27,244
Mr. D. Singh (Term ended 8 December 2020)	21,542	-	21,542
Ms. S. Khumalo (Independed Institutional Development Committee Member - Term ended 8 December 2020)	1,956	-	1,956
Mr. BG. Vollenhoven (Independent Audit and Risk Committee)	22,239	-	22,239
Ms. P Maseko (Term ended 8 December 2020)	12,067	-	12,067
Ms. V. Ndlovu (Independent Audit and Risk Committee Member)	59,148	-	59,148
Mr. V. Zondo (Independed Institutional Development Committee Member - Term ended 30 November 2020)	3,912	-	3,912
Ms. N. Mlambo (Independent HR and Remuneration Committee)	21,229	-	21,229
Mr. S. Maharaj (Appointed 9 December 2020)	30,285	-	30,285
Ms. HK. Makgae (Appointed 9 December 2020)	24,786	-	24,786
Mr. G. Masokoane (Appointed 9 December 2020)	21,022	-	21,022
Mr. LL. Nawa (Appointed 9 December 2020)	20,461	-	20,461
Mr. GZ. Nkosi (Appointed 3 December 2020)	4,581	-	4,581

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Mr. T.J. Rochussen (Appointed 3 December 2020)	4,581	-	4,581
Advocate KP. Thango (Appointed 9 December 2020)	20,322	-	20,322
	496,871	1,306	498,177

28. Change in estimate

Property, plant and equipment

A full physical verification of the entire population of SAST's assets was conducted after year-end.

The assessment of useful lives was conducted on all asset classes.

Computer Equipment

The useful life of Computer equipment was original estimated to be between 5-7 years. In the current period, management have revised their estimate by an additional 3 years. The effect of this revision has decreased the depreciation charge for the current period by R116 776.

Office Equipment

The useful life of Office equipment was original estimated to be between 5-7 years. In the current period, management have revised their estimate by an additional 3 years. The effect of this revision has decreased the depreciation charge for the current period by R140 402.

Plant and Equipment

The useful life of Plant and Equipment was original estimated to be 5-10 years. In the current period, management have revised their estimate by an additional 3 years. The effect of this revision has decreased the depreciation charge for the current period by R1 703 802.

Leased Equipment

The useful life of Lease equipment was original estimated to be between 5-7 years. In the current period, management have revised their estimate by an additional 3 years. The effect of this revision has decreased the depreciation charge for the current period by R58 300.

29. Prior period errors

During the current financial year, the entity reviewed prior period transactions. The review resulted in a number of adjustments relating to 2020/2021 financial year which affected a number of general ledger accounts. The prior period was adjusted retrospectively.

Property, plant and equipment

Following a full physical verification of assets, it was discovered that certain assets on the floor were not recorded on the asset register. Count results from prior years were also rechecked and confirmed. Below are the asset classes affected:

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29. Prior period errors (continued)

Office Equipment

IT equipment

Plant and equipment

Motor Vehicles

Wardrobe

Finance lease liability

During the review of the finance lease liability, we identified that the cost against which the finance lease assets and liabilities was recognised, was not in line with GRAP 13 Leases and adjustments were made.

Expenditure, Revenue, Receivables and Payables

Transactions was identified that was either incorrectly classified, should not have been recognised as a payable or receivable and various corrections were made.

Impairment

SAST performed an impairment test in the current year and identified assets that would have been impaired in the prior year, as they existed, and was in the same condition in the prior year and not in use.

Leave provision

During the migration to the new HR system, the leave balances was reviewed, and errors were found. The leave balance had to be adjusted.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Increase Property, plant and equipment	-	778,926
Increase in Finance Lease Obligation	-	(113)
Decrease in Payables from Exchange Transactions	-	485,138
Decrease in Receivables from Exchange Transactions	-	(405,226)
Increase in Retained Earnings	-	(2,209,900)
	-	(1,351,175)
Statement of financial performance		
Increase in Depreciation	-	1,259,459

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Decrease in Employee Cost	-	(7,846)
Increase in Finance Cost	-	25,822
Decrease in General Expenses	-	(202,315)
Increase in Government Grants & Subsidies	-	(6,651)
Increase in Impairments	-	109,996
Decrease in Production Cost	-	(11,000)
Decrease in Rental of Facilities and Equipment	-	180,682
Increase in Repairs and Maintenance	-	3,028
	-	1,351,175
Cash flow statement		
Cash flow from operating activities		
Increase in receipts	-	730,613
Increase in payments	-	(751,167)
	-	(20,554)
Cash flow from financing activities		
Increase in Finance lease (payments) / additions	-	28,937
Cash flow from investing activities		
Decrease in purchases of property, plant and equipment	-	(8,383)

The following disclosure notes was incorrectly disclosed in the prior year:

Operating lease commitments (Note 21)

The amount included under "Due between 2-5 years" have been disclosed as R9 289 103 and should have been R6 289 103. The note was updated.

