

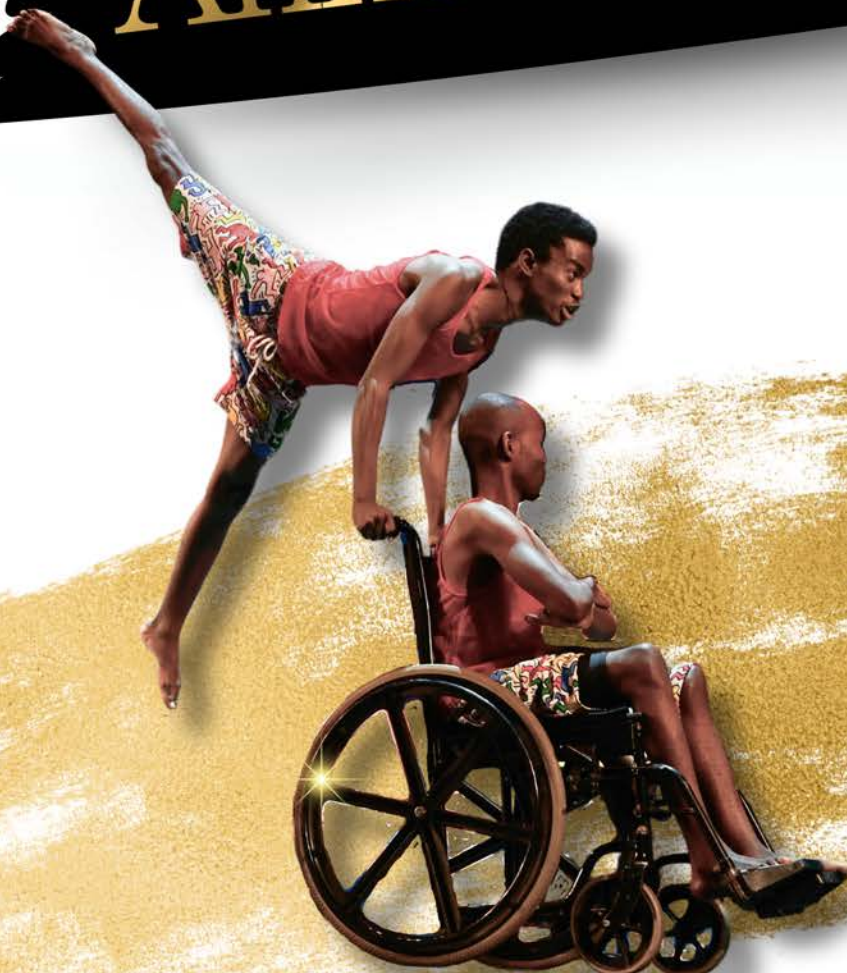


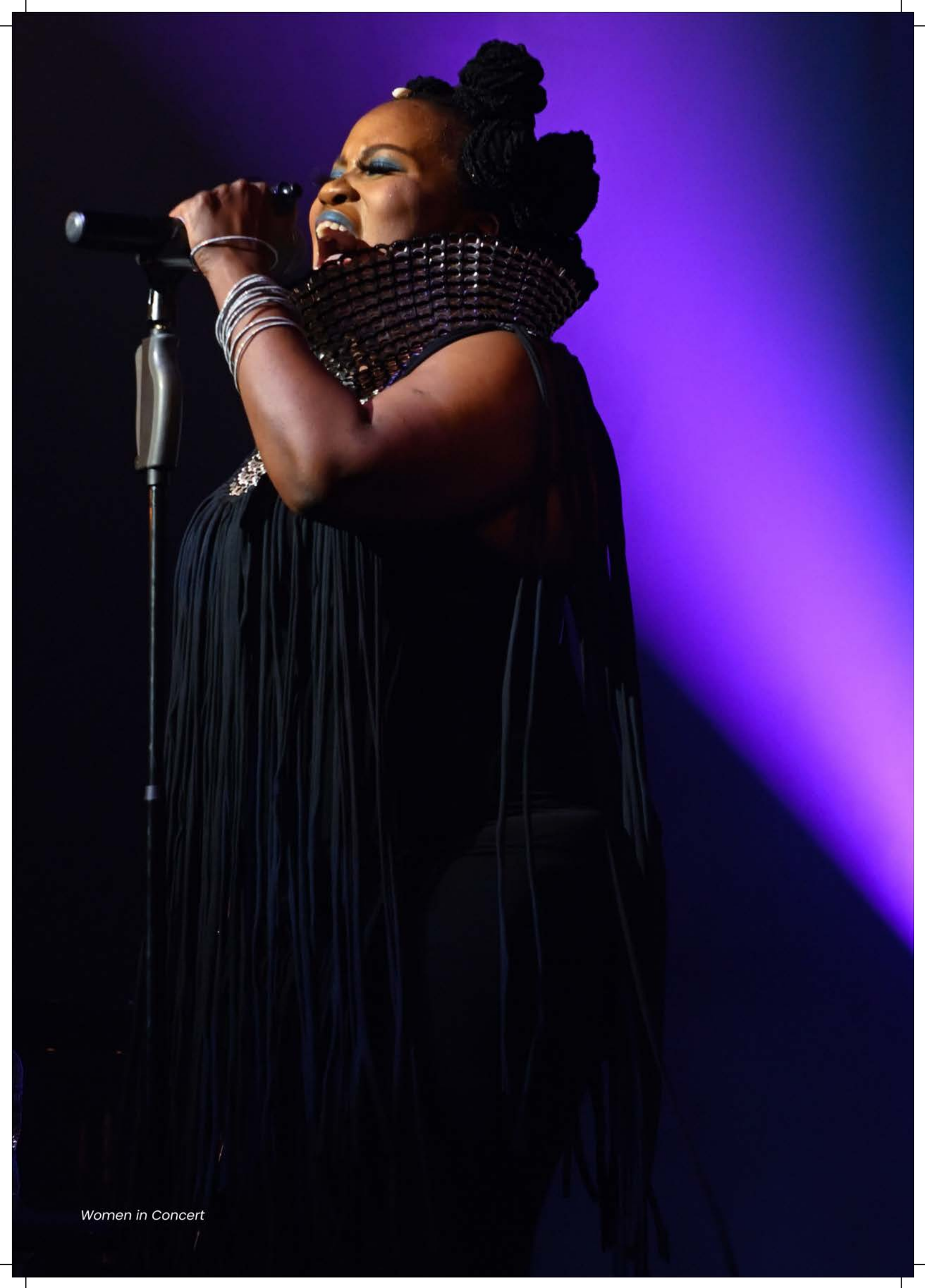
an agency of the
Department of Sport, Arts & Culture



Annual Report

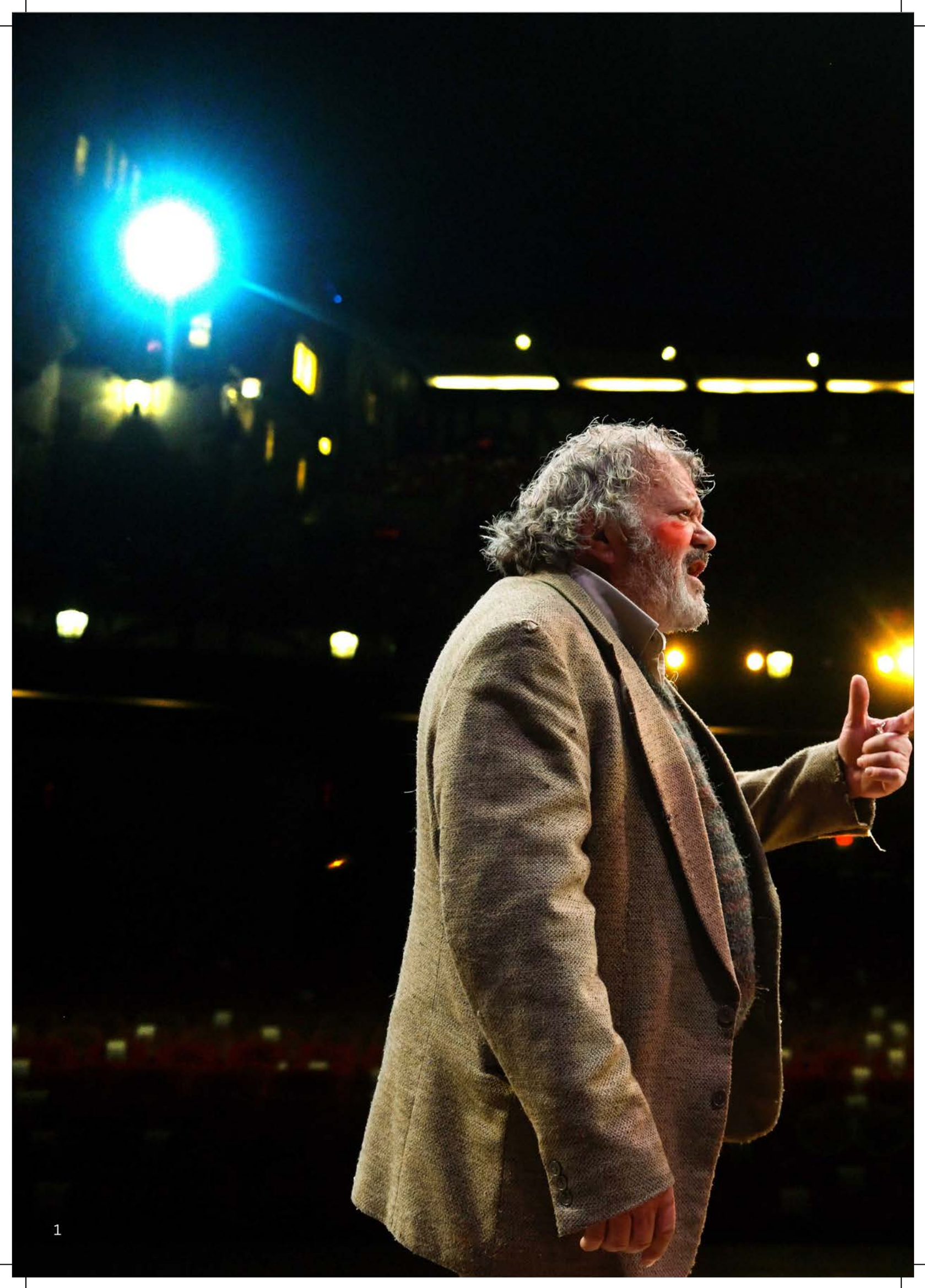
2022-23





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PART A

1. Public Entity's General Information

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

2. List of Abbreviations/Acronyms

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DSAC	Department of Sport, Arts and Culture
PFMA	Public Finance Management Act, Act 1 of 1999
MTEF	Medium – Term Expenditure Framework
SAWAF	South African Women's Arts Festival
SCM	Supply Chain Management



3. Foreword by the Chairperson



It is an honour to present the Annual Report for the financial year ending 31 March 2023. During the period under review, we have seen great achievements and grateful that the Covid restrictions are firmly a legacy that we have welcomed with great enthusiasm.

Council has continued to monitor the 2020-2024 Playhouse Company's strategy, ensuring that the key focus areas are effectively and efficiently implemented. Firstly, I would like to welcome our new Minister, Honorable Zizi Kodwa who has recently been appointed as the leader of the Department of Sports Arts and Culture. We look forward to his leadership and guidance especially on key issues affecting our Entity. We remain resolute in achieving excellence and strive to deliver upon our vision which is to "inspire and cultivate artistic excellence and cultural diversity in performing arts". I would also like to appreciate our former Minister Nathi Mthethwa for his leadership and wish him well in his future endeavors. We were honoured to have witnessed the coronation of King Misuzulu kaZwelithini as the reigning King of the Zulu Nation, Bayede!

The Annual Performance Plan (APP) which is the vehicle we use to execute our strategic objectives and mandate, was effectively and efficiently implemented within the financial year 2022/2023. I am exceptionally proud of our achievements especially upon how we continue to take our patrons on an artistic journey by staging quality programming that is educational and entertaining. The energy and exuberance of our patrons is felt from the time you enter our doors, and our excitement grows as the numbers increase. Our diverse programming also encourages diversity in our audience composition, and we are exceptionally excited about this as it promotes social cohesion, reigniting the dream of a rainbow nation. This balanced artistic program as led by our Artistic Director who is also our CEO, provides opportunities for interaction across culture, race, and class. I have witnessed how the Performing Arts has a powerful role to play in uplifting the hearts and minds of people and this much needed upliftment is staged weekly at The Playhouse Company.

I'm particularly proud of the incredible work we do in terms of actively supporting youth through the Arts development Programs. Rising from the ashes of Covid restrictions we welcomed an overwhelming number of youth participants throughout the year. Targeted interventions to develop future audiences and building performing arts appreciation, have been brought to sharp focus as we are encouraging schools' programs. These programs have always proven to be a great partnership with Department of Basic Education and increased partnerships are encouraged. We look forward to getting our mobile stage productions back on the road as they inspire and educate our youth in schools.

Sound governance and internal controls are important pillars that make a healthy ecosystem. Our strong financial standing and meticulous attention to good governance has humbly rewarded us with yet another year of clean and unqualified report from the Auditor General. I am pleased to announce that this is the 13th consecutive year of clean and unqualified audit report awarded to The Playhouse Company. This displays the distinction and exemplary work ethic prevalent at the Entity.

The South African economic landscape continues to be of great concern as the Entity is challenged with budget cuts from our grant allocations and in turn, directly impacts the number of productions we can stage at The Playhouse. This grim picture as demotivating and concerning as it seems, has not discouraged our staff as we continue to offer employee wellness support and many more initiatives. The Council is very passionate about maintaining a healthy work force that is motivated and empowered to always give their best.

Concerted effort is made to maintain our aging infrastructure. This can never be possible without the support of Department of Sports Arts and Culture (DSAC) who are always willing to support with the much-needed funding. Our CEO is meticulous in ensuring that our facilities are well maintained and has upheld a very high standard in ensuring that the buildings are always clean, and all equipment catches up with the changes in technology.

The grant we receive is the center that holds the entire ecosystem that makes up The Playhouse Company and we are always seeking fundraising opportunities to support this grant. The support received from the KZN Department of Sport, Arts and Recreation goes a long way in ensuring that Artists receive a sturdy flow of income throughout the year, as the grant allows us to put more and more productions on stage. I would like to thank all our stakeholders from the media to our patrons without whom the work done at the Playhouse would have no meaning. I humbly thank the CEO and the entire Playhouse Company staff for their diligence and always going the extra mile in ensuring that this Entity is the best performing Entity. A heartfelt appreciation goes to our Audit Committee which is led by Mr Bhekizwe Ngubane for their consistent display of excellence.

