



The
Playhouse
Company

an agency of the
Department of Sport, Arts & Culture

Annual Report 2020/21





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Part A: General Information

1. Public Entity's General Information

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

2. List of Abbreviations/Acronyms

CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts and Culture
PFMA	Public Finance Management Act
MTEF	Medium-Term Expenditure Framework
SAWAF	South African Women's Arts Festival
SCM	Supply Chain Management

3. Strategic Overview

3.1. Vision

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

3.2. 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;
- 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.

3.3. 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 behaviour 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 Organisation 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.

4. 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.

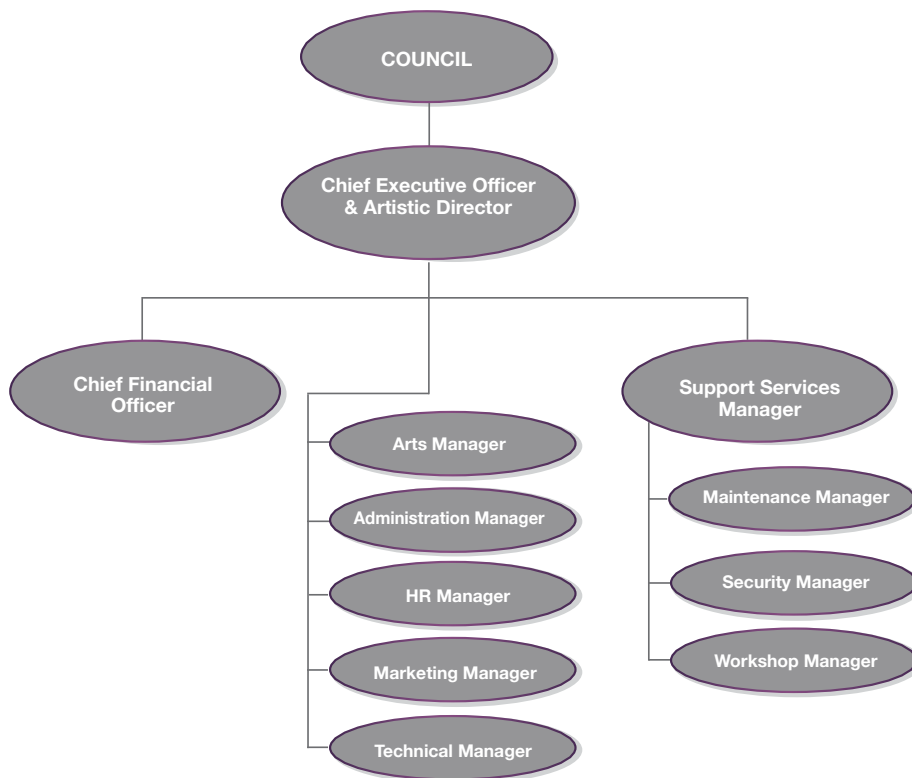


Members of Council

09 December 2020 – 08 December 2023

*Front row: Mr Dumisani Ngema (Deputy Chairperson), Ms Khwezi Kunene (Chairperson), Ms Linda Bukhosini (CEO & Artistic Director)
 Back row: Ms Tholakele Dlamini, Dr Rajendran Govender, Mr Scelo Dlamini, Ms Thandeka Mngadi, Adv Motlatjo Ralefatane*

5. Organisational Structure



6. Foreword by the Chairperson

I am delighted and honored to present our 2020/2021 Annual Report, which is characterised by excellence in our results, underpinned with a culture of disciplined execution. We have managed to achieve our mandate in accordance with our strategic objectives and humbled by the impact our contributions have made in society. At a time of global uncertainty greatly attributed to Covid-19 and restrictions thereof, our focus remained resolute in our vision to 'inspire and cultivate artistic excellence and cultural diversity in performing arts'. It is well said that 'for every dark cloud, there is a silver lining' and with that, even the worst events or situations can bring some positivity and windows of opportunity.

We have staged and presented exceptional productions like *Ladysmith Black Mambazo & Mbuso Khoza & Afrikan Heritage Ensemble*; *Cape Town City Ballet - Back on Stage*; *The Broadway Review*, to mention a few. Great efforts and steps were implored to ensure that our artists and venues were safe for all our patrons.

Covid-19 restrictions meant a decrease in our physical audience attendance numbers, with patrons coming into the Playhouse theatres to view performances substantially limited. However, this opened the opportunity to showcase our performances on social media platforms thus exponentially increasing our audience numbers. We celebrate this achievement with great enthusiasm and look forward to presenting our performances with a hybrid approach.

All this would never have been possible without the exceptional leadership of the Council and the resilience and extreme dedication from our Management team. We have managed to 'keep the lights burning' with the much-appreciated support from the Department of Sports, Arts and Culture and our Provincial & Local Government.

By growing and sustaining a financially strong and responsible entity over the long-term, guided by a clear purpose. We can make a positive and significant impact not just to our Executive Shareholder and our employees, but to the artistic community and society at large. We look forward to strengthening and building new sponsorships and increasing our fundraising efforts with a focus on financial sustainability.



Finally, I would like to honour and salute the exceptional contributions made by both the late iSilo Samabandla, His Majesty King Goodwill Zwelithini kaBhekuzulu and Her Royal Highness Queen Mantfombi Dlamini Zulu for moulding and preserving our Zulu heritage with a drive and focus on social cohesion. May their legacy be a driver in our pursuit of inclusivity and unity for all South Africans.

A handwritten signature in black ink, enclosed in a simple oval shape.

Ms Khwezi Kunene
Council Chairperson



7. Chief Executive Officer's Overview

The Playhouse Company and the global arts community faced enormous challenges imposed by the COVID-19 pandemic during the year under review. Many lost their loved ones while others painstakingly battled the infections amidst the realities of taking care of their daily needs and those of their families. We thank God Who sees us through such challenges.

Despite this The Playhouse continued to uphold good governance practises. Under very strict observation of health and safety protocols, the show went on, as we staged various productions that gave seriously needed employment opportunities to arts practitioners. We ensured that the safety, maintenance and upgrades of our theatres was not neglected for the ease and comfort of our staff, our artists and our valued audiences.

The Playhouse's arts programming was amended in order to comply with the Minister of Sport, Arts and Culture Directives issued in terms of Regulation 4 (10) of the Regulations made under Section 27 (2) of the Disaster Management Act. Despite all the above set-backs posed by the pandemic disruptions The Playhouse staff, management and Council courageously dedicated themselves to their duties and responsibilities. A remarkable body of diverse productions and related events continued on our stages. Dance, music, drama productions and community conversation platforms continued to be used as vehicles for much needed relief and social interaction, thus fostering understanding and encouraging critical discussions on important



Ladysmith Black Mambazo in concert

issues that affect our society. This is Nation Building and Social Cohesion at work. In addition, working closely with the KwaZulu-Natal Department of Sport, Arts and Culture and various Municipal Districts our Arts Training and Development programmes reached various rural communities of our province.

The Playhouse Company expresses Gratitude to all our stakeholders for what was accomplished during such unprecedented challenges.

144
PRODUCTIONS

160
PERFORMANCES

2 564
ARTISTS

178 625
AUDIENCE





Dr Gcina Mhlophe

In-house Productions

Season	Artists
Sundowner Concerts & Poetry	59
Test Driving the Arts Concerts	57
Community Conversation Platforms	129
South African Women's Arts Festival	33
Indigenous Arts Performance	54
Okwethu Community Arts Festivals	404
Community Arts Mentorship Programme	12
School Season	21
Festive Season	36
Total	805

Gcina Mhlophe's I Dream A River

Featuring: Dr Gcina Mhlophe

Test Driving the Arts

Featuring:

- Izintuthane
- Amazing Grace
- African Numbers
- Gee General
- Champions

Sundowner Concerts & Poetry

Featuring:

- George Mari
- Soothing Sounds
- Natalie Rungan
- Kerry Cherry
- Izintombi Zetheku
- Sheilla Khumalo & Friends
- Philani Ngidi's Jazz Band
- Nicky Shange
- Poets:
 - Xoli Vilakazi
 - Nkululeko "Page" Ngwenya
 - Nhlanhla Mhlongo
 - Simo Buthelezi
 - Ndosini Magaye
 - Sindiswa Zulu "Lady Afrika"
 - Lethu Nkwanyana
 - Minenhle Mthembu

Haydn's The Creation

Director: Ralph Lawson

Conductor: Jeremy Silver

Featuring:

- Zandile Mzazi
- Wayne Mkhize
- Conroy Scott
- KwaZulu-Natal Philharmonic Orchestra
- The Playhouse Choral



Madosini

William Shakespear's Romeo and Juliet

Director: Menzi Mkhwane

Featuring:

- Nomthandazo Shandu
- Sipiwe Gift Shoji
- Zandi Hanxa
- Ayanda Nxumalo

The Heritage Concert

Director: Ralph Lawson

Featuring:

- Madosini
- Mbuso Khoza & Afrikan Heritage Ensemble
- Phuzekhemisi
- Xolisa Dlamini
- Thee Legacy
- Young Mbazo



Community Conversations

Gender Based Violence: Femicide

Featuring:

- Nick Nzama
- Roshni Inderh
- Ndileka Yvonne Buwa
- Bongani Mahlangu

Covid-19 Impact on the Performing Arts Industry

Featuring:

- Joy Mbewana
- Mondli Ngcobo
- Thokozani “Tzozo” Zulu
- Mbusi “DJ Sox” Sokhela
- Nompilo Maphumulo

Gender based Violence: 16 Days of Activism

Featuring:

- Bhekisisa Thabethe
- Ndileka Buwa
- Sithabile Gigaba
- Sgwili Zuma

Indigenous Knowledge Systems

Featuring:

- Howard Msomi
- Prof. Nceba Gqaleni
- Zintle Mbili
- Gugu Goba



Manhood & Fatherhood

Featuring:

- Howard Msomi
- Bukokwakhe Masango
- Bheki Mlita
- Bhekokuhle Dlamini

Asifundisane – Teach them Now

Featuring:

- Lu Dlamini
- Madala Kunene
- Marius Botha
- Vishen Kemraj
- David Jenkins



Ingcwenga Cultural & Creative Arts Empowerment

Featuring:

- Thokozani “Tzozo” Zulu
- Howard Msomi
- Themba Luthuli
- Edmund Mhlongo
- Indlovukazi Mapule Ngobese
- Pastor Andile ka Majola
- Joy Mbewana
- Noma Khumalo

iThemba

Choreographer: Sandile Mkhize

Featuring:

- Leagan Peffer
- Nkanyiso Kunene
- Mboneleli Mdleleni
- Nqubeko Ngema



Corona Fighting Heroes

Featuring:

- Menzi Mkhwane
- Noluthando Ngcobo





Broadway Revue

Director: Ralph Lawson

Choreographer: Sandile Mkhize

Featuring:

- Lisa Bobbert
- Arron McIlroy
- Marion Loudon
- Thabile Mtshali
- Tshepo Ncokoane
- Haylea Heyns
- Nkanyiso Kunene
- Leagan Pepper
- Lyle Buxton

Last Supper

Director: Themba Luthuli

Featuring:

- Siza Mthembu
- Thobeka Tenza
- Ayanda Nxumalo







Simphiwe Shembe

Stand Up Comedy

Featuring:

- Simphiwe Shembe
- Carvin Goldstone
- Nonto R

Indigenous Music Concert

Featuring:

- Madala Kunene
- Ntombiza Ntshaba-Sithole
- Lu Dlamini

Last Supper

Director: Themba Luthuli

Featuring:

- Siza Mthembu
- Thobeka Tenza
- Ayanda Nxumalo

Year 2042 After the Last World War

Director: Sphiwe Xulu

Featuring:

- Sibongiseni Phakathi
- Lindani Buthelezi
- Sindisiwe Thwala
- Phelelani Mzimela
- Simukelisiwe Ximba

All Gone

Director: Madoda Ncayiyane

Featuring:

- Thami Skhosana



Mbuso Khoza

Cape Town City Ballet Back on Stage

Choreographer: George Balanchine

Conductor: Lykele Temmingh

Featuring:

- Cape Town City Ballet Dancers
- KwaZulu-Natal Philharmonic Orchestra







George Mari in action

Okwethu Community Arts Festival

Zululand District Municipality (Indonsa Arts Centre)

Programme Director: Jerry Pooe
Programme Director: Howard Msomi
Mentor: Xolisa Dlamini
Mentor: Siyabonga Malembe
Mentor: Themba Luthuli
Featuring:

- Mighty Rooted
- Showkillers
- UJobzini
- Amasoka

Ndwedwe District Municipality

Mentor: Themba Luthuli
Featuring:

- Simphiwe Shembe
- Tzozo Zulu
- Xoli Vilakazi
- Andile Mhlongo
- Mfiliseni Magubane

eThekwini Municipality (Kwamashu)

Featuring:

- Eugene Mpulo
- Noma Khumalo
- Thando Nyameni
- Sonwabile Gxabana
- Zakwe
- DJ Sox
- Tzozo Zulu

eThekwini Municipality (KwaNdengezi)

Featuring:

- Thabiso Mbambo
- Nombuso Msomi
- Phumla N. Ngubane
- Diadla Mshunqisi
- Thandeka Mvelase
- Topsy
- Babes wodumo
- Mampintsa

uMkhanyakude District Municipality (Bazaneni Hall)

Programme Director: Jerry Pooe
Programme Director: Joy Mbewana
Mentor: Xolisa Dlamini
Mentor: Zenzele Masondo
Mentor: Themba Luthuli
Featuring:

- Thandeka Sithole
- SeaNando
- Leeh Zungu
- Amathole ka-B
- KwaGogo Studio Productions

eThekwini Municipality (The Playhouse Company)

Featuring:

- Tzozo Zulu
- Leh Ngobese
- Mxolisi Mthembu
- Phumla N. Ngubane
- Thabiso Mbambo
- Nombuso Msomi

eThekwini Municipality (Wushwini Arts Centre)

Programme Director: Jerry Pooe
Mentor: Bongumusa Shabalala
Mentor: Themba Luthuli
Mentor: Kholwa Bhengu
Mentor: Xolisa Dlamini
Featuring:

- Zethu Phoswa
- Buhle Nkomo
- Smanga Zungu
- Ngcolosi Home Boys
- KZN Story Tellers
- NARYSEC
- Mancushe
- Matshitsh'anolwazi Ngema

Okwethu Community Arts Festival



The Playhouse CEO seen above with Inkosi Mangosuthu Buthelezi, Hon. SC Nkosi, Hon. MEC HGS Mavimbela, and Hon. VF Hlabisa at Zululand and Umkhanyakude District Municipalities.





Community Arts Mentorship Programme Awards Ceremony



Okwethu Community Arts Festival



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

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

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

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

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

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity. The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

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

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

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2021.



Ms Linda Bukhosini
Chief Executive Officer and Artistic Director
Date: 30 July 2021



Ms Khwezi Kunene
Council Chairperson
Date: 30 July 2021

Part B: Performance Information

1. Statement of Responsibility for Performance Information for the year ended 31 March 2021

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	27		
Annual performance targets achieved	20 (74%)		
Annual performance targets not achieved/ partially achieved	7 (26%)	<ul style="list-style-type: none"> i. Planned maintenance and repairs were carried out according to plan. However, due to disruptions brought about by the COVID 19 pandemic, our theatres, workshop, wardrobe and fleet were used minimally. Emergency and unplanned repairs and maintenance were automatically drastically reduced. This resulted in savings on the budget that was originally earmarked for these functions. ii. No productions were presented in quarter one as a result of Covid-19 lockdown. From quarter two onwards there were limitations and restrictions on the number of people attending public gatherings which affected artists involved in staged productions directly, the employment of youth artists and paying audiences. 	<ul style="list-style-type: none"> i. No interventions envisaged as unplanned maintenance is determined by the usage of the venues and when the Covid 19 pandemic is over, the unplanned maintenance will return to normal ii. Pending the relaxing of lockdown restrictions it is intended to present the postponed productions in the new financial year.

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 2021.

The Playhouse Company performance information for the year ended 31 March 2021 has been examined by the external auditors and their report is presented on pages 51 to 53.

The performance information of The Playhouse Company set out on pages 27 to 38 were approved by the Board.



Ms Linda Bukhosini
Chief Executive Officer & Artistic Director

2. Auditor's Report: Predetermined Objectives

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

Refer to page 51 for the Auditor's Report, published as Part E: Financial Information.

3. Situational Analysis

3.1 Service delivery environment

The Covid 19 pandemic resulted in various lock level restrictions from March 2020 to current. Management developed a revised Annual Performance Plan in July 2020 in line with Department: Planning, Monitoring and Evaluation Circular Number 2 of 2020: Revision and Re-Tabling of the 2020/2025 Strategic Plans and 2020/21 Annual Performance Plans to respond to the COVID-19 pandemic and special adjustment budget issued on 20 May 2020. The Playhouse Company was imposed budget cuts in operation and capital grant allocations from the National Department of Sport, Arts and Culture whilst similar grant cuts were imposed by the Provincial department of Sport, Arts and Culture in KwaZulu-Natal. The Playhouse Company was forced to adjust the production expenditure and consequently revise the arts plan. The revised Annual Performance Plan and budgets were tabled and approved by Council in July 2020.

3.2 Organisational environment

The Playhouse Company was imposed budget cuts in operation and capital grant allocations from the National Department of Sport, Arts and Culture whilst similar grant cuts were imposed by the Provincial department of Sport, Arts and Culture in KwaZulu-Natal. The Playhouse Company amended the artistic plan to cater for the restrictions on gatherings imposed by the various COVID-19 regulations. Despite this challenge The Playhouse Company managed to create work for artists who were hardest affected by the lock down regulations. 2 564 artists received gainful employment whilst 1 799 of these artists were youth who benefited from productions presented by The Playhouse Company. In line with the Ministers of Sport, Arts and Culture's directive to make the theatre venues available free of charge to artists, 22 partnerships were entered into with independent producers whilst 70 other independent producers were able to present their productions on stage, record the productions and present the recorded productions on their various social media platforms.

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.

3.3 Key Policy developments and legislative changes

There are no updates to the policy mandates that affected The Playhouse Company's operations during the period except for Circular Number 2 of 2020: Revision and Re-Tabling of the 2020/2025 Strategic Plans and 2020/21 Annual Performance Plans which allowed entities to revise their annual performance plans

4. Progress towards Achievement of Institutional Impacts and Outcomes

The Strategic plan was not amended in July 2020.

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 Covid 19 pandemic affected the performing arts industry severely. Despite this major setback, The Playhouse Company was able to create gainful employment for 2 564 artist.

Outcome	Outcome Indicator	Achievements in 2021
Outcome 1: Produce and present a balanced artistic programme	Cumulative number of productions staged	144 productions staged
	Cumulative number of performances held	160 performances held
	Cumulative number of artists involved in staged productions (all categories)	2 564 artists involved in productions
	Cumulative audience attendance figures (paying and non-paying audience)	178 625 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	52 artistic programmes
	Cumulative number of arts practitioners benefiting from upskilling programmes	416
	High impact productions that support social cohesion	8
	Cumulative number of artists provided work opportunities through in-house Playhouse productions	2 564 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%

5. Performance Information by Programme

5.1 Performance Information by Programme until date of re-tabling of the Annual Performance Plan

National Treasury through the Department of Planning, Monitoring and Evaluation issued Circular number 2 of 2020 on 20 May 2020. The purpose of the circular was to provide guidance on the revisions and re-tabling of the 2020/25 Strategic Plans and the 2020/21 Annual Performance Plans to incorporate COVID-19 interventions and to align to the special budget adjustment.

The Annual Performance Plan was re-tabled in July 2020. The performance information detailed below is for the period 1 April 2020 to 30 June 2020.

5.1.1 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	Planned Annual Target	Actual Achievement until date of re-tabling July 2020	Deviation from planned target to actual achievement	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
			2018/19	2019/20	2020/21	30 June 2020	2020/21	2020/21
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	Rand value spend on repairs and maintenance	New indicator	New indicator	3 632 483	908 120	2 724 363	Annual Targets were not revised
		Annual fixed asset register completed in compliance with Fixed Asset Policy	1	1	1	0	1	
A well governed, productive and high performing organisation	Sound governance and internal controls	Number of repeat external audit findings	New indicator	New indicator	5%	1%	4%	
		Percentage critical findings raised per internal audit quarterly report addressed	New indicator	New indicator	5%	1%	4%	
	An enabling organisation environment	Percentage ICT downtime	0%	0%	5%	1.25%	3.75%	
	A competent, skilled and productive workforce	Percentage vacancy rate in funded positions	9.70%	16%	10%	2.50%	7.50%	
		Percentage of annual training plan implemented	95%	91%	90%	22.50%	67.50%	
		Number of interns/ trainees enrolled	10	9	9	3	6	

5.1.2 Programme 2: Business Development

A. Programme purpose This programme is responsible for mainstreaming the role of arts and culture in social and economic development.