Property, plant and equipment (Note 4)

Work in Progress

There was no additions disclosed, but an amount of R2 817 881 should have been included. There was an amount of R3 633 797 disclosed under Transferred to completed items, but the amount should have been zero. The note was updated.

Finance lease obligations (Note 12)

During the review of the finance lease liability, we identified that the cost against which the finance lease assets and liabilities was recognised, was not in line with GRAP 13 and adjustments were made. The impact on the disclosure note was on the "Less: Future Finance Charges" which was previously (R3 407) and is now disclosed as (R6 630). The note was updated.

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30. Risk management

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. All bank accounts are held with reputable banking institutions.

Less than one year

Trade and other payables

10,581,832

11,463,532

Credit risk

Credit risk relates to potential exposure on trade receivables. At year end, the entity did not consider there to be any significant concentration of credit risk which had not been adequately provided for. There is no security pledged on trade receivables and cash and cash equivalents.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

Cash and cash equivalents

29,933,212

31,283,887

Trade and other receivables

3,300,383

2,013,626

Interest rate risk

All financial instruments attract interest at rates linked directly to the prime bank overdraft rate.

Assets

Cash and cash equivalents

29,933,212

31,283,887

Trade and other receivables

3,300,383

2,013,626

33,233,595

33,297,513

Liabilities

Trade and other payables

10,581,832

11,463,532

31. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The impact of the Covid-19 pandemic was assessed at year end while finalising the 2022/23 annual budget, future revenue and expenditure was revised up accordingly considering the relaxation of lockdown restrictions. The preliminary operational grant allocation will sustain the entity for the entire 2022/23 financial year.

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32. Events after the reporting date

There were no adjusting events after the reporting date.

33. Fruitless and wasteful expenditure

Opening balance as previously reported

28,258,583

28,258,583

Add: Fruitless and wasteful expenditure identified - current

810,649

-

Closing balance

29,069,232

28,258,583

Details of fruitless and wasteful expenditure

Interest and Penalties charged by City of Tshwane on amounts due

Disciplinary steps taken/criminal proceedings

A dispute has been lodged on the outstanding amounts at the City of Tshwane and a full investigation is currently underway.

773,160

-

Interest charged by the Compensation Fund on amount due

Further investigation for Treasury condonation

35,088

-

Interest charged by Liquid Telecommunications South Africa on late payments

Investigation in progress

2,401

-

810,649

-

An investigation was launched into the opening balance to assist SAST on the determination of liability and the possibility of action that needs to be taken against individuals. The report indicated that a lot of the supporting documentation was lost and that the individuals who should have been held responsible have left the employment of SAST. The matter was reported to National Treasury and it is an ongoing matter.

34. Irregular expenditure

Opening balance as previously reported

175,537,226

173,521,365

Opening balance as restated

175,537,226

173,521,365

Add: Irregular Expenditure - current

533,216

-

Overspending on the budget

-

2,015,861

Closing balance

176,070,442

175,537,226

Incidents/cases identified/reported in the current year include those listed below:

Overspending on the budget (Non-Compliance)

Disciplinary steps taken/criminal proceedings

Investigations will be undertaken to determine liability with section 53(4) of the PFMA

-

2,015,861

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Non-compliance with Treasury Regulation 16A3.2 and 16A6.3(a)&(b). Non-adherence when evaluating bidders on the mandatory requirements.	450,716	-
Investigations will be undertaken to determine liability with section 53(4) of the PFMA		
Non-compliance with Public Service Regulation 13(c). A bidder who is in the service of the state did not obtain approval to take on other remunerative work.	82,500	-
Investigations will be undertaken to determine liability with section 53(4) of the PFMA		
	533,216	2,015,861
Cases under investigation		
The following cases are under investigation, and are not yet confirmed to be Irregular Expenditure.		
Tenders awarded after the validity period has expired.	5,697,402	-
Possible non-adherence when evaluating bidders on the mandatory requirement, and possible discrepancies on the functionality evaluation.	1,641,929	-
	7,339,331	-
An investigation was launched into the opening balance to assist SAST on the determination of liability and the possibility of action that needs to be taken against individuals. The report indicated that a lot of the supporting documentation was lost and that the individuals who should have been held responsible have left the employment of SAST. The matter was reported to National Treasury and it is an ongoing matter.		



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