Finally, I would like to thank all Council members, your dedication, and continued efforts in ensuring good governance is upheld, is always welcomed, and appreciated. A special thanks goes to those Council members whose term will come to an end soon making way for new Council members that will ensure that excellence is upheld.

A handwritten signature in black ink, appearing to be 'Khwezi Kunene', written over a horizontal line.

Khwezi Kunene
Chairperson of Council

4. Chief Executive Officer's Overview



Precious Lynda Bukhosini

Chief Executive Officer and Artistic Director

The year under review proved yet another remarkable one for The Playhouse Company, with our team pulling together to deliver their very best.

Some of the highlights include Kunene & The King featuring the legendary Dr John Kani with Michael Richard; Shaka Zulu - The Gaping Wound which was presented in association with the State Theatre; Mbongeni Ngema's iconic Sarafina the Musical; a Korean disability programme - Dream with Ensemble presented in partnership with the Department of Women, Youth and Persons with Disabilities; Paul Slabolepszy's hit play Fordsburg's Finest; Mbongeni Ngema in Concert and the greatly valued Okwethu Community Festival which enables The Playhouse to reach out to community artists at their own venues. Our Sishaya Ingoma Competition at Curry's Fountain was met with waves of delight, as it made a 'come-back' after a three-year hiatus due to the COVID-19 pandemic and two years of lock down. We also highlight our staging of Ihubo which featured Mbuso Khoza and honoured Princess Magogo as part of the evening's proceedings.

The Playhouse continued touring valuable productions to schools around KwaZulu-Natal highlighting social issues such as gender-based violence, bullying and promoting social cohesion in our society.

I am grateful to the arts community and citizens of our province who came forward in the wake of the hugely destructive floods which took place in April 2022. This took the form of a Concert for Prayer, "Ayihlome", to help provide clothes and food provisions to those affected by the natural disasters. This initiative was supported by Zanele Mbokazi and Imbokodo FM.

We are grateful to staff, management and council for continuing to ensure good governance practices. We claim our hard earned clean audit status for the 13th successive year. For this achievement I gratefully acknowledge the loyalty and hard work of our Council and staff members. I am so very appreciative of you all. My salute also goes to the national and provincial Departments of Sport, Arts and Culture, the arts community, our audiences and members of the media for their continued support.

Performances

529

Artists

6 954

Productions

133

Audiences

178 697



Brutal Legacy

4.1. Artistic Programme

In House Productions	Artists
New Stages	280
South African Women's Arts Festival	463
Ingoma Competition	2 710
School Season	28
Christmas Season	680
Community Conversations	15
Test Driving the Arts	427
Sundowner Concerts & Poetry	310
Community Arts Mentorship Programme	36
Okwethu Community Arts Festival	213
Community Arts Festival	78
TOTAL	5 240





Honouring Princess Magogo, posthumously, at Mbuso Khoza & Ijadu le Afrika Ensemble: Ihubo 10

4.1.1. New Stages

Ugly Noo Noo:

Director: Peter Mitchell

- Mpilo "Straw" Nzimande

Brutal Legacy

Director: Lesedi Job

- Natasha Sutherland
- Jessica Wolhuter
- Charlie Bougenon

Udodana

Choreographer: Musa Hlatshwayo

- Brilliant Mthethwa
- Cebo Mthembu
- Lungelo Mkhize
- Njabulo Zungu
- Sanele Ximba
- Sphakeme Shangase
- Sbusiso Ngcobo
- Sifiso Mathibela
- Tebogo Mncwabe
- Wandile Nodliwa

The Cleansing:

Director: Dr Lliane Loots

- Flatfoot Dance Company

Origins:

Director: Jannie Young

Choreographer: Nkanyiso Kunene

- Phakama Dance Theatre

Shaka Zulu: The Gaping Wound

Director: Meshack Mavuso-Magabane

Comedy with Jailoshini Naidoo and Carvin Goldstone

- Jailoshini Naidoo
- Carvin Goldstone





All Women Comedy

4.1.2. South African Women's Arts Festival

Women In Concert:

Director: Ralph Lawson

- Ami Faku
- Xoli Mngcwango
- Xolisa Dlamini
- Barry Trytsman
- Siphokazi Jonas
- Thando Fuze
- Stacey Norman

All Women Comedy:

- Lisa Bobbert
- Jailoshini Naidoo
- Annie Botha

Amawethu:

Choreographer: Luyanda Sidiya

- Luthando Arts Academy

All Stars Shine:

Director: Natalie Rungan

- Northwood High School
- Ibisi Senior Secondary School
- Empangeni High School
- Durban Girls' College
- KP Music School
- Pietermaritzburg Girls' High
- Durban Girls' High School
- Siyaphumula Secondary
- Reddam House
- Durban High School



Sishaya Ingoma Competition

4.1.3. In House Productions

The 10 South African Sopranos

Director: Motlalepula Sethlako
 Orchestra: KwaZulu Natal Philharmonic Orchestra
 Director: Brian Msizi Mnyandu
 Narrator: Albert Silindokuhle 'Ibokwe' Khoza

- Pumeza Matshikiza
- Khumbuzile Dlamini
- Khayakazi Madlala
- Nozuko Teto
- Siphamandla Moyake
- Zolina Ngejane
- Sasa N Yende
- Brenda Thulo
- Phumza Mxinwa

Sishaya Ingoma Competition

M.C: Juba Special
 M.C.: Vumile Mngoma
 Adjudicator: Martin Ziqubu
 Adjudicator: Nkosinathi Mshengu
 Adjudicator: Ntuthuko Khuzwayo

Soirée

Repetiteur: Dr David Smith
 • Clermont Community Choir

4.1.4. Touring School Productions

Es'gele

Director: Thabo Mkhize
 • Ntokozo Khambule
 • Brian Nkala
 • Peter Dlamini
 • Zama Magwaza
 • Themba Thwala
 • Sibongiseni Nzama
 • Sphehile Msomi
 • Nosipho Chiliza

Dusted Gold

Director: Bongani Mbatha
 • Bhekani Shabalala
 • Sam Hlophe
 • Anele Sibisi

Kwanele

Director: Thabo Mnguni
 • Mazwi Khoza
 • Nqobile Nzimande
 • Ntokozo Khambule
 • Nosipho Mkhize
 • Melusi Mdlalose

What Happened To You?

Director: Phumla Ngubane
 • Simo Buthelezi
 • Nozipho Thwala
 • L Chonco
 • Chippa

4.1.5. Christmas Season

Mbongeni Ngema Concert

Director: Mbongeni Ngema

- Mazwakhe Gumede
- Cebo Ngema
- Mzamo Zungu
- Eddie Mathiba
- Barney Bophela
- Thabo Sikhakhane
- John Seotlolla
- Senzo Mzimela
- Raymond Molefe
- Nduduzo Mbuyazi
- Nolwazi Mfeka
- Khethiwe Phakathi
- Siziwe Ngema
- Mandisa Dlanga
- Zama Maphumulo
- Thandeka Zulu
- Nqobani Zuke
- Vusi Mahlanze
- Sabelo Ngema
- Menzi Sibisi
- Nompumelelo Gumede
- Nqobile Mlaba
- Delisile Gumbi
- Sindi Sokhela
- Vuyiswa Ntshangase
- Thandazani Gazu
- Lucky Maxhobi
- Mfanafuthi Mtshali
- Zodumo Shange
- Angel Zuma
- Sthulile Buthelezi
- Xolisa Dlamini

Fordsburg's Finest

Director: Bobby Heaney

- Paul Slabolepszy
- Chi Mhende

It's Beautiful at The Ballet

Choreographer: Sean Bovim

Choreographer: Adele Blank

Choreographer: Dane Hurst

Choreographer: Veronica Paeper

Conductor: Eddie Clayton

- South African National Dance Trust
- The KwaZulu Natal Philharmonic Orchestra

Christmas Carols Concert

Repetiteur: Juan Burgers

- Playhouse Chorale

Mbuso Khoza & Ijadu le Afrika Ensemble: Ihubo

Director: Mbuso Khoza

- Ijadu le Afrika Ensemble

Comedy Explosion with Dance

Director: Smeetha Maharaj

- Nateshwar Dance Academy
- Manesh Maharaj
- Jailoshini Naidoo





15 Shaka Zulu - The Gaping Wound



Community Conversations: Gender Based Violence

4.1.6. Community Conversations

Gender Based Violence:

Facilitator: Rumbidzai Chidzonga

- Chrystal Smith
- Gill Harper
- Musawenkosi Shabalala

The Essential Work of Arts Managers in the Music Industry:

Facilitator: Dr Akhona Ndzuta

- Natalie Rungan
- Velile Sithole
- Rucera Seethl

Sustainable Income Arts & Modern Technology:

Facilitator: Dr Lliane Loots

- Edmund Mhlongo
- Leagan Pepper
- Teboho Hlahane

Gender Based Violence:

Facilitator: Malungi Nyende

- Dr Reshma Badal
- Tracy Going



Community Conversations: Sustainable Arts Income & Modern Technology

4.1.7. Test Driving the Arts

- Usiko Lwesizwe, Amazing Grace, Zulu Warriors, Amatsheketshe, Thami Sikhosana
- Amajalimane Zulu Dancers, Kangaroo, Milton Gcwensa
- Ofeleba Zulu Dancers, Ikusasa Elihle Dancers, Bheki Mbili
- Ithemba Lamanono, African Numbers, Bonginkosi Shangase
- Champions Dance Crew, Aim of God, Ntombi Gasas
- Izigqi Zomdabu, Umlazi Levites Gospel Choir, Vumile Mngoma
- Salaphi Sistas, Umlazi Gospel Choir, Bhekani Shabalala
- oQhawekazi, Blended Voices, Zodwa Shange
- Real Brothers, Mtolo 1, Bongani Mbatha
- Uthuli Lwezichwe, Umkhumbane, Ngqopho Nombela
- Nyuswa Home Boys, Amabhubesi, Vumile Mngoma
- Abakhethwa, Amashinga, Bonginkosi Shangase
- Ulwesizwe Cultural Dancers, Ingoma/Ihubo, Special Boys, Bheki Mbili
- Ofezela Zulu Dancers, Brotherhood, Smanga Mkhwanazi
- Oshunikazi & United Brothers, Ofeleba, Ngqopho Nombela

4.1.8. Sundowner Concert & Poetry

- The Very Talented Band
- Sibusiso and Band
- Acoustic Assassins
- Mazwakhe and Band
- Kwamashu Milkyway Band
- Ndlovu Nations
- Live Music with George Mari
- Melodic Sounds Choral
- DHS Jazz Band
- Vusi Mkhize & Band
- The Truth
- Madala Kunene
- Ntombiza Sithole
- Victor Sithole
- Saphinda Futhi
- Tzozo & DJ Sox
- Itulo
- Pretty Olifant
- The Music
- Jammy Lee Simons & Band
- Khumbuzile Dlamini & Band
- Mondli Ngcobo & Band
- Crystal Tryon & Band
- Paras
- KB Maphumulo
- Jerry Kunene
- Mthobisi Mthlale
- Versatile Band
- Yho Cenge
- Lu Dlamini
- Simthandile Mtolo
- David Langley
- Thabo Mashishi
- Grooves Assorted
- Selabration
- Ms Classic & Tone of Africa

Poets:

- Nkululeko 'Page' Ngwenya
- Njabulo Phewa
- Sindiswa Zulu
- Mxolisi Mtshali
- Sanele Zulu
- Luleka Mhlanzi
- Ramabulana Athingahangwi



4.1.9. Community Arts Mentorship Programme



Community Arts Mentorship Programme

Community Arts Mentorship Programme: April 2022

Director: Menzi Mkhwane

Mentees:

- Andile Vilakazi
- Ayanda Ngcobo
- Katleng Molokwane
- Khumbulani Mobika
- Linda Ernest Mthiyane
- Magcina Myeki
- Nonhlakanipho Busisiwe Jwara
- Nonjabulo Zakithi Bhengu
- Noxolo Mbotho
- Philile Ntimbane
- Samekelisiwe Minenhle Ndlovu
- Sibusiso Mhlongo
- Thobelani Mdletshe
- Vuma Madlanga
- Zinhle Mkhize

Community Arts Mentorship Programme: 31 March 2023

Director: Matjamela Motloug

Dance & Movement Mentor: Sandile Mkhize

Mentees:

- Amanda Ngcongco
- Bazolile Shange
- Keitumetsi Matubatuba
- Kholeka Mthembu
- Lindani Shoji
- Mampho Moshoeshe
- Munashe Chatambudza
- Nompilo Majoji
- Nonhlanhla Xhakaza
- Nqobile Masondo
- Silindile Jili
- Tyreen Mpanza
- Zandile Kunene
- Zinhle Ndelu



4.1.20. Okwethu Community Arts Festival

Harry Gwala District:

Mentors:

- Tzozo Zulu
- Kwazi Dlangisa
- Bhekani Shabalala
- Silindile Jili
- Bhotsotso Mahlaba
- Jabulile Memela

Amajuba District:

Mentors:

- Howard Msomi
- Lwando Masilo
- Philip Mabaso
- Xolani Kubheka
- Tzozo Zulu

King Cetshwayo District:

Mentors:

- Howard Msomi
- Tzozo Zulu
- Nhlakanipho Wiseman Nkwanyana
- Njabulo Ntuli
- Amos Gcina Mbuyisa
- Khaya Jerome Ngema
- Sizwe Petrus Zakwe
- William Stainbank

Ilembe District:

Mentors:

- Sibusiso Mark Blani
- Siyabonga Goodman Bakaza
- Emmanuel Mdumiseni Makhathini
- Blessing Ntokozo Shocks
- Amos Gcina Mbuyisa
- Tzozo Zulu

4.1.21. Community Arts Festival

Phara Impucuzeko

Director: Duduzile Mbuyi

- Vuyiswa Mzolo
- Nalumu Jodee Lutalo
- Siyabonga Mbuyazi
- Phumlani Mkhwamubi
- Sindisiwe Tenza

Women Knows

Director: Bazini Msomi

- Sibonelo Mkhwanazi
- Bonisile Msomi
- Gabisile Xaba
- Khulekani Shongwe
- Lucky Sicwa

Sala the Prayer

Director: Sphakeme Shangase

- Zama Zungu
- Sabatha Ngcobo
- Lindani Nene
- Ayanda Khanyile
- Mduduzi Mbuyazi

Cambedoo

Director: Ayanda Nxumalo

- Mthobisi Sibisi
- Sboniso Ncwane

Getting Tested

Director: Joy Mbewana

- Gcina Shange
- Thuli Khumalo
- Thandeka Maseko

The Baby is Crying

Director: Brilliant Khuzwayo

- Mboneleli Mdeleleni
- Vuma Madlanga
- Vumile Madlanga
- Wandile Nodliwa

Umlabalaba

Director: Mfanafuthi Mbokazi

- Nhlakanipho Mlaba
- Nomusa Kubheka
- Sandile Mazibuko
- Nomusa Kubheka
- Thabisile Khanyi

Earth Extinction

Director: Snethemba Khuzwayo

- Anelisiwe Mkosana
- Lucky Maxhobi
- Zuzu Mdamba
- Khaya Mbili



Ayihlome! #Prayer for KZN - Playhouse CEO, Precious Lynda Bukhosini, & Production Producer Zanele Mbokazi, in Prayer.