B. Description:

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

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

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement until date of re-tabling July 2020	Deviation from Planned Target to Actual Achievement	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
			2018/19	2019/20	2020/21	30 June 2020	2020/21	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	97	80	75	0	75	The annual targets were revised as a result of the Covid-19 lockdown and ministerial guidelines
		Number of productions presented in partnership with independent producers	16	30	30	0	30	
		Number of productions / events presented by independent producers using Playhouse Company facilities	59	60	65	0	65	
		Number of significant flagship productions presented	New indicator	New indicator	1	0	1	
		Number of festivals / seasons presented	12	12	12	0	12	
		Number of community conversation platforms facilitated	New indicator	New indicator	2	0	2	
		Number of opportunities for indigenous art performance	2	1	2	0	2	
	Broaden reach through growth in the number of artists involved, and the audiences attending, performances	Number of artists involved in staged productions	18 352	12 704	15 000	0	15 000	
		Audience attendance figure (paying and non-paying audience)	218 997	183 151	200 000	0	200 000	
		Audience attendance figure (paying)	81 307	71 651	55 000	0	55 000	

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Planned Annual Target	Actual Achievement until date of re-tabling July 2020	Deviation from Planned Target to Actual Achievement	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
			2018/19	2019/20	2020/21	30 June 2020	2020/21	2020/21
1. A balanced artistic programme that provides opportunities for interaction across culture, race and class	Strengthen The Playhouse Company brand and market in-house productions	Number of unique social media platforms utilised	New indicator	New indicator	3	0	3	The annual targets were revised as a result of the Covid-19 lockdown and ministerial guidelines
		Number of media feature pieces profiling The Playhouse Company - print and electronic	New indicator	New indicator	8	0	8	
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	13 566	9 254	6 500	0	6 500	
	Actively support targeted group development, including the development of future arts practitioners and entrepreneurs	Number of artists residency programmes facilitated	New indicator	New indicator	3	0	3	
		Number of Community Arts mentorship programmes facilitated	2	1	1	0	1	
		Number of Test Driving the Arts programmes facilitated	14	13	15	0	15	
	Equity in artistic programming ensured	Percentage of previously marginalised groups participating in the artistic programme	81%	93%	88%	0%	88%	
	Targeted interventions to develop future audiences and build performing arts appreciation	Number of schools programmes presented	4	3	3	0	3	
		Number of Mobile Stage productions presented	60	72	65	0	65	

5.2 Performance Information by Programme as per the revised Annual Performance Plan

The Annual Performance Plan was amended and re-tabled in July 2020. The targets were amended due to budget cuts imposed on The Playhouse Company by both National and Provincial Government and Covid 19 lockdown regulations relating to gatherings that restricted certain activities that could be construed as Covid super spreader events. The performance information detailed below is for the period 1 April 2020 to 31 March 2021. The report is based on the audited revised annual performance plan for the year.

5.2.1 Programme1: 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	Revised Planned Annual Target	Actual Achievement for the Year	Deviation from Planned Target to Actual Achievement	Reasons for Deviations
			2018/19	2019/20	2020/21	2020/21	2020/21	2020/21
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	Rand value spend on repairs and maintenance	New indicator	New indicator	3 632 483	2 494 768	1 137 715	Scheduled repairs and maintenance were done throughout the year and completed as per the plan. However, due to lockdown arising from the COVID 19 pandemic, our theatres, workshop, wardrobe and fleet were used minimally. As a result of the decrease in active use of these facilities, unplanned and emergency repairs and maintenance were limited. This resulted in decrease in unplanned maintenance and emergency budget spending
		Annual fixed asset register completed in compliance with Fixed Asset Policy	1	1	1	1	0	n/a

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Revised Planned Annual Target	Actual Achievement for the Year	Deviation from Planned Target to Actual Achievement	Reasons for Deviations
			2018/19	2019/20	2020/21	2020/21	2020/21	2020/21
A well governed, productive and high performing organisation	Sound governance and internal controls	Number of repeat external audit findings	New indicator	New indicator	5%	0%	5%	No repeat audit findings raised by the Auditor General
		Percentage critical findings raised per internal audit quarterly report addressed	New indicator	New indicator	5%	0%	5%	No critical audit findings raised in the internal audit reports
	An enabling organisation environment	Percentage ICT downtime	0%	0%	5%	0%	5%	There was no extensive downtime during the period except for a few minor manageable disruptions.
	A competent, skilled and productive workforce	Percentage vacancy rate in funded positions	9.70%	16%	10%	8.32%	1.68%	Staff vacancy managed effectively and vacancies filled timeously
		Percentage of annual training plan implemented	95%	91%	90%	90%	0%	n/a
		Number of interns/ trainees enrolled	10	9	9	19	10	The opportunity arose to create more work for trainees in the CAMP programme and to pay them a stipend

Linking Performance with Budgets

Programme	2020/2021			2019/2020		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	48 467	40 439	8 028	48 848	44 689	4 159
Total	48 467	40 439	8 028	48 848	44 689	4 159

5.2.2 Programme 2: Business Development

A. Programme purpose

This programme is responsible for mainstreaming the role of arts and culture in social and economic development.

B. Description:

B.1. Structure

Arts Department responsible for artistic and administration processes Marketing Department responsible for communications and sales Technical Department responsible for technical staging

B.2. Departments responsible

The Arts, Marketing and Technical Departments

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Revised Planned Annual Target	Actual Achievement for the Year	Deviation from Planned Target to Actual Achievement	Reasons for Deviations
			2018/19	2019/20	2020/21	2020/21	2020/21	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	97	80	39	52	(13)	Due to COVID-19 restrictions, more performance platforms were created to enable job creation for artists to earn a living under the circumstances
		Number of productions presented in partnership with independent producers	16	30	22	22	0	n/a
		Number of productions / events presented by independent producers using Playhouse Company facilities	59	60	24	70	(46)	Due to COVID-19 restrictions, more performance platforms were created for independent producers to enable job creation for artists to earn a living under the circumstances
		Number of significant flagship productions presented	New indicator	New indicator	2	1	1	Due to Lockdown restrictions we are obliged to comply with the prescribed number of artists on stages. The planned Ingoma festival involves hundreds of artists to perform side by side on stage. This is a huge health risk that needed to be managed carefully. The festival have been postponed to a later period that allows such huge numbers on stage.
		Number of festivals / seasons presented	12	12	7	9	(2)	Due to COVID-19 restrictions, more performance platforms were created to enable job creation for artists to earn a living under the circumstances
		Number of community conversation platforms facilitated	New indicator	New indicator	7	7	0	n/a

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Revised Planned Annual Target	Actual Achievement for the Year	Deviation from Planned Target to Actual Achievement	Reasons for Deviations
			2018/19	2019/20	2020/21	2020/21	2020/21	2020/21
1. A balanced artistic programme that provides opportunities for interaction across culture, race and class	Broaden reach through growth in the number of artists involved, and the audiences attending, performances	Number of opportunities for indigenous art performance	2	1	4	3	1	Due to Lockdown restrictions we are obliged to comply with the prescribed number of artists on stages. The planned Ingoma festival involves hundreds of artists to perform side by side on stage. This is a huge health risk that needed to be managed carefully. The festival have been postponed to a later period that allows such huge numbers on stage.
		Number of artists involved in staged productions	18 352	12 704	3 500	2 564	936	No productions were presented in quarter one as a result of Covid-19 lockdown. From quarter two onwards there were limitations and restrictions on the number of people attending public gatherings which affected artists involved in staged productions directly.
		Audience attendance figure (paying and non-paying audience)	218 997	183 151	50 815	178 625	(127 810)	Utilising online platforms to showcase the productions increased number of audiences due to productions being streamed online.
		Audience attendance figure (paying)	81 307	71 651	12 500	415	12 085	As a result of the COVID-19 lockdown, there were no productions presented in quarter one. From quarter two onwards there were limitations and restrictions on the number of audiences attending public gathering which affected paying theatre going audiences directly.
	Strengthen The Playhouse Company brand and market in-house productions	Number of unique social media platforms utilised	New indicator	New indicator	3	4	(1)	Usage of additional social platforms such as Instagram to reach audiences who utilises that specific platform.
		Number of media feature pieces profiling The Playhouse Company - print and electronic	New indicator	New indicator	6	29	(23)	Increased productions resulted in marketing and publicity as a form of advertisement

Outcome	Outputs	Output Indicators	Audited Actual Performance	Audited Actual Performance	Revised Planned Annual Target	Actual Achievement for the Year	Deviation from Planned Target to Actual Achievement	Reasons for Deviations
			2018/19	2019/20	2020/21	2020/21	2020/21	2020/21
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	13 566	9 254	2 000	1 799	201	As a consequence of the COVID-19 lockdown and Ministerial directives there were limitations and restrictions on the number of people attending public gatherings which affected the number of productions presented and the number of youth artists involved in staged productions directly.
		Number of artists residency programmes facilitated	New indicator	New indicator	1	0	1	Due to COVID-19 restrictions and regulations the programme was cancelled as it would have involved a lot of physical contact.
		Number of Community Arts mentorship programmes facilitated	2	1	1	1	0	n/a
		Number of Test Driving the Arts programmes facilitated	14	13	9	9	0	n/a
	Equity in artistic programming ensured	Percentage of previously marginalised groups participating in the artistic programme	81%	93%	88%	96%	(-8%)	Marginalised groups increased as number of productions presented increased.
	Targeted interventions to develop future audiences and build performing arts appreciation	Number of schools programmes presented	4	3	3	4	(-1)	Due to COVID-19 more performing platforms were created to enable job creation for artists to earn a living under the circumstances
		Number of Mobile Stage productions presented	60	72	0	0	0	n/a

Linking performance with budgets

Programme	2020/2021			2019/2020		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Business Development	27 763	24 988	2 776	34 103	30 418	3 685
Total	27 763	24 988	2 776	34 103	30 418	3 685

6. Summary of Financial Information

6.1 Revenue Collection

Programme	2020/2021			2019/2020		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Grants – Operational	50 862	49 634	1 228	60 890	63 126	(2 236)
Grants – Capital	10 512	329	10 183	6 537	951	5 586
Finance income	2 004	4 116	(2 112)	6 207	6 799	(592)
Production income	0	14	(14)	3 038	3 744	(706)
Rentals	80	25	55	495	550	(55)
Costume, décor & props hire	0	1	(1)	326	388	(62)
Sundry income	0	80	(80)	1 332	1 429	(97)
Recording Studio	0	14	(14)	78	120	(42)
Sponsorship income	0	150	(150)	0	1 350	(1 350)
Total	71 398	60 806	10 591	78 903	78 457	446

6.2 Programme Expenditure

Programme	2020/2021			2019/2020		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	48 467	40 439	8 028	48 848	44 689	4 159
Business Development	27 763	24 988	2 776	34 103	30 418	3 685
Total	76 231	65 427	10 803	82 951	75 108	7 844

6.3. Capital Investment

Programme	2020/2021			2019/2020		
	Budget	Actual	(Over)/Under	Budget	Actual	(Over)/Under
	R'000	R'000	R'000	R'000	R'000	R'000
Office equipment	750	760	(10)	300	412	(112)
Computer equipment	1 025	1 480	463	1 115	1 253	(138)
Buildings	51 550	6 434	45 116	22 272	1 184	21 088
Stage and other equipment	3 039	7	3 031	3 280	3 141	139
Total	56 364	8 690	47 673	26 967	5 990	20 977

Part C: Governance

1. Introduction

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

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

The Playhouse Company did not have any meetings with the Portfolio Committee on Arts And Culture.

2. The Council

2.1. Functions of the Council

The functions of the Council are:

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

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

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

Composition of the Old Board

The Councils term ended on 8 December 2020

Name	Date Appointed	Date Resigned	Qualifications	Area of Expertise	No. of Meetings attended	Remuneration
Ms Hlengiwe Christophina Mgabadelo <i>Chairperson of Council</i>	1 December 2017		BA Social Work, Honours in Sociology	Public Service and Administration	5	23 199
Ms Khwezi BL Kunene <i>Deputy Chairperson of Council</i>	22 May 2018		BSc Property Development	Quantity surveying, contracts management	5	27 886
Mr Sathie Gounden	1 December 2017		CA (SA)	Finance, risk management, corporate governance and audit	5	34 991
Ms Siphesihle Ndlela	1 December 2017		BA Communications (UNISA) Hotel Management (ND) Durban Hotel School	Client and media liaising, promotions and marketing	5	32 574
Ms Linda Zama	1 December 2017		BA, LLB degrees	Law, Governance and Administration	3	0
Mr Abia Litheko	1 December 2017				7	34 459
Ms Thandeka Mngadi	1 December 2017		BA Humanities; MA Humanities	Administration and Human Resource Management	7	32 931
Mr Nkosinathi Mbele	11 December 2018			Social and economic development, textile and information communication technology expert	7	26 790
Mr Fezile Wetes	11 December 2018		BA Degree; Advanced Diploma in Labour Law; Advanced Diploma in Management; Graduate Diploma in Company Direction; BCom Honours in Human Resources Management		3	14 436
Ms Lebogang Matlala	11 December 2018	2 June 2020	CA (SA)	Finance, risk management, corporate governance, audit, supply chain management and strategy	0	0

Committees of the Board

Members	Finance & Procurement Committee	Audit & Governance Committee	Human Resources Committee	Arts & Fund raising Committee
Ms Hlengiwe Christophina Mgabadelo				
Mr Sathie Gounden	✓		✓	
Ms Siphesihle Ndlela	✓			✓
Ms Linda Zama		✓		
Mr Abia Litheko	✓		✓	
Ms Thandeka Mngadi			✓	✓
Mr Nkosinathi Mbele		✓		
Mr Fezile Wetes			✓	✓
Ms Khwezi BL Kunene	✓		✓	
Ms L Matlala	✓			✓

Composition of the New Board

The Councils term started on 9 December 2020

Name	Date Appointed	Qualifications	Area of Expertise	No. of Meetings attended	Remuneration
Ms Khwezi BL Kunene <i>Chairperson of Council</i>	9 December 2020	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	4	22 310
Mr Dumisani Ngema <i>Deputy Chairperson of Council</i>	9 December 2020	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	4	18 961
Ms Thandeka Mngadi	9 December 2020	BA Humanities MA Humanities	Administration; Human Resource Management; Organisational Development; Performance Management; Project Management; Facilities & Property Management	4	18 818
Dr Rajendra Govender	9 December 2020	PhD (Human Sciences) (isiZulu/Social Anthropology) M.A (<i>Cum Laude</i>) (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	4	23 718
Adv Motlatjo Ralefatane	9 December 2020	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	4	23 718
Mr Scelo Dlamini	9 December 2020	Public Management (current) Information Technology- (current)	Strategy Leadership & Management; Finance Management; Human Resource; Project Management; Leadership and Governance; Recruitment and Selection	4	16 179
Ms Tholakele Dlamini	9 December 2020	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	3	20 234

Committees of the Board

Members	Finance & Procurement Committee	Audit & Governance Committee	Human Resources Committee	Arts & Fund raising Committee
Ms Khwezi BL Kunene <i>Chairperson of Council</i>				✓
Mr Dumisani Ngema <i>Deputy Chairperson of Council</i>	✓			✓
Ms Thandeka Mngadi			✓	✓
Dr Rajendra Govender	✓			✓
Adv Motlatjo Ralefatane	✓		✓	
Mr Scelo Dlamini	✓		✓	
Ms Tholakele Dlamini		✓		

3. Risk Management

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

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

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

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

4. Internal Control Unit

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

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

5. Internal Audit Function

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

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

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

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

1. Review of Supply Chain Management
2. Review of Marketing and Audience Attendance (Strategic Risk 9)
3. Testing of significant risks (Strategic Risks 2; 3; 10 and 11)
4. Review of Pre-determined Objectives
5. Review of IT General Controls over VIP
6. Review of Computer Assisted Audit Techniques

6. Audit and Governance Committee

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

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

The Audit and Governance Committee:

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

7. Compliance with Laws and Regulations

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

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

8. Fraud and Corruption

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

The primary objectives of the plan are to:

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

9. Minimising Conflict of Interest

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

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

10. Code of Conduct

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

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

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

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

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

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

11. Health, Safety and Environmental Issues

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

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

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

12. Social Responsibility

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

The Playhouse Company sees its mission as its social responsibility.

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

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

13. Audit Committee Report

The Audit and Governance Committee (the Committee), presents its report for the financial year end 31 March 2021.

Audit and Governance Committee Members and Attendance

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

Composition of the Old Audit and Governance Committee

The Committees term ended on 8 December 2020

Name	Qualifications	Internal or External	Date Appointed
Judge Leona Valerie Theron	Master of Law, Bachelor of Laws and Bachelor of Arts	External – Chairperson of the Audit and Governance Committee	25 May 2018
Ms Charmaine Jugnarayan	CA (SA), RA	External	25 May 2018
Mr Rodger Ashe		External	25 May 2018
Ms Linda Zama	BA, LLB degree	Internal	23 February 2018
Mr Nkosinathi Mbele		Internal	25 January 2019

Composition of the New Audit and Governance Committee

The Committees term ended on 12 March 2021

Name	Qualifications	Internal or External	Date Appointed
Ms Charmaine Jugnarayan <i>Chairperson of Audit and Governance Committee</i>	CA (SA), RA	External	12 March 2021
Ms Nosipho Mchunu	CA (SA), RA	External	12 March 2021
Mr Jesiah Abia Litheko		External	12 March 2021
Ms Tholakele Dlamini	Degree in Information Science (Mass Media and Communication)	Internal	12 March 2021

Audit and Governance Committee Responsibility

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

Internal Audit

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

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

Effectiveness of Internal Controls

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

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

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

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

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

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

In-year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

The Committee has:

- Reviewed the quarterly reports including financial statements to ensure consistency and accuracy of information;
- Considered the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised Accounting Practices adopted by the Accounting Authority;
- 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 2021 and is satisfied that they comply with relevant provisions of the Public Finance Management Act and the South African Statement of Generally Recognised Accounting Practices;
- Reviewed the Auditors-General's Management Report and Management's response; and
- Reviewed the Auditor-General's Audit Report and noted that there were no findings in the financial statements and performance information.

Auditor's Report

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

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

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



Charmaine Jugnarayan

Chairperson: Audit and Governance Committee

14. 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: Human Resource Management

1. Human Resource Oversight Statistics

Personnel Cost by Programme

Total Expenditure for the Entity (R'000)	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Exp.	No. of Employees	Average Personnel Cost per Employee (R'000)
82 895	35 558	43%	77	462

Personnel Cost by Salary Band

Level	Personnel Expenditure (R'000)	% of Personnel exp. to Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee (R'000)
Top management	2 263	7%	1	2 263
Senior management	1 552	5%	1	1 552
Professional qualified	7 131	21%	9	792
Skilled	11 756	35%	32	367
Semi-skilled	10 832	32%	34	339
Unskilled			0	
TOTAL	33 534	100%	77	432

Training Costs

Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg. Training Cost per Employee
35 558	208	1%	74	2.8

Employment and Vacancies

2019/2020 no. of Employees	2020/2021 Approved Posts	2020/2021 no. of Employees	2020/2021 Vacancies	% of Vacancies
78	84	77	7	8.3%

Programme	2019/2020 No. of Employees	2020/2021 Approved Posts	2020/2021 No. of Employees	2020/2021 Vacancies	% of Vacancies
Top management	1	1	1	0	0
Senior management	1	1	1	0	0
Professional qualified	10	9	9	1	14.3%
Skilled	32	38	32	6	85.7%
Semi-skilled	34	35	34	0	0
Unskilled	0	0	0	0	0
TOTAL	78	84	77	7	100%

Employment Changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top management	1	0	0	1
Senior management	1	0	0	1
Professional qualified	10	0	1	9
Skilled	32	6	6	32
Semi-skilled	34	0	0	34
Unskilled	0	0	0	0
Total	78	6	7	77

Reasons for Staff Leaving

Reason	Number	% of Total no. of Staff Leaving
Death	0	0
Resignation	1	14.3%
Dismissal	0	0
Retirement	5	71.4%
Ill health	1	14.3%
Expiry of contract	0	0
Other	0	0
Total	7	100%

Labour Relations: Misconduct and Disciplinary Action

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

Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	1	1	0	0
Professional qualified	1	1	0	0	2	2	1	1
Skilled	17	20	1	1	2	2	2	2
Semi-skilled	17	18	0	0	4	4	1	1
Unskilled	0	0	0	0	0	0	0	0
TOTAL	35	39	1	1	9	9	4	4

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	2	2	0	0	1	1	2	2
Skilled	9	11	1	1	0	0	0	1
Semi-skilled	7	7	2	2	3	3	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	19	21	3	3	4	4	2	3

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	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0

Part E: Financial Information

1. 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 is consistent with the annual financial statements audited by the Auditor General.