4.2. In-Association Productions

Ayihlome! A Prayer for KZN

Director: Syanda Mwandla

- Jumbo
- Snezy
- Malusi Mbokazi
- Pastor Sebe Nzuzo
- Pastor Mlambo
- Bishop Mpendulo Nkambule
- Bishop Mohlokoane
- Lungisani Simelane

Kunene and The King

Director: Janice Honeyman

Lighting Designer: Mannie Manim

- Dr John Kani
- Michael Richard
- Lungiswa Plaatjies

Now or Never Tour

- Samthing Soweto

Naima Kay Live in Sekwanele Tour

Director: Mdu Ngcobo

- Naima Kay
- Mondli Ngcobo

Othello/Hamlet

Director: Clare Mortimer

- Bryan Hiles
- Cara Roberts
- Duane Behrens
- Mpilo Nzimande
- Loyiso Macdonald
- Rowan Bartlett
- Darren King
- Michael Gritten
- Kirsty Ndawo
- Jeremy Richard

Shall We Dance

Director: Neville Letard

Choreographer: Caryl Cusens

Sthandwa and The Nature Thieves

Director: Ralph Lawson

- Mpilo Nzimande
- Nozipho Chiliza
- Nkosinathi Dube

Izulu: The Musical

Director: Zolani Maseko

KZN Poetry Festival

Director: Nomfundo Mbambo

- Zion Vilakazi
- Luyanda EM
- Sindiswa Zulu
- Nqobile Gcaba
- Mbali Malimela
- Cebisile Mhlongo
- Nue Sam
- Minenhle Mthembu
- Scelo Mpungose
- Zamani Mzobe
- Khumbulani Sithole
- Nhlanhla Mhlongo
- Abalobi
- Mxolisi Mtshali
- Gubhela

We Can Arts Festival

- Thabani Mazibuko

Maria The Musical

Executive Director: Zanele Mbokazi

- Brian Themba
- Yolanda Myeza
- Larry 'Mastermind' Mhlanga
- Syanda Mwandla
- Wanda Khwela

King Cetshwayo: The Musical

Director: Jerry Poee

Legends Speak Heritage Festival

- Madala Kunene
- Themba Mokoena
- Zawadi Yamungu
- Unizulu Choir

Shakespeare Schools Festival

- Kseniya Filinova-Bruton
- Educape Trust

Dream with Ensemble

- The South Korean Dream With Ensemble
- African Sinakho Arts
- 1st Lady Pinky
- Nolwazi Khuzwayo

Mbongeni Ngema's Sarafina - The Broadway Hit Musical

Director: Dr Mbongeni Ngema

- Khayaletu Mbili
- Nolwazi Mfeka
- Ntokozo Khumalo
- Nqobani Zuke
- Lucky Maxhobi
- Palesa Kuzwayo
- Sindisiwe Nxumalo
- Sthulile Buthelezi
- Delisile Gumbi
- Kwazi Xhakaza
- Sanele Gumede
- Thandazani Gazu
- Khethiwe Phakathi
- Mthobisi Khanyile
- Congo Hadebe
- Pat Mlaba
- Brian Mazibuko
- Zama Mbatha
- Ntando Mahlobo
- Nqobile Mlaba
- Vuyiswa Ntshangase
- Tony Banyatsi
- Sbahle Tshibika
- Mduduzi Magagula
- Thabo Gwadiso
- Mlamuli Mnguni
- S'busiso Shozi
- Zimhlophe Mbokazi
- Menzi Sibisi
- Thobeka Ndwandwe
- Eddie Mathiba
- Butana Ngubeni
- Themba Dlamini
- Mazwakhe Gumede
- John Seotlolla
- Ray Molefe
- Cebo Ngema
- Thabo
- Senzo Mzimela



5. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

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

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

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control 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.

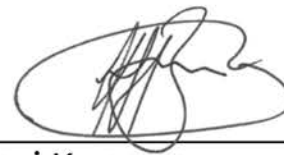
The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2023.

Yours faithfully,



Precious Lynda Bukhosini
Chief Executive Officer
28 July 2023



Khwezi Kunene
Chairperson of Council
28 July 2023

6. Strategic Overview

Vision

Inspiring and cultivating artistic excellence and cultural diversity in the performing arts.

Mission

In achieving the above vision, The Playhouse Company describes its mission as: We advance, promote and preserve the performing arts by:

- Balancing the transformation agenda and commercial programming, in a manner that facilitates social cohesion and nation building;
- Producing and presenting productions with artistic, entertainment and educational value;
- Supporting life skills education and arts appreciation through artistic programming, and skills development for arts practitioners and training for staff;
- Ensuring quality experiences for our audiences, and providing opportunities to interact across culture, race and class; and
- The preservation of the historic landmark that is The Playhouse

Values

Creativity and Innovation

We prioritise creative and innovative thinking and expressions that embrace the multi aesthetics of our country.

Excellence and Integrity

- We seek to work efficiently and effectively and to be increasingly productive.
- We are timeline driven and goal orientated.
- We are committed to ethical behavior and have a zero tolerance stance towards unfairness and discrimination of any form.
- We aim for excellence and learn from our mistakes.

Diversity

- We respect cultural and artistic expressions that promote the common good of humanity.
- We advance the rights of vulnerable groups and promote access to our programmes and facilities.

Sustainability

- We seek to keep our eye on the future and consider the ongoing sustainability of the Organization at all times.
- We proactively seek to be at the forefront of live theatre

Sinobuntu

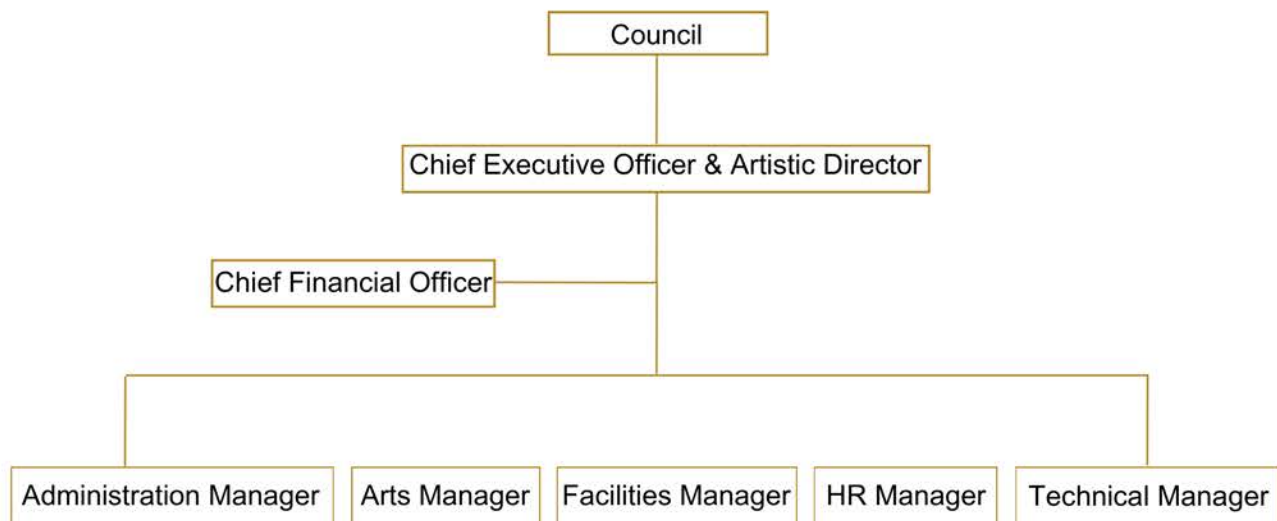
- We strive to work with care, empathy, respect and consideration for the well-being of our staff, customers and stakeholders.
- We work hard at maintaining a safe and healthy work environment, protecting our assets and scarce resources, developing our people and promoting a healthy work/life balance.

7. Legislative and other Mandates

In terms of section 8(5) of the Cultural Institutions Act 119 of 1998, the role of The Playhouse Company is to advance, promote and preserve the performing arts in South Africa. The Playhouse Company operates under various legal mandates, including, among others:

- Public Finance Management Act (PFMA);
- Division of Revenue Act (DORA);
- The Cultural Institutions Act;
- Consumer Protection Act (No. 68 of 2008);
- Intergovernmental Relations Framework Act (No. 13 of 2005);
- Labour Relations Act (LRA);
- Basic Conditions of Service Act (BCSA);
- Occupational Health and Safety Act (OHSA);
- General Administration Regulations Act (GARA);
- Promotion of Access to Information Act (PAIA);
- Promotion of Administrative Justice Act (PAJA);
- Employment Equity Act;
- Protection of Personal Information Act;
- All Treasury regulations, prescripts and frameworks as published; and
- All Municipal by-laws and local legislation pertaining to The Playhouse Company and its operations.

8. Organisational Structure







Foxie Freddie's
USED CARS



PART B

1. Statement of Responsibility for Performance Information for the year ended 31 March 2023

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

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

Description	Number (%)	Reason for Not Achieved/ Partially Achieved	Interventions
No. of annual performance targets	25 (100%)		
Annual performance targets achieved	24 (96%)		
Annual performance targets not achieved/ partially achieved	1 (4%)	Lack of agreement among arts practitioners on details of the event resulted in the postponement of the Isicathamiya Concert.	The arts practitioners apologised to The Playhouse Company for the disruptions caused and the concert is planned to take place in 2023.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per annual performance plan of The Playhouse Company for the financial year ended 31 March 2023.

The Playhouse Company performance information for the year ended 31 March 2023 has been examined by the external auditors and their report is presented on pages 56 to 58.

The performance information of The Playhouse Company set out on pages 33 to 37 were approved by the Board.



Precious Lynda Bukhosini
Chief Executive Officer

2. Auditor's Report: Predetermined Objectives

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

Refer to pages 56-61 of the Report of the Auditors Report, published as Part F: Financial Information.

2.1. Service Delivery Environment

On June 22, 2022, the Government of South Africa announced that the remaining COVID-19 regulations have been repealed. The Playhouse Company was able to fast track the implementation of its annual arts plans and service delivery and achieved 96% of the annual performance targets.

One of The Playhouse Company's mandate is to contribute to socio-economic transformation by providing opportunities to historically disadvantaged groups and entrepreneurs to participate, grow and develop within the sector. Management reports on this to Council on a quarterly basis. The Playhouse Company creates employment directly by procuring goods and services from small and micro enterprises owned and operated by previously disadvantaged people. The Playhouse Company has interactive community conversations with artists, arts companies and the public at large where conversational topics are discussed and matters relating to financial literacy and broad based black economic empowerment matters are addressed. Artists and arts companies are given the necessary guidance to apply for the BBBEE certificates so that they can register on the National Treasury Central Supplier Database and be eligible to do work with government entities.

2.2. Organisational environment

The Playhouse Company was imposed budget cuts in operation and capital grant allocations from the National Department of Sport, Arts and Culture. The Playhouse Company managed to create work for artists who were hardest affected by the lock down regulations. Following the repealing of the Covid 19 regulations in June 2022, 6 954 artists received gainful employment whilst 4 831 of these artists were youth who benefited from productions presented by The Playhouse Company. Artist and arts practitioners returned to the theatre following the repealing of the Covid 19 regulations thus resulting in 26 partnerships that were entered into with independent producers whilst 32 other independent producers were able to present their productions on stage.

Despite the increasingly challenging operating and fiscal environment created by the Covid 19 pandemic, The Playhouse Company has remained financially viable, and currently finds itself in a sound financial position.

2.3. Key policy developments and legislative changes

There are no updates to the policy mandates that affected The Playhouse Company's operations during the year.

2.4. Progress towards achievement of institutional Impacts and Outcomes

In the context of the abovementioned strategic focus statements, the IMPACT statement of The Playhouse Company for the period 2020 - 2025 is as follows:

Impact Statement	Enhanced quality of life through the performing arts.
Progress made	The Playhouse Company created gainful employment for 6 954 artist.

Outcome	Outcome Indicator	Achievements in 2023
Outcome 1: Produce and present a balanced artistic programme	Cumulative number of productions staged	133 productions staged
	Cumulative number of performances held	529 performances held
	Cumulative number of artists involved in staged productions (all categories)	6 954 artists involved in productions
	Cumulative audience attendance figures (paying and non-paying audience)	178 697 Audience attendance
Outcome 2: Offer support for development of future theatre productions and arts practitioners	Cumulative number of in-house theatre for development and growing the body of South African theatre productions	75 artistic programmes
	Cumulative number of arts practitioners benefiting from upskilling programmes	327 arts practitioners benefiting from upskilling programmes
	High impact productions that support social cohesion	15 high impact productions that support social cohesion
	Cumulative number of artists provided work opportunities through in-house Playhouse productions	4 348 artists provided work opportunities
Outcome 3: Enhanced customer experience through accessible, high- quality and well-managed production and event venues and technical services	Condition assessment rating on Playhouse Company facilities	Conditional rating of the building was performed
Outcome 4: A well-governed, productive and high-performing organisation	External audit outcome	Clean external audit outcome achieved
	Percentage overall organisational performance rating (AGSA standard >80%)	100%



3. Institutional programme performance information

3.1. Programme 1: Administration

A. Programme purpose: The purpose of this programme is to provide The Playhouse Company with core support services, including administrative, financial, human resources and monitoring and evaluation services.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

OUTCOME	OUTPUTS	OUTPUT INDICATORS	Audited Actual Performance	Audited Actual Performance
			2020/21	2021/22
Enhanced customer experience through accessible, high-quality and well-managed production and event venues and technical services	Maintain and upgrade infrastructure and align operational assets with requirements and technological advancements	Percentage implementation of yearly repairs, maintenance and upgrade plan for the facilities management department	24 94 768	131%
		Percentage implementation of health and safety plan	New Indicator	New Indicator
		Percentage implementation of yearly maintenance plan for stage and technical services	New Indicator	New Indicator
A well governed, productive and high performing organisation	Sound governance and internal controls	Number of repeat external audit findings	0%	0%
		Percentage critical findings raised per internal audit quarterly report addressed	0%	0%
		Quarterly management accounts distributed to key stakeholders 30 days after each quarter.	New Indicator	New Indicator
	An enabling organisation environment	Percentage ICT downtime	0%	0%
A competent, skilled and productive workforce		Annual fixed asset register completed in compliance with Fixed Asset Policy	1	1
		Percentage of annual training plan implemented	90%	94%

Linking Performance with Budgets

Programme	2022/2023			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	56 775	56 447	328	43 597	44 571	(974)
Total	56 775	56 447	328	43 597	44 571	(974)

Annual Target	Actual Achievement for the year	Deviation from planned target to actual achievement	Achievement	Reasons for deviations
2022/23	2022/23	2022/23	2022/23	2022/23
90%	94%	4%	😊	Planned repairs and maintenance work was successfully achieved as per the annual Planned Preventative Maintenance (PPM). The budget allows for a 5% deviation. There were additional work undertaken in Q3 & Q4 and completed within a reasonable time frame.
90%	100%	10%	😊	The target was set with an acceptable variation of 10%, however, 100% of planned activities were achieved.
90%	94%	4%	😊	The target was set with an acceptable variation of 10%, however, 94% of planned activities were achieved.
5%	0%	5%	😊	No repeat external audit findings were raised as all prior year audit findings were resolved.
5%	0%	5%	😊	No critical findings were raised in the internal audit reports due to the effective internal controls in place
4	4	0	😊	N/a
5%	0%	5%	😊	There was no extensive downtime during the year except for a few minor manageable disruptions as a result of the proactive remote monitoring performed by the external IT service provider
1	1	0	😊	n/a
90%	91%	1%	😊	The target was set with an acceptable variation of 10%, however, 91% of planned activities were achieved.

3.2. Programme 2: Business Development

- Programme purpose: This programme is responsible for mainstreaming the role of arts and culture in social and economic development.
- Description:
- Structure: Arts Department responsible for artistic and administration processes Marketing Department responsible for communications and sales Technical Department responsible for technical staging
- Departments responsible: The Arts, Marketing and Technical Departments

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

OUTCOME	OUTPUTS	OUTPUT INDICATORS	Audited Actual Performance
			2020/21
1. A balanced artistic programme that provides opportunities for interaction across culture, race and class	Present an annual arts programme that bears testimony to a diverse and artistically remarkable body of stage works	Number of own productions produced and presented	52
		Number of productions presented in partnership with independent producers	22
		Number of productions / events presented by independent producers using Playhouse Company facilities	70
		Number of significant flagship productions presented	1
		Number of festivals / seasons presented	9
		Number of community conversation platforms facilitated	7
		Number of opportunities for indigenous art performance	3
	Broaden reach through growth in the number of artists involved, and the audiences attending, performances	Number of artists involved in staged productions	2 564
		Audience attendance figure (paying and non-paying audience)	178 625
	Strengthen The Playhouse Company brand and market in-house productions	Number of unique social media platforms utilised	4
Number of media feature pieces profiling The Playhouse Company - print and electronic		29	
2. Offer support for development of future theatre productions and arts practitioners	Actively support targeted group development, including the development of future arts practitioners and entrepreneurs	Number of youth attending arts development programmes per annum	1 799
		Number of Community Arts Mentorship Programmes (CAMP) facilitated	1
		Number of Test Driving the Arts programmes facilitated	9
	Targeted interventions to develop future audiences and build performing arts appreciation	Number of schools programmes presented	4
		Number of Mobile Stage productions presented	0

Linking Performance with Budgets

Programme	2022/2023			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Business Development	33 204	31 494	1 709	33 187	31 807	1 380
Total	33 204	31 494	1 709	33 187	31 807	1 380

Audited Actual Performance	Annual Target	Actual Achievement for the year	Deviation from planned target to actual achievement	Achievement	Reasons for deviations
2021/22	2022/23	2022/23	2022/23	2022/23	2022/23
91	40	75	35	😊	Number of productions increased due to Covid 19 restrictions being revoked.
19	6	26	20	😊	Increased number of partnerships increased due to Covid 19 restrictions being revoked.
22	20	32	12	😊	Increased number of productions by independent producers due to Covid 19 restrictions being revoked.
0	2	1	-1	😞	Lack of agreement among arts practitioners on details of the event resulted in the postponement of the Isicathamiya Concert.
7	4	6	2	😊	Number of festivals/seasons increased due to Covid 19 restrictions being revoked.
9	2	4	2	😊	Number of productions increased due to Covid 19 restrictions being revoked.
4	2	3	1	😊	Number of productions increased due to Covid 19 restrictions being revoked.
3 985	2 000	6 954	4 954	😊	Number of productions increased due to Covid 19 restrictions being revoked.
361 607	45 000	178 697	133 697	😊	Number of audience attendance increased due to Covid 19 restrictions being revoked.
4	3	6	3	😊	Increased focus in aggressively utilising social media to market our productions after the advent of Covid 19 pandemic
299	3	563	560	😊	Increased focus in utilizing all available platforms such as publicity to market our productions after the advent of Covid 19 pandemic
2 931	550	4 831	4 281	😊	Number of Youth increased due to Covid 19 restrictions being revoked.
3	1	2	1	😊	2021/22 CAMP overlapped to the current financial year, hence two programmes were facilitated.
19	10	15	5	😊	Number of productions increased in-order to offer more Job opportunities to artists after the Covid 19 restrictions being revoked.
2	1	4	3	😊	Number of productions increased in-order to offer more Job opportunities to artists after the Covid 19 restrictions being revoked.
0	0	1	1	😊	Number of productions increased in-order to offer more job opportunities to artists after the Covid 19 restrictions being revoked.

4. Summary of Financial Information

4.1 Revenue Collection

	2022/2023			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Grants – Operational	55 193	55 193	0	53 866	53 866	0
Grants – Production	8 499	8 499	0	8 574	8 574	0
Grants – Capital	6 000	13 399	(7 396)	12 695	3 670	9 025
Finance Income	4 600	4 927	(327)	3 600	3 727	(127)
Production Income	700	1 128	(428)	0	1 123	(1 123)
Rentals	68	58	10	21	45	(25)
Sundry Income	98	556	(458)	8	192	(184)
Recording Studio	1 334	1 894	(560)	55	71	(16)
Sponsorship Income	1 500	1 500	0	1 300	4 100	(2 800)
Total	77 991	87 150	(9 159)	80 119	75 369	(4 751)

4.2 Programme Expenditure

Programme	2022/2023			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	56 775	56 447	328	43 597	44 571	(974)
Business Development	33 204	31 494	1 709	33 187	31 807	1 380
Total	89 979	87 941	2 037	76 784	76 378	406

5. Capital Investment

	2022/2023			2021/2022		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Office equipment	580	929	(349)	300	299	1
Computer equipment	225	692	(467)	755	506	249
Buildings	17 937	7 017	10 820	50 099	1 855	48 244
Stage and other equipment	200	22	178	295	520	(225)
Transport	600	0	600	0	0	0
Total	19 442	8 661	10 781	51 449	3 181	48 268





PART C

1. Introduction

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

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

2. Portfolio Committees

The Parliamentary Portfolio Committee on Arts and Culture is responsible for oversight on the work of the Department of Sports Arts and Culture (DSAC) and all other public entities reporting to the DSAC. The Playhouse Company did not appear before the Portfolio Committee on Arts And Culture.

3. Executive Authority

During the current year, the following reports were submitted to the Department of Sport, Arts & Culture:

- Annual Performance Plan 2023/2024
- Shareholders Compact 2023/24
- Quarterly Reports for the quarters ending June 2022, September 2022, December 2022 and March 2023.

4. The Accounting Authority (Council)

For the year under review, The Playhouse Company had a Council appointed by the Minister of Sport, Arts and Culture. According to the Cultural Institutions Act, the affairs of the institution are under the control, management and direction of the Council.

The functions of the Council are:

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

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

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

Composition of the Council

Name	Date Appointed	Qualifications	Area of Expertise	No. of meetings attended	Remuneration
Ms Khwezi BL Kunene Chairperson	9 December 2020	<ul style="list-style-type: none"> BSc Property Development Post Graduate Diploma - Leadership Development Corporate Project Management Certificate 	Analytical & Strategic Thinker; Strategic Risk Analysis & Management; Excellent Communication Skills & negotiation skills; Design Thinking Facilitator; Knowledge & experience in Corporate Governance; Knowledge of PFMA Act, PPPFA Regulations, Cultural Institutions Act; Financial planning & Feasibility studies; Quantity surveying & Cost Engineering; Infrastructure Project Management & Contracts management	8	R165 636
Mr Dumisani Ngema Deputy Chairperson	9 December 2020	<ul style="list-style-type: none"> Bachelor of Arts 	Excellent communication (both written and verbal); Report writing, logical thinking; problem solving and decision making; Effective Stakeholder engagement and management; People management and development (including mentoring and coaching); Ability to build collaborative relationships and interact at a high level	8	R96 778
Ms Thandeka Mngadi	9 December 2020	<ul style="list-style-type: none"> BA Humanities MA Humanities 	Administration; Human Resource Management; Organisational Development; Performance Management; Project Management; Facilities & Property Management	8	R75 390
Dr Rajendran Govender	9 December 2020	<ul style="list-style-type: none"> PhD (Human Sciences) (isiZulu/Social Anthropology) M.A (Cum Laude) Human Sciences (isiZulu/Social Anthropology) B.A (Honours) Developmental Studies B.A. 	Strategic planning, team building/ leadership; knowledge of PFMA and Budgeting & Financial management; Human Resource management; Programmes and project management; Operational management, facilities management, stakeholder management; communication and report writing	8	R45 610
Adv Motlatjo Ralefatane	9 December 2020 (Termination: 3 March 2023)	<ul style="list-style-type: none"> B. Proc Bachelor of Laws (LLB) 	Expertise and knowledge are in application of corporate governance, strategy development; ethics; education and training; The Public Finance Management Act; Problem solving and Compliance; Experience and skills in the Legal and Human Resources fields	8	R71 694
Mr Sicelo Dlamini	9 December 2020	<ul style="list-style-type: none"> Public Management (current) Information Technology- (current) 	Strategy Leadership & Management; Finance Management; Human Resource; Project Management; Leadership and Governance; Recruitment and Selection	6	R78 413

Name	Date Appointed	Qualifications	Area of Expertise	No. of Meetings Attended	Remuneration
Ms Tholakele Dlamini	9 December 2020	<ul style="list-style-type: none"> Degree in Information Science (Mass Media and Communication) 	Business Development; Client Liaison and Relations Management; Large scale recruitment Development and Training; Electoral Material supplies and Logistics; Human Resources Policies Development; Media Relations and Promotions; Cultural and Heritage Tourism; Community Tourism Development	8	R54 671
Mr Important Mkhize	8 November 2022	<ul style="list-style-type: none"> Bachelor or Technology (Management) Honours Degree in Business Administration 	Community and political activist, trainer and education facilitator.	2	R10 770
Dr Fezile Dantile	8 November 2022	<ul style="list-style-type: none"> Bachelor of Commerce BA Honours (Industrial Psychology) Diploma in Labour Law Diploma in Business Management Strategic Human Resources Management Certificate Directors Induction Programme (Wits Business School) PhD (Honoris Causa) – Leadership and Community Development Currently pursuing Masters in Leadership. 	Leadership , Strategic Planning Policy Formulation Governance and Compliance Business Development (Growth and sustainability) Business Management (Financial Planning & Management) Strategic Human Resources Management South African Labour Law Good communication and organizational skills. Published Author of 5 books , 4 in English and 1 in Xhosa	1	R8 869

Members	Committees			
	Finance Committee	Audit & Governance Committee	Human Resources and Remuneration	Arts & Fundraising Committee
Ms Khwezi BL Kunene				✓
Mr Dumisani Ngema	✓			✓
Ms Thandeka Mngadi			✓	✓
Dr Rajendran Govender	✓			✓
Adv Motlatjo Ralefatane				
Mr Sicelo Dlamini	✓		✓	
Ms Tholakele Dlamini		✓		
Mr Important Mkhize			✓	✓
Dr Fezile Dantile	✓			

5. Risk Management

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

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

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

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

6. Internal Control Unit

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

Management uses the findings of the auditors on internal controls to improve the internal controls.

7. Internal Audit Function

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

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

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

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

- Review of Supply Chain Management (Tenders and Contracts)
- Review of Payroll
- Review of Contract Management
- Review of Compliance with Shareholder Compact
- Review of Pre-Determined Objectives
- Review of Safety and Security
- Review of Computer Assisted Audit Technique's
- Follow-up of previously raised internal audit findings

8. Audit and Governance Committee

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

The Audit and Governance Committee:

- Oversee, co-ordinate and appraise the quality of audits conducted both by the institution's external and internal auditors;

- Maintain, by scheduling regular meetings, open lines of communication among the Council, the internal and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
- Serve as an independent and objective party to review the financial information presented by management;
- Review the adequacy of the reporting and accounting controls in place; and
- Provide an open avenue for communication between the internal auditors and external auditors and the Council.

9. Compliance with Laws and Regulations

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

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

10. Fraud and Corruption

The Playhouse Company has in place a fraud prevention plan. The plan is reviewed annually. The plan recognises basic fraud prevention initiatives within The Playhouse Company.

The primary objectives of the plan are to:

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

11. Minimising Conflict of Interest

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

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

12. Code of Conduct

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

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

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

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

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

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

13. Health, Safety and Environmental Issues

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

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

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

14. Social Responsibility

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

The Playhouse Company sees its mission as its social responsibility.

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

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

15. Audit and Governance Committee Report



The Audit and Governance Committee (the Committee), presents its report for the financial year end 31 March 2023

Audit and Governance Committee Members and Attendance

The Committee consists of the four members listed below, three of whom are independent, and is accountable to Council. It is required to meet at least four times per year as per its approved terms of reference. During the current year six meetings were held.

Composition of the Audit and Governance Committee

The Committees term commenced on 1 April 2022.

Name	Qualifications	Internal or External	Date Appointed
Mr Bhekabantu Ngubane Chairperson of Audit and Governance Committee	CA (SA)	External	1 April 2022
Mr Zanoxolo Koyana	MBA Bachelor of Commerce Degree	External	1 April 2022
Dr Matshediso Joy Ndlovu	Doctor of Business Administration, MBA, Bachelor Degree: Human Resource	External	1 April 2022
Ms Tholakele Dlamini	Degree in Information Science (Mass Media and Communication)	Internal	12 March 2021

Audit and Governance Committee Responsibility

The Committee has complied with its responsibilities arising from Section 38 (1)(a) of the Public Finance Management Act No.1 of 1999 and Treasury Regulations 3.1. The Committee has adopted appropriate formal terms of reference as its Audit and Governance Committee charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein. The charter is reviewed annually and adopted by the Committee on approval by the Accounting Authority.