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

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury. The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting

Practice 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 2021.



Ms Linda Bukhosini
Chief Executive Officer and Artistic Director
Date: 30 July 2021



Ms Khwezi Kunene
Council Chairperson
Date: 30 July 2021

2. Report of the Chief Executive Officer and Artistic Director

Financial Performance

Revenue

Total revenue decreased by 21% from R84m to R66m.

- The decrease was mainly attributable to a decrease in the capital income recognised in terms of GRAP 23 - Revenue from Non-Exchange Transactions Taxes and Transfers.

Operating expenses

Operating expenses decreased by 14% from R97m to R83m.

- The decrease was mainly attributable to a decrease in depreciation & amortisation, employee related costs and production expenditure.

Deficit for the year

The deficit of R 16m for the 2021 year was mainly attributable to a decrease in capital income recognised in terms of GRAP 23 - Revenue from Non-Exchange Transactions Taxes and Transfers.

Financial Position

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

- The decrease in non-current assets by R3m is primarily due to the depreciation and amortisations charges.
- Current assets decreased by R2m and this were primarily as a result of a decrease in cash and cash equivalents.
- Non-Current liabilities increased by R10m. This was primarily due an increase in deferred income
- Current liabilities increased by R1m. This was primarily due a reduction in trade and other payables.

Cash Flows

Cash and cash equivalents decreased by R1.8m from R89m to R87m. Cash inflows from operating activities of R6.8m was used to offset the cash outflows from investing activities of R8.7m.

Materiality Framework

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

- Revenue and expenditure – 1%
- Assets and liabilities – 3%

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



Ms Linda Bukhosini
Chief Executive Officer and Artistic Director

3. Report of the Auditor-General to Parliament 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 54 to 78, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, 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 entity as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the 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 auditor-general's responsibilities 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.

Responsibilities of the accounting authority for the financial statements

6. The council, which constitutes 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.
7. 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

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the Audit of the Annual Performance Report

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 2 – business development presented in the entity's annual performance report for the year ended 31 March 2021.
13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

3. Report of The Auditor-General to Parliament on The Playhouse Company (continued)

Programme 2 - Business development

14. I did not identify any material findings on the usefulness and reliability of the reported performance information of business development

Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. The annual performance report on pages 27 to 38 sets out information on the achievement of planned targets for the year.

Adjustment of material misstatements

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

Report on the Audit of Compliance with Legislation

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other Information

20. 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.

21. 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.

22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

23. 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.

24. 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 other 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

25. 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

30 July 2021



Annexure – Auditor-General’s Responsibility for the Audit

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

Financial Statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of The Playhouse Company 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

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.

4. Annual Financial Statements

Statement of Financial Position

	Notes	March 2021	March 2020
		R	R
ASSETS			
Non-current assets			
Heritage assets	2.1	88 330 000	88 330 000
Property, plant and equipment	2.2	96 777 137	100 388 925
Intangible assets	2.3	978 350	772 148
Current assets		89 175 574	91 526 198
Inventories	3	551 997	667 282
Trade and other receivables	4	1 058 848	1 441 875
Cash and cash equivalents	5	87 564 729	89 417 041
Total Assets		275 261 061	281 017 271
LIABILITIES			
Non-current liabilities			
Deferred income	6	30 666 213	20 982 905
Current liabilities			
Trade and other payables	7	7 549 697	6 356 769
TOTAL LIABILITIES		38 215 910	27 339 674
Net assets			
Accumulated surplus		237 045 151	253 677 597
TOTAL NET ASSETS AND LIABILITIES		275 261 061	281 017 271

Statement of Financial Performance

	Notes	March 2021	March 2020
		R	R
Revenue			
Revenue from exchange transactions		4 249 497	13 030 099
Services facilities and equipment	8	133 809	6 442 251
Interest received		4 115 688	6 587 848
Revenue from non-exchange transactions		62 013 023	70 607 640
Grants	9	56 406 693	64 077 340
Donations and sponsorships (productions)		150 000	1 350 000
Services in kind	24	5 456 330	5 180 300
Total Revenue		66 262 520	83 637 739
Less: Expenditure		82 894 966	96 845 969
Cleaning		2 442 664	2 483 062
Depreciation & amortisation	10	9 764 781	16 642 938
Electricity		3 528 368	5 711 309
Employee related costs	11	35 558 166	36 995 570
General Expenses	12	10 376 904	10 458 461
Maintenance expenditure	13	2 494 768	2 503 482
Production expenditure	14	9 214 416	12 826 798
Rates and Taxes		5 456 330	5 180 300
Security costs		4 058 569	4 044 051
Deficit for the year	15	(16 632 446)	(13 208 230)

Statement of Changes in Net Assets

	Notes	March 2021	March 2020
		R	R
Opening accumulated surplus as previously reported		253 677 597	266 885 827
Deficit for the year		(16 632 446)	(13 208 230)
Closing accumulated surpluses	16	237 045 151	253 677 597

Statement of Cash Flows

	Notes	March 2021	March 2020
		R	R
Cash flows from operating activities			
Cash receipts from grantors and clients		87 739 741	93 533 424
Cash paid to suppliers and employees		(85 016 933)	(92 777 000)
Cash generated from operations	17	2 722 808	756 424
Interest received		4 115 688	6 587 848
Net cash from operating activities		6 838 496	7 344 272
Cash flows used in investing activities			
Additions to property, plant and equipment		(8 085 564)	(5 477 315)
Additions to intangibles		(605 244)	(513 126)
Proceeds on sale of property, plant and equipment		-	3 874
Net cash used in investing activities		(8 690 808)	(5 986 567)
Cash flows from financing activities			
Decrease in long term borrowings		-	-
Net cash from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(1 852 312)	1 357 705
Cash and cash equivalents at beginning of year		89 417 041	88 059 336
Cash and cash equivalents at end of year	5	87 564 729	89 417 041

Accounting Policies

1. Accounting Policies

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

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

These accounting policies are consistent with the previous year.

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

GRAP 1 Presentation of financial statements

GRAP 2 Cash flow statements

GRAP 3 Accounting policies, changes in accounting estimates and errors

GRAP 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

Accounting Policies (continued)

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 4 Determining whether an Arrangement contains a Lease
 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

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

Accounting Policies (continued)

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 29 Years
Office furniture and other equipment	: 5 to 39 Years
Computer Equipment	: 3 to 26 Years
Stage	: 4 to 49 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
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Accounting Policies (continued)

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*

Measurement

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

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

Trade and other payables

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

Gains and losses on subsequent measurement

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

1.9 *Retirement benefit plans*

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

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.

Accounting Policies (continued)

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.

Accounting Policies (continued)

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 *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.

1.20 *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.

1.21 *Foreign currency transactions*

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise. Gains and losses arising on translation are credited to or charged against income in the statement of financial performance.

Notes to the Annual Financial Statements

	March 2021	March 2020
	R	R
2. ASSETS		
2.1 Heritage assets		
Carrying amount	88 330 000	88 330 000
Gross carrying amount	88 330 000	88 330 000
Accumulated Impairment loss	-	-
Carrying amount at year end	88 330 000	88 330 000

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. and the land and buildings are unencumbered.

No heritage assets are pledged as security.

Notes to the Annual Financial Statements (continued)

2.2 Reconciliation of carrying value of property, plant and equipment

	Motor vehicles	Maintenance spares	Office furniture and other equipment	Computer equipment	Stage equipment	Workshop equipment	Capitalised leased assets (land and buildings)	Artworks	Capitalised leased assets (office equip and other fixtures)	Total
	R	R	R	R	R	R		R	R	R
Carrying amount 1 April 2019	1 175 354	27 058	2 553 339	1 242 909	14 935 475	161 359	31 369 254	450 974	59 301 425	111 217 147
Gross carrying amount	4 440 020	27 058	13 453 981	3 520 044	51 439 923	588 837	53 570 000	450 974	83 311 730	210 802 567
Accumulated depreciation	(3 264 666)	-	(10 900 642)	(2 277 135)	(36 504 448)	(427 477)	(22 200 746)	-	(50 926 658)	(126 501 773)
WIP	-	-	-	-	-	-	-	-	26 916 353	26 916 353
Additions	-	-	411 998	740 223	3 140 887	-	-	-	606 483	4 899 591
Transfers	-	-	-	2 275 182	24 641 172	-	-	-	-	26 916 354
WIP	-	-	-	-	-	-	296 889	-	(26 635 518)	(26 338 629)
Depreciation	(543 172)	-	(997 595)	(1 083 099)	(9 042 701)	(69 242)	(1 849 287)	-	(10 689 431)	(24 274 526)
Depreciation write-back	512 325	-	302 914	306 175	1 430 902	14 117	-	-	5 407 125	7 971 653
Disposals	-	-	(2 713)	-	(1 857)	-	-	-	-	(4 570)
Cost	-	-	(3 876)	-	(42 952)	-	-	-	-	(46 828)
Accumulated depreciation	-	-	1 163	-	41 095	-	-	-	-	42 258
Carrying amount 31 March 2020	1 144 507	27 058	2 267 943	3 481 391	35 103 877	106 235	29 519 967	450 974	27 990 084	100 387 020
Gross carrying amount	4 440 020	27 058	13 862 103	6 535 449	79 179 030	588 837	53 570 000	450 974	83 918 213	242 571 684
Accumulated depreciation	(3 295 513)	-	(11 594 160)	(3 054 059)	(44 075 153)	(482 602)	(24 050 033)	-	(56 208 964)	(142 762 388)
WIP	-	-	-	-	-	-	296 889	-	280 835	577 724
Additions	-	-	760 551	883 459	7 454	-	4 216 288	-	160 731	6 028 483
Transfers	-	(303)	69 782	-	-	-	296 889	-	(69 782)	296 586
WIP	-	-	-	-	-	-	(296 889)	-	2 057 384	1 760 495
Depreciation	(471 083)	-	(1 054 442)	(1 338 437)	(6 750 032)	(67 450)	(1 782 150)	-	(10 063 899)	(21 527 492)
Depreciation write-back	166 767	-	947 086	429 786	9 270 269	105 031	-	-	1 242 815	12 161 754
Disposals	-	-	(12)	-	(179)	-	(2 322 944)	-	(8 479)	(2 331 614)
Cost	-	-	(68 075)	-	(722 705)	-	(4 513 177)	-	(20 349)	(5 324 307)
Accumulated depreciation	-	-	68 063	-	722 526	-	2 190 233	-	11 870	2 992 693
Carrying amount 31 March 2021	840 191	26 755	2 990 908	3 456 198	37 631 389	143 816	29 928 051	-	21 308 854	96 777 137
Gross carrying amount	4 440 020	26 755	14 624 361	7 418 908	78 463 779	588 837	53 570 000	450 974	83 988 813	243 572 447
Accumulated depreciation	(3 599 829)	-	(11 633 453)	(3 962 709)	(40 832 390)	(445 021)	(23 641 949)	450 974	(65 018 178)	(149 133 529)
WIP	-	-	-	-	-	-	-	-	2 338 219	2 338 219

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.