Internal Audit

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

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

Effectiveness of Internal Controls

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

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

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

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

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

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

Evaluation of Financial Statements

The Committee has:


- Reviewed the quarterly reports including financial statements to ensure consistency and accuracy of information;
- Considered the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised
- Accounting Practices adopted by the Accounting Authority;
- Considered the quality and timeliness of the financial information available to the Committee for oversight purposes during the year;
- Reviewed the financial statements of the Company for the year ended 31 March 2023 and is satisfied that they comply with relevant provisions of the Public Finance Management Act and the South African Statement of Generally Recognised Accounting Practices;
- Reviewed the Auditor-General's Management Report and Management's response; and
- Reviewed the Auditor-General's Audit Report and noted that there were no findings in the financial statements and performance information.

Auditor's Report

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

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

The Committee takes this opportunity to congratulate the Company in obtaining an unqualified clean audit report from the Auditor-General for thirteen consecutive years, and expresses its appreciation to the Council, the Chief Executive Officer and the senior management team for their commitment and support.



Mr B Ngubane

Chairperson: Audit and Governance Committee

16. B-BBEE Compliance Performance Information

in Terms of Section 13(G)(1) of the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act 46 of 2013

Name of Sphere of Government/Public Entity/Organ of State:	The Playhouse Company
Registration Number (If Applicable):	n/a
Physical Address:	29 Acutt Street, Durban, 4001
Type of Sphere of Government/Public Entity/Organ of State:	Schedule 3A Public Entity reporting
Organisation Industry / Sector	Performing Arts

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

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	This is not applicable to The Playhouse Company
Developing and implementing a preferential procurement policy	Yes	The Preferential Procurement requirements are included in the Procurement for Goods and Services Policy The Playhouse Company has in place
Determining qualification criteria for the sale of state-owned enterprises	No	This is not applicable to The Playhouse Company
Developing criteria for entering into partnerships with the private sector	No	This is not applicable to The Playhouse Company
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	No	This is not applicable to The Playhouse Company





PART D

The Company's Human Resources strategy is to effectively support and service the Human resources requirements of the organization. A competent, skilled, and productive workforce is important to the attainment of the Company's overall strategic objective of being well governed, productive, and high performing.

In the year under review the organization had an approved budget for sixty-nine (69) positions of which sixty-two (62) were filled by full time employees. All Top, Senior and Middle Management positions were filled. The Company employment statistics across the four Management levels are reflective of the statistics as per the Economically Active Population for KZN.

Increasing payroll cost are not sustainable in the context of low economic growth, a declining revenue base and increased input costs. Nevertheless, employee costs were below the budgeted amount primarily due to the implementation of the Company's cost containment measures, inter-alia delaying the filling of certain vacancies, management of overtime, and by following a process of natural attrition where vacancies which arose, were only filled for critical posts. Only critical vacancies were filled by full time employees. The Company made use of temporary employees as and when required. Operational efficiency was not adversely affected. Across all levels of employment reasons for turnover were outside the control of the Company.

The Performance Management System is an objective and effective measurement and feedback system that ensures that all employees know how their performance outcomes are linked to the overall objectives of the organization. Employees and managers have frequent, meaningful, and open conversations about performance, development, and wellbeing. Performance agreements with all Managerial staff were implemented during the year. Reviews are conducted bi-annually.

Retaining employees means that an organization must provide opportunities for employees to grow their skills and progress within the Company. Targeted training opportunities to both permanent and contractual staff were provided. In 2022/2023 an amount of R313 403 was spent on training that prioritized the attainment of critical skills. Twenty (20) training interventions were planned and implemented for permanent staff.

Lack of depth in terms of the Company's succession can mean that it is heavily reliant on key individuals and disruption may occur if that person is unable to work. The Company does have a succession plan, through which opportunities for employees to grow through training, exist.

As part of the Company's contribution to alleviating unemployment and developing skills amongst the youth, six (6) youth received work experiential learning throughout the year. The initiative also serves to increase the talent pipeline from which future employees from the Company may be drawn. The Company twinned with Mangosuthu Technikon and provided five (5) students with necessary work experience for them to successfully complete their studies and graduate.

Workforce planning is about having the right people with the right skills in the right jobs at the correct cost. Attraction of skills in a skills constrained environment is a challenge. The attraction and recruitment of a skilled and capable workforce is guided by the Company's Recruitment and Selection Policy and Employment Equity Plan.

The Company recognises the importance of linking organizational and individual wellness to productivity and improved service delivery outcomes. An employee wellness service provider was appointed in March 2023 and continues to support the employees and their immediate families. There is continued wellness communication via specific Company interventions, email messages and line managers' engagements and communication to the staff.

The Human Resources Department ensures that HR Policies are upto date by continuously reviewing them to align with relevant legislation. Amendments to the Leave Policy was submitted to the Accounting Authority for adoption. Proposed amendments to the Selection and Recruitment Policy were still under discussion. After approval, the policies will be workshopped with all staff.

The Company has a stable labour relations environment. The Company has a recognition agreement with SACCAWU and negotiations on substantive conditions of employment were finalised during August with all employees receiving a market related salary increase against the backdrop of a difficult financial situation. The Company continues to work with the Union in an endeavour to curtail employment costs.

There were no Labour Court cases. One case was referred to the CCMA for adjudication. Pursuant upon formal disciplinary action being taken, One (1) employee received a corrective sanction and one (1) was dismissed.

There will be continued downward pressure on pay and compensation in 23/24. In the short-term salaries may not be able to keep up with inflation. This may impact on productivity and demotivate employees. It is important that the organization continues to build and maintain sound Employer/employee relations in the workplace that will assist in moderating employee expectations. Austerity measures introduced by the Company to curtail ever increasing employee costs must be maintained and improved upon.

Workforce mental health issues that can lead to suboptimal employee well being and productivity are likely to increase. It is critically important that the Employer sponsored Wellness Programme remains as part of the Company's value proposition.

The Company's endeavour in providing training opportunities for employees to grow their skills and progress within the Company must continue. There is the possibility of gaps arising in workforce skillsets due to digitization and automation. Employees will need to be digitally enabled and employees need to be capacitated to adapt to a changing business world.

Diversity and Equity will continue to remain important amongst employees. The Company must maintain the good progress made around transformation.

The Company needs to remain abreast of labour regulations and always be compliant. The Company's good track record in this regard, should continue.

1. Human Resource Oversight Statistics

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

1.1. Personnel related expenditure

Personnel Cost by Programme/ Activity / Objective

Programme/ activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Permanent Staff	101 988	34 814	34%	62	562

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	2531	7%	1	2531
Senior Management	1732	5%	1	1732
Professional qualified	7433	21%	8	929
Skilled	13 559	39%	28	484
Semi-skilled	9 559	28%	24	398
Unskilled	-	-	-	-
Total	34 816	100%	62	562

Training Costs

Programme/ activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Permanent staff	34 814	313	1	33	9

Programme/ activity/objective	2021/2022 No. of Employees	2022/2023 Approved Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
Top Management	1	1	1	0	0%
Senior Management	1	1	1	0	0%
Professional qualified	8	8	8	0	0%
Skilled	29	34	29	5	7%
Semi-skilled	27	25	23	2	3%
Unskilled	0	0	0	0	0%
Total	66	69	62	7	10%

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	1	0	0	1
Professional qualified	8	1	1	8
Skilled	29	2	3	28
Semi-skilled	27	0	3	24
Unskilled	0	0	0	0
Total	66	3	7	62

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	14%
Resignation	2	29%
Dismissal	1	14%
Retirement	2	29%
Ill health	1	14%
Expiry of contract	0	0%
Other	0	0%
Total	7	100%

Labour Relations: Misconduct and disciplinary action

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

Levels	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	1	0	0
Professional qualified	2	2	0	0	1	1	1	1
Skilled	15	15	0	0	2	2	2	2
Semi-skilled	11	11	0	0	2	2	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	28	28	0	0	6	6	3	3

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Professional qualified	1	1	0	0	1	1	2	2
Skilled	9	9	1	1	0	0	0	0
Semi-skilled	6	7	1	1	3	3	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	17	18	2	2	4	4	2	2

Levels	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
Total	0	0	0	1



PART E

1. Irregular, Fruitless And Wasteful Expenditure And Material Losses

1.1. Irregular expenditure

The Playhouse Company did not incur any irregular expenditure in the current year and in the prior years.

1.2. Fruitless and wasteful expenditure

The Playhouse Company did not incur any fruitless and wasteful expenditure in the current year and in the prior years.

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

2. Late And/Or Non-Payment Of Suppliers

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	2 045	54 446
Invoices paid within 30 days or agreed period	2 036	54 194
Invoices paid after 30 days or agreed period	8	186
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	66

One invoice for the paving of driveway in the Mayville complex was unpaid and in dispute due to corrective work that needed to be done.

3. Supply Chain Management

3.1. Procurement by other means

The Playhouse Company made acquisitions following the SCM processes in place.

3.2. Contract variations and expansions

The Playhouse Company did not vary or expand any contracts.



PART F

Report of the Auditor-General to KwaZulu-Natal Legislature on The Playhouse Company

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of The Playhouse Company set out on pages 62 to 93, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as notes to the financial statements, including including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of The Playhouse Company as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the 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.

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

Other matter

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

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework.

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 24 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of The Playhouse company. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) -are now required to be included as part of other information in the annual report of the auditees.

8. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the Financial statements in accordance with the SA 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.

10. In preparing the financial statements, the accounting authority is responsible for assessing the 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 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.

11. 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.

12. 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

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. I selected Programme 2: Business Development presented in the annual performance Report for the year ended 31 March 2023 for auditing. I selected a programme that measures the entity's performance on its primary mandated functions and that is of significant national, community or public interest.

15. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it Provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:

- The indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
- The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
- The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- The indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- The reported performance information is presented in the annual performance report in the prescribed manner.
- There are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. I performed the procedures for the purpose of reporting material findings only.

18. I did not identify any material findings on the reported performance information of Business Development.

Other matters

19. I draw attention to the matters below

Achievement of planned targets

20. The annual performance report on pages 33 to 36 sets out information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement of targets.

Report on the audit of compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion.

23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

24. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

25. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's 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.

26. 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.

27. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

28. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

29. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if 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 information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

30. 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. I did not identify any significant deficiencies in internal control.

Auditor General
Pietermaritzburg
31 July 2023

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional skepticism

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional skepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the entity's compliance with selected requirements in key legislation.

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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 entity 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 an 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 to 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.

Compliance with legislation – selected legislative requirements.

5. The selected legislative requirements are as follows

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999(PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e) (iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 8.2.1; 8.2.2 Regulation 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 8.3; 16A 8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c); Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2);
PRECCA	Section 29; 34(1)
CIDB Act	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)

Legislation	Sections or regulations
PPR 2022	Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
NT SCM Instruction Note 03 2021/22	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction 4A of 2016/17	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction Note 03 2019/20	Paragraph 6
NT SCM Instruction Note 11 2020/21	Paragraph 5.5.1(vi); 5.5.1(x)
NT SCM Instruction note 2 of 2021/22	Paragraph 3.1; Paragraph 3.4(a); 3.4(b) Paragraph 3.9 Paragraph 6.1; 6.2; 6.7
PFMA SCM Instruction 04 of 2022/23	Paragraph 3.2.1; 3.2.2; 3.2.4(a); 3.2.4(b); 3.3.1; Paragraph 4.1
Practice Note 5 of 2009/10	Paragraph 4(1) Paragraph 4(2) Paragraph 4(4)
PFMA SCM instruction 08 of 2022/23	Paragraph 3.3
Competition Act	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Section 4(1)(b)(ii)
NT instruction 3 of 2019/20 - Annexure A	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Section 5.5.1 (iv) and (x)
Erratum NTI 5 of 202/21	Paragraph 4.8; 4.9; 5.1; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Practice note 7 of 2009/10	Paragraph 2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)

Statement of Financial Position as at 31 March 2023

	Notes	March 2023	March 2022
		R	R
Assets			
Non-current assets		180 933 162	180 033 045
Heritage assets	2,1	92 073 379	92 073 379
Property, plant and equipment	2,2	88 242 486	86 860 232
Intangible assets	2,3	617 297	1 099 434
Current Assets		71 917 697	93 644 455
Inventories	3	569 380	546 992
Trade and other receivables	4	1 000 025	1 201 644
Cash and cash equivalents	5	70 348 292	91 895 819
Total Assets		<u>252 850 859</u>	<u>273 677 500</u>
Liabilities			
Non-current liabilities			
Deferred income	6	26 295 728	39 691 266
Current liabilities			
Trade and other payables	7	8 086 678	7 037 231
Total Liabilities		<u>34 382 406</u>	<u>46 728 497</u>
Net assets			
Accumulated surplus	16	218 468 453	226 949 003
Total Net Assets and Liabilities		<u>252 850 859</u>	<u>273 677 500</u>

Statement of Financial Performance as at 31 March 2023

	Notes	March 2023	March 2022
		R	R
Revenue			
Revenue from exchange transactions		8 562 458	5 158 492
Services facilities and equipment	8	3 635 201	1 431 395
Interest received		4 927 257	3 727 097
Revenue from non-exchange transactions		84 945 185	75 936 878
Grants	9	77 087 537	66 110 107
Donations and sponsorships (productions)		1 500 000	4 100 000
Services in kind	24	6 357 648	5 726 771
Total Revenue		93 507 643	81 095 370
Less : Expenditure		101 988 193	91 191 518
Cleaning		3 055 751	2 603 858
Depreciation & amortisation	10	7 688 686	9 086 315
Electricity		5 491 063	4 668 411
Employee related costs	11	36 899 430	35 528 904
General expenses	12	11 953 087	9 303 043
Maintenance expenditure	13	11 569 223	4 276 844
Production expenditure	14	14 299 828	15 572 699
Rates and taxes		6 357 648	5 726 771
Security costs		4 673 477	4 424 673
Deficit for the year	15	(8 480 550)	(10 096 148)

Statement of Changes in Net Assets for the year ended 31 March 2023

	Notes	March 2023	March 2022
		R	R
Opening accumulated surplus as previously reported		226 949 003	237 045 151
Deficit for the year		(8 480 550)	(10 096 148)
Closing accumulated surplus	16	<u>218 468 453</u>	<u>226 949 003</u>

Statement of Cash Flows for the year ended 31 March 2023

Cash flows from operating activities			
Cash receipts from grantors and clients		69 028 820	80 523 759
Cash paid to suppliers and employees		(87 053 011)	(76 750 535)
Cash (utilised) generated from operations	17	<u>(18 024 191)</u>	<u>3 773 224</u>
Interest received		4 927 257	3 727 098
Net cash from operating activities		<u>(13 096 934)</u>	<u>7 500 321</u>
Cash flows used in investing activities			
Additions to property, plant and equipment		(8 660 593)	(2 751 626)
Additions to intangibles		-	(429 106)
Proceeds on sale of property, plant and equipment		210 000	11 500
Net cash used in investing activities		<u>(8 450 593)</u>	<u>(3 169 232)</u>
Cash flows from financing activities			
Decrease in long term borrowings		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents		<u>(21 547 527)</u>	<u>4 331 090</u>
Cash and cash equivalents at beginning of year		91 895 819	87 564 729
Cash and cash equivalents at end of year	5	<u>70 348 292</u>	<u>91 895 819</u>

1. Accounting Policies

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

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

These accounting policies are consistent with the previous year.