Maintenance expenditure amounted to R2,494,768 (2020 : R2,492,593) for external service providers. Salaries for In-house maintenance staff amounted to R4,988,126 (2020 : R4,927,333).

No property, plant and equipment are pledged as security.

Notes to the Annual Financial Statements (continued)

	Software	Total
2.3 Intangible assets	R	R
Carrying amount 1 April 2019	600 991	600 991
Gross carrying amount	1 560 457	1 560 457
Accumulated amortisation	(959 466)	(959 466)
Additions	513 126	513 126
Amortisation	(343 614)	(343 614)
Amortisation write-back	1 645	1 645
Disposals	-	-
Cost	-	-
Accumulated amortisation	-	-
Carrying amount 31 March 2020	772 148	772 148
Gross carrying amount	2 073 583	2 073 583
Accumulated amortisation	(1 301 435)	(1 301 435)
Additions	605 244	605 244
Amortisation	(465 078)	(465 078)
Amortisation write-back	66 036	66 036
Disposals	-	-
Cost	-	-
Accumulated amortisation	-	-
Carrying amount 31 March 2021	978 350	978 350
Gross carrying amount	2 678 827	2 678 827
Accumulated amortisation	(1 700 477)	(1 700 477)
Amortisation is included with depreciation.		
	March 2021	March 2020
2.4 Change in estimate	R	R
Depreciation and amortisation write back	12 227 790	7 975 203
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.		
3. INVENTORIES		
Catering	48 744	146 911
Workshop	258 749	292 768
Wardrobe	94 085	94 085
General stores	150 419	133 518
Total	551 997	667 282
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	519 583	532 866
Staff debtors	1 533	1 533
Other receivables	1 058 848	1 352 555
	1 579 964	1 886 954
Less: Debtors impairment	(521 116)	(445 079)
Total	1 058 848	1 441 875
4.1 Movement in the provision for impairment of trade receivables		
Balance at 1 April	445 079	414 464
Provision for debtors impairment	76 037	247 171
Receivables written off during the year as uncollectible	-	(47 444)
Unused amounts reversed	-	(169 112)
Unwinding of discount	-	-
Balance at 31 March	521 116	445 079

Notes to the Annual Financial Statements (continued)

	March 2021	March 2020
	R	R
5. CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash available immediately	28 926 079	33 478 600
Investments – fixed deposits	58 638 650	55 938 441
Cash available in 30 days	-	-
Cash available in 60 days	13 661 084	18 146 697
Cash available in 90 days	44 977 566	37 791 744
Total	87 564 729	89 417 041
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.		
6. DEFERRED INCOME		
Grant received in advance		
National Department of Arts and Culture	30 666 213	20 482 905
eThekweni Municipality	-	500 000
Total	30 666 213	20 982 905
7. TRADE AND OTHER PAYABLES		
Trade payables	1 961 819	1 354 506
Other payables and accruals	1 447 471	1 331 113
Leave pay accrual	3 209 736	2 635 700
Bonus accrual	930 671	1 035 450
Total	7 549 697	6 356 769
8. SERVICES, FACILITIES AND EQUIPMENT		
Hire of performance venues, costumes, sets, and mobile stage	19 634	2 818 128
Box office income	13 725	2 020 928
Rent received	24 505	540 401
Bar & other sales	-	235 468
Functions	17 800	459 734
Box office commission – external productions	1 235	192 537
Gains on sale of motor vehicles	-	1 163
Sundry revenue – admin, computicket commission	56 910	173 892
Total	133 809	6 442 251
9. GRANTS		
National Department of Sport, Arts and Culture (DSAC)	49 634 000	52 485 000
Special Capital Expenditure Grant – (DSAC)	328 693	951 340
KZN Department of Sport, Arts and Culture	5 944 000	9 141 000
eThekweni Municipality	500 000	1 500 000
Total	56 406 693	64 077 340

Notes to the Annual Financial Statements (continued)

	Notes	March 2021	March 2020
		R	R
10. DEPRECIATION & AMORTISATION			
Depreciation of property, plant and equipment:		9 365 739	16 300 969
Motor vehicles		471 083	543 172
Office furniture and other equipment		1 054 442	997 595
Computer equipment		1 338 437	1 083 099
Stage equipment		6 750 032	9 042 701
Workshop equipment		67 450	69 242
Leased assets - land and buildings		1 782 150	1 849 287
Leased assets - equipment and other fixtures		10 063 899	10 689 431
		21 527 493	24 274 527
Depreciation write back		(12 161 754)	(7 973 558)
Amortisation		399 042	341 969
Intangible assets		465 078	343 614
Amortisation write back		(66 036)	(1 645)
Total		9 764 781	16 642 938
11. EMPLOYEE RELATED COSTS			
Salaries		25 652 845	27 224 951
Adhocs		1 259 979	1 580 534
Provident fund		3 610 658	3 896 977
Medical aid		777 829	823 942
Uif		142 114	158 305
Bonus (13th Cheque)		2 069 593	2 224 888
Overtime		41 212	105 458
Leave		1 083 100	(15 311)
Housing subsidies		876 000	959 646
Long service awards		44 836	36 180
Total		35 558 166	36 995 570
12. GENERAL EXPENSES			
Audit fees		1 096 029	1 690 325
Bank charges		105 204	120 384
Conferences and delegations		41 801	470 540
Consulting fees		231 353	43 870
Consumables		792 252	938 087
Council – attendance		423 165	236 581
Council – travel		108 615	809 480
Fuel and oil		124 379	122 167
Foreign exchange loss (opera stage lifts)		-	8 149
Insurance		398 679	365 448
Legal expenses		279 411	200 531
Licence fees - vehicles		407 207	273 490
Loss on sale of assets		2 331 614	1 857
Marketing and advertising		375 405	793 374
Other		1 133 334	964 743
Printing and stationery		197 183	286 402
Professional fees		833 487	751 342
Subscription & publication		76 349	69 994
Telephone cost		286 278	220 373
Training		207 153	310 469
Travel and subsistence - Foreign		-	340 137
Travel and subsistence - Local		67 070	638 175
Uniforms & overalls		223 299	219 243
Water		637 637	583 300
Total		10 376 904	10 458 461

Notes to the Annual Financial Statements (continued)

	Notes	March 2021	March 2020
		R	R
13. MAINTENANCE EXPENDITURE			
Buildings		1 853 646	1 828 838
Fire Fighting Equipment		64 366	100 336
Motor Vehicles		339 547	314 908
Plant, Machinery & Equipment		234 049	256 380
General		3 160	3 020
Total		2 494 768	2 503 482
14. PRODUCTION EXPENDITURE			
Productions and festivals		9 214 034	12 942 224
Administrative		-	26 269
Airfares and Accommodation		526 000	1 289 459
Artist fees		6 800 688	8 728 360
Marketing and publicity		1 685 636	881 514
Materials		72 530	344 944
Equipment and Venue hire		120 457	30 103
Royalty commission and licences		6 608	464 286
Subsistence and travel		2 115	1 177 289
Outside hirers		382	(128 499)
Mobile stage		-	13 071
Total		9 214 416	12 826 796
15. DEFICIT FOR THE YEAR			
The Deficit for the 2021 and 2020 year takes into account 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 2020.			
16. RECONCILIATION OF STATEMENT OF CHANGES IN NET ASSETS			
Balance at 31 March		237 045 151	253 677 597
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		95 145 151	111 777 597

Notes to the Annual Financial Statements (continued)

	Notes	March 2021	March 2020
		R	R
17. RECONCILIATION OF CASH GENERATED			
Deficit for the year		(16 632 446)	(13 208 230)
Adjusted for:			
Depreciation, amortisation and impairment		9 764 781	16 642 938
Loss on disposal of property, plant and equipment		2 331 614	695
Interest received		(4 115 688)	(6 587 848)
Operating cash flows before working capital changes		(8 651 739)	(3 152 446)
Working capital changes		11 374 547	3 908 870
Decrease (Increase) in inventories		115 285	(152 219)
Decrease in accounts receivable		383 027	680 927
Increase (Decrease) in accounts payable		1 192 928	(2 347 498)
Increase in deferred income		9 683 307	5 727 660
Cash Generated (Utilised) from operations		2 722 808	756 424

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
- 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)	1 058 848	1 441 875
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Notes to the Annual Financial Statements (continued)

	March 2021	March 2020
	R	R

18. FINANCIAL INSTRUMENTS (CONTINUED)**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.

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	520 907	466 744
60 days	-	25 628
30 days	183	33 967
Current	537 758	915 536
	<u>1 058 848</u>	<u>1 441 875</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 2021 was R87,564,629 (2020 - R89,417,041).

Notes to the Annual Financial Statements (continued)

	March 2021	March 2020
	R	R

18. FINANCIAL INSTRUMENTS (CONTINUED)**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

	2021		2020	
	Int Rate %	Carrying amount	Int Rate %	Carrying amount
Variable rate instrument				
FNB - 120 days	4,31	5 000 000		-
Investec - 120 day fixed	3,76	6 260 239	7,85	6 146 697
Nedbank - 120 day fixed	4,27	20 878 081	7,90	26 166 663
Standard Bank - 120 day	4,34	26 500 330	7,94	23 625 081
		58 638 650		55 938 441

At 31 March 2021, 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 R586,386.

At 31 March 2021, 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)(l) of the Income Tax Act.

Notes to the Annual Financial Statements (continued)

	March 2021	March 2020
	R	R
20. KEY MANAGEMENT AND COUNCIL		
Key management		
L Bukhosini – (Chief Executive and Artistic Director)	2 263 465	2 183 197
Salary	1 799 678	1 727 139
Bonus	149 973	143 928
Pension, med-aid contributions	296 947	286 763
Other (s&t, cell phone allowance, etc.)	16 867	25 367
A Mohanparasadh - (Chief Financial Officer)	1 551 581	1 492 162
Salary	1 394 025	1 337 836
Bonus	116 169	111 486
Pension, med-aid contributions	18 072	16 566
Other (s&t, cell phone allowance)	23 315	26 274
O Hlangu - (Support services manager) – Retired on 30/04/2020	455 359	1 321 377
Salary	80 225	962 698
Bonus	80 225	80 225
Pension, med-aid contributions	14 743	176 917
Other (s&t, cell phone allowance, leave pay, etc.)	280 166	101 537
Total senior managers	4 270 405	4 996 737
Members of council and sub-committees	413 965	236 581
K Kunene - Chairperson of council - Jan 2021	50 196	-
DL Ngema - Deputy Chair of council - Jan 2021	18 961	-
HC Mgabadeli - Chairperson of council - Nov 2020	23 199	50 726
S Gounden	34 991	27 872
C Jugnarayan*	21 421	18 333
N Mbele	26 790	31 356
TC Mngadi	51 749	31 356
JA Litheko*	34 459	31 586
SP Ndlela	32 574	19 162
MJ Ralefatane	23 718	-
N Mchunu*	5 707	-
R Ashe*	15 633	26 190
F Wetes	14 436	-
R Govender	23 718	-
SE Dlamini	16 179	-
SPT Dlamini	20 234	-
Total emoluments	4 684 370	5 233 319

* External independent non-executive member of the audit and governance committee.

Notes to the Annual Financial Statements (continued)

	March 2021	March 2020
	R	R

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 R3,610,658 (2020: R3,896,977) and is included in staff cost.

22. RELATED PARTIES**22.1 National Department of Arts and Culture**

Operational grants received for the financial year amounted to R49,634,000, and for the year ending 2021/22 will amount to R53,866,000.

Capital grants of R10,512,000 was received for the financial year, is recorded as deferred income. R12,695,160 is budgeted to be received for 2021/22.

An amount of R150,000 (2020: R1,350,000) was recorded as sponsorship for the incubator projects.

22.2 KZN Department of Arts and Culture

Grant received for the 2020/21 financial year amounted to R5,944,000 and for the year ended 2021/22 will amount to R 8,574,000.

22.3 eThekweni Municipality

An amount of R500,000 relating to April, May and June 2020 was recognised as a grant for productions in the 2020/21 financial year. Payments to eThekweni Municipality for utilities amounted to R5,171,135 (2020: R7,376,643).

22.4 Department of Public Works

The department is the legal owner of the land and buildings occupied by The Playhouse Company and The Playhouse Company leases the property at no charge. The Department paid for rates for the year as follows: R5,456,330 (2020: R5,180,300).

22.5 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.dac.gov.za).

22.6 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 existed between The Playhouse Company and KZNPO. This agreement included the following:

- Occupying a portion of The Playhouse Company's administration building.
- 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.
- 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.

Payments by The Playhouse Company to KZNPO for artistic services	1 431 124	1 413 755
Payments by KZNPO to The Playhouse Company	2 081	120 896

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.

22.7 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.

Notes to the Annual Financial Statements (continued)

	March 2021	March 2020
	R	R
22. RELATED PARTIES (CONTINUED)		
22.7 Key personnel		
Chief executive and artistic director - Linda Bukhosini		
Chief financial officer - Amar Mohanparasadh		
Support services manager - Oscar Hlangu - retired 30 April 2020. In line with the company's operational requirements the position was removed from the organogram in October 2020.		
Refer note 20 - Compensation		
23. IRREGULAR, FRUITLESS OR WASTEFUL EXPENDITURE		
No material losses through criminal conduct, or irregular, fruitless or wasteful expenditure were incurred during the year ended 31 March 2021.		
Irregular expenditure under assessment	5 348 420	-
Expenditure related to tenders are under assessment for possible recognition as irregular expenditure. Management will follow the guidelines detailed in the Irregular Expenditure Framework.		
24. SERVICES IN-KIND		
24.1 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	5 456 330	5 180 300
The following in-kind services have not been recognised in the annual financial statements.		
24.2 In-kind services rendered by Council and committee members in the employment of the State:		
The Treasury Regulation on "Service benefit packages for office-bearers for certain statutory and other institutions" states that employees of National, Provincial and Local Government or institutions, agencies and entities of government serving as office bearers of public entities/institutions are not entitled to additional remuneration.		
Four Council and committee members from the previous council were in the employment of the state and did not receive fees for attending council and committee meetings.		
25. COMMITMENTS		
At the balance sheet date The Playhouse Company had the following outstanding capital/service commitments:		
FOH Ablutions - tender awarded	3 320 367	
FOH Ablutions - capital commitments outstanding at year-end	1 568 421	
High brightness 3D - laser projector - tender awarded		1 215 354
High brightness 3D - laser projector - variation		108 169
High brightness 3D - laser projector - capital commitment outstanding at year end		1 323 523
Facilities management - tender awarded		253 104
Facilities management - capital commitment outstanding at year end		253 104
26. 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.		

Notes to the Annual Financial Statements (continued)

	March 2021	March 2020
	R	R
27. IMPACT OF COVID-19 AND GOING CONCERN		
Responding to the COVID-19 outbreak world-wide, the South African President declared a national state of disaster on 15 March 2020 with a partial travel ban, closing of schools and prohibiting of large gatherings of people. Following this action, on 23 March 2020, the South African President declared a national lockdown, with only certain core essential services (and their related employees) allowed to continue working as normal, in the interest of maintaining the availability of such essential services (one of which included healthcare services) to the citizens of South Africa. The lockdown was then further extended by the President on 9 April 2020 and has since been in place. At the end of March 2021, the lockdown was at alert level 1. During the financial year, the Company put in place Covid-19 policies, procedures, rules and protocols, and through various training initiatives, employees were made aware of both their and the Company's responsibility in upholding these protocols and have been reminded of and what to do and not do in the event of their being exposed to the virus.		
On 8 June 2020, the Minister of Sports, Arts and Culture issued a directive that under alert level 3 performing arts institutions or playhouses that have the relevant infrastructure or facilities used for the creation and production of local content could resume operations without audiences.		
On 3 July 2020, the Minister of Sports, Arts and Culture issued another directive by allowing sports, arts and cultural events to resume subject to compliance with measures to prevent and combat the spread of Covid-19, by limiting the capacity at theatres to 50 people or less.		
No performances were staged at The Playhouse Company until middle July 2020. The originally planned artistic program was thus suspended. The Department of Planning, Monitoring and Evaluation issued a circular in May 2020 advising public entities that they could revise their 2020/21 Annual Performance Plans. The Playhouse Company revised the Annual Performance Plan and accompanying budgets in July 2020. The grant income from both National Treasury and Provincial Treasury were revised in line with the revised allocation letters. The projected operational expenditures were adjusted accordingly. The artistic plan was revised in line with the revised grant allocation from Provincial Treasury and regulations affecting the number of people allowed at gatherings. The income from secondary sources (i.e. administration income, Costume, prop and décor hire income, production income and ticket sales commission and technical equipment hire income and FOH and bar income) were reduced to Nil for the year ended 31 March 2021.		
The Playhouse Company resumed operations in middle July 2020 by filming productions presented on the theatre stage and recordings done in the state of the arts recording studio in line with the protocols issued by the Minister of Sports, Arts and Culture on 3 July 2020. The recorded events were live streamed using various media platforms. Utilising online platforms to showcase the productions increased number of audiences. The Playhouse Company performed a detailed asset verification and assessment of the property, plant and equipment towards the end of the financial year. Property, plant and equipment identified as either broken, impaired or obsolete were written off. The remaining property, plant and equipment were in good condition and not impacted by the lockdown regulations implemented in South Africa. Scheduled repairs and maintenance were done throughout the year and completed as per the plan. However, due to lockdown arising from the COVID 19 pandemic, our theatres, workshop, wardrobe and fleet were used minimally. As a result of the decrease in active use of these facilities, unplanned and emergency repairs and maintenance were limited. This resulted in decrease in unplanned maintenance and emergency budget spending.		
The current assets comprising inventories and trade and other receivables are not material in nature, making up about 1% of the total assets. They were not impacted by the lockdown regulations implemented in South Africa.		
The cash and cash equivalents comprised of cash in the bank and cash invested with the major banks. Whilst the interest rate declined marginally during the Covid pandemic period, the cash and cash equivalents were not impacted.		
The trade and other payables are not material in nature, making up about 2% of the total net assets and liabilities. They were not impacted by the lockdown regulations implemented in South Africa. The pandemic required management to exercise significant judgement in the going concern assessment, through the preparation of forecasts, due to the Covid-19 pandemic and lock down.		
The going concern assumption is evaluated based on information available up to the date on which the AFS are approved by Council. While there is widespread uncertainty regarding the extent of the financial impact of the COVID-19 global pandemic, the National Department of Sport, Arts and Culture issued The Playhouse Company a 3 year funding commitment for operational and capital expenditure. Management is not aware of any other material event which occurred after the reporting date and up to the date of this report, the knowledge of which would affect the users of these statements to make proper evaluations and decisions. Management is satisfied that the impact of the Covid-19 pandemic and lock-down restrictions has been adequately considered in preparing the annual financial statements.		
28. RECONCILIATION BETWEEN BUDGET AND STATEMENT OF FINANCIAL PERFORMANCE		
Net deficit per the statement of financial performance	(16 632 446)	(13 208 230)
Adjusted for:		
Increase in capital works grant from DSAC	10 183 307	5 585 660
Decrease (Increase) in grant received	728 000	(2 236 000)
Increase in sponsorship for the staging of productions	(150 000)	(1 350 000)
Increase in production income	(33 358)	(904 477)
Increase in liquor bar and sundry income	(20 895)	(62 190)
Increase in finance income	(115 688)	(587 848)
Decrease in production expenditure	(653 361)	(2 173 150)
Decrease in compensation to employees as certain positions not filled	(1 789 165)	(2 673 937)
(Decrease) Increase in consumables, electricity and cleaning	(2 638 955)	468 986
Decrease in council expenses	(361 103)	(26 514)
Increase (Decrease) in telephone expenses	46 741	(233 869)
Decrease in repairs and maintenance	(1 330 647)	(1 259 831)
Decrease in other operating expenses	(1 830 271)	(1 949 368)
Depreciation	9 764 781	16 642 938
Capital expenditure budgeted but not processed to statement of financial performance	(56 364 000)	(26 966 354)
Net deficit per approved budget (including capex)	(61 197 060)	(30 934 185)