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

GRAP 1 Presentation of financial statements
GRAP 2 Cash flow statements
GRAP 3 Accounting policies, changes in accounting estimates and errors
GRAP 4 The effects of changes in foreign exchange rates
GRAP 9 Revenue from exchange transactions
GRAP 12 Inventories
GRAP 13 Leases
GRAP 14 Events after the reporting date
GRAP 17 Property, plant and equipment
GRAP 19 Provisions, contingent liabilities and contingent asset
GRAP 20 Related Party Disclosure
GRAP 23 Revenue from Non-Exchange Transactions Taxes and Transfers
GRAP 24 Presentation of Budget Information
GRAP 25 Employee Benefits
GRAP 26 Impairment of Cash-generating Assets
GRAP 31 Intangible Assets
GRAP 103 Heritage Assets
GRAP 104 Financial Instruments
GRAP 108 Statutory Receivables
IFRIC 22 Foreign Currency Valuations and advance consideration

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

GRAP 5 Borrowings
GRAP 6 Consolidated financial statements and accounting for controlled entities
GRAP 7 Accounting for investments in associates
GRAP 8 Financial reporting of interests in joint ventures
GRAP 10 Financial reporting in Hyperinflationary Economies
GRAP 11 Construction Contracts
GRAP 16 Investment Property
GRAP 18 Segment Reporting
GRAP 21 Impairment of Non-cash-generating Assets
GRAP 27 Agriculture
GRAP 32 Service Concession Arrangements: Grantor
GRAP 34 Separate Financial Statements
GRAP 35 Consolidated Financial Statements
GRAP 36 Investments in Associates and Joint Ventures

GRAP 37 Joint Arrangements
 GRAP 38 Disclosure of Interest in Other Entities
 GRAP 100 Discontinued Operations
 GRAP 105 Transfers of Functions between Entities Under Common Control
 GRAP 106 Transfers of Functions between Entities not Under Common Control
 GRAP 107 Mergers
 GRAP 109 Accounting by Principals and Agents
 GRAP 110 Living and Non-living Resources
 IFRS 4 Insurance Contracts
 IFRS 6 Exploration for and Evaluation of Mineral Resources
 IAS 12 Income Taxes
 IFRIC 12 Service Concession Arrangements
 IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
 IFRIC 23 Uncertainty over income tax treatments
 SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
 SIC 29 Service Concession Arrangements – Disclosures
 IGRAP 17 Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset.
 IGRAP 18 Recognition and Derecognition of Land
 IGRAP 19 Liabilities to Pay Levies
 IGRAP 20 Accounting for Adjustments to Revenue
 Guideline Accounting for Arrangements Undertaken in terms of the National Housing Programme

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

	Effective Date
Guideline Accounting for Landfill Sites	TBC
Interpretations of the Standards of GRAP which are not yet effective but where early adoption is encouraged:	

	Effective Date
IGRAP 21 The Effect of Past Decisions on Materiality	TBC

The recognition and measurement principles in the above GRAP statements does not result in material differences in items presented and disclosed in the financial statements.

1.2. Use of estimates and judgements

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

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

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

Note 1.3 Property, plant and equipment
 Note 1.5 Intangible assets
 Note 1.13 Provisions

1.3. Property, plant and equipment

An Item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The useful life of the assets have been arrived at after careful consideration of all factors affecting The Playhouse Company. The useful life and depreciation method of assets is reassessed on an annual basis and any change in estimate is taken into account in the determination of remaining depreciation and amortisation charges. The residual value of property plant and equipment is zero as the assets are used for their entire economic life.

Where an asset is acquired by the public entity for no or nominal consideration (i.e. non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Assets are fair valued on the depreciated cost replacement method. Where an active market does not exist, the fair value of the item has been established by reference to other items with similar characteristics.

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

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

Buildings	: 50 Years
Motor Vehicles	: 5 to 17 Years
Office Furniture and Other Equipment	: 5 to 54 Years
Computer Equipment	: 3 to 18 Years
Stage	: 4 to 54 Years
Workshop Equipment	: 5 to 35 Years

Artworks are not depreciated and stage props, costumes and music and drama scripts are written off on acquisition.

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

1.4. Impairment

Non-financial assets

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

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

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

Reversals of impairment

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

1.5. Intangible Assets

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

Software : 2 to 19 Years

1.6. Heritage Assets

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

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

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

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

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

1.7. Inventories

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

1.8. Financial Instruments

Measurements

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

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Trade and other payables

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

Gains and losses on subsequent measurement

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

1.9. Retirement Benefit Plans

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

1.10. Revenue from Non-exchange Transactions

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

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

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

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

1.11. Revenue

Grants

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

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

Interest income

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

Box office and related income

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

Other income

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

1.12. Services in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and 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. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, only the nature and type of services in-kind received during the reporting period is disclosed.

1.13. Provisions

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

1.14. Cash and Cash Equivalents

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

1.15. Related Party

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

1.16. Commitments

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

1.17. Comparative Figures

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

1.18. Going Concern

The going concern basis has been adopted in preparing the financial statements. Management have no reason to believe that the company will not be a going concern in the foreseeable future, based on funding commitment from the Department of Sport, Arts and Culture, forecasts and available cash and finance resources.

The Playhouse Company has received a funding allocation in terms of the MTEF from the Department of Sport, Arts and Culture for the next 3 years.

1.19. Employee Benefit

1.19.1. Short-term Employee Benefit

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to salaries, wages and annual leave represents the amount which the entity has a present obligation to pay as a result of employees' service provided for at the reporting date. The provisions have been calculated at undiscounted amounts based on current salary rates.

1.19.2. Retirement Benefit Plans

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

1.20. Deferred Income

Liabilities are raised for money received from conditional grants. The revenue from these grants are deferred until such time that the conditions of the grant have been met. The grant liability decreases as the grant deferred revenue is realised.

1.21. Budgetary Information

The approved budget is prepared on a cash basis and presented by functional classification linked to performance outcome objectives, where possible. The approved budget covers the fiscal period from 1 April to 31 March. The financial statements and the budget are not on the same basis of accounting. The actual financial statement information is presented on a comparable basis to the budget information. The comparison and reconciliation between the statement of financial performance and the budget for the reporting period have been included in Statement of Comparison of Budget and Actual Amounts.

The net surplus per the statement of financial performance is reconciled to the budget surplus and the material differences, as determined by the materiality and significance framework, are explained in Statement of Comparison of Budget and Actual Amounts.

Notes to the Annual Financial Statements for the year ended 31 March 2023

	Notes	March 2023	March 2022
		R	R

2. Assets

2.1 Heritage Assets

	Land and Buildings	Artworks	Total
Carrying amount 1 April 2021	88 330 000	450 974	88 780 974
Gross carrying amount	88 330 000	450 974	88 780 974
Accumulated Impairment loss	-	-	-
Additions	3 292 405	-	3 292 405
Carrying amount 31 March 2022	91 622 405	450 974	92 073 379
Gross carrying amount	91 622 405	450 974	92 073 379
Accumulated Impairment loss	-	-	-
Additions	-	-	-
Carrying amount 31 March 2023	91 622 405	450 974	92 073 379
Gross carrying amount	91 622 405	450 974	92 073 379
Accumulated Impairment loss	-	-	-

Heritage assets comprises of land and buildings : Rem of portion 1 of ERF 10636 of Durban. The property was valued by eThekweni Municipality in May 2008.

Heritage assets were recognised for the first time in March 2011 in terms of GRAP 23 - Revenue from non exchanges transactions, taxes and transfers.

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

In terms of section 66 of the PFMA Act, The Playhouse Company may not use the immovable property, including the heritage assets as collateral.

No heritage assets are pledged as security.

2.2. Reconciliation of Carrying Value of Property, Plant and Equipment

	Motor vehicles	Maintenance Spares	Office furniture and other equipment	Computer equipment
	R	R	R	R
Carrying amount 1 April 2021	840 191	26 755	2 990 908	3 456 199
Gross carrying amount	4 440 020	26 755	14 624 361	7 418 908
Accumulated depreciation	(3 599 829)	-	(11 633 453)	(3 962 709)
WIP	-	-	-	-
Additions	-	-	298 524	76 955
Transfers	-	-	-	-
WIP	-	-	-	-
Depreciation	(464 809)	-	(1 098 007)	(1 386 773)
Depreciation write-back	342 357	-	285 698	298 472
Disposals	(2 166)	-	(54 932)	(22 671)
Cost	(44 155)	-	(939 342)	(429 073)
Accumulated depreciation	41 989	-	884 410	406 402
Carrying amount 31 March 2022	715 573	26 755	2 422 191	2 422 182
Gross carrying amount	4 395 865	26 755	13 983 543	7 066 790
Accumulated depreciation	(3 680 292)	-	(11 561 352)	(4 644 608)
WIP	-	-	-	-
Additions	-	-	928 526	692 244
Transfers	-	-	-	-
WIP	-	-	-	-
Depreciation	(431 697)	-	(1 028 513)	(1 279 376)
Depreciation write-back	554 130	-	417 851	540 052
Disposals	-	-	(26 051)	(22 260)
Cost	-	-	(270 934)	(198 542)
Accumulated depreciation	-	-	244 883	176 282
Carrying amount 31 March 2023	838 007	26 755	2 714 002	2 352 841
Gross carrying amount	4 395 865	26 755	14 641 135	7 560 492
Accumulated depreciation	(3 557 859)	-	(11 927 132)	(5 207 651)
WIP	-	-	-	-

Land and buildings comprise of:

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

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

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

Stage equipment	Workshop equipment	Capitalised leased assets (land and buildings)	Capitalised leased assets (office equip, and other fixtures)	Total
R	R	R	R	R
37 631 389	143 816	31 400 918	19 835 987	96 326 163
78 463 779	588 837	66 807 979	70 750 834	243 121 474
(40 832 390)	(445 021)	(35 407 061)	(53 253 066)	(149 133 529)
-	-	-	2 338 219	2 338 219
520 856	-	-	154 797	1 051 132
-	-	-	-	-
-	-	-	(1 591 912)	(1 591 912)
(6 534 695)	(55 515)	(3 280 466)	(6 439 874)	(19 260 140)
3 780 865	5 451	3 586 085	2 181 296	10 480 224
(30 206)	(1)	-	(35 259)	(145 235)
(1 221 200)	(868)	-	(290 169)	(2 924 807)
1 190 994	867	-	254 910	2 779 572
35 368 209	93 751	31 706 536	14 105 034	86 860 232
77 763 435	587 969	66 807 979	70 615 462	241 247 798
(42 395 226)	(494 218)	(35 101 442)	(67 256 735)	(155 133 873)
-	-	-	746 307	746 307
22 363	-	-	-	1 643 132
-	-	-	-	-
-	-	-	7 017 461	7 017 461
(6 179 570)	(50 932)	(3 280 466)	(6 057 180)	(18 307 734)
1 106 153	24 280	221 461	8 237 239	11 101 167
(23 459)	-	-	(2)	(71 772)
(1 232 751)	-	-	(21 374)	(1 723 601)
1 209 292	-	-	21 372	1 651 829
30 293 696	67 100	2 647 532	23 302 553	88 242 486
76 553 047	587 969	66 807 979	70 594 088	241 167 330
(46 259 351)	(520 869)	(38 160 447)	(55 055 303)	(160 688 612)
-	-	-	7 763 768	7 763 768

Work in progress amounting to R7 763 768 represents payments made towards the purchase and installation of the generator for the Mayville building (R854 555) and provisional payments made for the supply and installation of the new Opera and Drama theatre seats (R 6 909 213). The works are planned to be completed in the first quarter of the new financial year.

Maintenance expenditure amounted to R11,569,223 (2022 : R4 276 844) for external service providers.

Salaries for In-house maintenance staff amounted to R4,977,417 (2022 : R4,844,505).

No property, plant and equipment are pledged as security

2.3. Intangible assets

	Notes	Software	Total
		R	R
Carrying amount 1 April 2021		978 351	978 351
Gross carrying amount		2 678 827	2 678 827
Accumulated amortisation		(1 700 477)	(1 700 477)
Additions		429 106	429 106
Fair value adjustment		-	-
Impairment		-	-
Amortisation		(670 496)	(670 496)
Amortisation write-back		364 097	364 097
Disposals		(1 622)	(1 622)
Cost		(282 094)	(282 094)
Accumulated amortisation		280 471	280 471
Carrying amount 31 March 2022		1 099 434	1 099 434
Gross carrying amount		2 825 839	2 825 839
Accumulated amortisation		(1 726 405)	(1 726 405)
Additions		-	-
Amortisation		(591 520)	(591 520)
Amortisation write-back		109 401	109 401
Disposals		(18)	(18)
Cost		(50 177)	(50 177)
Accumulated amortisation		50 159	50 159
Carrying amount 31 March 2023		617 297	617 297
Gross carrying amount		2 775 662	2 775 662
Accumulated amortisation		(2 158 365)	(2 158 365)

Amortisation is included with depreciation.

	Notes	March 2023	March 2022
		R	R
2.4. Change in Estimate		11 210 568	10 844 321

Depreciation and amortisation write back

The Playhouse Company assesses the useful life of assets at the end of each reporting date. Where assets are fully depreciated since the preceding reporting date, the useful life of the assets is deemed to be extended by 3 years. The change in estimate results in a reduction in depreciation charge in the year of the write back. The change affects the future years resulting in an increase in depreciation over the next 3 years when the assets are in use.

	Notes	March 2023	March 2022
		R	R
3. Inventories			
Catering		54 028	36 184
Workshop		245 005	254 803
Wardrobe		94 022	94 022
General stores		176 325	161 983
		<u>569 380</u>	<u>546 992</u>
4. Trade and other receivables			
Trade receivables		457 058	494 805
Staff debtors		39 280	2 380
Other receivables		934 969	1 186 553
		<u>1 431 307</u>	<u>1 683 738</u>
Less: Debtors impairment		(431 282)	(482 094)
		<u>1 000 025</u>	<u>1 201 644</u>
<i>Analysis of trade and other receivables for reporting purposes:</i>			
90 days and over		431 282	486 523
60 days		-	-
30 days		43 100	11 627
Current		525 643	703 495
		<u>1 000 025</u>	<u>1 201 644</u>
4.1. Movement in the provision for impairment of debtors			
Balance at 1 April		482 094	521 116
Provision for debtors impairment		58 421	177 534
Receivables written off during the year as uncollectible			(47 444)
Unused amounts reversed		(109 232)	(169 112)
Unwinding of discount		-	-
Balance at 31 March		<u>431 282</u>	<u>482 094</u>
5. Cash and cash equivalents at end of year			
Cash available immediately		42 448 292	31 266 637
Investments - fixed deposits		27 900 000	60 629 182
Cash available in 30 days		3 500 000	3 000 000
Cash available in 60 days		3 500 000	3 000 000
Cash available in 90 days		20 900 000	54 629 182
		<u>70 348 292</u>	<u>91 895 819</u>

R274 966 and R30 360 are pledged as security for guarantees issued by FNB on behalf of The Playhouse Company for eThekweni Municipality and The Postmaster respectively. The guarantees will expire on 31 December 2025 and will not be renewed.

	Notes	March 2023	March 2022
		R	R
6. Deferred Income			
Liabilities are raised for money received from conditional grants. The revenue from these grants are deferred until such time that the conditions of the grant have been met. The grant liability decreases as the grant deferred revenue is realised.			
Grants - National Department of Sport, Arts and Culture			
Opening balance		39 691 266	30 666 213
Add : Amounts received		-	12 695 160
Less : Amounts utilised		(13 395 538)	(3 670 107)
: Amounts recognised as Income		(12 347 393)	(2 923 800)
: Amounts used to acquire assets		(1 048 145)	(746 307)
		26 295 728	39 691 266
7. Trade and other payables			
Trade payables		1 399 435	964 999
Other payables and accruals		2 232 196	1 829 742
Leave pay accrual		3 475 919	3 290 943
Bonus accrual		979 128	951 548
		8 086 678	7 037 231
8. Services facilities and equipment			
Hire of performance venues, costumes, sets, and mobile stage		1 893 559	495 559
Box office income		1 127 728	842 550
Rent received		58 149	45 246
Bar & other sales		149 903	-
Functions		99 200	27 860
Box office commission – external productions		78 675	-
Gains on sale of assets		210 000	11 500
Sundry revenue - admin, webticket commission		17 987	8 680
		3 635 201	1 431 395
9. Grants			
National Department of Sport, Arts and Culture (DSAC)		55 193 000	53 866 000
Special Capital Expenditure Grant - (DSAC)		13 395 537	3 670 107
KZN Department of Sport, Arts and Culture		8 499 000	8 574 000
		77 087 537	66 110 107

	Notes	March 2023	March 2022
		R	R
10. Depreciation & amortisation			
Depreciation of property, plant and equipment:		7 206 567	8 779 916
Motor vehicles		431 697	464 809
Office furniture and other equipment		1 028 514	1 098 007
Computer equipment		1 279 376	1 386 773
Stage equipment		6 179 570	6 534 695
Workshop equipment		50 932	55 515
Leased assets - land and buildings		3 280 466	3 280 466
Leased assets - equipment & other fixtures		6 057 180	6 439 874
		18 307 735	19 260 140
Depreciation write back		(11 101 167)	(10 480 224)
Amortisation		482 119	306 399
Intangible assets		591 520	670 496
Amortisation write back		(109 401)	(364 097)
		7 688 686	9 086 315
11. Employee related costs			
Salaries		26 638 180	25 908 620
Adhocs		2 085 121	1 664 763
Provident funds		3 655 020	3 595 833
Medical aid		713 121	777 269
UIF		154 821	156 337
Bonus (13th cheque)		2 123 002	2 149 221
Overtime		220 289	113 397
Leave		451 360	273 824
Housing subsidies		826 116	845 900
Long service awards		32 400	43 740
		36 899 430	35 528 904

	Notes	March 2023	March 2022
		R	R
12. General Expenses			
Audit fees		1 762 137	1 870 407
Bank charges		111 725	110 224
Conferences and delegations		218 641	160 374
Consulting fees		65 059	75 521
Consumables		918 398	609 232
Council - attendance		833 466	723 052
Council - travel		614 855	268 493
Fuel and oil		458 167	358 618
Health and Safety		947 403	437 914
Insurance		482 189	335 257
Legal expenses		84 691	-
License fees		599 429	386 966
Loss on sale of assets		71 791	146 858
Marketing and advertising		640 464	673 391
Other		561 621	411 567
Printing and stationery		351 342	297 376
IT Maintenance and support		1 178 374	972 782
Subscription & publication		164 463	58 138
Telephone cost		227 858	211 690
Training		313 403	311 104
Travel and subsistence - Foreign		149 782	-
Travel and subsistence - Local		308 270	218 292
Uniforms & overalls		278 181	204 211
Water		611 377	461 576
		<u>11 953 087</u>	<u>9 303 043</u>
13. Maintenance expenditure			
Buildings		10 489 597	3 904 734
Fire fighting equipment		101 110	7 130
Motor vehicles		259 072	139 965
Plant, machinery & equipment		679 244	222 385
General		40 200	2 630
		<u>11 569 223</u>	<u>4 276 844</u>

	Notes	March 2023	March 2022
		R	R
14. Production expenditure			
Productions and festivals		14 303 917	15 572 699
Administrative		10 511	21 553
Airfares and accommodation		1 048 783	642 304
Artist fees		9 852 023	12 248 916
Marketing and publicity		1 108 956	1 318 338
Materials		306 461	464 211
Equipment and venue hire		334 628	106 176
Royalty commission and licences		65 365	63 320
Subsistence and travel		1 477 190	707 881
Production contracts		100 000	-
Outside hirers		(4 447)	
Mobile stage		358	-
		<u>14 299 828</u>	<u>15 572 699</u>

15. Deficit for the year

The Deficit for the 2023 & 2022 year takes into account depreciation and the recognition of the capital income in terms of GRAP 23 - Revenue from Non-Exchange Transactions Taxes and Transfers.

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

The Playhouse Company has received the approval from National Treasury to retain the accumulated surplus for the reporting period 31 March 2022.

16. Reconciliation of statement of changes in net assets

Balance at 31 March	218 468 453	226 949 003
Made up as follows:		
GRAP 23 Government grant recognised on free use of land and building	141 900 000	141 900 000
Changes in net assets relating to operations	76 568 453	85 049 003

	Notes	March 2023	March 2022
		R	R
17. Reconciliation of cash (utilised) generated			
Deficit for the year		(8 480 550)	(10 096 148)
Adjusted for:			
Depreciation, amortisation and impairment		7 688 686	9 086 315
(Profit on disposal) Loss on disposal of property, plant and equipment		(138 209)	135 358
Interest received		(4 927 257)	(3 727 097)
Operating cash flows before working capital changes		(5 857 330)	(4 601 572)
Working capital changes		(12 166 862)	8 374 796
(Increase) Decrease in inventories		(22 389)	5 005
Decrease (Increase) in accounts receivable		201 619	(142 796)
Increase (Decrease) in accounts payable		1 049 447	(512 466)
(Decrease) Increase in deferred income		(13 395 539)	9 025 053
Cash (utilised) generated from operations		(18 024 191)	3 773 224

	Notes	March 2023	March 2022
		R	R

18. Financial Instruments

Overview

The Playhouse Company has exposure to the following risks from its use of financial instruments.

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

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

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

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

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

Credit risk

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

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

Trade and other receivables (note 4)	1 000 025	1 201 644
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Trade and other receivables

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

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

	Notes	March 2023	March 2022
		R	R

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

Truck hire - deposits or order numbers are received before the truck is hired out for cultural events.

Rental - Deposits are held from tenants.

Function venue hire - Deposits are received in advance.

Costume/props/wigs hire - fees are received before items are hired out.

Ticket sales - monies are received from sales at the door or through Webticket.

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

The calculation for the fair valuing of trade and other receivables is performed, however, the adjustment is not processed as the adjustment amount is not material.

Analysis of trade and other receivables for reporting purposes:

90 days and over	431 282	486 523
60 days	-	-
30 days	43 100	11 627
Current	525 643	703 495
	<u>1 000 025</u>	<u>1 201 644</u>

Investments

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

Guarantees

The Playhouse Company's policy is to provide financial guarantees only for specified services. The guarantees in issue were as follows:

eThekwini municipality for services - R274 966

The Postmaster for services - R30,360

The guarantees will expire on 31 December 2025 and will not be renewed.

Liquidity risk

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

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

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

The cash available at 31 March 2023 was R70 348 292 (2022 - R91 895 819).

Market risk

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

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

Currency risk

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. The Playhouse Company is exposed to foreign exchange risk through its import of capital equipment. The currency in which these transactions are primarily denominated is EUR. The Playhouse Company's risk management policy is not to take out forward exchange contracts.

Interest rate risk

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

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

Profile

2023			2022	
	Int Rate %	Carrying amount	Int Rate %	Carrying amount
Variable rate instrument				
FNB - 120 days	8,07	3 500 000	4,31	16 695 160
Investec - 120 day fixed	-	-	3,76	2 359 900
Nedbank - 90 Day fixed	7,75	2 500 000		-
Nedbank - 120 day fixed	7,95	7 000 000	4,27	24 551 502
ABSA - 90 Day fixed	8,01	3 500 000		-
Standard Bank - 120 day	8,41	11 400 000	4,34	17 022 620
		27 900 000		60 629 182

At 31 March 2023, if interest rates at that date had been 100 basis points higher or lower, with all other variables held constant, profits would have increased or decreased by R279,000

At 31 March 2023, the carrying amounts of cash and cash equivalents, trade receivables and trade and other payables approximate their fair values due to their short term maturities. Trade receivables and payables will mature within 30 to 60 days.

Fair values

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

19. Tax exemption

The Playhouse Company is exempt from taxation in terms Section 10 (1)(cA)(I) of the Income Tax Act.

	Notes	March 2023	March 2022
		R	R
20. Key management and council			
Key management			
L Bukhosini - (Chief executive and artistic director)		2 530 583	2 377 090
Salary		2 012 695	1 889 662
Bonus		167 708	157 472
Pension, med-aid contributions		332 061	311 660
Other (S&T, cell phone allowance, etc.)		18 119	18 296
A Mohanparasadh - (Chief financial officer)		1 732 069	1 625 115
Salary		1 559 073	1 463 726
Bonus		129 906	121 977
Pension, Med-aid Contributions		18 072	18 072
Other (S&T, cell phone allowance)		25 018	21 339
S Bilimonga - (Facilities manager)		1 414 388	1 414 529
Salary		1 104 588	1 087 973
Bonus		92 032	86 415
Pension, med-aid contributions		196 128	192 350
Other (S&T, cell phone allowance, leave pay, etc.)		21 640	47 791
Total senior managers		5 677 040	5 416 734
Members of council and subcommittees		790 811	697 552
K Kunene - Chairperson of council - Jan 2021		165 636	124 419
DL Ngema - Deputy Chair of council - Jan 2021		96 778	82 219
C Jugnarayan*		-	104 057
TC Mngadi		75 390	76 907
JA Litheko*		-	45 230
MJ Ralefatane		71 694	73 892
N Mchunu*		-	34 047
R Govender		45 610	50 518
SE Dlamini		78 413	55 744
SPT Dlamini		54 671	50 518
F Dantile		8 869	-
IS Mkhize		10 770	-
MJ Ndlovu*		48 406	-
Z Koyana*		41 208	-
BW Ngubane*		93 366	-
Total emoluments		6 467 851	6 114 286

* External independent non executive member of the Audit and Governance Committee.

21. Retirement Benefits

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

The contribution to the provident funds R3,655,020 (2022: 3,595,833) and is included in staff cost.

22. Related parties

22.1 National Department of Sport, Arts and Culture.

The Playhouse Company is an agency of The National Department of Sport, Arts & Culture. DSAC provides The Playhouse Company with an operational grant and funding for capital projects. DSAC provides production funding on an ad hoc basis as and when funding applications are made which is then recognised as sponsorship income.

Operational grants received for the financial year amounted to R55,193,000 (2022: R53,866,000) and for the year ending 2023/24 will amount to R55,405,000.

Capital grants of R0 (2022: R12,695,160) was received for the financial year, is recorded as deferred income. R0 will be received for 2023/24.

An amount of R1,500,000 (2022: R2,500,000) was recorded as sponsorship for the incubator projects. An amount of R1,500,000 was recorded as sponsorship for the production concluded in terms of an interdepartment agreement in 2023.

22.2. KZN Department of Sport, Arts and Culture

KZNSAC provides production funding to The Playhouse Company on an annual basis. A memorandum of agreement is entered into annually.

Grant received for the financial year amounted to R 8,499,000 (2022: R8,574,000) and for the year ended 2023/24 will amount to R 7,000,000.

22.3. Department of Public Works

The Department of Public Works is the legal owner of land and buildings occupied by The Playhouse Company through the National Department of Sport, Arts & Culture. The Department of Public Works pays the rates for the buildings occupied by The Playhouse Company. The Playhouse Company leases the property at no charge. The Department paid for rates for the year as follows: R6,357,648 (2022: R5,726,771).

22.4. Member of the same economic entity: Department of Sport, Arts and Culture

The Playhouse Company is a Schedule 3A public entity that reports to the Department of Sport, Arts and Culture (DSAC). DSAC has 26 public entities reporting to it and their details appear on the DSAC website (www.dsac.gov.za).

22.5. Kwazulu Natal Philharmonic Orchestra (KZNPO)

On 1 April 1998, The Playhouse Company reduced its operational size in line with the principles contained in the Department of Arts, Culture, Science & Technology White Paper. The restructuring exercise was driven by two main objectives: to eliminate the budgeted deficit and to implement strategies to avoid future deficit scenarios. The KZNPO was one of the artistic companies of the Playhouse Company during this period. One of the ways of reducing the expenditure was by registering the KZNPO as a non-profit independent Section 21 Association Not for Gain Entity. As a result of this transformation, the two organisations agreed to enter into a mutual benefit relationship.

A Memorandum of Agreement exists between The Playhouse Company and KZNPO. This agreement included the following:

- a) Occupying a portion of The Playhouse Company's administration building.
- b) As part of the restructuring process in 1999 assets (orchestral equipment, scripts and scores with an original cost of R328 739 were transferred to the KZNPO at a nil value.
- c) The Playhouse Company receives a discounted rate for the artistic services offered by KZNPO to The Playhouse Company.

The Playhouse Company engaged the services of KZNPO for various productions in a professional and mutually beneficial relations for the delivery of services according to the mandate of each institution.