Notes to the Annual Financial Statements (continued)

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

STATEMENT OF FINANCIAL PERFORMANCE – ACTUAL VERSUS BUDGET

	2021 Actual	2021 Original Budget	2021 Revised Budget	2021 Variance	2021 Variance
	R	R	R	R	%
REVENUE	62 146 832	72 902 583	67 397 555	(5 250 723)	
Grants	56 406 693	67 427 000	67 318 000	(10 911 307)	-16%
Production income	13 725	3 037 551	-	13 725	0%
Donations and sponsorships	150 000	-	-	150 000	0%
Rent received	24 505	494 711	79 555	(55 050)	-69%
Hire of performance venues, costumes and sets	19 634	897 028	-	19 634	0%
Box office commission - external productions	1 235	182 326	-	1 235	0%
Bar and other sales	-	363 050	-	-	0%
Services in kind	5 456 330	-	-	5 456 330	0%
Sundry income	74 710	500 917	-	74 710	0%
EXPENDITURE	82 894 967	84 942 244	76 230 615	6 664 352	
Production expenditure	9 214 416	15 284 466	9 867 777	(653 361)	-7%
Employee related costs	36 087 265	43 612 746	37 876 430	(1 789 165)	-5%
Annual report	27 916	51 810	51 810	(23 894)	-46%
Auditors fees external	734 889	1 095 551	1 095 551	(360 662)	-33%
Auditors fees internal	361 140	615 825	615 825	(254 685)	-41%
Council related expenses	165 710	276 813	526 813	(361 103)	-69%
Cleaning and sanitation	1 821 311	2 050 033	2 050 033	(228 722)	-11%
Consumables	784 463	1 089 506	1 489 506	(705 043)	-47%
Electricity	3 528 369	5 462 281	5 462 281	(1 933 912)	-35%
Security	4 058 568	4 889 887	4 889 887	(831 319)	-17%
Insurance	398 679	395 361	395 361	3 318	1%
Legal expenses	279 411	360 000	360 000	(80 589)	-22%
Marketing	350 203	828 766	828 766	(478 563)	-58%
Rates & taxes	5 456 330	-	-	5 456 330	
Repairs & maintenance	2 494 768	2 781 584	3 825 415	(1 330 647)	-35%
Telephone	286 278	242 021	239 537	46 741	20%
Training	207 153	200 000	230 000	(22 847)	-10%
Travel - local and overseas	35 446	179 884	429 884	(394 438)	-92%
Water	637 635	571 342	571 342	66 293	12%
Depreciation	9 764 781	-	-	9 764 781	100%
General expenses	6 200 235	4 954 368	5 424 397	(775 838)	14%
DEFICIT FROM OPERATIONS	(20 748 134)	(12 039 661)	(8 833 060)	(11 915 075)	
Interest received	4 115 688	2 000 000	4 000 000	115 688	3%
DEFICIT FOR THE YEAR	(16 632 446)	(10 039 661)	(4 833 060)	(11 799 387)	

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.

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

Notes to the Annual Financial Statements (continued)

Explanation of Significant Variance

Department of Sport, Arts and Culture (DSAC) cut the salaries grant following Covid 19 funding requirements resulting in a reduction of the operational grant. The conditional capital grant was received from DSAC in September 2020. The conditional assessment service provider submitted the final report in February 2021 detailing the rollout requirements of the funds received. The implementation will be rolled out during the 2021/22 year. Some of the capital grant has been recognised in terms of GRAP 23 whilst the unspent amounts are recognised as deferred income.

As a result of the COVID-19 gathering limitations, there were no audiences in quarter one and restrictions on maximum capacity audiences in the remaining quarters. We did however identify alternative ways of presenting productions under the circumstances. The performances were filmed and streamed online. A small number of audiences were allowed into the theatre and this resulted in the small amount of box office takings.

As a result of the COVID-19 regulations, tenants were allowed limited access to the buildings. A small amount of rental income was generated following the lifting of restrictions to level 1 during the latter part of the financial year.

As a result of the COVID-19 regulations implemented at the beginning of the financial year, the budget was reduced to zero. A small amount of income was generated following the lifting of restrictions to level 1 during the latter part of the financial year.

As a result of the COVID-19 regulations implemented at the beginning of the financial year, the budget was reduced to zero. A small amount of income was generated following the lifting of restrictions to level 1 during the latter part of the financial year.

As a result of the COVID-19 regulations implemented at the beginning of the financial year, the budget was reduced to zero. No income was generated during the year as these facilities were not open to the public.

Services in kind as disclosed in note 24.

As a result of the COVID-19 regulations implemented at the beginning of the financial year, the budget was reduced to zero. A small amount of income was generated following the lifting of restrictions to level 1 during the latter part of the financial year.

As a result of Covid-19 hard lockdown as well as restrictions and regulations, performances that were planned to be staged for this financial year could not be presented on a full scale. Number of artists that would have been involved in productions was lesser than normal because of the number of people that were allowed to attend gatherings. Productions like Isicathamiya and Ingoma Competitions which normally employs a large number of artists could not be presented due to the restrictions hence the underspent on the budget.

In line with cost containment, the company removed vacant non critical positions from the organogram. The revised organogram was approved by Council on 30 October 2020. Approved vacant positions were advertised in the 4th quarter and filled subsequently.

Savings arising from the reduced number of reports printed.

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.

As a result of the Covid 19 regulations, the internal auditors amended their internal audit roll out plan and most of the work commenced in the 4th quarter. The outstanding amounts will be paid in the new financial year once all the work has been completed.

As a result of the Covid 19 regulations regarding movement of people, local and international travel was limited and this resulted in cost savings. Meetings were held virtually for a major part of the financial year.

Due to Covid 19 restrictions on movement fewer patrons attended performance resulting in savings in cleaning and sanitation.

Due to the Covid 19 pandemic, there was limited activities in the buildings and this resulted in a decline in procurement of consumables.

Due to the Covid 19 pandemic, there was limited activities in the buildings and this resulted in the reduction in electricity consumption. There was also power outages due to the load shedding and generators are used when load shedding is implemented thus contributing to a reduction in the electricity costs.

Due to the Covid 19 pandemic, there was limitations on the number of people allowed at gatherings and this resulted in limited activities in the buildings which contributed to lesser use additional guards at the theatre venues.

As a result of the Covid 19 regulations regarding movement of people, work activities at The Playhouse Company was limited and this resulted in minimal use of legal services. Savings were thus realised.

Due to Covid-19 restrictions and regulations, marketing strategy/planning had to be revised as there was going to be drastic changes in marketing productions under the new normal. There was no physical marketing i.e. posters, poster distribution, flyers, promotions, activations as well as billboards utilised. Marketing was done mostly digitally.

Services in kind as disclosed in note 24.

Scheduled repairs and maintenance were done throughout the year and completed as per the plan. However, due to lockdown regulations arising from the COVID 19 pandemic, the theatres, other facilities, and fleet were used minimally. As a result of the decrease in active use of the facilities, unplanned and emergency repairs and maintenance were limited which resulted in decrease in unplanned maintenance and emergency budget spending.

As a result of the Covid 19 regulations, staff were restricted from reporting to the work premises in quarter 1 and this resulted in data / airtime costs being incurred during lockdown and for covid screening apps.

Training courses were postponed and moved to the following year as a result of lockdown regulations.

As a result of the Covid 19 regulations regarding movement of people, local and international travel was limited and this resulted in cost savings.

As a result of covid 19 pandemic more emphasis was placed on cleaning and sanitation . This resulted in an increase in the use of water for proper hygiene cleaning purposes.

Non cash flow item not budgeted for annually.

Savings in various expense items due to cost saving initiatives.

Funds optimally invested with banks providing best rates of returns.

Notes to the Annual Financial Statements (continued)

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

FIXED ASSET ADDITIONS – ACTUAL VERSUS BUDGET

	2021 Actual	2021 Original Budget	2021 Revised Budget	2021 Variance	2021 Variance	Explanation of Significant Variance
	R	R	R	R	%	
Office equipment	760 551	300 000	750 000	10 551	1%	
Computer equipment	1 488 703	225 000	1 025 000	463 703	45%	Due to covid 19 restrictions and work from home protocols resulted in the procurement of laptops for key staff members which enabled continuity and connectivity.
Stage equipment	7 454	200 000	3 039 000	(3 031 546)	-100%	The purchase of some stage equipment earmarked for use in the year end production was put in abeyance as a result of the postponement of the production due to Covid 19 regulations implement that restricted the number of people allowed at gatherings.
Buildings	6 434 100	15 862 000	51 550 000	(45 115 900)	-88%	<ul style="list-style-type: none"> Digitizing & Optimizing of The Playhouse Company Archives. A consultant was appointed to do the conditional assessment of all the Playhouse Company building. The consultant submitted their report in February 2021. Project roll out has begun in March 2021 R8 million Savings in projects completed in prior year rolled over. This will be spent in the new financial year once approval is received from DSAC. Facilities management funding totalling R18.5 million received. The service provider was tasked to conduct an assessment of our facilities as per DSAC directive. The facilities management assessment report was received in February 2021 detailing the rollout out requirements of the funds received. Procurement for opera and drama theatre seats of R12 million commenced in September 2020. Tenders received but none were compliant. Relevant materials also not available in South Africa. The tender will be re-advertised in the new financial year. Buildings Decontamination project arising from the Covid-19 pandemic to the value of R 1.8 million will be spent as and when costs are incurred to disinfect the buildings. This is an ongoing item.
Total	8 690 808	16 587 000	56 364 000	(47 673 192)	-85%	

Changes from the approved budget to the final budget were due to capital budget roll overs and new capital funding received from DSAC.

Funding for capital projects were received by 31 March 2021 and the funds had to be rolled over to the year ended 31 March 2022 for project implementation and execution.





Mbuso Khoza and The Afrikan Heritage Ensemble









an agency of the
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