	Notes	March 2023	March 2022
		R	R
Payments by The Playhouse Company to KZNPO for artistic services		880 784	1 889 662
Payments by KZNPO to The Playhouse Company		492 513	157 472

The KZNPO is the only professional orchestra in Kwa-Zulu Natal to render such services. It is cost effective to utilise a locally established entity thus eliminating unnecessary exorbitant transport and accommodation costs.

The Chief Executive Officer of the KZNPO is married to the Chief Executive Officer of The Playhouse Company.

22.6. Council

The Council was appointed by the Minister of Arts and Culture to oversee and ensure good corporate governance. Council has various subcommittees such as Arts and Fundraising, Finance, Audit and Governance, Human Resources and Remuneration Committees that guide and assist management which is appointed by Council. Refer note 20 - compensation.

22.7 Key personnel

Chief Executive and Artistic director - Lynda Bukhosini
 Chief financial officer - Amar Mohanparasadh
 Facilities Manager - Selemani Bilimonga
 Refer note 20 - Compensation

23. Subsequent events

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

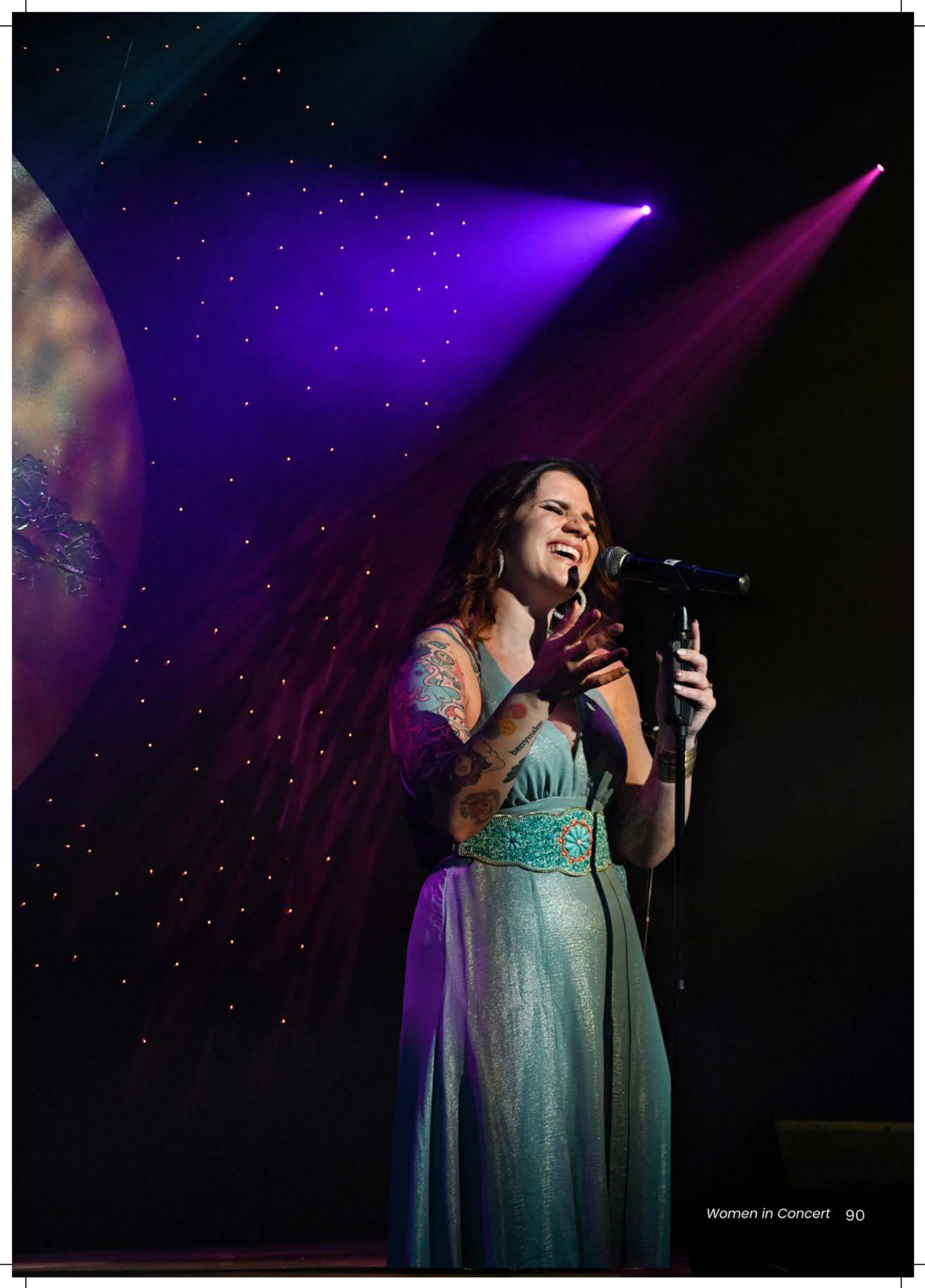
24. Irregular, fruitless or wasteful expenditure

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

25. Services in-kind

The Company received services in-kind that were significant to the company's operations and/or service delivery objectives. Services in-kind related to rates and taxes paid by the Department of Public Works KZN have been recognised in the annual financial statements.

Rates and taxes paid by the Department of Public Works KZN	6 357 648	5 726 771
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	Notes	March 2023	March 2022
		R	R
26. Commitments			
At the balance sheet date The Playhouse Company had the following outstanding capital/service commitments:			
Theatre seats - tender awarded		11 963 403	
Theatre seats - capital commitments outstanding at year-end		5 054 189	
Digitisation - tender awarded		811 013	
Theatre seats - capital commitments outstanding at year-end		811 013	

27. Contingent liability

National Treasury Instruction No. 12 of 2020-2021 on Retention of Surpluses states that public entities listed in Schedules 3A and 3C to the PFMA must, through their designated departments, surrender for re-depositing into the relevant Revenue Fund, all surpluses that were realised in a particular financial year – (a) which were not approved for retention by the relevant Treasury in terms of section 53(3) of the PFMA; or (b) where no application was made to the relevant Treasury to accumulate the surplus in terms of section 53(3) of the PFMA.

The Playhouse Company submitted the applications timeously in the prior years and National Treasury always granted approval to the entity to retain the surplus funds.

The Covid 19 pandemic has posed a great financial constraint to the fiscus and National Treasury may be more stringent in their treatment of applications to retain surplus funds in the current year. Whilst the possibility of an outflow of resources embodying economic benefits or service potential is remote, The Playhouse Company may be affected by the more stringent requirements imposed by National Treasury. However, The Playhouse Company is unable to make a reliable estimate of the possible contingent liability.

28. Reconciliation between budget and statement of financial performance

	Notes	March 2023	March 2022
		R	R
Net deficit per the statement of financial performance		(8 480 550)	(10 096 148)
Adjusted for:			
Increase in capital works grant from DSAC		(7 395 537)	9 025 053
Decrease in grant received		(0)	0
Increase in sponsorship for the staging of productions		-	(2 800 000)
Increase in production income		(987 992)	(1 282 710)
Increase in liquor bar and sundry income		(448 041)	(64 392)
Increase in finance income		(327 257)	(127 097)
Increase (Decrease) in production expenditure		(546 173)	698 699
Decrease in compensation to employees as certain positions not filled		(1 131 050)	(2 002 053)
Increase (Decrease) Increase in consumables, electricity and cleaning		644 067	462 886
Increase (Decrease) in council expenses		61 918	197 396
(Decrease) Increase in telephone expenses		(45 688)	(25 321)
Increase (Decrease) in repairs and maintenance		(1 005 073)	1 056 870
Decrease in other operating expenses		(15 047)	(794 793)
Depreciation		7 688 686	9 086 314
Capital expenditure budgeted but not processed to statement of financial performance		(19 442 000)	(51 449 186)
Net deficit per approved budget (including capex)		(31 429 737)	(48 114 482)

29.1. Reconciliation between budget and statement of financial performance - operating expenditure

STATEMENT OF FINANCIAL PERFORMANCE - ACTUAL VERSUS BUDGET

	2023 ACTUAL	2023 ORIGINAL BUDGET	2023 REVISED BUDGET	2023 VARIANCE	2023 VARIANCE
	R	R	R	R	%
REVENUE	88 580 386	82 196 928	73 391 167	15 189 219	
Grants	77 087 537	77 231 420	69 692 000	7 395 537	11%
Production income	1 127 728	3 516 346	699 691	428 037	61%
Donations and sponsorships	1 500 000	-	1 500 000	-	0%
Rent received	58 149	21 628	67 789	(9 640)	-14%
Hire of performance venues, costumes and sets	1 893 559	984 872	1 333 604	559 955	42%
Box office commission - external productions	78 675	433 951	83 951	(5 276)	-6%
Bar and other sales	149 903	0	0	149 903	100%
Services in kind	6 357 648			6 357 648	100%
Sundry income	327 187	8 711	14 132	313 055	2215%
EXPENDITURE	101 988 193	84 438 698	89 978 900	12 009 293	
Production expenditure	14 299 826	16 345 999	14 845 999	(546 173)	-4%
Employee related costs	36 899 431	42 079 676	38 030 481	(1 131 050)	-3%
Annual report	93 150	59 317	59 317	33 833	57%
Auditors fees external	982 124	1 254 297	1 254 297	(272 173)	-22%
Auditors fees internal	780 013	972 558	872 558	(92 545)	-11%
Council related expenses	1 523 349	890 985	1 461 431	61 918	4%
Cleaning and sanitation	2 922 014	2 522 326	2 962 938	(40 924)	-1%
Consumables	894 330	818 548	868 547	25 783	3%
Electricity	5 491 063	4 323 000	4 872 779	618 284	13%
Security	4 673 478	4 813 822	4 813 822	(140 344)	-3%
Insurance	482 189	452 648	452 648	29 541	7%
Legal expenses	84 691	91 164	41 164	43 527	106%
Marketing	635 774	627 854	627 854	7 920	1%
Rates & taxes	6 357 648	-	-	6 357 648	100%
Repairs & maintenance	11 569 223	3 483 487	12 574 296	(1 005 073)	-8%
Telephone	227 858	273 047	273 546	(45 688)	-17%
Training	313 403	374 500	332 650	(19 247)	-6%
Travel - local and overseas	307 507	82 293	282 293	25 214	9%
Water	611 376	579 229	579 229	32 147	6%
Depreciation	7 688 686	-	-	7 688 686	100%
General expenses	5 151 060	4 393 948	4 773 051	378 009	8%
Deficit from operations	13 407 807	(2 241 770)	(16 587 733)	3 179 926	
Interest received	4 927 257	3 600 000	4 600 000	327 257	7%
Deficit for the year	(8 480 550)	1 358 230	(11 987 733)	3 507 183	

Changes from the approved budget to the final budget

Some capital income funding requests were deferred to the outer years due to a restriction in the availability of capital grant funding from DSAC.

Explanation of significant variance

A conditional capital grant was received in March 2022 and was recognised as deferred income. The capital grant was utilised in the current year and has been recognised in terms of GRAP 23. The capital grant was transferred from deferred income to the statement of financial performance.

Following the relaxation of the Covid 19 regulations, additional productions were presented to create gainful employment for artists and arts companies.

N/a

Following the relaxation of the COVID 19 regulations, the budget was increased to make provision for the return of tenants, however, this did not materialise as planned.

Due to COVID-19 regulations being relaxed clients resumed with booking venues for events

Due to COVID-19 regulations being relaxed the bar facilities were opened to the public

Services in kind as disclosed in note 24.

Due to COVID-19 regulations being relaxed the functions venue hire increased and revenue was generated from the sale of the theatre seats

N/a

N/a

The original budget catered for printing and design costs. No provision was made for translation costs into the 2 indigenous languages

As a result of the Covid 19 regulations, the auditor general amended their method of performing audits by working remotely, where possible. This resulted in cost savings.

Some internal audit work was completed in the new financial year and will be paid accordingly.

N/a

N/a

N/a

Due to covid 19 regulations being relaxed more productions were presented on stage and this contributed to the additional electricity cost.

- Load shedding was more frequent and the electricity was switched over to the generators
- Provision was made for any increase in the tariff from the Municipality.

New assets were acquired during the year and this resulted in additional insurance costs.

As a result of the Covid 19 pandemic regulations, contracts had to be reviewed to cater for new legal requirements and amendments.

N/a

Services in kind as disclosed in note 24.

Some repairs and maintenance work commenced before year end and rolled over into the new financial year. Payments will be made once hand over certificates are received.

Cost saving measures implemented resulted in staff using the telephones economically.

Savings arose due to favourable rates negotiated with service providers

Due to COVID-19 regulations being relaxed, in person meetings resumed and thus local and overseas travel resumed.

Water is budgeted in line with usage of venues during productions on stages and rehearsals venues. As a result of an increase in usage of venues, the water costs increased.

Non cash flow item not budgeted for annually.

The Covid 19 pandemic regulations required entities to relook at their mode and form of communication. This resulted in additional costs for IT and software licences for virtual meeting facilities.

Funds invested optimally to generate maximum interest returns.

The changes between the approved and final budget are a consequence of roll overs and reallocations within the approved budget parameters.

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

FIXED ASSET ADDITIONS - ACTUAL VERSUS BUDGET

	2023 ACTUAL	2023 ORIGINAL BUDGET	2023 REVISED BUDGET	2023 VARIANCE	2023 VARIANCE	
Office equipment	928 526	300 000	580 000	348 526	60%	The office equipment bought for the CCTV upgrade was funded by the facilities management grant which is included in the buildings budget.
Computer equipment	692 244	225 000	225 000	467 244	208%	The computer equipment bought for the CCTV upgrade was funded by the facilities management grant which is included in the buildings budget.
Transport	-	-	600 000	(600 000)	-100%	A budget was set aside for the purchase of 2 vehicles. However, due to the high cost of the vehicles, it was decided to purchase only one vehicle with the budget available. This has been deferred to the new financial year 2023-24
Stage equipment	22 363	200 000	200 000	(177 637)	-89%	Some savings were realised due to minor upgrades in the 4th floor boardroom being funded from the Facilities Management grant allocation.
Buildings	7 017 461	13 889 420	17 837 000	(10 819 539)	-61%	<ul style="list-style-type: none"> • Opera and Drama theatre seat replacement: the project commenced in January 2023 and installation finalised in May 2023. There was a balance of R5m outstanding at year end. • Buildings Decontamination: the project arising from the Covid 19 pandemic to the value of R 1.3 million will be spent as and when costs are incurred to disinfect the buildings. This is an ongoing item. • Facilities Management (FM): An accelerated plan to spend the backlog grant was created and implemented in February 2023. Some work commenced at the end of the financial year and payments will be made in the new financial year.
Total	8 660 593	14 614 420	19 442 000	(10 781 407)	-55%	






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